

Response to Questions on Notice from the Honourable Anthony Cianflone MP

Academics for Public Universities

27 May 2026

Part 1: Critique of the Nous Group/Expert Council Report regarding skills matrices

Thank you for the opportunity to address your questions regarding skills matrices for university governing bodies and the cultural diversity of senior leadership in Victorian universities.

Our submission to this Inquiry, particularly the analysis contained at **page 38 of the Academics for Public Universities (APU) submission**, provides a detailed critique of the “skills matrix” approach championed by the Expert Council on University Governance.

The core of our objection is that the skills matrix model as currently conceived is not a neutral technical instrument, but rather a tool of managerial rationalisation that privileges corporate and commercial competencies while systematically excluding the very expertise that should be central to university governance: deep academic and pedagogical knowledge, research ethics, and commitment to public mission.

At present, approximately 60 per cent of council members nationwide come from non-tertiary backgrounds [1]. By definition, this means a majority of council members lack even basic knowledge concerning the range of teaching, research and public engagement activities in which contemporary universities are involved. Indeed, council members are discouraged from even considering such “operational matters” in their deliberations. APU submits that this is an unacceptable practice for a university governing body.

This critique is directly applicable to the flawed analysis and recommendations underlying the Expert Council’s Final Report. That report was informed by a consultation process that was itself managed by the consultancy firm Nous Group. As we have documented elsewhere, Nous Group has become deeply embedded in the strategic planning, governance reforms and institutional restructuring of numerous Australian universities, often operating with minimal transparency. The Australian National University’s \$250 million “Renew” program, designed by Nous Group, is a case in point, where the firm’s role was concealed even from Parliament [2].

The Expert Council’s report on university governance, for which Nous Group conducted the consultation and prepared the analysis, suffers from precisely the same kind of corporate capture evident in the ANU case. The skills matrix it promotes reinforces a governance model that treats universities as if they were commercial enterprises, where financial, legal, and risk management skills are deemed essential, while academic judgment and a public service ethos are treated as “optional extras”.

The Australian Greens’ additional comments to the recent Senate inquiry into university governance are particularly apposite in this regard: “KPMG, Nous and other big consultancies feast on public money while the people who teach, research, support students, and hold the university together are overworked, underpaid and exploited... It is perplexing why there is so

much reliance on external consultants, many of whom do not have higher education expertise, when this expertise already exists in universities.“ [3]

As our submission to the NSW Inquiry noted (see **pages 54–55 of the Lucas & Guthrie submission**), the definition of “independent” members in the Expert Council’s principles excludes “any relationship or circumstances that could reasonably be seen to interfere with their ability to make impartial decisions in the best interests of the university”. This definition presumes that only those *without* academic or employment ties are truly independent, effectively assuming that academic staff *cannot* act in the university’s best interests [4].

As we outline in detail below, there are many sound reasons as to why this notion is deeply flawed and that a pluralist and collegial definition focused on university mission should be substituted for the current definition. That new definition should form part of universities’ core governance principles with enforceable powers attached.

As one commentator has noted, “Universities are not-for-profit entities, yet their governance ‘skills matrix’ points entirely towards unabashed profit-making [5]. This is the fatal flaw at the heart of the corporatised governance model. The way that skills matrices have been used in the past is to embed a private-sector worldview into the very fabric of university governance. As we will demonstrate below in relation to the University of Wollongong’s skills matrix for external appointees from 2021, they are designed to produce councils that are technically competent in financial and legal matters but entirely incapable of defending the core academic mission of the university. As other evidence we have provided to the Committee accompanying this response clearly indicates, it is the dominance of those who possess such competencies who can and should be held accountable for the financial and governance problems that are currently rife in the sector.

The NSW Legislative Council interim report provides powerful evidence of the extent to which university executives now rely on external consultants to run Australia’s universities, moving decisively from the traditional collegial model that remains the norm in most of the world’s universities. Professor Corinne Cortese told the NSW Committee that calculating total consulting spend required specialist accounting expertise and careful interrogation of inconsistent disclosures across ten institutions. She described consultant reporting practices as “a mess”, citing inconsistent categorisation and a lack of uniform disclosure. The NSW Committee found that NSW universities spent approximately **\$641 million** on consultants in 2024, yet observed that “these disclosures are not reasonably accessible to staff, students, parliamentarians or the public” [6]. Guthrie and Lucas have estimated the total spend at around **\$1 billion nationally** [7], while Professor Cortese has most recently estimated the total to be as much as **\$1.8 billion** [8].

In response to these eye-watering figures, the NSW Committee recommended that the exemption for universities from disclosing consultant expenditure be removed, requiring all NSW universities to disclose consultant expenditure in accordance with Treasury Policy and Guidelines [9]. We urge the Victorian Government to adopt a similar approach, building on the existing FRD 22 framework in Victoria.

University of Wollongong’s skills matrix

We provide as an exemplar of the corporatized model of university governance the **University of Wollongong’s skills matrix** (attached). The experience of one of us as a council member at UOW confirmed precisely this bias. The matrix was not used to cultivate academic or

pedagogical expertise. Rather, it was employed to validate the appointment of external members with corporate backgrounds while justifying the continued marginalisation of elected staff and student representatives. The emphasis was almost exclusively on “skills” such as risk management, financial oversight, and strategic planning: as defined by corporate governance norms. The practical knowledge of how universities actually function as centres of teaching and research was either absent or treated as a secondary consideration.

This is not a matter of individual institutional failure but of systemic design. The 2011–2012 “reforms” that embedded the corporate council model into NSW university legislation explicitly removed the structural guarantees that had previously ensured balanced representation. As Lucas and Guthrie documented in their submission, under the *University of Wollongong Act 1972 (NSW)*, elected members – including two parliamentary members, four Convocation members, four academic staff, and two students – constituted approximately **55 per cent** of the Council. Section 15 of that Act provided that “the Council shall consist of ... two members elected by and from the students of the University ... four members elected by and from the academic staff ... four members elected by and from the Convocation”, among others. Today, under the post-2012 model, that figure has fallen to as low as three elected members out of up to 22, around **13 per cent** [10]. As stated in our evidence to the Inquiry, similar clauses were implanted in the Victorian university acts after 2009.

The findings of the NSW Legislative Council's interim report into the university sector, published in April 2026, provide compelling empirical confirmation of these trends across the state. Professor Corinne Cortese's analysis of NSW university council membership, cited in that report, found that only **18 per cent** of council members were elected staff representatives, while **46 per cent** were externally appointed members. Of those appointed members, **54 per cent** had corporate, consulting or industry affiliations, compared to just **12 per cent** with education or research backgrounds. As the NSW Committee observed, this profile risks entrenching a decision-making orientation more aligned with private sector practices than with universities' public mission [11].

The NSW Committee also noted Professor Cortese's warning that "having a majority of council members that have a corporate orientation creates this kind of groupthink where it's normal to seek consulting services." This dynamic is perfectly exemplified in the UOW skills matrix from 2021 which we discuss below [12]. The Committee was "deeply troubled" by evidence that consultants at UTS produced a spreadsheet ranking academics by selective research metrics which was later found to be inaccurate, yet this work formed the basis of major restructuring decisions [13].

The skills matrix at UOW is deployed to legitimise this democratic deficit, just as it has at other universities throughout Australia. The rationale is that narrowly defined “merit” and “skills” must take precedence over knowledge and representation. As we have demonstrated, the definition of “merit” is anything but neutral. It systematically excludes the perspectives of those who work and study in the institution, and it substitutes a narrow, commercialised conception of “governance expertise” for the genuine, multifaceted expertise required to oversee a complex public institution with a statutory public mission.

To illustrate precisely how a skills matrix functions as an instrument of managerial capture, we draw on two internal UOW documents from April 2021, when Lucas served as an elected academic staff member on the UOW Council.

Document 1: UOW Council Skills Matrix (April 2021) – see attached.

This matrix lists the 17 Council members as of April 2021, their categories of membership, and their designated “Expertise.” A simple analysis reveals the following:

| Category | Number | Expertise Listed |
|--|--------|---|
| Council appointed (external) | 3 | Finance – Banking; Finance – Banking – Legal Quals; Finance – Education |
| Graduate elected | 1 | Law |
| Academic staff elected | 2 | Marketing; Science and Technology Studies |
| General staff elected | 1 | Marketing / Administration |
| Student elected (undergrad + postgrad) | 2 | Engineering/Laws student; PhD student (Computing) |
| Ex officio (Chancellor, VC, etc.) | *8* | (not listed in matrix) |

Key findings from the matrix:

- **Of the 17 Council members, only two – the two elected academic staff members – had their primary expertise listed as belonging to an academic discipline** (Marketing and Science & Technology Studies). The other elected members (graduate, general staff, students) had expertise listed as Law, Marketing/Administration, or were students. The three Council-appointed external members all had expertise listed exclusively in finance and banking.
- **The matrix systematically devalued academic expertise.** It was not used to recruit additional academic voices; rather, it justified the existing composition as “balanced” because it included two academics. No effort was made to identify gaps in disciplinary representation, research ethics expertise, or pedagogical knowledge.
- **The matrix ignored the statutory public mission of the university.** There was no category for expertise in public sector governance, community engagement, equity, Indigenous partnership, or academic freedom protection. The matrix was a tool for validating a corporate-skewed status quo, not for cultivating the diverse expertise required to oversee a public institution.

Document 2: UOW Compliance with the Voluntary Code of Best Practice Governance (April 2021) – see attached.

This document is a remarkable piece of self-assessment. Against each principle of the voluntary code, UOW ticked “Yes” – including the following crucial items:

- **Item 7:** “The size of the governing body should include members with strong expertise in and knowledge of higher education and other sectors.” **UOW ticked Yes.** Yet as the skills matrix shows, only two of seventeen members had academic higher education expertise. The other fifteen had backgrounds in finance, banking, law, marketing administration, or were students. The claim of compliance was demonstrably false.

- **Item 9 (Risk Management):** UOW claimed to have codified grievance procedures and published information about complaints to the Ombudsman. However, as has been documented elsewhere, the actual experience of elected staff representatives – including exclusion from key committees, withholding of papers, and fear of retaliation – directly contradicted this paper compliance [14].
- **Item 13 (Controlled entities):** UOW claimed to assess risks from controlled entities. Yet at the very same time, UOW was expanding its Innovation Campus and offshore ventures with minimal public disclosure or academic oversight – a pattern we detailed in our NSW submission. The fact that UOW is currently under investigation by the Independent Commission Against Corruption in NSW is vindication of our concerns.

What these documents demonstrate:

1. **The skills matrix was not a neutral tool for identifying gaps.** It was a retrospective justification for a composition already determined by executive and ministerial appointment networks. The matrix did not lead to the recruitment of additional academic expertise; it merely documented the absence of such expertise without consequence.
2. **Voluntary codes and self-assessments are worthless as accountability mechanisms.** UOW claimed full compliance with a code that purported to require “strong expertise in higher education” while operating a council that was 88 per cent non-academic by expertise (15 of 17 members). This is not a failure of individual institutions; it is a failure of the voluntary, self-regulatory model.
3. **The skills matrix approach, as currently conceived, is an instrument of legitimation, not reform.** When a university can produce a matrix that lists “finance” and “law” as core expertise, appoint three external members with those backgrounds, and then declare itself compliant with best practice, the matrix has become a shield against accountability.

Implications for the Victorian Inquiry:

If Victorian universities were to adopt the Expert Council’s skills matrix approach without fundamental reform, we would see the same pattern: councils dominated by finance, legal, and consulting expertise, a token academic or two, and a self-assessment declaring full compliance. The matrix would not generate diversity of perspective; it would entrench homogeneity under a veneer of technical objectivity.

A genuinely reformed skills matrix for a public university must include as mandatory and weighted categories, listed in order of priority:

1. **Higher education governance and academic leadership expertise** – demonstrated experience in academic leadership (e.g., Dean, Head of School, Academic Board member), teaching quality assurance, curriculum design, research governance, and disciplinary accreditation. This is the *primary* criterion against which all external appointments should be assessed.
2. **Academic freedom and research ethics expertise** – knowledge of the legal and ethical frameworks that protect scholarly independence, including the Model Code, research

integrity standards, and whistleblower protections. Evidence of defending academic freedom or managing research ethics in practice is essential.

3. **Public mission and social licence expertise** – demonstrated commitment to the public purposes of universities: equity of access, regional development, Indigenous partnership, community engagement, and knowledge translation. Candidates should show evidence of working with disadvantaged groups, regional communities, or public sector bodies.
4. **Workforce sustainability expertise** – understanding of academic and professional workforce conditions, including casualisation, fixed-term employment, workload models, psychosocial risk, enterprise bargaining, and wage compliance. Evidence of improving employment security or staff wellbeing is highly desirable.
5. **Cultural and First Nations expertise** – not as a token, but as a substantive category requiring demonstrated experience working with Indigenous communities and culturally diverse populations, including culturally safe governance, Indigenous data sovereignty, or community-led partnerships.
6. **Financial and commercial expertise (secondary)** – while financial literacy is relevant, it must be balanced by the above academic and public-mission expertise. This category should be weighted less heavily than categories 1–5, and candidates with financial backgrounds must also demonstrate understanding of the non-profit, public-good character of universities.

We emphasise that **diversity of cultural background, gender, and lived experience** is also essential. However, such diversity is most effective when it is embedded within, and enriched by, deep academic and public-mission expertise, rather than being treated as a separate or competing category.

Governance Below Council Level: Elected Leadership and Restructuring Controls

The discussion above has focused primarily on council-level governance. However, as we have noted elsewhere in our evidence, **most damaging decisions – restructures, course closures, workload models, and staffing reductions – are made below council level**, in executive-controlled committees or by senior management with minimal oversight. Reforming councils alone, therefore, leaves the real decision-making machinery untouched.

To address this, any comprehensive governance reform must extend to the internal academic units – faculties, schools, departments, divisions, centres, and institutes – where the core work of teaching and research is conducted. We recommend that the Victorian University Acts be amended to include the following provisions:

Elected leadership of academic units

- (5) All heads of faculties, schools, and departments must be elected by the academic staff of that academic unit.
- (6) The election process for roles under subsection (5) must include—
 - (a) a requirement for candidates to publicly present their vision and qualifications in forums open to the academic unit and broader academic community; and

(b) formal consultation with student board representatives of the relevant unit, who shall be invited to attend and participate in public presentations.

(7) All full-time academic staff within an academic unit are eligible to vote in the election of the head of that unit.

This provision restores the collegial principle that those who are led should have a voice in choosing their leaders. It also ensures that leadership is accountable to the academic community, not merely to executive management.

Supermajority approval for structural reorganisations

In addition to elected leadership, major structural changes that threaten the viability of academic units must not be left to executive discretion alone. We therefore recommend:

21A Approval of structural reorganisation of academic units

(1) Any proposal for the restructure, amalgamation, or closure of an academic unit, or any change that meets the criteria in subsection (2), must be approved by a three-quarters supermajority of the university community.

(2) For the purposes of this section, a proposal is deemed to require approval under subsection (1) if it involves any of the following triggers:

- (a) the proposed redundancy, forced transfer, or significant change to employment conditions of tenured or continuing academic staff;
- (b) the proposed discontinuation or significant alteration of a degree program or major discipline area;
- (c) the proposed outsourcing of teaching or research activity that has previously been delivered by university employees;
- (d) the proposed merger of two or more academic units that would result in a net reduction of academic leadership positions;
- (e) any other change that the Academic Board, by resolution, determines materially threatens the academic mission or disciplinary diversity of the university.

These provisions ensure that **restructuring is a last resort, not a first response**, and that the university community – not just executive management – has a decisive voice in changes that fundamentally reshape the institution. The three-quarters supermajority threshold prevents narrow factions from forcing through unpopular restructures while still allowing genuinely necessary changes to proceed if they command overwhelming support.

Why these provisions are necessary

The evidence from recent restructures at UTS, UOW, and ANU demonstrates that existing governance arrangements provide no effective check on executive-driven restructuring. Academic Boards are advisory; councils are dominated by corporate appointees; staff and students are consulted only after decisions are effectively made. The result has been widespread job losses, course closures, and psychosocial harm – all justified in the name of “financial sustainability” even where universities held substantial cash reserves.

Elected leadership of academic units and supermajority approval for restructures would:

1. **Restore democratic accountability** at the level where academic work actually occurs.
2. **Prevent unilateral executive action** that disregards disciplinary expertise and community impact.
3. **Require genuine consensus-building** before major changes are implemented, reducing the likelihood of failed restructures that must later be reversed.
4. **Protect academic freedom** by ensuring that decisions affecting teaching and research are made by those with relevant expertise, not by external consultants or executives with no disciplinary knowledge.
5. **Align Victorian universities with international best practice** – many European and North American universities maintain strong collegial governance at the faculty and departmental level.

The need for these provisions is directly supported by evidence we have already placed before the Committee:

- The NSW Legislative Council interim report documented that “most damaging decisions – restructures, course closures, workload models – are made **below council level**” and that reforming councils without reforming internal governance “leaves the real decision-making machinery untouched” (see our earlier citation of the ANU Governance Project and UTS evidence).
- The UOW skills matrix analysis above demonstrates how councils dominated by corporate appointees routinely approve executive-driven restructures without meaningful scrutiny.
- The NTEU survey data (The ‘Bell Curve’ of University Governance) shows that elected staff representatives are systematically excluded from key committees and that restructures proceed with minimal genuine consultation.

Without these provisions, governance reform will remain incomplete. We urge the Committee to include elected leadership of academic units and supermajority approval for restructures in its final recommendations.

We recommend that the Committee also require:

1. **Democratic representation floors** (statutory minimum of 50% elected staff and student members) – because expertise without democratic mandate does not constrain executive power.
2. **Public disclosure of appointment rationales** – for every external appointment, the university must publish how the candidate meets each of the above categories, and why no candidate with stronger academic expertise was available.
3. **Independent review of skills matrices** – every three years, the skills matrix and its application should be audited by the Victorian Auditor-General to ensure it is not being used to exclude academic or public-mission expertise.

Without a fundamental reorientation of the guiding principles which underlie them, skills matrices do not serve as tools for good governance but as instruments for its capture by

private-sector interests. The UOW documents from 2021 stand as a warning: we have been here before. Voluntary compliance has failed and UOW is under ICAC investigation.

The Senate Education and Employment Legislation Committee's final report on university governance (December 2025) reached conclusions that mirror our own. James Guthrie and Adam Lucas (both of whom contributed to this submission) have argued elsewhere that there exist "interlocking directorates between universities and the Big Four consulting firms" [15]. NTEU research has confirmed that analysis, showing that **143 of 366 appointed university council members** in 2024 were corporate executives or consultants [16].

The Senate Committee's first recommendation called on state and territory governments to "review the establishing acts of universities to ensure the primacy of public research and education in their objects and functions, and consider the composition of members on governing bodies that ensure this can be achieved" [17]. This is precisely the reform we have urged upon this Inquiry.

Given the evidence provided, we caution the Committee against uncritical adoption of the skills matrix approach. A matrix that simply lists financial, legal, and risk management skills will only entrench the current closed governance circuit, where power circulates among an interconnected elite of corporate directors, lawyers, and consultants, and where academic and community voices are structurally excluded.

If a skills matrix is to be used at all, it must be radically reconceived.

Part 2: Cultural Diversity of Chancellors, Vice-Chancellors & Governing Body Members

On your second question regarding the cultural diversity of senior leadership, we must first note a significant gap in the available evidence. In the course of preparing our submission and reviewing the published materials from this Inquiry, we have not been able to identify systematic, institution-level data on the ethnic, cultural or linguistic backgrounds of chancellors, vice-chancellors and council members in Victoria. This absence of data is itself a finding of considerable significance. If universities and governments are serious about diversity, they must first commit to measuring it transparently.

However, national data provides a clear indication of the scale of the problem. A 2020 analysis by the University of Melbourne's "Find an Expert" service, drawing on data from the Australian Human Rights Commission, indicated that **less than 10 per cent of Australian Vice-Chancellors come from culturally or linguistically diverse backgrounds** [18]. At a time when international students constitute a substantial proportion of university enrolments – and when our universities are increasingly dependent on revenue from overseas – this lack of representation at the highest levels is untenable.

The general composition of university councils reinforces this picture of homogeneity. As noted in the APU submission (page 38), approximately 60 per cent of council members nationally come from non-tertiary backgrounds, drawn primarily from the corporate, finance, legal and consulting sectors. These are not, as a rule, sectors known for their cultural diversity. The data on chancellors is even more telling: the overwhelming majority are drawn from a narrow pool of senior corporate and legal figures, overwhelmingly Anglo-Australian in background [19].

This lack of diversity is not merely a symbolic deficit; it has direct consequences for decision-making. The "closed governance circuit" we describe in our submission is not just socially exclusive but intellectually narrow. When councils are dominated by members who

share similar professional backgrounds, social networks, and cultural assumptions, they are far less likely to appreciate the needs and perspectives of a diverse student body or to engage effectively with First Nations communities.

The problem is compounded by the appointment processes themselves. Ministerial and council-appointed members are selected through opaque, network-driven processes that systematically reproduce the existing demographic profile of governing bodies. Without transparent, public expressions of interest, published selection criteria, and independent oversight of appointments, there is little prospect of achieving genuine cultural diversity at the highest levels of university governance.

We note that the Expert Council's principles, while paying lip service to diversity, fail to address these structural barriers. The emphasis on "skills matrices" as the primary mechanism for shaping council composition does nothing to disrupt the network-based, culturally homogenous appointment patterns that currently prevail. In fact, as we argue above, the skills matrix approach, as currently conceptualised, actively reinforces those patterns.

Part 3: Supplementary Information and Document Sources

To assist the Committee in further investigating these matters, we have identified the following sources that may provide additional data and analysis:

3.1 Published Skills Matrices

While most Victorian universities do not publish their council skills matrices, two examples are publicly available that could inform the Committee's deliberations:

- The **University of Technology Sydney (UTS) Council Skills and Experience Matrix** was revealed through an FOI (GIPA) request, but is available as part of the university's governance documentation. The UTS skills matrix mirrors the UOW matrix in its overwhelming prioritisation of finance, legal, and corporate governance competencies, while relegating deep disciplinary academic expertise and public mission experience to marginal, non-mandatory categories [20].
- The **Australian Institute of Company Directors (AICD)** has published guidance noting that a skills matrix is "only operable in relation to the non-elected ... Council positions" and that such positions should be advertised with the skills matrix and priority skills clearly outlined. This underscores the limitation of the matrix: it does not and cannot bind the selection of elected staff and student representatives, who are increasingly marginalised [21].

3.2 NTEU Governance Survey Data

The National Tertiary Education Union's report, *The 'Bell Curve' of University Governance* (July 2025), contains extensive survey data from elected staff representatives on university councils. The report documents:

- That 59 per cent of respondents characterised governance culture as "very negative".
- Widespread reports of exclusion from key committees and confidential sessions.
- Systemic use of "conflict of interest" claims to justify the exclusion of staff and student representatives from key deliberations.

- The conclusion that there is a “bell curve” in university governance, “with very few instances of what would be deemed as appropriate (or ‘good’) governance” and a spectrum concluding “at an end point of very poor institutional governance practice and cultures” [22].

This report provides powerful qualitative evidence of the consequences of the corporatised governance model that the skills matrix approach entrenches.

3.3 Perrett Laver Diversity Data

The executive search firm Perrett Laver has published data on diversity in higher education leadership. While focused on the UK, the report notes that even in a more advanced diversity landscape, only 43.4 per cent of UK governing body members are women and the proportion of vice-chancellors from culturally diverse backgrounds remains low. This comparative data suggests that Australian universities are not alone in facing this challenge, but it also demonstrates that meaningful progress requires intentional, structural reform – not merely the adoption of aspirational principles [23].

3.4 Senate Inquiry Submissions

The Senate Education and Employment Committees Inquiry into the Quality of Governance at Australian Higher Education Providers (2025–2026) received numerous submissions documenting the lack of diversity on university councils and the marginalisation of academic voices. These submissions, including the Australian Greens’ additional comments quoted above, provide further evidence that the governance crisis is systemic, not isolated, and that the current “reform” agenda, including the Expert Council’s principles, is failing to address its root causes [24].

Part 4: Conclusion

Mr Cianflone, the question you have raised goes to the very heart of the governance crisis facing Victorian public universities. The skills matrix, as currently conceived and implemented, is not a solution to that crisis but a symptom of it. It is a tool of managerial capture, designed to legitimise the appointment of corporate-aligned external members while excluding the academic expertise and democratic representation that universities urgently need to restore.

The cultural homogeneity of chancellors, vice-chancellors and council members is not an accident; it is the predictable outcome of a closed, network-based appointment system that the skills matrix approach actively reinforces rather than disrupts.

If this Inquiry is to produce meaningful reform, it must move beyond the tinkering of skills matrices and principles and confront the structural question that our colleagues in New South Wales have also identified: **Who should govern universities, and in whose interest?**

We have provided detailed recommendations in our submission (APU pages 4–5, 22–25, and throughout) for structural reform, including:

- A statutory minimum of 50 per cent elected representation on governing bodies.
- Transparent, public nomination and appointment processes for external members.
- Independent, quinquennial governance reviews tabled in Parliament.
- Strengthened conflict-of-interest and related-party transparency.

- The establishment of a statutory duty of openness requiring public justification for major decisions.

We note that the Senate Committee's interim report (September 2025) also recommended that "universities set and implement a minimum proportion of elected representatives (staff, undergraduate and postgraduate students) on governing bodies" [25].

The Australian Greens' additional comments to the final report went further, calling for "a minimum membership requirement of at least 50 per cent democratically elected staff and student representatives" [26]. These recommendations align with our own call for a statutory minimum of 50 per cent elected representation.

We urge the Committee to adopt these recommendations as the foundation for a governance framework that is genuinely accountable, transparent, and representative of the communities our universities are intended to serve.

Thank you again for the opportunity to respond to this Question on Notice. We would be pleased to provide further information or additional documentation as the Committee's deliberations continue.

Footnotes

[1] APU submission, p. 38; see also Pelizzon, A., Lucas, A., Vodeb, O. (2021) '2 out of 3 members of university governing bodies have no professional expertise in the sector', **The Conversation**, 29 November.

[2] Senate Inquiry into the Quality of Governance at Australian Higher Education Providers (2025–2026); see also **Canberra Times** coverage of ANU Renew program; David Pocock Senate statement, February 2026; Woroni student media investigation.

[3] Australian Greens Senators' Additional Comments to the Senate Inquiry into the Quality of Governance at Australian Higher Education Providers (Commonwealth Parliament, 2026).

[4] Lucas, A. & Guthrie, J. (2025) 'Submission to the NSW Legislative Council Standing Committee on Social Issues Inquiry into the New South Wales University Sector', pp. 54–55.

[5] Anonymous governance commentator, cited in NTEU (2025) **The 'Bell Curve' of University Governance**, p. 12.

[6] NSW Legislative Council Interim Report, pp. 60-61.

[7] Guthrie, J. and Lucas, A. (2025) 'Reining in the consultant culture in Australia's public universities', *Pearls and Irritations*, 1 September. Available at: <https://publish.pearlsandirritations.com/reining-in-the-consultant-culture-in-australias-public-universities/>

[8] Cortese, C. expert evidence to ABCTV Four Corners, 30 March 2026.

[9] NSW Legislative Council Interim Report, Recommendation 3, p. xii.

[10] University of Wollongong Act 1972 (NSW) s 15; Lucas & Guthrie (2025) submission, Appendix Table 1 and analysis at pp. 60–62.

[11] NSW Legislative Council Standing Committee on Social Issues, *New South Wales university sector: Interim report – University of Technology Sydney, University of Wollongong and consultants*, April 2026, pp. 56-57.

[12] Ibid., p. 59.

[13] Ibid., p. 67.

[14] See NTEU (2025) The ‘Bell Curve’ of University Governance, pp. 9-14; and evidence of elected staff representatives to the NSW Legislative Council inquiry, e.g., Transcript of evidence, 18 February 2026, pp. 12-15.

[15] Lucas, A. and Guthrie, J. (2024) 'The use of private consultants by public universities and its implications for tertiary education', ASSA Workshop, University of South Australia, Adelaide, 8-9 October. See also the analysis of interlocking directorates in Pelizzon, A., Lucas, A., Vodeb, O. (2021) '2 out of 3 members of university governing bodies have no professional expertise in the sector', *The Conversation*, 29 November.

[16] NTEU (2025) *The ‘Bell Curve’ of University Governance*, pp. 9–14.

[17] Senate Education and Employment Legislation Committee, *Quality of governance at Australian higher education providers – final report*, December 2025, p. xi (Recommendation 1).

[18] University of Melbourne, ‘Find an Expert’ (2020), citing Australian Human Rights Commission, *Leading for Change: A Blueprint for Cultural Diversity and Inclusive Leadership Revisited* (2016). See also Diversity Australia (2022) *Leading for Change*.

[19] APU submission, p. 38; Pelizzon et al. (2021).

[20] University of Technology Sydney, *Council Skills and Experience Matrix* (available at [GSU-UTSDisclosure-GIPA-2025-04_v3.pdf](#)).

[21] Australian Institute of Company Directors, *Board Skills Matrix*, available at [aicd.com.au](#).

[22] NTEU (2025) *The ‘Bell Curve’ of University Governance*, published at [betterunis.nteu.au](#).

[23] Perrett Laver (2025) *Driving Up Diversity at the Highest Levels of Higher Education*, available at [perrettlaver.com](#).

[24] Senate Education and Employment Committees Inquiry into the Quality of Governance at Australian Higher Education Providers (2025–2026), submissions and additional comments.

[25] Senate Education and Employment Legislation Committee, *Quality of governance at Australian higher education providers – interim report*, September 2025, Recommendation 6.

[26] Senate final report, Australian Greens' additional comments, p. 148, Recommendation 7.

Attachments:

- UOW Council Skills Matrix (April 2021)
- UOW Compliance with the Voluntary Code of Best Practice Governance (April 2021)
- University of Technology Sydney (UTS) Council Skills and Experience Matrix (August 2024)

Council Member Skills Matrix

APRIL 2021

| Council Member | Membership category | Date originally commenced on Council | End of Term | Male / Female | Qualifications | Financial (relevant) qualifications AND experience in financial management at a senior level) s8C(1)(a) | Commercial (relevant) experience at a senior level) s8C(1)(b) | Expertise and experience relevant to the functions exercisable by the Council s8C(2) | UOW Alumni | Potential term extension (beyond current term)* | Field |
|----------------------|---------------------|--------------------------------------|-------------|---------------|---|---|---|--|------------|---|--|
| Christine McLoughlin | ex officio | 1-Oct-20 | 30-Sep-24 | F | LLB (Hons), BA ANU, FAICD | Yes | Yes | Yes | No | 8 years | Law Finance Banking |
| Paul Wellings CBE | ex officio | 1-Jan-12 | Ex-Officio | M | BSc (IntHons) Lond, MSc, Durh, PhD, E. Anglia, Hon DSc Lanc, Hon DUniv Surrey | Yes | Yes | Yes | No | ex-officio | CEO - Education - Science |
| Greg Rose | ex officio | 1-Jul-20 | Ex-Officio | M | BA, LLB, LLM Monash | | | Yes | No | ex-officio | Education /Law – Academic Governance |
| Liz Magassy | Minister appointed | 1-Jan-10 | 31-Dec-21 | F | MBBS, Syd, Dip. RACOG | | | Yes | No | 0 years | Health |
| Warwick Shanks | Minister appointed | 1-Jan-18 | 31-Dec-21 | M | BEc Syd; FCA, GAICD | Yes | Yes | Yes | No | 8 years | Finance - Audit |
| Merran Dawson | Council appointed | 1-April-21 | 31 Dec-24 | F | TBA | Yes | Yes | Yes | Yes | 8 years | Finance Audit |
| David Groves | Council appointed | 1-Jan-17 | 31-Dec-24 | M | BCom W'gong; MCom UNSW, CA, FAICD | Yes | Yes | Yes | Yes | 4 years | Finance - Banking |
| Nieves Murray | Council appointed | 1-Jan-14 | 31-Dec-22 | F | BA Grad Cert PublicHealth W'gong, GMP Harv | | Yes | Yes | Yes | 3 years | Business - Health |

4.3.4: Attachment IV Council Skills Matrix

| | | | | | | | | | | | |
|-------------------|-------------------------------|----------|-----------|------------------------------|---|-----|-----|------|-----------------------------------|--|------|
| Natasha Nankivell | Council Appointed | 1-Dec-18 | 31-Dec-21 | F | BSc, UNSW; GAICD | Yes | Yes | No | 9 years | Finance - Banking | |
| Robert Ryan | Council appointed | 1-Jan-10 | 31-Dec-21 | M | BEC Syd, MCL Macq | Yes | Yes | No | 0 years | Finance- Banking - Legal Quals | |
| Greg West | Council appointed | 1-Jan-18 | 31-Dec-24 | M | CA, MAICD | Yes | Yes | No | 5 years | Finance - Education | |
| Paul E'll | Graduate elected | 1-Jan-18 | 31-Dec-21 | M | BCom-LLB, GDipLegPrac W'gong | | Yes | Yes | 8 years | Law | |
| Melanie Randle | Academic Staff elected | 1-Jan-21 | 31-Dec-22 | F | BA (Admin)- UC, Masters of Business Marketing CSU, PHD UOW | | Yes | TBC | 10 years | Marketing | |
| Adam Lucas | Academic Staff elected | 1-Jan-21 | 31-Dec-21 | M | MScSoc, MA (Hons), PhD UNSW | | Yes | TBC | 11 years | Science and Technology Studies | |
| Liza Rodger | General Staff elected | 1-Jan-20 | 31-Dec-21 | F | MA Dunelm BSc (JntHons) Aston | | Yes | No | 10 years | Marketing / Administration | |
| Jackson Cocks | Undergraduate Student elected | 1-Jan-21 | 31-Dec-22 | M | N/A | | Yes | No | 10 years depending on eligibility | Bachelor of Engineering (Honours) - Bachelor of Laws student | |
| Yannan Li | Postgraduate Student elected | 1-Jan-21 | 31-Dec-22 | F | Bachelor and Master's degree at University of Electronic Science and Technology of China. | | Yes | No | 10 years depending on eligibility | PhD student (Computing and Information Technology) | |
| | | | | f=8 / m=9 (As at April 2021) | | | | 8:17 | 10:17 | 17:17 | 4:17 |

* Section 9 (3) of the University of Wollongong Act states "A person must not be appointed or elected to serve more than 12 consecutive years of office (unless the Council otherwise resolves in relation to the person)."

UOW Compliance with the Voluntary Code of Best Practice Governance

FOR AUSTRALIAN UNIVERSITIES

| Voluntary Code | Compliant? | Comments |
|--|------------|--|
| <p>Roles and Responsibilities of Governing Body</p> <p>1. A university should have its objectives and/or functions specified in its enabling legislation.</p> | Yes | Refer Section 6 Object and functions of University, <i>University of Wollongong Act (1989)</i> (the UOW Act). |
| <p>Roles and Responsibilities of Governing Body</p> <p>2. A university's governing body should adopt a statement of its primary responsibilities, which should include:</p> <ol style="list-style-type: none"> Strategic Oversight <ol style="list-style-type: none"> approving the mission and strategic direction of the university; ensuring that values, visions and goals are turned into effective management systems; and monitoring implementation of the university's mission statement and strategic plan. | Yes | <p>Statement of Primary Responsibilities required under and at section 16(1B)(k) of the UOW Act. Approved and accessible in Council Handbook.</p> <ol style="list-style-type: none"> Strategic Oversight <ol style="list-style-type: none"> Included in Statement of Responsibilities and at section 16(1B)(d) of the UOW Act. In 2020, the University implemented the new 2020-2025 Strategic Plan, which was approved by Council at the October 2019 Council meeting. The Strategic Plan outlines three strategic goals, three transformative priorities and four strategic enablers. The University measures its progress through monitoring and reporting against 12 key performance indicators. The Strategic Plan Stocktake Report is presented to Council annually. The strategic plan goals are implemented by UOW faculties and divisions and are monitored through KPIs. Ensuring Effective Overall Management <ol style="list-style-type: none"> Council appoints VC and sets KPIs. VC's performance is monitored by the Performance and Remuneration Committee reporting to Council. |

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| <p>b. Ensuring Effective Overall Management</p> <ul style="list-style-type: none"> a. appointing the Vice-Chancellor as the Chief Executive Officer of the university, and monitoring his or her performance; b. appointing other senior officers of the university as considered appropriate; c. overseeing and reviewing overall management performance; d. overseeing and monitoring the academic governance and activities of the university. <p>c. Ensuring Responsible Financial and Risk Management</p> <ul style="list-style-type: none"> a. approving the annual budget and business plan; b. approving and monitoring systems of control and accountability, including general overview of any controlled entities (entities satisfying the test of control in s.50AA of the Corporations Act); c. overseeing and monitoring the assessment and management of risk across the university, including commercial undertakings; d. establishing policy and procedural principles, consistent with legal requirements and community expectations, including remuneration policies for the Vice-Chancellor and senior officers; and e. ensuring compliance with legal and government policy requirements. <p>A university's governing body, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.</p> | <p>Yes</p> <p>N/A</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> | <ul style="list-style-type: none"> b. Council has delegated the approval of the appointment of Senior Officers to the Vice-Chancellor. Appointments are reported to Council. c. Included in Statement of Responsibilities and at section 16(1A)(b) of the UOW Act. Performance reported through KPIs, and Council reports. d. Statement of Responsibilities and section 16(1B)(c) of the UOW Act. Monitored via Academic Senate and reports to Council c. Ensuring Responsible Financial and Risk Management <ul style="list-style-type: none"> a. Included in Statement of Responsibilities and at section 16(1B)(d) of the UOW Act. b. Included in Statement of Responsibilities and at section 16(1B)(f) of the UOW Act. c. Included in Statement of Responsibilities and at section 16(1B)(e) of the UOW Act. d. Included in Statement of Responsibilities and at section 16(1B)(h) of the UOW Act. VC Remuneration set by the Performance and Remuneration Committee. e. Included in Statement of Responsibilities and at section 16(1B)(h) of the UOW Act. Legislative compliance monitored by Risk, Audit and Compliance Committee and Council. <p>Refer to Section 17 of the UOW Act. The UOW Delegations of Authority Policy is updated, communicated, reviewed annually and amendments regularly approved by Council and/or the VC to ensure currency.</p> |
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| <p>Duties of Members</p> <p>3. A university should have the duties of the members of the governing body and sanctions for the breach of these duties specified in its enabling legislation.</p> <p>Other than the Chancellor, the Vice-Chancellor and the Presiding Member of the Academic Board, each member should be appointed or elected ad personam.</p> <p>All members of the governing body must be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body must always act in the best interests of the university.</p> <p>Duties of members should include the requirements to:</p> <ol style="list-style-type: none"> act always in the best interests of the university as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her; act in good faith, honestly and for a proper purpose; exercise appropriate care and diligence; not improperly use their position to gain an advantage for themselves or someone else; and disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies). <p>There should be safeguards, exemptions and protections for members of a university's governing body for matters or things done or omitted in good faith in pursuance of the relevant legislation. Without limitation, this should include such safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the Corporations Act.</p> <p>A university (with the exception of those subject to the Corporations Act) must have a requirement that the governing body has the power (by a two-thirds majority) to remove any member of</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>Section 21F, 21G and Schedule 2A of the UOW Act.</p> <p>Section 8 of the UOW Act. The only ex officio roles are as per the Code and set out in Section 8H</p> <p>Section 21F and Schedule 2A(1) of the UOW Act.</p> <ol style="list-style-type: none"> Section 21F and Schedule 2A(1) of the UOW Act. Section 21F and Schedule 2A(1) of the UOW Act. Section 21F and Schedule 2A(2) of the UOW Act. Section 21F, Schedule 2A(3) & (4) of the UOW Act. Section 21F and Schedule 2A(5) of the UOW Act. <p>Schedule 1 section 5 of the UOW Act. Council members are covered by directors and officers liability insurance</p> <p>Section 21G of the UOW Act.</p> |
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| <p>the governing body from office if the member breaches the duties specified above included in its enabling legislation.</p> <p>A member must automatically vacate the office if he or she is, or becomes, disqualified from acting as a Director of a company or managing corporations under Part 2D.6 of the Corporations Act</p> | Yes | Schedule 1 section 2(g) of the UOW Act |
| <p>Duties of Members</p> <p>4. If permitted by its enabling legislation, a university should develop procedures:</p> <p>a) to provide that the Chancellor and Deputy Chancellor hold office subject to retaining the confidence of the governing body; and,</p> <p>b) to deal with removal from office if the governing body determines that such confidence is no longer held.</p> | Yes | Section 11A of the UOW Act |
| <p>Duties of Members</p> <p>5. Each governing body should make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the- nature of their duties and responsibilities.</p> | Yes | Section 16(1B)(l) of the UOW Act. An induction session is provided for all Council members on joining the UOW Council. Internal and external training and professional development opportunities are offered and reviewed annually. |
| <p>Duties of Members</p> <p>6. On a regular basis, at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees, including appropriately constituted committees for finance, and audit and risk management. The Chancellor should have responsibility for organising the assessment process, drawing on external resources if required.</p> <p>On an annual basis, the governing body should also review its conformance with this code of best practice and identify needed skills and expertise for the future.</p> | Yes | <p>Section 16(1B)(j) of the UOW Act. The Council Evaluation Process is held every two years and is coordinated by the Chancellor and Council Secretariat. It includes an evaluation of Council committees. The most recent evaluation was conducted in 2019. The next evaluation is scheduled for June 2021.</p> <p>Annual Review of the Code each April. Skills and expertise on Council are considered and reviewed by the Nominations Committee and reported to Council.</p> |

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| <p>Composition of Governing Body and Appointment of Members</p> <p>7. The size of the governing body should not exceed 22, and desirably be no more than 15 members.</p> <p>[The governing body should] include members with strong expertise in and knowledge of higher education and/or other education sectors.</p> <p>There should be at least two members having financial expertise (as demonstrated by relevant qualifications and financial management experience at a senior level in the public or private sector) and at least one member with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector).</p> <p>There should be a majority of external independent members who are neither enrolled as a student nor employed by the university.</p> <p>There should not be current members of any State or Commonwealth parliament or legislative assembly other than where specifically selected by the governing body itself</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>Council has 17 members.</p> <p>Yes (Refer Council Skills Matrix Attachment III)</p> <p>Section 8C of the Act. Skills such as financial and commercial experience are taken into account by the Nominations Committee and Council. See appended skills matrix. Currently 8 members have financial expertise and 10 have commercial expertise.</p> <p>10 out of 17 members of UOW Council are external.</p> <p>There are no members of any state of Commonwealth parliament on the governing body.</p> |
| <p>Composition of Governing Body and Appointment of Members</p> <p>8. The university should adopt systematic procedures for the nomination of prospective members of the governing body for those categories of members that are not elected. The responsibility for proposing such nominations for the governing body may be delegated to a nominations committee of the governing body that the Chancellor would ordinarily chair.</p> <p>Members so appointed should be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of a university and its core activities of teaching and research, its independence and academic freedom and the capacity to appreciate what a university's external community needs from that university.</p> | <p>Yes</p> <p>Yes</p> | <p>Set out in section 16 of the By-law. UOW has a Nominations Committee chaired by the Chancellor to consider Council and Ministerial appointed candidates.</p> <p>Section 8C(2) of the Act.</p> |

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| <p>The governing body should seek to ensure that any government appointments take these appointment criteria into account and that such appointments are made in consultation with, and so far as possible in accordance with recommendations of, the governing body or a nominations committee appointed by it</p> <p>To provide for the introduction of new members consistent with maintaining continuity and experience, members' terms should generally overlap and governing bodies should establish a maximum continuous period to be served. This should not generally exceed 12 years unless otherwise specifically agreed by the majority of the governing body.</p> | <p>Yes</p> | <p>UOW makes recommendations to the NSW Government for its two Ministerial Appointees and includes information about how the recommended candidates meet appointment criteria.</p> <p>Overlapping terms are specified Section 9(2) of the UOW Act. A maximum term of 12 years (unless specifically agreed by Council) is specified in Section 9(3) of the UOW Act.</p> |
| <p>Risk Management</p> <p>9. A university should codify its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.</p> | <p>Yes</p> | <p>Grievance procedures covering complaints by staff and students are codified in the University's Grievance Policy and associated Procedures for Investigating Grievances. Student grievances about academic matters are codified in the Review and Appeal of Academic Decisions Policy (for students undertaking coursework subjects); the Procedures for the Review and Appeal of a Mark, Grade or Other Academic Decision (Coursework) and the HDR Student Academic Complaints Policy.</p> <p>The University has an internal Student Ombudsman to resolve academic grievances and a Complaints Management Centre to provide advice, receive and refer complaints to appropriate areas of the University for investigation and response and manage the collection, analysis and reporting of complaints data. The relevant policy documents include information about external appeals stating a student's right to submit complaints to the ombudsman. The Student Complaints website: https://www.uow.edu.au/student/complaints/ also sets out how students can make a complaint to the NSW Ombudsman.</p> |

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| <p>Risk Management</p> <p>10. The annual report of a university should be used for reporting on high level outcomes including financial and environmental sustainability, and performance against the university's mission statement and strategic plan.</p> | Yes | <p>The University of Wollongong Annual Report reports against the strategic objectives and goals in the UOW Strategic Plan. It contains considerable information on financial management and performance and regarding environmental sustainability.</p> |
| <p>Risk Management</p> <p>11. The annual report of a university should include a report on risk management within the organisation.</p> | Yes | <p>The University of Wollongong Annual report includes a report on risk management and internal audit.</p> |
| <p>Risk Management</p> <p>12. The governing body should oversee controlled entities by:</p> <p>(a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;</p> <p>(b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of the university;</p> <p>(c) ensuring that the board of the entity adopts and regularly evaluates a written statement of its own governance principles;</p> <p>(d) ensuring that the board documents a clear corporate and business strategy which reports on and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and</p> <p>(e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.</p> | <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>Refer Section 16A(5A)(a) and (b) of the UOW Act.</p> <p>UOW has 2 controlled entities (UOWGE and UOW Pulse Ltd). Council appoints members to the UOWGE and UOW Pulse Ltd Boards. See appended controlled entities board membership details.</p> <p>External members sit on the Boards of both UOW controlled entities.</p> <p>Each controlled entity has adopted a statement of governance principles.</p> <p>Business Plans, strategies and objectives reported to Council through quarterly reports and submission of Annual Reports.</p> <p>Council has approved a reporting protocol including presentation of Annual Reports in June as well as quarterly progress reports.</p> |

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| <p>Risk Management</p> <p>13. A university should assess the risk arising from its involvement in the ownership of any entity (including an associated company as defined in the Accounting standards issued by the Australian Accounting Standards Board), partnership and joint venture.</p> <p>The governing body of a university should, where appropriate in light of the risk assessment, use its best endeavours to obtain an auditor's report (including audit certification and management letter) of the entity by a state, territory or Commonwealth Auditor-General or by an external auditor.</p> | <p>Yes</p> <p>Yes</p> | <p>A detailed risk assessment is prepared in advance of any controlled entity, associated entity of joint venture being established.</p> <p>Presented to Council through the controlled entity annual reports.</p> |
| <p>Compliance with Code</p> <p>14. A university should disclose in its Annual Report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance.</p> | <p>Yes</p> | <p>UOW includes a statement with regard to compliance with the Code in its Annual Reports.</p> |

DOCUMENT 5.7**UNIVERSITY OF TECHNOLOGY SYDNEY****COUNCIL****AGENDA ITEM 5.7****MEETING 23/6****MS CATHERINE LIVINGSTONE
CHANCELLOR****29 NOVEMBER 2023****INTERNAL REVIEW OF UTS COUNCIL****PURPOSE**

To ensure the ongoing effectiveness of Council, each year a number of internal review activities are undertaken. This Report provides an overview and reflections on the various activities undertaken in 2023.

RECOMMENDATION(S)

Council to:

- .1 receive and note the report as detailed in Document 5.7 – Internal Review of UTS Council and attachments; and
- .2 approve amendments to the Council Skills and Experience Matrix as marked-up in **Attachment 3**

BACKGROUND

An external review of Council Performance was undertaken in 2022. The recommendations from that Review, as well as observations arising from the Governance review conducted as part of the TEQSA Registration renewal process, were tabulated and have guided follow through on Council's performance improvement over the past twelve months.

During 2023, the Chancellor met with all Council members to receive further individual comments on progress against the External Review recommendations and other suggestions relating to Council performance.

PROGRESS ON RESPONSES TO THE 2022 UTS COUNCIL EXTERNAL REVIEW

Attachment 1 details the progress against the specific recommendations arising from the above Reviews of Council performance and overall governance.

Good progress has been made in following up the recommendations with further work to be progressed in 2024.

Of note has been the progress made with Council members being asked to provide a self-assessment in relation to the revised Council Skills and Experience Matrix that was approved at the 23/1 meeting of Council, the outcome of which is summarised later in this paper.

The terms of reference for Council committees are currently under review with first drafts being considered by the Governance Committee at its recently held 23/4 meeting. The current terms of reference will be updated to reflect a more contemporary format and will also specify committee oversight of risks, as identified in the risk taxonomy, that are relevant to the individual committee's remit. The next iteration of the committee terms of reference will be considered by Governance at its first meeting in 2024 before seeking Council approval. Chairs of Committees will also be consulted prior to seeking Council approval.

THEMES FROM 2023 COUNCIL MEMBER FEEDBACK MEETINGS

The themes arising out of the individual feedback are summarised below.

Positives

- The Provocation process to aid discussion – but a caution as to how to keep this fresh;
- The open discussion with everyone being given a chance to speak;
- The approach of the Senior team which is seen as open and not defensive.

Areas for improvement

- Papers:
 - (i) the papers are much better but there is still room for improvement, including having an Executive Summary and more discipline in the body of the paper to avoid the need to have to read the paper twice; and
 - (ii) the 'Recommendations' section of papers to be more concise.
- Content:
 - (i) more focus on Council and management succession;
 - (ii) consideration of organisation culture, staff experience;
 - (iii) consideration of student experience/teaching quality over and above current KPIs;
 - (iv) ensuring that the Risk Appetite Statement is explicit at Council; and
 - (v) ensure that Council discussions bridge the distance between the Tower and the Faculties
- People and Process:
 - (i) consider having more external presenters at Council meetings;
 - (ii) enabling more time for members to engage outside of the meeting to foster relationship building eg encouraging members to arrive early; and
 - (iii) management absorbed in doing their own work during Council meetings.

Suggestions for Retreat Focus

- A longer-term view on strategy;
- More foresighting/scanning – could we, or should we, have picked the AI incursion;
- Focus on the practical role of research and innovation;
- Council to define its leadership role and ambition in the innovation process of the University;
- Focus on business model urgency;
- Consideration of the impact of the degree of IT catch up required–prioritisation, change fatigue.
- Broader canvassing of the draft Retreat agenda to ensure it reflects Council members area of concern

PROFILE OF COUNCIL SKILLS USING SKILLS MATRIX

The self-assessments prepared by each Council member have been collated, with minor calibrations, and the aggregate outcome detailed in **Attachment 2**.

In terms of the Skills Matrix itself:

- In the Skills Matrix attached the *Legal* skills category description has been updated to *Legal and Regulatory*, to better reflect the detailed Attribute Description;
- There is a question as to whether the Matrix should reflect *IT Technology* as a separate skill category, rather than including it under *Education, Research, Technology* which leaves the specifics of IT Technology implied but not explicit;
- A question was also raised during the individual feedback as to whether there should be a specific *Student experience* category.

Following discussion at the recent 23/4 meeting of the Governance Committee some minor revisions to the Skills Matrix are recommended for Council approval and are shown as track changes in **Attachment 3**.

Points to note from the outcome of the self-assessments are:

- All skill elements are strongly represented across the High Competency/Practised categories. *Capital Management* is at the lower end of overall representation across these two categories but does have a significant High Competency representation;
- *Environment and Social* and *Legal and Regulatory* have the lowest High Competency scores but offsetting this, have significant Practised scores.

COMPARISON AGAINST BEST PRACTICE GOVERNANCE REPORT

The University Chancellors Committee (UCC) commissioned an Independent Review of Best Practice Governance for University Councils. The resultant paper is included as **Attachment 4**.

Overall, I think Council can feel assured that many of the elements identified in the paper are reflected in how we discharge our governance oversight of the University.

However, there will always be opportunities for improvement, and perhaps there are four main areas arising from the paper (Attachment 4) that provide points of further reflection. For Council these areas are:

1. giving consideration to how Council's understands the external landscape, and in particular, Council's awareness of competitor activities, both new and emerging (to be considered at the 2024 Council Retreat);
2. oversight of the University's culture, talent and capability (a 2024 priority);
3. succession management of Council member roles particularly in relation to chair positions (a Nominations Committee mandate); and
4. achieving the right level of detail in papers (a continuing focus as noted in **Attachment 1**).

Helpfully, Council has been giving consideration to aspects of the above areas in 2023.

In addition, the UCC has also compiled a profile of the composition of all Australian Universities' Governing bodies in response to the Draft Accord Report finding of a concern regarding the governance of Australian Universities, and particularly the lack of Council members with Higher Education experience. The detail is included as **Attachment 5**.

Attachments:

1. Table of progress on Agreed Actions arising from 2022.
2. Analysis of Self-Assessment against Skills Review Matrix.
3. Skills and Experience Matrix (with proposed revisions as marked)
4. Best Practice Governance for University Councils May 2023: Report by BoardsGlobal.
5. UCC Council Composition summary

DOCUMENT 5.7, ATTACHMENT 1**Response to 2022 UTS Council External Review**

| Agreed Actions | Timeframe | Status Update (November 2023) |
|---|---------------------|---|
| Theme 1 - Council Composition: Give consideration to enhancing the representation of members with specific skills and experience, particularly technology; and consider further opportunities to broaden Council's commitment to diversity in relation to its composition. | | |
| -Review the Council Skills and Experience Matrix to better reflect the breadth of attributes required across Council members. | February 2023 | Complete |
| -Review Nominations Committee Terms of Reference and include requirement for diversity. | April 2023 | Diversity requirement reflected in Council Skills and Experience Statement and the requirement for this to be monitored by the Nominations Committee. |
| -Review the external membership of Council Committees to ensure the right level of capability and experience. | April 2023 | Vacant positions on Committees will take into consideration revisions to Committee Charters |
| Theme 2 - Council Committees: Improve connections between Council and committees | | |
| -External members of Committees to receive briefings twice annually: following the Annual Retreat and the approval of the Corporate Plan | February/April 2023 | First briefing occurred in February 2023. Second briefing to be scheduled following the approval of the Corporate Plan. |
| -Council to receive briefings on selected areas where Committees have oversight. Briefings to be included in Council Forward Plan | February 2023 | 2024 Council Forward Plan will continue to consider this noting that in 2023 briefings were provided on Cyber Security and the Risk Management Framework. |
| -Improve Council's awareness and understanding of the role of Academic Board. | 2023 | In 2023 there has been an increasing focus on Academic Board Reporting and prioritising |

DOCUMENT 5.7, ATTACHMENT 1

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| | | discussion at Council meetings. |
| Theme 3 - Council Business: Consider how Council monitors the University's culture and student experience | | |
| -Council will consider the University's People and Culture Strategy and will determine ongoing reporting and monitoring requirements | November 2023 | People & Culture Strategy presented at 23/2 Council meeting. Ongoing monitoring and reporting requirements still to be determined and will be a priority for 2024. |
| -Council to consider how best to measure and monitor student experience. This will be built into Council Forward Plan. | February 2023 | Student Experience Framework presented to 23/1 Council meeting. A further paper is being provided at the 23/6 meeting of Council. |
| Theme 4 - Council and Committee Papers: Continue to improve the quality and quantum of papers provided to Council and its Committees | | |
| -Review terms of reference and forward plans of Council Committees to identify opportunities for refinement. | February 2023 | Governance Committee has considered proposed changes to design and content of Committee charters. Further refinements will be undertaken prior to being presented to the 24/1 meeting of Council. Forward plans will then be reviewed to ensure alignment. |
| -Continue to seek feedback on the quality of papers presented to Council and Committees at the end of each meeting | Ongoing | Standing item added to Council meeting agendas. |
| Theme 5 - Performance Assessment Process: Refinement of survey templates | | |
| -Survey templates to be reviewed and refined. This will include identifying opportunities to consolidate surveys. | June 2023 | To be reviewed in time for next survey round. |
| -Council member self-evaluation will be considered against the proposed revised Skills and Experience Matrix. | July/August 2023 | Complete. |

DOCUMENT 4.1, ATTACHMENT 2

| AGGREGATED - UTS COUNCIL MEMBERS' SKILLS AND EXPERIENCE - 2023 | | | |
|---|---|------------------------------------|------------------|
| Council members = 17 | | | |
| | High Competency, Knowledge, and experience | Practised/direct experience | Awareness |
| Financial acumen | 8 | 4 | 5 |
| Commercial expertise | 4 | 9 | 4 |
| Leadership and Governance | 7 | 5 | 3 |
| Education, Research, Technology sector experience | 9 | 5 | 3 |
| Strategy and Global Perspective | 7 | 3 | 7 |
| Environmental and Social | 2 | 9 | 6 |
| Legal and Regulatory | 3 | 11 | 3 |
| Risk Management | 6 | 8 | 3 |
| Capital Management(including physical and digital assets) | 5 | 3 | 9 |
| Service Delivery | 5 | 10 | 2 |
| People and Culture | 5 | 11 | 1 |
| TOTAL | 61 | 78 | 48 |

* UTS Graduate (External Member): Kim McKay

Document 5.7, Attachment 3**UTS Council Skills and Experience Matrix**

The UTS Council Skills and Experience Matrix sets out the skills and experience considered essential to the effectiveness of the Council and its Committees. The Matrix is reviewed annually by the Governance Committee to ensure prescribed skills and experience remain appropriate.

The Matrix is also used to guide the identification of potential candidates to be members of Council when vacancies arise

Given Council's commitment to diversity in all its forms, the Nominations Committee will monitor composition with the view to give substance to this commitment.

Furthermore, the Matrix is used to guide Council member self-evaluation with respect to their contribution to Council.

Development Opportunities: Council members will be encouraged to undertake relevant development programs including those offered by the Institute of Company Directors.

Document 5.7, Attachment 3

| Skills and experience attributes | Attribute Descriptor | Relevance to UTS |
|--|---|---|
| Financial acumen Required by: UTS Act, 8C(1)(a) Number: At least 2 members | Proficiency in financial management and reporting | The oversight of the financial sustainability of the University is a fundamental role of Council. |
| Commercial expertise Required by: UTS Act, 8C(1)(b) Number: At least 1 member | Senior level commercial expertise in the private or public sectors. Experience in translating innovation and research outcomes into commercial opportunities. | The University has controlled and related entities to support its strategy. Increasingly, the University is seeking opportunities to translate its research outcomes into commercial opportunities. |
| Leadership and governance | Held senior leadership role such as CEO or similar position in an organisation of significant size and complexity | Setting strategy and identifying targets to monitor and measure performance. |
| Education, Research, Technology sector experience | Held senior level roles in the education, research, and technology sectors. | Critical core functions of the University. |
| Technology | <u>Experience leading and managing Technology Infrastructure and development in an organisation</u> | <u>Critical for delivery of Technology Infrastructure projects.</u> |
| Strategy and Global Perspective | Experience in leading, developing or executing strategic business objectives, including bringing to bear a global perspective | The University operates in an increasingly competitive environment and must ensure its resources are aligned to deliver its strategic objectives |
| Environmental and Social | Experience in developing, integrating, and measuring environmental and social objectives across an organisation. | The University is a leader in social justice and is committed to ensuring its operations reflect this leadership. |
| Legal and Regulatory | Experience in interpreting and translating legal and regulatory requirements across operations | The University operates within an increasingly complex regulatory environment. |
| Risk Management | Experience in identifying, assessing, and monitoring systemic, existing, and emerging financial and non-financial risks | The University is complex and must identify, monitor, and manage key strategic and operational risks within its risk appetite. |
| Capital Management (including physical and digital assets) | High level experience in the management of capital assets. | The University has significant capital assets (both physical and digital). |
| Service Delivery | Experience in the development and delivery of service excellence to meet stakeholder expectations. | The University is a service provider operating in a competitive environment. |
| People and Culture | Understanding organisational culture, staff development, succession planning, and remuneration and reward frameworks. | UTS values should be reflected in the University's organisational culture and operations. |
| | | |
| UTS Graduate (External Member) UTS Act, 8E(1) Number: at least 1 member | n/a | n/a |

High competency, knowledge, and experience

Practised/direct experience

Awareness

DOCUMENT 5.4

UNIVERSITY OF TECHNOLOGY SYDNEY

COUNCIL

**** CONFIDENTIAL ****

AGENDA ITEM 5.4

MEETING 24/6

**CHANCELLOR
(as CHAIR, GOVERNANCE COMMITTEE)**

27 NOVEMBER 2024

REPORT FROM GOVERNANCE COMMITTEE

Purpose

This report covers matters arising from meeting 24/4 (14 November 2024) of the Governance Committee.

Recommendations

Council to:

GIPA - out of scope

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GIPA - out of scope

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.10 note the results of the Governance Internal Review; and

GIPA - out of scope

.11




MATTERS FOR DECISION

GIPA - out of scope




GIPA - out of scope

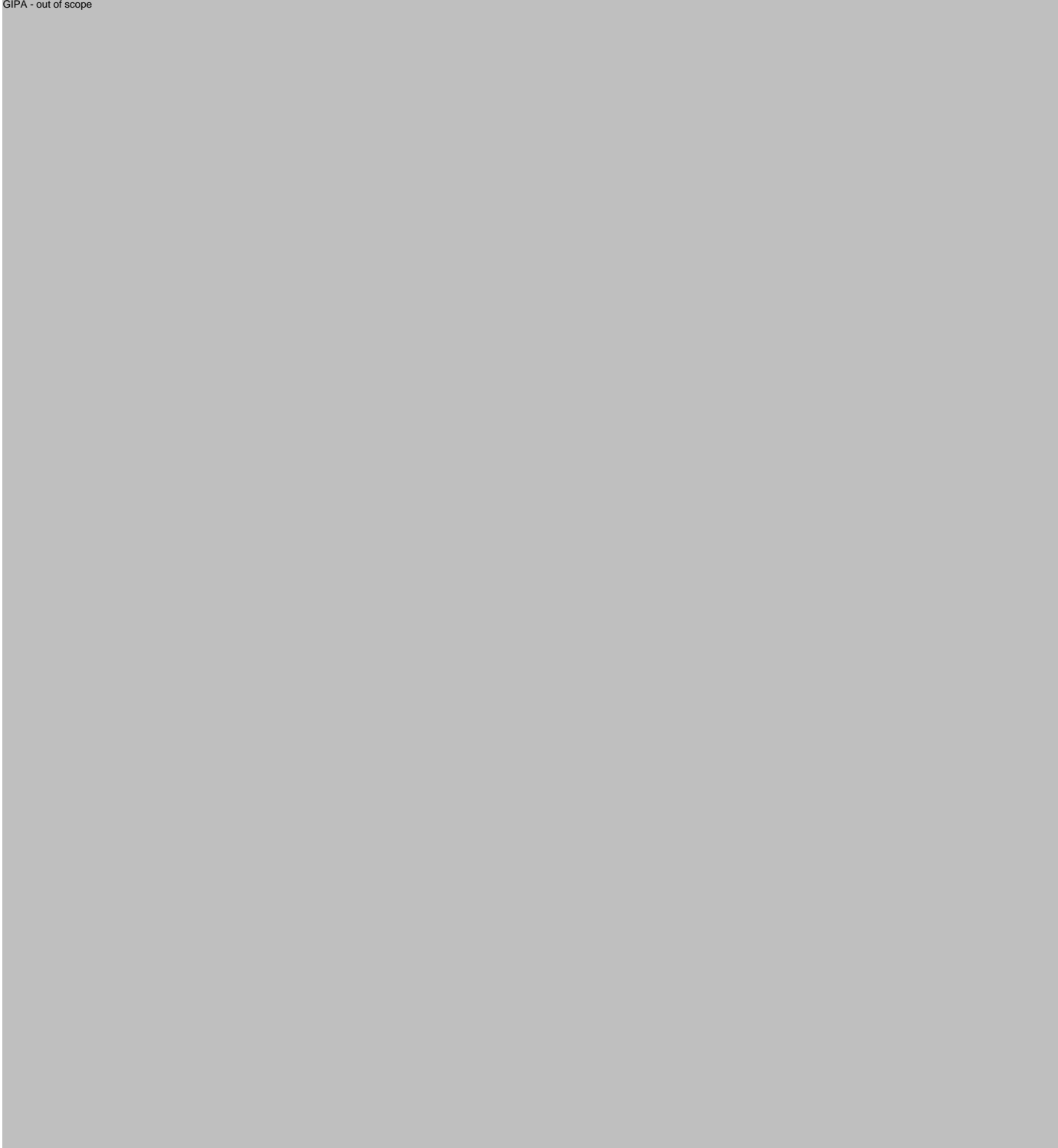


MATTERS FOR NOTING

GIPA - out of scope







Governance Internal Review

Background

Council is required to regularly review its own performance in the light of its functions and obligations in accordance with s16(1B) of the UTS Act and Protocol 6 of the Voluntary Code of Best Practice for the Governance of Australian Public Universities.

At its 11 August 2011 meeting, the Governance Committee approved that the Governance Internal Review as required under the University's Governance Review Framework (**Attachment 5**), would be assessed against the NSW Auditor General's

17 Governance Principles. It was agreed that these assessments would be conducted every four years.

In February 2015, the NSW Auditor General released a report entitled “2015 – Areas of Focus” in which it made specific recommendation that entities regularly review their governance performance against the 17 Governance Principles.

Review Process

The 2024 Governance Internal Review is the fourth such assessment against the Auditor General’s 17 Governance Principles in their entirety.

The Governance Support Unit provided detailed advice of the relevant legislation and regulations and evidence of policy and procedures for each listed area. This information was assessed using the Australian National Audit Office (ANAO) assessment code, which is based on a quality improvement approach of:

1. Not addressed
2. Developing
3. Better practice
4. Time for review.

Details of the findings and evidence supporting the review have been provided to the Governance Committee.

Summary of Review findings by Assessment Code

The following table provides a snapshot of findings by Assessment Code for 2024 (against those for 2020) :

| Assessment Code | Number – 2024 (#2020) | Question Number |
|------------------------|------------------------------|---|
| Not addressed | 2 (2) | 1D – has the Strategic Plan been provided to NSW Treasury. (Not a requirement for Universities) 3F - Is the performance of the board disclosed in the annual report? |
| Developing | 6 (3) | 6C, 8A, 8B, 15C (1), 15C (4) |
| Better practice | 73 (76) | All Remaining Questions |
| Time for review | 0 (0) | None |
| Total | 81 (81) | |

Conclusion

Overwhelmingly, the University has in place comprehensive processes and procedures in all key areas nominated by the Auditor-General. For all areas assessed

as “Developing”, actions are already in place to improve performance as detailed in the attached schedule.

For the two criteria assessed as “Not Addressed”:


- 1D – relates to the Strategic Plan being provided to NSW Treasury. This is not a requirement for Universities.
- 3F - relates to including results of board performance evaluations in the annual report. Although there is currently no intent to include details of evaluations in the report, a section will be included in future Annual Reports that includes a summary of evaluations undertaken and general findings and any key actions.

The Governance Committee reviewed the UTS Governance Review Framework in 2019, when the frequency of the Council Committee Surveys was changed from every 2 years to every 4 years. The UTS Governance Review Framework (**Attachment 5**) was approved by Council in 2019 (COU 19-1/13). Council is requested to approve the Document as detailed in **Attachment 5**.


Implementation/Referral

The Governance Committee will continue to monitor and manage the good governance approaches and look to further improve in those areas identified in this 2024 Governance Internal Review.


GIPA - out of scope



GIPA - out of scope



GIPA - out of scope



UTS GOVERNANCE REVIEW FRAMEWORK

| Year | Governance Review Activity Within that Year | | | |
|------|---|---|--|---|
| | External Review | Council and Member Surveys | Committee Member Survey | Internal Review |
| 2020 | | | | Governance - Internal Review (Quadrennial) |
| 2021 | | | | |
| 2022 | External Review (Quadrennial) <i>(start early 2022, complete late 2022)</i> | UTS Council Evaluation Survey & Council Member Self-Evaluation Survey <i>(Conducted March, report June 2022)</i> | Council Committee Self-Evaluation Survey <i>(Conducted March, report June 2022)</i> | |
| 2023 | | | | |
| 2024 | | | | Governance - Internal Review (Quadrennial) |
| 2025 | | | | |
| 2026 | External Review (Quadrennial) <i>(start early 2026, complete late 2026)</i> | UTS Council Evaluation Survey & Council Member Self-Evaluation Survey <i>(Conducted March, report June 2026)</i> | Council Committee Self-Evaluation Survey <i>(Conducted March, report June 2026)</i> | |
| 2027 | | | | |
| 2028 | | | | Governance - Internal Review (Quadrennial) |

Senate Standing Committee on Education and Employment: Quality of governance at Australian higher education providers

Part 1

Professor James Guthrie & Dr Adam Lucas

Emeritus Professor James Guthrie, FCPA, AM

Professor of Accounting
Macquarie Business School
Macquarie University NSW 2109
Australia

James Guthrie has held positions at various Australian and Italian universities in a career in accounting education that spans more than 35 years, during which time he has published more than 220 articles, 20 books and 45 book chapters. He is editor of the highly regarded interdisciplinary accounting journal, *Accounting, Auditing and Accountability* and was Head of Academic Relations at Chartered Accountants Australia and New Zealand from 2008 to 2017.

Dr Adam Lucas, MScSoc, MA(Hons), PhD

Honorary Senior Fellow
School of Humanities and Social Inquiry
University of Wollongong
New South Wales, 2502

Adam Lucas is an honorary senior fellow at the University of Wollongong and a founding member of Academics for Public Universities and Public Universities Australia. A fulltime member of academic staff at UOW for almost 17 years, he was previously a researcher and senior policy analyst in the NSW Cabinet Office and the Departments of State and Regional Development, Aboriginal Affairs and Housing.

Introduction

Thank you for the opportunity to make personal submissions to the Senate Education and Employment Legislation Committee's inquiry into the quality of governance of Australian higher education providers. Part 1 of our submission is informed by research we have undertaken over the last several years into the finances and management of the University of Wollongong (UOW), at which one of us was employed until the current round of cuts to subjects, courses, disciplines and jobs was implemented by the UOW executive.

Further to our research on the consulting industry in Australia, the following report draws attention to the opaque role of the consultancy firm, KordaMentha, in the current round of cuts, and the evidence drawn from official sources, including UOW's annual reports, indicating many years of financial mismanagement by the UOW executive and incumbent appointed members of UOW's governing body. We also draw attention to the role of one of the Big Four accounting firms' senior partners in UOW's financial planning and that individual's increasingly influential role on UOW's Council.

We note the inquiry **Terms of Reference** as follows, highlighting those we intend to focus upon in our submission:

1. The adequacy of the powers available to the Tertiary Education Quality and Standards Agency to perform its role in identifying and addressing corporate governance issues at Australian higher education providers, with particular reference to:
 - a. **The composition of providers' governing bodies and the transparency, accountability and effectiveness of their functions and processes, including in relation to expenditure, risk management and conflicts of interest;**
 - b. **The standard and accuracy of providers' financial reporting, and the effectiveness of financial safeguards and controls;**
 - c. Providers' compliance with legislative requirements, including compliance with workplace laws and regulations;
 - d. **The impact of providers' employment practices, executive remuneration, and the use of external consultants, on staff, students and the quality of higher education offered;** and
 - e. Any related matters.

Part 1 of our submission is focused on responding to those terms of reference highlighted in bold above.

The University of Wollongong: Situation - December 2024 Snapshot

Adam Lucas & James Guthrie

3 March 2025

Background

Since the middle of 2024, the University of Wollongong (UOW) has, for the second time in only four years, begun implementing a plan to further reduce academic and administrative staffing while maintaining significant enrolments of local and international students. Over the last few decades, there have been many such reviews, also known as ‘change management’ processes. In several cases, external consultants have led these reviews (most notably during the GFC and in response to the Covid-19 pandemic). The current UOW Transformation Strategy and the significant reductions in subjects, courses, disciplines and positions it is seeking to implement must be viewed in the context of the last decade’s governance and administration of the University.

The stories in this snapshot of governance-related issues at UOW highlight a number of questionable decisions, projects and activities that have been implemented by the University’s senior management, executive and governing Council over the last decade or so.

Table 1: University of Wollongong – list of elements

| |
|--|
| 1. Governance of the University of Wollongong |
| 2. Role of consultants |
| 3. Revenue patterns |
| 4. International enrolments and fees |
| 5. Role of Subsidiary Entities |
| 6. Surpluses |
| 7. Call for Parliamentary enquiry into UOW management and governance |
| 8. Current situation |

Previous research has established several vital elements to the puzzle of what has been and is currently happening at UOW (Guthrie, 2022a [**Appendix A**]; Guthrie & Lucas, 2022; Guthrie & Lucas 2022a; Lucas & Guthrie 2024; Guthrie et al. 2024). These elements are highlighted in **Table 1**. They will be presented in no order of priority but simply as a list of the UOW elements.

Before we begin our analysis, it is important to note that the current UOW Transformation Strategy (TS) has been subjected to detailed scrutiny by multiple academics at UOW and found to have made a number of fundamentally flawed assumptions which continue to inform the strategy, despite successful challenges to some of its key elements by the National Tertiary Education Union (NTEU). The NTEU has rejected the foundational principles of the TS and successfully sought a ruling from the Fair Work Commission earlier in December 2024 regarding UOW's failure to abide by multiple clauses in the current Enterprise Agreement. This TS, enabled and possibly designed by a consultancy company named KordaMentha, has prioritized significant job cuts of academic staff in disciplines deemed to be generating insufficient teaching revenue. KordaMentha appears to have played a role in promoting the narrative that UOW's financial status is unsustainable, and that as a consequence, dozens of subjects, courses, and disciplines should be targeted for 'downsizing' or 'disestablishment'.

KordaMentha has further leveraged its ability to implement and enforce its UOW TS following the installation of one of its partners, Professor John Dewar, as Interim Vice-Chancellor in June 2024.

Over the past decade, evidence has surfaced pointing to a pattern of questionable conduct by the University Council, predominantly composed of individuals with business and financial expertise, who have endorsed decisions and initiated projects that have had a dire impact on UOW finances. As these individuals have repeatedly served on internal oversight committees, they should be held accountable for the financial difficulties and administrative problems currently facing UOW.

We have argued in earlier published research that UOW's performance warrants examination by a NSW Parliamentary Committee or a Royal Commission (Lucas and Guthrie, 2022) to understand how this not-for-profit charitable organization with \$700 million in annual revenue, and which employs about 2,700 full-time equivalent staff and over 6,000 individuals from the region (Charities Commission, 2024), could possibly be facing another financial crisis so soon after the significant job cuts that were made during the Covid-19 pandemic.

We now discuss each of the elements outlined in **Table 1**.

1. Governance of the University of Wollongong

The first element to be explored is the governance of UOW. Examination of the employment and educational backgrounds of UOW Council members reveals that two-thirds of them have a corporate sector (particularly finance) background and work in that area. These figures align with the national findings of Pelizzon *et al.* (2021) and the NTEU (2024). The most prominent members of UOW's Council have no professional tertiary administration experience. Lucas *et*

al. (2020) question if the ‘no tertiary administration experience required’ approach is the best we can do for Australia’s universities. When the membership of university councils consists primarily of individuals with financial backgrounds, it seems likely they will prioritize those matters. Consequently, building programs, casualization and high executive salaries are given higher priority than staff and students’ teaching and research concerns (Guthrie and Lucas, 2022).

A particular case in point is the precise role played by the University Council concerning the construction and completion of new student accommodation on the UOW’s main campus between 2015 and 2021. In 2021, the NSW Auditor-General mandated that UOW revise its 2020 financial statements due to an irregular accounting transaction. The revision required it to declare a previously undisclosed expense of AU\$169 million related to UOW’s withdrawal from its failed public-private partnership to build and operate the new student accommodation (Dodd, 2022). KPMG played a pivotal role throughout this process, serving as the internal auditor, while a partner in KPMG, who was a long-serving member of the University Council, was appointed by the current NSW Minister for Education as Deputy Chancellor. This same council member was also part of the Finance and Infrastructure Committee that oversaw the preparation of the 2020 financial accounts.

This same Deputy Chancellor, who was an Audit and Assurance Partner at KPMG’s Enterprise Division, has spent over 20 years as a partner at KPMG’s Wollongong office, including seven years as Managing Partner. His engagement with UOW extends beyond the Council, having participated in various committees, notably serving as Chair of the Advisory Board for UOW’s former Faculty of Commerce. During the Deputy Chancellor’s tenure on the UOW Council, KPMG provided several services to the University, although the costs of these services are not disclosed in publicly available records. Since 2004, UOW has hired KPMG for various professional services, with their collaboration beginning in 1995. In 2022, KPMG was the University’s designated internal auditor and conducted audits in several key areas. These audits included examining controls over admissions expenditure in student administration, auditing a research institute that was later closed, and focusing on end-user device management to ensure compliance with information technology policies and procedures both in Australia and internationally (UOW Annual Report, 2023).

Another instance of KPMG’s involvement with UOW is reflected in its participation in the development application for UOW’s planned Health and Wellbeing Precinct after Lendlease was named the project partner (Broomham, 2023). This major initiative represents a significant public-private partnership with Lendlease. It requires AU\$250 million in capital to construct an independent living retirement complex on university land. Lendlease will manage the complex, including residential apartments, aged care facilities, a childcare centre, community facilities, a café and community hub, and neighbourhood retail outlets. To finance this and other construction projects, the University must service borrowings of at least AU\$750 million. Borrowings should not be used for operating activities.

These two examples suggest that UOW has significantly deviated from its traditional teaching and research mission over the past decade towards a property development enterprise. KPMG has been instrumental in facilitating this transformation.

According to the statement prepared by UOW to describe its charitable activities and outcomes:

The University of Wollongong's vision is to be a leader in ideas and solutions, a community of campuses and partners where discovery, learning and technology connect to transform people and the world we live in. We seek to partner with organisations and individuals on shared social purposes through philanthropy and investment to create transformative change. Philanthropic support enables and empowers the University of Wollongong to excel in our research and education, and to address complex, real-world problems in partnership with our communities.ⁱ

The above statement indicates a significant departure from UOW's mission as described in the legislative instrument which formally constitutes it (i.e. the *University of Wollongong Act 1989*). As highlighted below in Table 2, however, UOW's investment revenue and philanthropic receipts provide only marginal income, raising further questions about why these two aspects of its activities are emphasized and privileged over its core mission of teaching and research.

2. Role of consultants

Guthrie et al. (2025) employs several case studies to explore the extensive utilization of private consultants in the Australian higher education system and its repercussions. We now focus on the recent appointment by UOW of the Interim Vice-Chancellor and the consulting organization in which he is a partner, KordaMentha. Both are central to the current redundancy process. According to KordaMentha's website:

We are Asia-Pacific's trusted advisers in cybersecurity, financial crime, forensics, performance improvement, real estate, and restructuring.

<https://kordamentha.com/about>

This statement on its website says nothing about KordaMentha's expertise in university finances, administration, or governance.

The position of interim vice-chancellor (IVC) was created, and the current IVC was appointed, within weeks of KordaMentha appointment as transformation partner upon the recommendation of the UOW Chancellor. This could constitute a direct conflict of interest that is yet to be resolved and continues to be contested (Langford, 2024).

3. Revenue patterns

As can be seen in the Comprehensive Income Statement Summary 2023 (**Table 2**), donations and bequests to UOW constituted less than \$7 million of its total income. Despite the relatively small sum involved, this revenue is highlighted in its mission statement. Revenue from its investments was just over \$20 million. The vast majority of UOW's revenue continues to be from government contributions (57.8%), along with the provision of goods and services (37.4%), which includes international student fees.

According to public statements made by Interim VC Dewar, and as quoted from page 1 of the

Revised Change Proposal:

UOW has experienced a \$35M reduction in revenue this year associated with a more than 35% reduction in international onshore enrolments. This is largely due to the government’s changes to international student visa processing relating to Ministerial Direction 107, which was introduced in December 2023.

These claims cannot be substantiated as neither the annual financial report 2024 nor any internal budget documents for 2024 are available to the public. The so-called loss of revenue justifies significant job cuts and subject, course, and discipline deletions.

| Table 2: Comprehensive Income Statement Summary 2023 | | |
|---|----------------------|-------------------------|
| Revenue source | Gross income | Percent of Total |
| Government contributions, including grants | \$403,102,000 | 57.8 |
| Donations and bequests | \$6,744,000 | 0.9 |
| Revenue from providing goods or services | \$260,392,000 | 37.4 |
| Revenue from investments | \$20,132,000 | 2.8 |
| All other revenue | \$449,000 | - |
| <i>Total revenue</i> | <i>\$690,819,000</i> | <i>99.1</i> |
| Other income (for example, capital gains) | \$6,292,000 | 0.9 |
| TOTAL GROSS INCOME | \$697,111,000 | 100 |

NTEU analysis suggests that the above statement is misleading and based on a dubious interpretation of what constitutes a \$35M reduction in revenue this year. It is based on the supposed 35% reduction in budgeted international onshore enrolments in 2024. But once again, no evidence has been provided to demonstrate this claim.

4. International student enrolments and fees

The NSW Auditor-General’s report, titled *Universities 2023* (NSWAG 2024), highlighted an increase in fees and revenue charges to record levels in that year. UOW experienced the highest rise in NSW, with a 20% increase, primarily due to a boost in revenue from international students, amounting to \$59.5 million. The previous Auditor-General’s report to the NSW Parliament had already pointed out that a heavy reliance on student revenue from just three countries poses a concentration risk for universities in NSW. Unexpected changes in demand, resulting from geopolitical or geo-economic shifts like visa approval rate modifications or travel restrictions, can affect revenues, operating results, and cash flows. The risk of depending on revenue from international students became evident when travel restrictions were enforced following the COVID-19 outbreak in early 2020 (Carnegie et al. 2021, 2022). Additionally, the

AG’s report observed that the University of Wollongong shifted its primary source of international students from China to India, which was a significant strategic move.

5. Higher international student enrolments and fees, 2014-2023

Our analysis of UOW annual reports data from 2014 to 2023 (see **Table 3**) suggests that the supposed 35% reduction in international onshore enrolments is based on a comparison with a bumper year for international student enrolments of 15,943 in 2023. The fact that the peak enrolment year for international students was 2019 indicates that the increase in those enrolments at UOW was rapid, constituting almost a doubling within five years. International student enrolments at UOW in 2023 were, in fact, at their second-highest level in UOW’s history. Indeed, according to the last ten years of data in UOW annual reports, total student enrolments at UOW in 2023 were only a few hundred lower than in the record years of 2017 to 2019.

Table 3: International student and total enrolments at UOW, 2014-2023

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------|--------|--------|--------|--------|--------|---------------|--------|--------|--------|---------------|
| International students | 9,106 | 13,414 | 14,417 | 15,467 | 15,470 | 16,167 | 14,286 | 12,286 | 12,430 | 15,943 |
| Total student enrolments | 32,914 | 32,700 | 34,144 | 35,820 | 35,541 | 35,995 | 34,520 | 33,004 | 31,981 | 35,181 |

Source: UOW annual reports data, 2014-2023

We note, however, that neither the 2022 nor 2023 annual reports provide separate figures for onshore international students, making a direct comparison of those enrolment numbers impossible without recourse to the relevant data as required to be reported by UOW to the Federal Department of Education (Australian Government, 2024). We have therefore used those figures to create **Table 4**. It is apparent from the data in **Table 4** that 2023 was a stable year for total student enrolments, comparable to the bumper years of 2017 to 2019, but only by a small margin.

The UOW executive and Council had no merit to expect these trends in international onshore enrolments to continue into 2024 and beyond. Over the last three years, there has been no indication from the Federal Labor Government that it would encourage further growth in the number of international students entering Australia. Indeed, it has clarified that it intended to cap those numbers.

Therefore, if there was a budget forecast for 2024 that there would be further growth in those numbers, that forecast was unwarranted and based on an outlier year for its evidence base. A 35% reduction in international offshore student enrolments over 2023 would amount to 5,093, a figure higher than 2021 and only one hundred less than 2022.

We submit that this forecast and budget shortfall directly result from making assumptions about

significant ongoing increases in international student enrollment when all the evidence points in the contrary direction. It is also pertinent to note that **Table 4** reveals that, despite the opening of multiple offshore campuses by UOW over the last ten years, international offshore student enrolments have remained stagnant. This raises fundamental questions about the prudence of pursuing overseas campus expansions while cutting subjects, courses, disciplines, and jobs at UOW’s main campus when it is the main campus and its teaching and research revenue, which provides the bulk of UOW’s ongoing revenue.

Table 4: International, domestic and EFTSL student enrolments at UOW, 2014-2023

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|--------|---------------|---------------|---------------|--------|--------|--------|---------------|
| International students total | 13,189 | 13,105 | 13,930 | 14,992 | 15,096 | 16,017 | 13,853 | 11,969 | 12,005 | 15,376 |
| International offshore students | 7,583 | 7,365 | 7,310 | 7,340 | 7,312 | 7,678 | 7,206 | 7,123 | 6,785 | 7,540 |
| International onshore students | 5,606 | 5,740 | 6,620 | 7,652 | 7,784 | 8,339 | 6,647 | 4,846 | 5,220 | 7,836 |
| Domestic students | 18,206 | 18,582 | 19,051 | 19,455 | 19,237 | 18,972 | 19,536 | 20,031 | 19,037 | 18,780 |
| Onshore students | 23,413 | 24,322 | 25,671 | 27,107 | 27,021 | 27,311 | 26,183 | 24,877 | 24,257 | 26,616 |
| Total Enrolments | 31,395 | 31,687 | 32,981 | 34,447 | 34,333 | 34,989 | 33,389 | 32,000 | 31,042 | 34,156 |
| ALL STUDENTS (EFTSL) | 23,502 | 23,745 | 25,029 | 25,930 | 25,796 | 25,931 | 24,927 | 23,704 | 22,289 | 24,357 |

Source: Australian Government Finance (2024)

6. Role of subsidiary entities

UOW employs many subsidiary entities to provide infrastructure, offshoring, and student accommodation. This institutional structure appears to be creating a situation whereby a significant number of interrelated transactions can impact whether a so-called surplus or deficit of the parent organization is produced. As previously stated, it is the parent entity in which UOW’s operational revenue and expenses are located.

We are particularly concerned about how much revenue has been directed toward the much-vaunted Health and Wellbeing precinct. This is currently impossible to determine due to a lack of transparency in the public accounts about the partnership with Lendlease for this \$250 million

property development, which is currently stalled.

The following property developments have been identified in UOW's 2015 and 2016 annual reports, but no other details have been forthcoming about other such projects.

| | | |
|-----------|--------------|-----------------------------------|
| May 2015 | \$33 million | Sciences Teaching Facility opens. |
| July 2015 | \$44 million | Early Start building opens. |
| May 2016 | \$18 million | iAccelerate Centre opens. |
| 2016-2018 | \$90 million | Campus Accommodation |

The following paragraph from UOW's 2015 Annual Report is one of the few publicly available documents that provide any details about any of these projects:

The University will retain responsibility for the day-to-day operations of student accommodation. The consortium, Living + Learning Partners – whose lead partner is Balfour Beatty Investments – was granted a 39-year licence for the new and existing accommodation and provided the University with a funding injection that will be used to invest in its core teaching and research endeavours (UOW Annual Report 2015, p. 32).

This entry refers to the previously described new student accommodation at the main campus, which UOW forced to acquire as sole operator in 2021.

7. Operating Surpluses

Our analysis of 24 years of UOW annual reports from 2000 to 2023 focuses on UOW's Parent Entity (PE), as this is the entity for which operations are accounted and for which staffing cuts are proposed. This analysis reveals that the UOW PE has generated \$478 million in cumulative surpluses – or 'profits' as Interim VC Dewar calls them – over the last quarter century, almost half a billion dollars (**Table 5**).

According to the practice of accrual accounting, during these 24 years, there have been only four years where UOW's PE has recorded deficits: Those years are 2008, during the Global Financial Crisis, and in 2020, 2021, and 2023, during and after the global COVID pandemic. Because 2022 saw a \$47.1 million operating surplus, the accrued deficit between 2020 and 2023 was \$55 million. Over the decade from 2014 to 2023, the PE has generated \$139 million in surpluses, including the three deficit years cited above.

The global COVID pandemic was used as a justification by Australian public university executives between 2020 and 2022 to downsize between 40,000 and 60,000 staff numbers and reduce subject and course offerings throughout Australia (Carnegie et al. 2021, 2022; Littleton & Standford 2021).

Former VC Paul Wellings' OneUOW strategy was no exception. That process resulted in the loss of around 400 EFT positions or about 700 actual people. Nevertheless, UOW's revenue and deficits over the last several years cannot be solely attributed to a decrease in international student numbers because there were more than 3,500 additional international students in 2023 over 2022. Considering that the average total international student enrollment over the last ten years was 13,900, we submit there must be other reasons for the deficit in revenue and increased expenses.

Table 5: UOW parent entity annual operating revenue & total expenditure, 2000-2024

| UOW PARENT ENTITY | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|--------|-------|-------|-------|
| Annual Operating Revenue (\$ millions) | 203 | 241 | 275 | 296 | 299 | 273.4 | 280.2 | 291.5 | 430.6 | 396.6 | 498.7 | 543.4 | 546.1 | 575.5 | 526.8 | 531 | 588.2 | 657.4 | 661.5 | 687 | 620.3 | 624.6 | 716.4 | 697.1 |
| Total Expenditure (\$ millions) | 198 | 236 | 267 | 279 | 29 | 259.6 | 256.8 | 283.5 | 431.8 | 321.4 | 398.3 | 503.8 | 529.4 | 556.5 | 498.2 | 488.3 | 526.2 | 611.5 | 649.6 | 684 | 673.12 | 635.3 | 669.3 | 736.2 |
| Deficit or Surplus (\$ millions) | 5 | 5 | 8 | 17 | 9 | 13.8 | 23.4 | 8 | -1.20 | 75.3 | 100.4 | 39.6 | 16.7 | 19 | 28.6 | 42.7 | 62 | 45.9 | 11.9 | 3 | -52.7 | -10.7 | 47.1 | -39.1 |

6. Call for Parliamentary inquiry into UOW management and governance

Lucas and Guthrie (2022a) argue that due to the detrimental impact of New Public Management (NPM) on the governance and administration of public universities over the last three decades, it is essential that a NSW Parliamentary Inquiry or a Royal Commission is set up as a matter of urgency to conduct a thorough review of the finances and governance of the State's universities. Such an investigation is vital to comprehend the workings of UOW, which in 2023 generated \$700 million in revenue and employed around 2,700 full-time equivalent staff, or over 6,000 people from the local area (Charities Commission, 2024).

7. Current situation

The 'Revised Change Proposal' shared with staff on 5 December 2024 indicates that the document should be reviewed alongside UOW's most recent Enterprise Agreements. However, how UOW has executed the TS and communicated it to staff involves multiple violations of the current academic Enterprise Agreement, which was confirmed in a recent hearing by the Fair Work Commission. The UOW branch of the NTEU has already highlighted these issues with specific details to the University Council in a letter dated November 2024. Still, it has yet to receive a satisfactory response. Central to this proposal are obscure calculative methods. Imposing these practices on staff without sufficient justification or explanation is unacceptable.

At the heart of the calculative practice to terminate around 136 academic jobs (90 EFT positions) is the methodology underpinning the Discipline Viability Assessment prepared on 17 December 2024, which is at **Attachment B**. The NTEU's response to this flawed methodology dated 8 November 2024 is at **Attachment C**. Our reasons for attaching this earlier response is that none of the substantive methodological issues raised by the NTEU in this document have subsequently been corrected.

Standard costing is a management accounting method that uses predetermined costs to evaluate and manage actual performance. It involves replacing actual costs with expected costs in accounting records and analyzing the variances to assess performance. This technique aids in several areas, including budgeting, overhead application, and price formulation. By comparing actual costs to standard costs, management can pinpoint areas for potential efficiency improvements. **Key aspects of standard costing include its role in substituting expected costs for actual costs, analyzing variances, and helping managers enhance performance by identifying efficiency improvements.**

However, the UOW methodology does not use any form of revenue recognition associated with students or costs related to academic staff.

We note that overall student demand has been stable. The loss of \$35 million attributed to onshore international students was associated with a budget loss in 2024 based on assumptions

related to the predicted (unsustainable) growth of onshore international students.

Nevertheless, we cannot trace or audit any of these student-staff variables to an actual savings of \$35 million.

Finally, if we look at costs over the last decade, it is notable that the public financial reports highlight a significant increase in discretionary fixed costs that are not core university business. These include senior administration costs, marketing, outsourcing services, etc.

The methodology informing the TS has, from the beginning, drawn a simple equivalence between a full-time student load and full-time equivalent academic staffing. It also purported to be based on 'a range' of student enrollment data when it was, in fact, based on only one year: 2024, when any credible analysis would cover at least four years of enrollments.

Significant flawed assumptions are built into the TS's simple model.

First, it assumes that all students can be allocated to individual disciplines. For example, economics is deemed to have had an average of 30.2 students enrolled across all of UOW's economics-coded subjects and is therefore marginal. However, economics only graduates a handful of students annually and is used as a feed foundation in other courses.

Second, no financial costs are associated with either student load or academic costs.

Third, if we further interrogate the student load calculation, the fact that each domestic student contributes different levels of fees depending on the subjects and courses in which they are enrolled while international students pay significantly higher fees, has been totally ignored by this method. To assume that all students contribute the same levels of revenue is absurd.

Fourth, if we take full-time equivalent academic staff, each staff member has a different cost structure, especially if they are casual, part-time, or full-time. Concerning the full-time type of academic workload, determined costs such as research-focused, administration-focused or teaching focus have not been adequately accounted for. This method completely ignores the 40% teaching, 40% research, and 20% governance workload models under which most academics are employed as specified in their initial employment contracts.

Fifth, selecting thirty or forty students enrolled in a subject as an optimum to determine some putative breakeven has not been empirically established and is nonsense.

Sixth, from personal experience, several teaching duties not captured by this methodology, such as masters, honours, PhD and offshore activities, are also not reflected in the method used.

Seventh, if we take the Faculty of the Arts, Social Sciences and Humanities, there are twenty- six disciplines to which students and staff are allocated, and only four have been deemed viable. This is an absurd conclusion that simply arises from a clearly biased and empirically nonsensical assessment methodology.

Despite numerous attempts by UOW academics to be provided with the sources of these data and the accompanying methodology, the response of UOW senior management has been slow and inadequate. From the limited information available so far, the approach taken by UOW management disregards established academic norms within Australia's higher education system

regarding workload models for academics.

Alarming, management has shown no inclination to acknowledge that collaborative processes for determining academic workloads have long been standard practice at UOW and should guide these discussions. It is concerning that the UOW executive and senior management continue to overlook repeated reminders that most academics at UOW operate under the 40:40:20 workload model, which divides responsibilities among teaching, research, and administration. These ratios are typically outlined in the initial employment contracts of many academics. The current strategy mistakenly assumes that most academic roles at UOW are entirely devoted to teaching, contradicting the employment conditions specified in those contracts.

Without any policy justification, the existing strategy presumes that if individual academics do not generate 150% more than their salaries plus additional on-costs, their roles, subjects, and courses are deemed unviable and should be eliminated. Applying this criterion retrospectively to academic positions should be subject to legal challenge.

8. Conclusions

In recent years, the Federal Government has shown no inclination to increase international student numbers and has actively tried to reduce them. Despite this fact, the UOW executive and senior management made the heroic assumption that international onshore student enrolments would continue to increase on what was already a record year for such enrollments in 2023. UOW's current change model disregards its current Enterprise Agreement and traditional workload models historically utilized in UOW schools and faculties. The strategy presently employed by the executive assumes that teaching accounts for the entirety of academic value and workload, even though it represents 40% for most academics and even less for those concentrating on research.

We submit that these problems are a direct result of the unaccountable and opaque manner in which the current UOW executive, senior management and governing council conduct themselves. Root and branch reform of these three aspects of UOW administration will be required to address the deep structural problems that their poor decision-making has created for an important regional Australian university that has built a global reputation for excellence in research and teaching.

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B. UOW Discipline Viability Assessment prepared 17 December 2024

C. NTEU UOW, Managing Change at UOW: problems with the methodology & data, 8 November 2024

APPENDIX A

CAMPUS MORNING MAIL

<https://campusmorningmail.com.au/news/businesses-uni-wollongong-is-in/>

Businesses Uni Wollongong is in: The 2021 annual report expresses optimism for a health and wellbeing development

by JAMES GUTHRIE

20 June 2021

The University of Wollongong's annual report discloses \$814m in income, up from \$785m in 2020. However, without abnormal earnings last year they were \$740m, for an underlying loss of \$21m. Overall staff costs were down 6 per cent in 2020, to \$444m (CMM May 25). Academics accounted for all these staff savings (11 per cent lower) while professional staff costs increased slightly. The university reports FTE staff numbers were 2934 in 2019 and 2546 last year.

This summary is drawn from the financial statements and the report authored by university council members, who are responsible for the financial and non-financial information provided in the annual report. It should be noted that the abnormal earnings are from the sale of property and IDP dividend. However, these were matched by abnormal expenditures, such as the termination of a student accommodation partnership of \$169M, the write-off of Education Australia at \$48M, the termination of a city lease at \$.5 mil and impairment of the university's Hong Kong campus at \$6.4m.

Accounting generally refers to the systems, methods and processes through which organisations measure, collect and report financial and non-financial information. In a narrow sense, accounting is often described as focusing on financial measures, and contemporary accounting is understood to refer to both financial and non-financial information. Accounting is generally defined as contingent; it reflects the context and purpose of its use, depending on the specific attributes of the accounting system.

I analyse the University of Wollongong's annual report paying particular attention to specific issues. The first of these is the accounting for staff. The annual report has a headcount of 2432 yet the table shows FTE of 2 546. In using full-time equivalents, the table makes it difficult to measure how many people have lost employment at the university in recent years.^[1]

Table 21: Fulltime and fractional fulltime staff 2018–2021

| Staff Demographics (FTE) | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|-------------|-------------|-------------|-------------|
| Academic Activities | 1876 | 1924 | 1942 | 1656 |
| Academic Support | 280 | 282 | 265 | 219 |
| Institution Services | 546 | 594 | 637 | 560 |

| | | | | |
|-------|------|------|------|------|
| Other | 128 | 134 | 127 | 111 |
| Total | 2848 | 2934 | 2971 | 2546 |

In the AR Table 21, based on this, 302 FTE lost employment over the period. The University of Wollongong charities commission report 2021 is not yet available, so in calculating staff numbers below, I have relied on the 2020 report, which highlights the number of people employed in various categories and is by headcount. It says that in 2020 there were: Full-time employees: 2,074, Part time employees: 685, Casual employees: 3,368, Full-time equivalent staff (FTE): 2,971

The second issue I consider is the accounting for casual staff and underpayment. Over the past two years, the university froze pay rises to defer 2019 enterprise agreement pay rises scheduled for 2020 and 2021 as COVID-19 savings measures (CMM July 30 2020), which they have now unfrozen.^[2] Professor Probyn-Rapsey stated that “management benefits from this by shifting the narrative of Uni Wollongong from one where there has been no significant improvements (in spite of all the sacrifices and cuts) to one where remedial actions and sacrifices have produced real outcomes. The dire predictions of 2020 have not come to pass.”^[3] The salary increases of 4.5 per cent arising from the Academic and Professional Staff Enterprise Agreements were finally applied in November 2021.

Third, in a very unusual accounting transaction, the University of Wollongong has been forced to amend its 2020 accounts and report the \$169m cost to the university to withdraw from a public–private partnership for student accommodation. CMM brought this issue to the attention of the New South Wales Auditor General last year.^[4]

In the 2021 annual report, the Vice Chancellor states, “there is much to look forward to in planned future developments at the university. We are refining our strategic priorities in the health space, with construction on our Health and Wellbeing Precinct hopefully underway in late 2022.” This involves capital costs of \$250m and a significant public–private partnership using university land to build:

- * an independent living retirement complex operated by Lendlease that will feature quality facilities for residents and up to 240 apartments;
- * residential aged care facility with up to 144 beds;
- * childcare centre with approximately 80-100 places;
- * community facilities, including a wellness centre, café and community hub;
- * neighbourhood retail to service the precinct;

This looks like property development business – a substantial “mission drift” when we think of the core purpose of a university. Concerning finances, the university already has to service significant borrowings of nearly \$.75bn concerning various projects.

A recent CMM article established that business people and consultants now dominate the Council membership of many public universities.^[5] In recently published research, Pelizzon et al. (2022) examine the governance of Australian public universities and empirically establish the dominance of business leaders and consultants. They argue that this is not only a governance failure but a leadership failure. They apply a lens of Australian public universities’ statutory nature and governance structures, cast against contemporary rhetoric in which universities are

metaphorically equated with commercial corporations. Their study seeks to determine the extent to which this metaphor is accurate and, ultimately (they contend), detrimental to an effective and efficient university sector.

In the case of the University of Wollongong, its purpose is laid out in the legislation under which it was established in 1975: the University of Wollongong Act 1989 (NSW) and the University of Wollongong By-law 2005 (NSW).^[6]

6 OBJECT AND FUNCTIONS OF UNIVERSITY

(1) The object of the university is the promotion, within the limits of the university's resources, of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

(2) The University has the following principal functions for the promotion of its object:

(a) the provision of facilities for education and research of university standard, having particular regard to the needs of the Illawarra region,

(b) the encouragement of the dissemination, advancement, development and application of knowledge informed by free inquiry,

(c) the provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community,

(d) the participation in public discourse,

(e) the conferring of degrees, including those of Bachelor, Master and Doctor, and the awarding of diplomas, certificates and other awards,

(f) the provision of teaching and learning that engage with advanced knowledge and inquiry,

(g) the development of governance, procedural rules, admission policies, financial arrangements and quality assurance processes that are underpinned by the values and goals referred to in the functions set out in this subsection, and that are sufficient to ensure the integrity of the university's academic programs.

Australian public universities should return to their core mission – teaching, research, academic freedom and the common good.

[1] <https://campusmorningmail.com.au/news/universities-should-report-real-staff-numbers-not-accounting-abstractions/>

[2] <https://campusmorningmail.com.au/news/uni-wollongong-unfreezes-payrise/>

[3] <https://campusmorningmail.com.au/news/hard-times-or-not-so-much-at-uni-wollongong/>

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[5] <https://campusmorningmail.com.au/news/new-ways-to-make-university-managements-accountable/>

[6] “To discover more about the legislation under which we operate,” see uow.edu.au/about/governance/legislation

APPENDIX B

Discipline Viability Assessment prepared 17 December 2024

Faculty of the Arts, Social Sciences and Humanities

| Discipline | EFTSL/FTE | | Margin | | % <6 EFTSL | |
|----------------------------------|-----------|----------|---------|----------|------------|----------|
| Public Health | 12.3 | Unviable | 26.7% | Unviable | 24.0% | Viable |
| History | 19.8 | Unviable | 26.9% | Unviable | 35.0% | Viable |
| Cultural Studies | 8.3 | Unviable | -114.1% | Unviable | 50.0% | Marginal |
| Spanish | 13.4 | Unviable | 28.1% | Unviable | 50.0% | Marginal |
| Human Geography | 10.3 | Unviable | -5.8% | Unviable | 61.1% | Unviable |
| French | 12.5 | Unviable | 27.5% | Unviable | 83.0% | Unviable |
| Japanese | 8.5 | Unviable | -3.4% | Unviable | 88.0% | Unviable |
| Italian | 3.0 | Unviable | -199.5% | Unviable | 100.0% | Unviable |
| Mandarin | 6.4 | Unviable | -32.4% | Unviable | 100.0% | Unviable |
| ELL | 9.8 | Unviable | -25.1% | Unviable | 100.0% | Unviable |
| Science & Technology Studies | 10.9 | Unviable | 28.9% | Unviable | 100.0% | Unviable |
| Social Work | 26.9 | Marginal | 70.8% | Viable | 6.5% | Viable |
| Criminology & Social Policy | 34.4 | Viable | 70.6% | Viable | 15.4% | Viable |
| Psychology | 23.3 | Marginal | 59.4% | Marginal | 19.5% | Viable |
| Creative Arts | 43.0 | Viable | 80.9% | Viable | 20.0% | Viable |
| Indigenous Studies | 30.5 | Viable | 71.3% | Viable | 37.5% | Viable |
| Visual Arts Design | 28.6 | Marginal | 71.7% | Viable | 40.7% | Marginal |
| Education | 35.0 | Viable | 70.0% | Viable | 41.5% | Marginal |
| BCM | 23.1 | Marginal | 51.6% | Marginal | 41.7% | Marginal |
| Philosophy | 29.9 | Marginal | 61.6% | Viable | 44.4% | Marginal |
| Sociology | 21.5 | Marginal | 44.5% | Marginal | 46.2% | Marginal |
| Politics & International Studies | 18.1 | Unviable | 31.4% | Unviable | 48.4% | Marginal |
| OHS | 16.1 | Unviable | 53.0% | Viable | 61.1% | Unviable |
| Creative Writing & English | 23.1 | Marginal | 46.6% | Marginal | 65.5% | Unviable |
| Music | 22.0 | Marginal | 61.4% | Viable | 84.6% | Unviable |
| Performance and Theatre | 18.8 | Unviable | 55.2% | Viable | 94.7% | Unviable |

Faculty of Business and Law

| Discipline | EFTSL/FTE | | Margin | | % <6 EFTSL | |
|--------------------------------|-----------|----------|--------|----------|------------|----------|
| Accounting | 20.9 | Marginal | 48.7% | Marginal | 20.0% | Viable |
| Finance | 22.5 | Marginal | 49.9% | Marginal | 47.0% | Marginal |
| Economics | 30.2 | Viable | 55.4% | Marginal | 43.0% | Marginal |
| Law | 28.6 | Marginal | 58.5% | Marginal | 57.7% | Marginal |
| Management | 35.0 | Viable | 69.7% | Viable | 20.5% | Viable |
| Marketing | 40.2 | Viable | 72.6% | Viable | 23.5% | Viable |
| Supply Chain Mgmt/Bus Analytic | 47.8 | Viable | 82.5% | Viable | 26.8% | Viable |

Faculty of Engineering and Information Sciences

| Discipline | EFTSL/FTE | | Margin | | % <6 EFTSL | |
|--------------------------------|-----------|----------|---------|----------|------------|----------|
| | | | | | | |
| Statistics | 6.1 | Unviable | -102.0% | Unviable | 81.0% | Unviable |
| Architectural Engineering | 5.1 | Unviable | -27.2% | Unviable | 100.0% | Unviable |
| Telecommunications Engineering | 10.0 | Unviable | 9.9% | Unviable | 90.0% | Unviable |
| Physics | 10.2 | Unviable | 13.7% | Unviable | 92.0% | Unviable |
| Material Engineering | 11.7 | Unviable | 26.5% | Unviable | 83.0% | Unviable |
| Math | 14.7 | Unviable | 26.7% | Unviable | 63.0% | Unviable |
| Biomedical Engineering | 11.2 | Unviable | 33.6% | Marginal | 94.0% | Unviable |
| Computer Engineering | 17.1 | Unviable | 43.7% | Marginal | 76.0% | Unviable |
| Mining Engineering | 15.9 | Unviable | 47.8% | Marginal | 83.0% | Unviable |
| Civil Engineering | 32.2 | Viable | 75.8% | Viable | 31.0% | Viable |
| Computer Science | 49.3 | Viable | 84.5% | Viable | 31.2% | Viable |
| Electrical Engineering | 21.1 | Marginal | 59.3% | Viable | 68.9% | Unviable |
| Engineering Education | 41.9 | Viable | 82.3% | Viable | 66.7% | Unviable |
| Environmental Engineering | 30.3 | Viable | 70.8% | Viable | 79.2% | Unviable |
| Information Technology | 33.0 | Viable | 71.6% | Viable | 50.0% | Marginal |
| Mechanical (Management) | 77.0 | Viable | 90.3% | Viable | 50.0% | Marginal |
| Mechanical Engineering | 22.4 | Marginal | 63.3% | Viable | 40.7% | Marginal |
| Mechatronic Engineering | 26.1 | Marginal | 62.1% | Viable | 50.0% | Marginal |

Faculty of Science Medicine and Health

| Discipline | EFTSL/FTE | | Margin | | % <6 EFTSL | |
|-----------------------------|-----------|----------|--------|----------|------------|----------|
| | | | | | | |
| Archaeology | 9.3 | Unviable | 4.0% | Unviable | 75.0% | Unviable |
| Geology and Earth Sciences | 15.5 | Unviable | 43.3% | Marginal | 65.0% | Unviable |
| Biological Sciences (SEALS) | 13.4 | Unviable | 48.1% | Marginal | 21.4% | Viable |
| Biology | 15.0 | Unviable | 44.7% | Marginal | 20.0% | Viable |
| Chemistry | 17.6 | Unviable | 53.4% | Viable | 55.6% | Marginal |
| Earth Sciences (SEALS) | 18.1 | Unviable | 53.4% | Viable | 50.0% | Marginal |
| Exercise Science and Rehab | 16.8 | Unviable | 55.1% | Viable | 47.6% | Marginal |
| Indigenous Health | 5.3 | Unviable | -71.7% | Unviable | 75.0% | Unviable |
| Medical & Health Science | 26.3 | Marginal | 68.6% | Viable | 28.0% | Viable |
| Medicine | 8.8 | Unviable | 41.7% | Marginal | 0.0% | Viable |
| Nursing | 49.7 | Viable | 84.0% | Viable | 19.2% | Viable |
| Nutrition and Dietetics | 18.4 | Unviable | 52.3% | Viable | 33.3% | Viable |

Note: Includes original viability assessment from the Draft Teaching and Learning Change Proposal.

| Key | |
|----------|--|
| Viable | |
| Marginal | |
| Unviable | |

APPENDIX C

Managing Change at UOW: problems with the methodology & data NTEU Friday November 8th 2024.

UOW Management is currently targeting 25 disciplines and 137 Academic positions for cuts. **Each of the methods and metrics used¹** to determine which disciplines and positions are ‘excess to requirements’ targeting ‘unviable teaching activities and associated academic positions’² **are fundamentally flawed and systematically biased.** The draft proposal collapses all Academic activities (commonly a mix of teaching, research, governance, see AEA CL16) into only 1 aspect of activity: teaching.

First, it compares the ratio of one teaching only output (equivalent full time student load – EFTSL as a numerator) with equivalent full time (EFT) for all staff (research, governance and teaching staff) as a denominator. That ratio is systematically biased given the numerator (EFTSL) and denominator are not consistent.

Second, the draft plan calculates a biased profit margin associated with that EFTSL/EFT ratio². That means including revenue from teaching activity from subjects and comparing that with the cost of all academic staff. Again, that is inconsistent and systematically biases against staff who contribute to research and governance.

For example, in the metrics being used;

- 1) All staff are counted as 1 FTE against an activity that they cannot contribute 1 FTE towards. Most staff would be 40% teaching (i.e. 0.4 FTE not 1). Even Teaching focused/intensive staff cannot contribute 100% of their FTE towards teaching.
- 2) Sta) with governance roles who teach less than 40%, or **not at all** in the case of Associate Deans, or Heads of School, count as 1 FTE against teaching activity that they cannot contribute 1 FTE towards.
- 3) Sta) with substantial research activity that may also involve teaching ‘buyouts’ (ARC grants, Laureate Fellows, Future Fellows) are counted as 1 FTE against an activity that they cannot contribute 1 FTE towards.
- 4) All Sta) in disciplines where individuals make greater contributions to governance and research activity are negatively impacted and at greater risk of losing their jobs because of false student:staff) ratios created by this methodology.

Thirdly, minimum viable student to staff ratios for any subject are set to a **minimum 48, systematically higher than minimum stated in course reviews.** Management claim their aim is to make evidence based ‘hard decisions’, but with their systematically biased methods, metrics and associated analysis in their draft proposal they can only make bad systematically biased decisions. An unbiased metric and analysis of ‘teaching activity’ requires for following:

- (1) for a ratio of EFTSL/EFT the denominator should be teaching portion of EFTs.
- (2) Profit margin, EFTSL revenue should be compared with teaching EFT costs.
- (3) Minimum subject sizes reflect those stated in course review.

¹ Method is described document sent on Nov 7/8: “Teaching viability Assessment Approach”

² “Managing Workplace Change” page 2, shared with all staff by I-VC Dewar 8/11/2024.

Additional flaws: staff across affected disciplines have found the following:

- 1) Subjects are listed incorrectly e.g. missing, attributed to another discipline, shell/project/study abroad subjects counted thus skewing SSR, pgrad/ugrad instances counted separately, different funding bands ignored, enrolment data 2024 only, not 'trends',
- 2) Staff added to disciplines they are not 'associated' with or are only partially 'associated' with. Fractional appointments, staff on unpaid leave, sabbaticals/SSPs, secondment counted as 1 FTE.
- 3) EFTSL from HDR students are not included.

In conclusion, under the enterprise agreement whole disciplines and academic staff should not be biased against for contributions to research and governance. Academic positions are defined in the Academic Enterprise Agreement (Cl 16) as comprised of duties and responsibilities across 'four areas of activity: teaching, research/scholarship, management and professional activities' (AEA Cl 16.2). It states that 'all members of academic staff are normally expected to be actively involved in these areas' and that 'all levels of academic staff can expect to make a contribution to a diversity of functions in the University' (Cl16.2). This expectation forms the basis of Academic employment contracts, Academic Performance Frameworks, Promotion policies and career development records.

As noted in the Branch meeting (Nov 7th), staff are not in a position to provide meaningful feedback on flawed data showing systematic bias, and the problems it exacerbates. Disciplines framed as unviable via flawed data have been subjected to increased psychosocial hazards in the workplace. The consultation for Stage 1 should be restarted when correct and logical data based on sound methods is made available.

We encourage all staff to interrogate the data and methodology as it applies to their discipline/School/Faculty and submit feedback to EDs and HOSs as well as through the 'feedback portals'.

Keep the NTEU informed about impacts in your area

Senate Standing Committee on Education and Employment: Quality of governance at Australian higher education providers

Part 2

Professor James Guthrie & Dr Adam Lucas

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Introduction

Thank you for the opportunity to make personal submissions to the Senate Education and Employment Legislation Committee's inquiry into the quality of governance of Australian higher education providers. Our submission is informed by research we are undertaking in the consulting industry in Australia, especially the Big Four accounting firms and the effect their advice and presence on multiple academic governing boards has had on the quality of governance by Australian higher education providers.

We note the inquiry **Terms of Reference** as follows, highlighting those we intend to focus upon in our submission:

1. The adequacy of the powers available to the Tertiary Education Quality and Standards Agency to perform its role in identifying and addressing corporate governance issues at Australian higher education providers, with particular reference to:
 - a. **The composition of providers' governing bodies and the transparency, accountability and effectiveness of their functions and processes, including in relation to expenditure, risk management and conflicts of interest;**
 - b. **The standard and accuracy of providers' financial reporting, and the effectiveness of financial safeguards and controls;**
 - c. Providers' compliance with legislative requirements, including compliance with workplace laws and regulations;
 - d. The impact of providers' employment practices, executive remuneration, and the use of external consultants, on staff, students and the quality of higher education offered; and
 - e. Any related matters.

In addressing the terms of reference A and B, we rely upon our previous research, over which we hold copyright. This research provides a summary of how the Australian higher education system (AHES), especially finances and governance, came to be in the current crisis. Tens of thousands of employees have lost their jobs in the AHES over the past five years, while overall student numbers have held relatively steady in the so-called 'contemporary crisis of costs', which we argue is an invention of university executives and senior managers to justify further reductions to staffing levels.

Guthrie and Lucas's (2022) research in tracing the historical application of New Public Management (NPM) approaches in the AHES over the past thirty years demonstrates how significantly the administration and governance of tertiary education institutions have been redefined. This shift has led to a crisis characterised by the adoption of 'commercial business models' by university leaders, particularly vice-chancellors and governing bodies. These models have transformed university executives into 'information gatekeepers,' where critical data on institutional operations is often withheld from public scrutiny. The erosion of public accountability has been exacerbated by legislative changes that have reduced the oversight capacity of staff and student representatives on university governing bodies (on which see Lucas's separate submission titled 'A history of changes to the quality of governance in Australia's public universities'.

The broader economic and cultural impact of NPM is evident in its calculative and commodifying practices, which are designed to resist public evaluation. These neoliberal changes and the cadre of highly paid business executives have been legitimised by diminishing the traditional roles of internal stakeholders, thereby limiting their influence and oversight in governance processes.

This environment poses significant challenges for maintaining transparency and accountability within universities, ultimately affecting the public good that higher education institutions are meant to serve.

Attachment

Guthrie, J. and Lucas, A. (2022), "How we got here: Australian public sector universities and finance, accounting and the audit society", *Social Alternatives*, Vol. 41, No. 1, pp. 26–34.

How we got here: The transformation of Australian public universities into for-profit corporations*

JAMES GUTHRIE AND ADAM LUCAS

The application of New Public Management (NPM) approaches throughout the Australian higher education system (AHES) over the last thirty years has radically altered the ways in which tertiary education is administered and governed. We explore the ensuing crisis in the AHES through a focus on 'commercial business models' adopted by vice-chancellors and university governing bodies. We argue these models are premised on university executives acting as 'information gatekeepers' whereby most of the data about institutional operations are withheld from external (and especially public) scrutiny. Public accountability with respect to these neoliberal changes has been rendered problematic as the result of legislative changes to the governance clauses of universities. We consider the broader economic and cultural focus of NPM as calculative and commodifying practices that are constructed to be largely impervious to public evaluation. These regressive changes have legitimated by reducing the oversight of staff and student representatives on university governing bodies.

KEYWORDS: New Public Management, Australian universities, public accountability, financial transparency, democratic governance.

Introduction

Contemporary Australian public universities are managed like big commercial businesses. As vice-chancellors earn millions and students are herded through their degrees like cash cows, casualisation, job insecurity and wage theft for academic and professional staff are both rampant and pervasive. Increasingly expensive degrees leave local and international students with decades of debt. During what can only be described as a crisis in Australian public universities, we aim to explore: how did we get here?

The already limited democratic processes in our public universities have been systematically eroded since the so-called 'Dawkins reforms' of the early 1990s (Lake et al. this issue). State and federal legislative amendments have substituted elected staff and student representatives on university governing bodies for appointed business elites (Lucas and Pelizzon 2021; Pelizzon et al. this issue). This has resulted in universities being increasingly regarded as job factories rather than places of knowledge creation that contribute to the enrichment of the cultures and economies in which they are located. We submit that universities must be both democratically accountable and democratically governed

if they are to fulfil their roles as institutions serving the public good.

This paper explores how higher education in Australia has been transformed into a dysfunctional public-private hybrid since the imposition of neoliberal forms of governance and the widespread introduction of new public management (NPM) practices. It attempts to synthesise five decades of critical research and experience regarding higher education to argue that the largely negative changes that have occurred during this period are antithetical to the purported goals of the education system. They are also corrosive of professional ethical standards, undermine efforts to inculcate in students a sense of social and environmental responsibility, and fail to meet the increasingly challenging demands of complex, rapidly changing societies in the 21st century.

As one of the more pernicious manifestations of neoliberalism, NPM practices have been primarily implemented through the corporatisation of university managerial cultures. Its ideological goal has been to reduce the autonomy of academics and professional staff to exercise their judgment and expertise, while

concentrating power in a largely unaccountable and increasingly authoritarian clique of senior managers and university executives who act as 'information gatekeepers' (Tregear et al. this issue).

We position the Australian higher education system (AHES) in its historical and socio-political context by examining the system through the lens of finance, accounting and associated calculative practices. This is achieved in three parts. The first part briefly outlines the introduction of NPM in the AHES over the last three decades. The second part explores public universities' finances using a 'rhetoric versus reality' framework. The third part provides a case study of a journey through public universities over the past five decades, adopting a methodology known as autoethnography. We conclude by pointing to democratic models of governance that continue to persist at many European universities and offer a four-part diagnosis of how to reform the AHES, whereby the core academic principles of academic freedom, collegiality and critical engagement can be reinvigorated.

New Public Management and Australian public universities

Neoliberalism¹ and its handmaiden NPM rely on privatisation, deregulation, financialisation and globalisation as their processual tools. According to neoliberal philosophy, 'free markets' are the best guarantee of economic prosperity and human freedom, whereby private sector managerial values, structures and processes are imposed as disciplinary measures on inefficient public services and a bloated and unresponsive public sector (Mirowski and Plehwe 2009). Key elements include a shift from professional to executive power, focusing on performance measured by quantitative targets, and the widespread use of financial incentives and numerical forms of performance assessment (Parker et al. 2022, forthcoming). In this context, the purpose of the public university has shifted from the education of elites and professions to the provision of marketable skills and research outputs for the 'knowledge economy' and commercial application (Lake et al. this issue).

The multiple contemporary crises in higher education in Australia have their origins in this economic, social and political transformation informed by neoliberal ideology. The idea of a self-governing and independent public university safeguarding its academic freedoms belongs to a bygone era (Martin-Sardesai et al. 2021). Many public universities have become academies of mass production: 'knowledge factories' informed by the same logic of productivity and performativity that supposedly contributes to the success of capitalist enterprises (Parker et al. 2022 forthcoming).

The 'accountingisation' and 'audit society' described by Power (1997) requires the continuous measurement of the performance of academic and operational workers, which is then used to assess the 'quality' of university teaching and research (Martin-Sardesai et al. 2017).² Beyond the constant anxiety of one's entire career hanging in the balance over barely attainable performance standards and the threat of dismissal if one does not meet those standards (Baum et al. this issue), the academic profession's sustainability is at stake (Martin-Sardesai et al. 2021; Vodeb et al. this issue).

The transformation of the AHES has taken place over the past four decades, with various Australian governments systematically restructuring universities according to NPM principles (Parker et al. 2022 forthcoming). The post-1980s public university model as a corporate enterprise (Shore and Wright 2017) emerged from the introduction of market mechanisms that embody neoliberal higher education policies. In Australia, these policies focused on generating university income from international student fees and reducing federal government higher education funding (Connell 2020). Before the 'Dawkins reforms' in the 1980s, approximately 80% of university funding was provided by the Federal Government. In 2019, that figure had reduced to about one-third (Babones 2021).

Vice-chancellors and senior management in public universities have subsequently shifted focus from quality teaching and research to quantitative measures of the performance of their academic and professional staff. These changes have been accompanied by competitive quasi-market approaches to student recruitment, intense competition for research grant funding, and a decisive shift to commercial business expectations concerning universities' contributions to society (Martin-Sardesai et al. 2021).

Consistent with NPM accounting, auditing and accountability practices (Guthrie et al. 1998), such neoliberal ideas have seen public universities focused on their financial performance. Property development, investments, and commercially oriented research income have become their core business and are routinely prioritised over providing quality teaching and research for knowledge production. Organisational behaviour is engineered through 'strategic goals and targets' and other measurement procedures. The tools employed to achieve these ends – such as economic and accounting calculations and audit logic – are the same as those used by the Big Four accountancy firms (Ernst and Young, Deloitte, KPMG and PWC), (Shore and Wright 2015). These firms provide consultancy advice to Australian university executives and government, and their members are routinely appointed to university governing bodies. In

aligning their behaviour with the Big Four management ideals, public universities have become champions of the NPM principles of efficiency, commensurability, and 'accountability' (as narrowly determined by them) (Brooks 2018; Andrew et al. 2020). However, critics rightly ask who benefits from these outcomes (Carnegie et al. 2022 a,b)? This question has become even more critical given the COVID-19 pandemic as universities have become subject to marketisation and are now operated as commercial businesses reliant on international student fees to generate free cash flow (Babones 2021).

In Australia, governments emphasise universities' ability to contribute to the 'knowledge economy' by producing employable graduates and research culminating in commercial innovations and patent income (Parker 2020). Federal and state governments attempt to achieve this through regulatory legislation and budgetary policies, given that they are politically and financially responsible for universities.³ Neoliberal techniques for controlling universities facilitate 'governance at a distance' while at the same time effectively intensifying central control by the government. Universities have now introduced highly centralised management systems that are increasingly opaque to either internal or external scrutiny (Carnegie et al. 2022a). These forms of (non-)accountability arguably contradict the model of universities as autonomous democratic and cultural institutions (Hil et al. this issue).

These trends have culminated from 2010 to 2021 in higher education becoming a significant export earner for Australia, taking third place on the list of Australia's largest export industries. Over the last decade, 40% of annual student revenue in the AHES was derived from international students (Mitchell Institute 2020). In 2019, Australia's universities educated 399,000 international students: almost as many students as were enrolled in the whole sector in 1989. During this period, federal governments have also introduced and then abandoned several different 'quality assurance' systems. This has included a new, demand-driven placement system for domestic students, and most recently the Job-Ready Graduates Program, which has seen fees for domestic students increase significantly and research funding decline by \$4.7 billion annually (Lucas 2021 a,b). As of 2021, the average student contribution to course-related revenue was increased from 42% to 48%, while assistance from the Federal Government has been reduced from 58% to 52% (Lucas 2021 a,b).

Australian public university finances: smoke and mirrors

Since the early 1990s, vice-chancellors have been incentivised to treat Australian public universities as commercial businesses at the instigation of federal

education ministers and changes to state and federal legislation. Their business models have relied on growing international student numbers and fees to fund operations, research and infrastructure. This goal has had everything to do with generating income and little to do with quality education.

In the wake of the COVID-19 pandemic, predictions of significant reductions in international student fees soon followed. Media reports from mid-2020 projected an overall sector-wide revenue decline of \$4.8 billion in 2020: the actual results showed a decrease of \$1.9 billion, or 5.1 % compared with 2019. Thus, we can see how, in 2020, when the pandemic hit, the drop in international student income was portrayed by the university lobby, vice-chancellors and many commentators as a significant financial crisis. This drop in international student revenue continues. However, it has become a smokescreen for other, more fundamental problems with the way the AHES engages with its workforce, the economy and broader society. We now know that at least 40,000 university employees lost their jobs between May 2020 and May 2021: more than any other non-agricultural sector in the Australian economy (Littleton and Stanford 2021). In 2021, we heard virtually nothing from either major political party about the level of job losses in the AHES.

The following Table 1 summarises 2019 and 2020 revenue for the public sector universities in Australia based on federal government data. Total revenue for the sector in 2020 was \$34.6 billion, down from \$36.5 billion in 2019 and \$38 billion in 2018. A reduction in investment revenue was the primary driver of revenue decline across the sector, with a total investment income of \$927.4 million reported in 2020, down \$1.3 billion or 57.7 % from 2019.

In reviewing revenue, we can see that Australian government grants did not keep up with inflation for 2020. Furthermore, local student fees increased; also note the accounting trick of adding together government funding and student tuition fees and calling this 'Australian government financial assistance'.⁴

The current financial strength of the public higher education sector and most individual universities can be judged partly by the accounting numbers.⁵ Short-term actions and tactical responses currently in play have mainly focused on cutting academic and operational workers' costs (the latter are generally referred to as 'professional staff' in union negotiations). Each year, the financial reports issued by universities confuse rather than explicate their financial position (Carnegie et al. 2022 a, b). Required statements for public sector universities are the income statement, comprehensive income, statement of financial position, statement of

changes in equity and the statement of cash flows. All except the statement of cash flows are used by individual universities to obscure the flow of funds, as they require an accrual accounting calculative practice (Guthrie 1998). This enables universities to depreciate and amortise the value of assets they have received for free via government grants, philanthropic gifts and bequests against their cash income, making their financial positions look worse than were they required to only report cash in and cash out.

Universities receive money from the Australian Government in the form of financial assistance grants, domestic student fees paid by income-contingent loans, research and consulting income from government and industry, fees paid by international students, research commercialisation, and a range of commercially oriented business ventures.

In 2020, the amount of money flowing to Australian public sector universities was about \$34.6 billion (see Table 1). Ten universities had revenues above \$1 billion. Several had annual revenues over \$2 billion, along with substantial net asset holdings, and consequently show signs of operating as financial corporations. The financial position of universities remained strong throughout the 2020 reporting period, with net assets of \$62.7 billion reported across the sector as of 31 December 2020, up 1.9% from \$61.6 billion in 2019. Total assets across the sector were \$95.0 billion as of 31 December 2020,

increasing from \$90.4 billion in 2019. Property, plant, and equipment represented the most prominent component at \$58.5 billion, followed by investments at \$18.2 billion. In 2020, two of the wealthiest institutions, the University of Melbourne and the University of Sydney, reported net assets at \$6.9 billion and \$4.9 billion respectively (Howard 2021). The management of several universities' financial assets is outsourced to investment bankers. However, unlike public companies, there are substantial gaps in their financial reporting, as will be outlined in further detail below.

The rhetoric and reality of public university finances

Based on the publicly available data above,⁶ we turn now to the gulf between the rhetoric of university vice-chancellors concerning their supposedly parlous financial positions, which require them to impose ever more draconian forms of austerity on their institutions, and the reality of Australian public universities as experienced by their staff and students (cf. Tregear et al. this issue).

The first gap between rhetoric and reality is the oft-repeated claim that universities' financial positions are poor. As was intimated in the previous section, while the rhetoric relies on claims of a loss of income due to the pandemic, the reality is that in 2020, after paying all operating costs, including employee wages and salaries, total cash flows from operating activities show surplus cash from ongoing

Table 1: Summary of 2019 and 2020 Revenue

| Operating Revenue | 2020 | 2019 | Change | |
|---|-------------------|-------------------|--------------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Australian Government Grants | 12,122,312 | 11,976,440 | 145,872 | 1.2% |
| HELP Payments | 6,063,971 | 5,806,178 | 257,793 | 4.4% |
| Australian Government Financial Assistance | 18,186,283 | 17,782,618 | 403,665 | 2.3% |
| State and Local Government Financial Assistance | 763,738 | 725,351 | 38,387 | 5.3% |
| Upfront Student Contributions | 455,532 | 459,066 | (3,534) | -0.8% |
| International Student Fees | 9,222,983 | 9,978,794 | (755,811) | -7.6% |
| Other Fees and Charges | 1,454,207 | 1,814,300 | (360,093) | -19.8% |
| Investment Revenue | 927,414 | 2,191,312 | (1,263,898) | -57.7% |
| Consultancy and Contracts | 1,628,787 | 1,567,755 | 61,032 | 3.9% |
| Other Income * | 2,012,149 | 2,000,053 | 12,096 | 0.6% |
| Total Revenues from Continuing Operations | 34,651,093 | 36,519,249 | (1,868,156) | -5.1% |

* Other income includes royalties, trademarks and licenses and the share of net results from associates and joint ventures, accounted for using the equity method.

operational income (e.g. government funds, student fees and investment income). All universities were in funds surplus with the government at the end of 2020, with students paying cash, and operating activities (excluding accruals) also paid in cash to suppliers and employees.

The second gap between rhetoric and reality is that only 17,000 employees lost their jobs in 2020. The fact is that 40,000 or more academics and operational workers have lost their employment, at least 35,000 of whom were employed in public universities (Littleton and Stanford 2021). Analysis of how universities account for the numbers of their employees highlights their inconsistent disclosures (Guthrie 2021 a,b and c)). Nearly all universities are registered as charities in their state or territory and should be treated as public organisations for staffing and financial disclosure rules. This issue of accounting for employees is also relevant in determining how many people have lost employment in Australian public universities since the pandemic: universities have been trying to hide these numbers, especially for casuals (Guthrie 2021a).

The third gap between rhetoric and reality is that the decline in international student revenue due to the COVID-19 pandemic forced universities to cut staff, programs and working conditions. The fact is that universities are using an unusual form of accounting called 'underlying operating results' in their annual reports and public disclosures. This is not an accounting statement for legal reporting, but one used to justify the 'rationalisation' of internal structures, staff terminations, and the axing of programs and subjects. These accrual financial statements use business accounting principles that should not apply in public sector organisations like universities. Accrual numbers can be manipulated by recognising depreciation and other accrued expenses (Guthrie 1998). Universities should be required to report cash in and cash out as the primary basis for annual reports of their financial health.

The fourth gap between rhetoric and reality is the claim that public sector universities should be run like commercial businesses, or are commercial businesses, when they are, on the contrary, registered under the *Charities Act* and are therefore not-for-profit organisations. Although Australian public universities are being run like commercial businesses, this fictional status (aided and abetted by both major political parties) has enabled them to hide behind so-called 'commercial-in-confidence' provisions to escape internal and external scrutiny. For example, the University of Melbourne is attempting to use 'commercial-in-confidence' to conceal from the public details of its \$4.9 billion property holdings by challenging in the Federal Court a ruling by the Victorian Information

Commissioner that it must reveal those details as a charitable organisation. As was noted in the previous section, public sector universities hold significant cash and investment portfolios. There has been considerable growth in cash holdings and investments reported by most universities over decades. They collectively held total cash and investments of \$24.6 billion in 2020, up 9.8 % from \$22.4 billion in 2019. The University of Melbourne held \$3.5 billion in cash and investments at the end of 2020 but used the pandemic as an excuse to sack hundreds of permanent and casual staff (Guthrie 2021a).

Most of the financial assets accumulated by Australian universities over the last few decades are the result of cash surpluses from past activities. However, any income from these investments appears to be ring-fenced from operating activity. Consequently, we can only assume that this income goes back into further investments. We submit that such activity makes public universities look more like finance businesses than educational institutions. They have invested their operating surpluses in derivatives, currency swaps, cash holdings and marketable shares (Guthrie 2021a). For example, the Australian National University's (ANU) financial statement for 2020 notes financial assets in primary shares and other financial instruments totalling about \$1.7 billion (Guthrie 2021b).

The fifth gap between rhetoric and reality is that universities' land and buildings are valued at a 'fair market value' of about \$50 billion in 2020. The reality is that most of this property was gifted to universities by state and federal governments. Consequently, the accrual depreciation of these assets makes little sense in this context. There was a 4.9% increase in the value of property, plant and equipment across the sector in 2020. This was driven by recognising service concession assets (read 'public-private partnerships' for building student accommodation and commercial property) following the introduction of new accounting standards. Payments for property, plant and equipment were \$3.3 billion in 2020, down 27.5% from \$4.5 billion in 2019. Many universities continue to undertake significant infrastructure development at the cost of many billions of dollars. Public universities should not be permitted to use the cost depreciation of assets acquired for free to justify cutting staff, programs and subjects. Nor should they be permitted to spend vast sums of money on infrastructure at the expense of their core business of teaching and research.

The sixth gap between rhetoric and reality is that employee expenses are too high. The reality is that the critical assets of public universities are their people, who research, teach and provide operational support for staff and students. Employee expenses cost universities \$19.2 billion in 2020, excluding payroll tax. This represented

a substantial increase of 5.4% over the \$18.2 billion reported in 2019 and was driven almost exclusively by termination payments made to staff. A Senate Select Committee on Job Security (2021: 161) has painted a picture of the university sector as 'dominated by insecure work and exploitation'. These staff usually find they must do more hours of work than those for which they are paid (Lucas and Eltham 2021; Baum et al. this issue). Wage theft is widespread throughout the sector, with several universities already paying back tens of millions in wages and several others still under investigation (Cahill 2020; Senate Select Committee 2021). However, employee expenses are not the most significant growth in expenses in universities over the past decade. On the contrary, universities' most considerable growth in expenses has been senior executive salaries, consulting fees, marketing, commission agents, service provider fees, and the outsourcing of university activities to commercial providers (Guthrie et al. 2021).

The seventh gap between rhetoric and reality is that vice-chancellors and university councils provide reliable and audited accounting numbers. The reality is that their public disclosures tend to confuse and conflate different types of accounting numbers. They are also ring-fencing other revenue from their operating activities, for example, investment and commercial income. Most of the funds for these investments and commercial businesses would have been originally sourced from excess government grants and student fees including the HELP/HECS loan scheme to educate students.

An autoethnography: the university transformed

In this section we provide an autoethnography for a fictional person 'Smith', who is an amalgam of academics who began her academic career in the early 1980s, and who was fortunate enough to begin her free university education during the years of the Whitlam Labor Government from 1972 to 1975. Smith's extended journey through the AHES provides an illuminating history of how radically the sector has changed over the last five decades.

In the early 1970s, the primary purposes of universities and colleges of advanced education was to produce local undergraduates and postgraduates. Soon after it was elected in 1972, the Whitlam Government took over the funding of public universities from the states and made it a federal responsibility. Apart from providing undergraduate education for free, it also provided for the first time a living wage for students to complete their studies. There were no international students at Smith's university, and student numbers in lectures, workshops and tutorials were small. It was not until the early 1980s, when she moved to the 'Big Smoke', that she noticed the impact of neoliberalism

and NPM practices in the AHES. As a postgraduate, she observed the effects on staff and students of what was to become an unending series of policy reforms premised on neoliberal ideas under another Labor Government, this time led by Bob Hawke.

The so-called 'Dawkins reforms' of the AHES, instituted during the final years of the Hawke Government, ushered in sweeping changes that spanned management structures, pricing, the devolution of budgets, auditing mechanisms, reporting systems and more. In the best traditions of neoliberalism, this was all done in the name of improving service delivery, efficiency, and effectiveness (Guthrie and Parker 1990; Martin-Sardesai and Guthrie 2021). Further changes to administrative practices were legislated. These policies saw performance indicators, competition between sectors and programs, and program budgeting focused on outputs rather than inputs (Martin-Sardesai et al. 2021). They also saw the emergence of business accounting for public sector organisations, as well as accrual-based accounting and the requirements that public universities produce business accounting statements in their annual reports (Guthrie and Cameron 1993).

In the early 1990s, soon after she secured her first tenured academic position, Smith noticed a significant change in student demographics, including many international students and larger class sizes. There were now 600 students in one of her lecture theatres. At the same time, contact with students per subject was reduced from five to three hours. In 1995, she was offered a tenured position at a graduate school, where she stayed for a decade. This was an enlightening experience as the community of academics had to work together not as a siloed discipline but as a group of teachers and researchers to provide life-changing postgraduate experiences for engaged students.

Smith also noticed a significant shift from academic objectives to financial management during this time. The number of publications she produced now defined her research performance, regardless of their quality or the amount of work she put into producing them. She noticed the Federal Government's introduction of a neoliberal technique associated with NPM and the audit culture which radically changed how the research performance of academics was assessed (Martin-Sardesai et al. 2017). It involved the introduction of a performance measurement that rated disciplines from five to one compared to what were described as 'world-class' standards. Strangely, there was no funding attached to this new kind of performance measurement, even though it had significant internal ramifications for academics regarding teaching, research grants, promotion, and sabbatical (Martin-Sardesai et al. 2019).

In the late 1990s, Smith was alarmed to see that several of her academic colleagues were sacked by management on the grounds that they had not brought in sufficient student income from their teaching, or funding from their research. They were classified as 'dead wood' and lopped off: tenure had been abolished by stealth. At the same time, new metrics were introduced that supposedly represented the total cost of degrees.⁷ These costs were then levied on international students, most of whom were postgraduates, which then became a significant source of discretionary funding for universities (Carnegie et al. 2022a). Federal Government control of undergraduate student numbers and government funding in terms of financial support per student was further reduced in the name of 'efficiency gains'. Smith watched with dismay as she and her colleagues were obliged to teach ever larger classes for both lectures and tutorials. She was recently told that AHES student–staff ratios and class sizes are now among the highest in the world (Times Higher Education Survey 2021).

The 'rationalisation' continued apace throughout the early 2000s and beyond. Internally, faculty-level budgets were devolved to 'cost units' or 'centres'. Revenue from teaching was used to cover a unit's salary costs, and the rest was contributed to 'central' to cover physical facilities, library, IT services, general administration and the salaries of senior management and executives, and for investments. The graduate school at which Smith worked paid about 20% to the 'centre' in early 2020, whilst her colleagues at the Business School witnessed about 75% of their teaching fees directed to the 'centre' in 2017.⁸ Secretly, Smith thought this was poetic justice, as it was this business school and others throughout the country that had been cheerleaders for NPM and neoliberal ideology since the early 1980s.

In 2004, Smith was offered a professorship at a prestigious city university. Her salary was geared to her research performance, which had in turn to be aligned with the 'strategic goals' and 'research priorities' of her department and faculty but were actually decided at the university level (Martin-Sardesai et al. 2017). She and her colleagues were discouraged from thinking of themselves as a collective of academic citizens and encouraged to focus on their own self-interest. Insufficient attention to this admonition would lead to termination of employment. Permanent performance monitoring and the commodification of her labour-power were the price of compliance (Gray et al. 2002). After all, she was told, who could possibly object to such a benign incentive to work harder, especially since it was all about improving her university's global rankings and reputation (Martin-Sardesai et al. 2021)?

Having witnessed the early retirement and sacking of several of her colleagues under this performance-based

regime, Smith decided she had had enough and took the option of early retirement. She was fortunate in gaining a fractional position at a European university for the next decade. The sensible Europeans had not adopted neoliberalism nor the NPM practices that went with it. University education in her adopted country was free. The vice-chancellor (rector) was elected from the ranks of academics and operational support staff (see Vodeb et al. this issue). The election campaign for rectors ran publicly for several months, with candidates presenting their vision for the university in forums, round tables, and the media. The candidates spoke not only to the academic community but also to members of society – because, after all, knowledge and the university are a public value and a public good. Smith was both surprised and pleased to see that deans and department chairs were also elected in a transparent, democratic process (cf. AAUP 2020).

Conclusion

Australian public universities are no longer serving public interest criteria. Nor are they focused any longer on their core teaching and research activities. They have become dysfunctional public-private hybrids that have pretensions to be for-profit corporations but lack all the checks and balances on executive power that ensure their leadership is accountable. Vice-chancellors use their interpretations of the financial results to paint a picture of ill financial health and a crisis in tertiary education that can only be resolved through increased public funding or cuts to staff and programs. A realistic assessment of the financial health of public sector universities that examines underlying trends, threats and opportunities over an extended period shows that most public sector universities are doing well. Nevertheless, despite their essential role in society – and their growing financial significance – financial accountability and transparency are almost entirely absent.

We have identified several transparency issues that can be dealt with in the short term. First, the nationally consistent, full disclosure of employment data and the cost of executive salaries. Second, the reporting of university funding allocations and university budgets based on cash flow should be publicly available and in a format that the public can easily understand. Annual accrual financial statements do nothing for transparency. It is neither in universities nor the public's interest for university executives to be empowered as 'information gatekeepers'. Third, university councils should include equal representation for staff and students and not be dominated by business elites (Pelizzon et al. this issue). Fourth, the performance management systems that surveil academics and construct a notion of performance in line with senior executive strategies need to be recognised for their negative impact on research and teaching quality, as well as academic freedom and privacy.

While the administrative elites at universities have grown, the academic profession has been reduced and casualised (Pelizzon et al. 2021; Lucas and Pelizzon 2021). Throughout our academic and professional careers, we have both experienced this transition. Guthrie started as one of a collective of scholars and became an individual unit of production in the university machine. Lucas began his academic career as a casual tutor and lecturer in the early 1990s but could not secure a full-time lecturing position until 2008 and has subsequently been subjected to six rounds of 'change management'. Lost in the corporatisation of the AHES is the notion of intellectual citizenship and the idea that an academic career is something of which one can be proud because of its contribution to enriching society. Nevertheless, we are both convinced that change for the better is not only possible but necessary if Australia's public universities are to fulfil their social obligations to its citizens and the wider world.

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Notes:

* This article has been written in dialogue with – and in connection to – all other themed articles within this special issue. As a result, it is best read as part of the issue as a whole.

1. These measures echo the broader set of global trends advocated in the Milton Friedman and Chicago School-brand of neoliberal economics (Shore and Wright 2015). This school of thought saw radical experiments in Chilean public sector universities in the 1980s, removing direct grants to universities from the state and only funding teaching through student tuition fees. To pay for their education, students could take out a government loan. This happened directly after the US-backed military coup d'état on 11 September 1973.

2. We note that the performance measurement targets set by deans and vice-chancellors have become increasingly unrealistic. For example, Martin-Sardesai et al. (2021) note that one business school is using ABDC, Scopus, Scimago and Quartile classifications for performance expectations:

full professors are required to annually attain targets such as five-figure research grant income, one to two PhD students graduated per year, and four A–A*/4–4* ranked journal articles published per year ... One performance standard in a 2019 issued business school document reveals that a Professor (Level E) is required to win \$40,000 of grant income per year, graduate one PhD student per year and publish four C1 articles per year, three of which must be in Quartile 1. Another university has been reported in the press for taking its academics' funding and publishing targets to the extreme – for instance, requiring professors to publish at twice the average annual rate for their field of research. To add to the strain, these targets are often being set in a time where the conventional 40/40/20 teaching/research/administration load is steadily giving way to a 40/30/30 split.

3. University governance within Australia has been shaped by various factors, including changes to legislation regarding the structure and functions of university governing bodies and the sources of funding for universities. State Acts of Parliament establish various Australian universities and are subsequently amended to reflect the ideological preferences of incumbent governments. These acts regulate aspects of university governance, including their governing bodies' size and composition (councils, senates, boards of trustees). A chancellor is the formal head of a university, working closely with the vice-chancellor and president (Lucas et al. 2020; Pelizzon et al. this issue).

4. Undergraduate students pay for their degree via what was formerly known as the Higher Education Contribution Scheme (HECS) when first introduced in 1989. Now known by the acronym HELP, the scheme is still commonly referred to as 'HECS' and debts as 'HECS debts'. These student contributions have always covered a substantial proportion of the cost of a public university degree. This can be thought of as a budget saving for government, as the student replaces government contributions to their education with their own contribution via income tax following graduation. Furthermore, the Federal Government does not charge interest but does index the HELP debt.

5. The finance and accounting data was extracted from the DESE (2021) University Finances 2020 Summary Information, 28 October 2021, and associated database. These are the financial results for the sector for 2020. It is noted that individual universities have different results, and we have mainly reported on aggregate data. We do not reference the data in the paper as it comes from DESE (2021).

6. Publicly available data for university finances and staffing is limited to DESE (2021) which uses calculative practices to limit transparency and public scrutiny. State and federal government education departments and individual universities stonewall freedom of information requests about the composition of international students, their institutional costings and research grants, as well as classes of employment and vice-chancellor and senior executive salaries (Babones 2021).

7. The cost of a degree is a very contested concept. The Deloitte Access Economics report on this issue is flawed (Babones 2021). Infrastructure depreciation should not be used in costing as nearly all of this was gifted by governments to public universities.

8. However, many of the inputs counted were shadow prices allocated by the centre in the absence of actual costs. For example, on revenue, Master students from China in one program were charged exorbitant fees. This generated a free cash flow of \$200 million a year for the centre of the university concerned.

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**Submission
No 71**

INQUIRY INTO NEW SOUTH WALES UNIVERSITY SECTOR

Name: Dr Adam Lucas and Professor James Guthrie

Date Received: 20 October 2025

Inquiry into the New South Wales University Sector (2025)

Submission to the NSW Legislative Council Standing Committee on Social Issues*

**Urgent accounting, auditing and governance reform are needed for the
New South Wales Public University Sector.**

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17 October 2025

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Urgent accounting, auditing and governance reform is needed for the New South Wales University Sector

Executive Summary

This submission provides a critical and evidence-based response to the New South Wales Legislative Council Standing Committee on Social Issues' Inquiry into the NSW University Sector. Drawing on decades of interdisciplinary research and policy experience, Lucas and Guthrie analyse systemic shifts in the governance, financial management, and public accountability of universities in New South Wales (NSW) and offer a suite of targeted reforms to restore the democratic and public character of higher education institutions.

Over the past decades, Australia's public universities have undergone a radical transformation. Once primarily governed by academic staff and students in line with collegial principles, universities are now controlled mainly by senior executive managers and governing councils dominated by appointees from the corporate sector. This shift, reflecting global trends in the marketisation of higher education, has eroded traditional academic values, diminished transparency, and weakened universities' responsiveness to public needs.

The COVID-19 pandemic and the subsequent crisis in Australian public universities exposed the fragility of the current funding and governance models. The NSW public sector universities, with a legislative mandate to serve the public good, have cut academic programs, casualised teaching workforces, and invested in risky commercial ventures, often with minimal external scrutiny. These developments have raised serious concerns about contemporary universities' adherence to their statutory objects, particularly in relation to equity, academic freedom, professional training standards, disciplinary reproduction, and public accountability.

Our submission is premised on the conviction that universities are fundamentally public institutions. Their legitimacy rests on democratic oversight, public investment, and a social contract that obligates them to serve the common good. This submission thus interrogates how legislative frameworks, financial practices, and governance structures must evolve to realign NSW universities with their public mission.

We highlight the lack of consistency across NSW university enabling Acts, with considerable variation in the composition, powers, and reporting obligations of governing councils.

Ministerial oversight is often symbolic, and existing provisions do not adequately constrain universities from engaging in opaque or high-risk financial activities.

Elected staff and student representation has been steadily removed or reduced across NSW universities. This loss of democratic voice has contributed to managerial dominance and weakened internal checks and balances. Council members with corporate experience often lack a grounded understanding of universities' public mission.

While universities publicly affirm commitments to academic freedom, few have embedded enforceable protections into their governance frameworks. The authors argue for statutory guarantees, modelled on the Commonwealth's Model Code (2021) and enforced by independent research integrity bodies.

The use of accrual accounting methods, often selectively applied, has facilitated the misrepresentation of financial health and justified severe cost-cutting measures. Dual basis reporting, integrating both cash and accrual data along with consolidated group accounts and related party disclosures, is urgently needed to ensure genuine transparency.

Many universities operate large networks of controlled entities, including international campuses, with minimal parliamentary or public scrutiny. These ventures often divert resources and governance attention away from core educational objectives. The authors advocate for mandatory public disclosure of all controlled entities' governance and financial data.

The casualisation of teaching staff has become structurally embedded, raising concerns about educational quality, continuity, and fairness. Simultaneously, student welfare systems have been compromised by underfunding and outsourcing. Governance reforms must institutionalise workforce data reporting and student safety frameworks.

Universities have largely failed to develop measurable frameworks for evaluating their impact on equity, regional development, professional training standards, and Indigenous advancement. Moreover, civic responsibilities, including support for public scholarship and democratic discourse, are underemphasised in executive performance metrics and institutional strategies.

There is a pressing need for coordinated oversight between Commonwealth and NSW authorities to align regulatory standards, governance expectations, and accountability

mechanisms. Fragmentation of jurisdictional responsibility has enabled universities to bypass scrutiny by exploiting governance gaps.

The submission presents 20 headline reforms, each mapped to detailed actions across the Terms of Reference. These include: harmonising Acts, codifying academic freedom, dual basis reporting, governance transparency, oversight of subsidiaries, consultancy integrity, workforce standards, statutory equity duties, civic engagement KPIs, and intergovernmental coordination.

Our submission is more than a call for administrative tweaks; it is a comprehensive critique of the structural drift away from democratic, public-serving principles in NSW's university system. Our analysis is grounded in both empirical research and lived experience, and our recommendations offer a practical blueprint for reform.

Critically, the submission underscores that governance is not a neutral or technical matter but a profoundly political question. Who governs universities, and how does that determine whether they serve private interests or the broader public? We challenge the prevailing corporatised model of university governance, arguing that accountability to the state and society must be reasserted through legislation, transparency, and meaningful democratic participation.

We welcome the announcement by the Federal Minister for Education, the Hon. Jason Clare, on 18 October 2025, to substantially improve governance and oversight of university governing bodies and their executives. However, it is important to note the repetition in the *Final Report and Principles of the Expert Council on University Governance* of claims by university executives that elected staff and student members of governing bodies do not understand or adhere to “the obligation of all governing members to act in the best interests of the university as a whole”. We have provided a substantial body of evidence below that university executives routinely use “confidentiality” claims to obscure decisions that are not necessarily in the best interests of the universities they have been appointed to represent: staff, students and the public have a right to know about those decisions.

In proposing legislative modernisation, stronger financial oversight, and robust public-interest mandates, we position the NSW Parliament as an essential actor in safeguarding the future of higher education. Our submission envisions universities not as quasi corporate enterprises, but as foundational institutions of a democratic society, and as engines of knowledge, equity, and public good.

Summary of Key Findings

Implementation of the following reforms will restore universities' character as public institutions rather than quasi-corporate enterprises.

1. Fragmentation of legislative frameworks has weakened effective public governance.

NSW's university enabling Acts vary significantly in their provisions for council composition, financial oversight, and Ministerial accountability. This lack of harmonisation has created systemic governance incoherence and enabled universities to appeal alternately to Commonwealth autonomy or State incorporation to avoid scrutiny. The resulting ambiguity leaves neither level of government fully accountable for ensuring that universities meet their public-purpose obligations.

2. University governing councils have become increasingly corporatised and opaque.

Councils now prioritise financial and reputational metrics – global rankings, surplus targets, and commercial ventures – over core statutory purposes of teaching, research, and community service. The progressive exclusion of elected staff and student representatives, coupled with the marginalisation of Academic Senates, has entrenched managerial control and weakened internal accountability. Student welfare, staff wellbeing, and collegial participation receive minimal board-level attention.

3. Current statutory frameworks inadequately safeguard universities' public mission.

Despite being publicly funded institutions, universities are not legally required to demonstrate how their operations fulfil their legislated objectives. Public-mission drift has occurred as governance structures reorient toward risk management and commercialisation. Obligations for regional service delivery, Indigenous engagement, and civic partnership are inconsistently applied across Acts and lack statutory enforcement or board-level reporting.

4. Academic freedom remains rhetorically supported but structurally unprotected.

Most universities include declaratory clauses on academic freedom, yet few have enforceable internal mechanisms, council-level oversight, or independent reporting arrangements. Research integrity and ethics functions typically report through senior executives rather than autonomous committees, creating conflicts of interest and exposing institutions to reputational and ethical risks. The result is rhetorical commitment without structural guarantees.

5. Financial reporting lacks transparency and facilitates obfuscation.

Accrual-based corporate accounting, combined with selective interpretation of key

indicators, has enabled universities to present inflated deficits and justify austerity measures despite strong cash positions. The use of corporate-style metrics obscures the allocation of resources between educational, administrative, and commercial purposes. Mandatory dual-basis reporting – both cash and accrual – is essential to restore clarity and public confidence.

6. Dual-basis financial reporting is essential for accountability.

Public trust in university finances requires disclosure of both cash and accrual figures, including group-wide consolidation, liquidity positions, and related-party transactions. Transparent reporting should include reconciliation of operational surpluses with underlying cash reserves and complete visibility of consultant expenditures, deliverables, and conflicts of interest. This would provide a realistic picture of financial health and decision-making.

7. Proliferation of controlled entities undermines public scrutiny.

Universities now operate extensive networks of subsidiaries, trusts, and joint ventures that fall outside the scope of routine parliamentary or Ministerial oversight. Registers of commercial activities remain internal, with limited disclosure of risk exposure, governance arrangements, or related-party dealings. Consultancy dependence within these entities further compounds opacity and weakens assurance over value for money and ethical compliance.

8. International education ventures pose reputational and financial risks.

Offshore campuses, transnational partnerships, and global marketing ventures have been initiated with limited transparency, due diligence, or long-term accountability. These projects often prioritise brand and revenue over educational quality or equity, diverting leadership attention from NSW's domestic public responsibilities. The absence of consistent reporting standards across such ventures heightens financial and reputational vulnerability.

9. Obligations to public reporting have not matched public subsidies.

Despite significant government funding, universities are not statutorily required to publicly report performance against equity, access, or civic engagement benchmarks.

10. Casualisation of the academic workforce has become systemic.

Short-term and insecure academic appointments dominate teaching delivery, undermining educational quality, academic morale, and institutional memory.

- 11. Student welfare frameworks are insufficiently embedded in governance.**

While student safety and mental health are recurrent institutional priorities, few universities have formal governance mechanisms to monitor and publicly report on these issues.
- 12. Consultancy and procurement processes lack transparency and integrity safeguards.** Universities regularly engage high-cost consultancy services without publicly disclosing the scope, cost, deliverables, or conflicts of interest. Practices that would be unacceptable in equivalent public-sector agencies.
- 13. Ministerial powers are vague and inconsistently enforced.**

Provisions enabling Ministerial intervention in university governance are ambiguously worded and rarely exercised, rendering them ineffective as accountability mechanisms.
- 14. Elected voices in governance are necessary for democratic legitimacy.**

The removal of academic and student representation from councils has significantly reduced internal scrutiny and feedback loops, which are essential to institutional learning and responsiveness. Executive claims that elected staff and students do not understand their obligations to act in the best interest of the university as a whole have never been substantiated with convincing evidence.
- 15. University councils often lack the necessary expertise and independence.**

Appointments to university councils frequently privilege corporate or political experience, with insufficient regard for educational insight, a public service ethos, or safeguards against conflicts of interest.
- 16. Research integrity requires independent oversight beyond internal audit units.**

Governance frameworks must institutionalise Research Integrity Committees that are external to university executive chains of command and report to independent state bodies.
- 17. Public purpose KPIs are essential to performance measurement.**

Institutions should be legally mandated to develop, report on, and be held accountable for public-interest indicators, including equity of access, regional development, and civic engagement.
- 18. Senior executive remuneration is insufficiently transparent and benchmarked.**

Decision-making around senior salaries and performance incentives is often shielded from public view and fails to align with statutory or civic responsibilities.
- 19. University land use and capital development lack public benefit tests.**

Major commercial precincts, real estate ventures, and partnerships are often approved without meaningful stakeholder consultation or demonstration of alignment with educational purposes.

20. A coherent NSW–Commonwealth regulatory partnership is urgently needed.

Jurisdictional fragmentation in oversight has created blind spots. A Joint Oversight Council could harmonise regulatory standards, audits, and public risk assessments.

Key Recommendations by Terms of Reference

The following are key recommendations relating to each of the terms of reference. Further details relating to each of the key recommendations, along with further recommendations, are included at the end of each of the relevant sections.

Term of Reference 1(a)

Establish a Joint University Governance Review Panel, chaired by the Minister and the NSW Auditor General, to conduct periodic audits of university councils and report publicly to Parliament.

Term of Reference 1(a)(ii)

Amend each university Act to require at least 40% elected members (staff and students) on the governing body, not alterable by constitutional rules.

Mandate genuinely independent external reviews of governing body performance, composition and accountability systems.

Term of Reference 1(b)

Develop a Formal Inter-Governmental Agreement on University Governance, endorsed by the Council on Federal Financial Relations, clarifying Commonwealth control over funding and standards and State control over corporate governance, land, and accountability.

Establish a NSW-Commonwealth Joint Oversight Council comprising senior representatives of TEQSA, the NSW Auditor General, and the NSW Department of Education to coordinate audits and share governance and risk intelligence.

Term of Reference 1(c)

Establish Statutory Guarantees of Academic Freedom.

Insert enforceable clauses into all Acts, modelled on s 4 of the Academic Freedom and Freedom of Speech Model Code (2021), requiring councils to uphold and report on compliance with academic freedom.

Require university councils to maintain audit-independent Research Integrity Committees that report directly to the NSW Auditor General or to an external ethics oversight body.

Term of Reference 1(d)(i)

Require standardised, public nomination processes for external members and create reserved nomination rights for the Academic Senate and peak student bodies.

Term of Reference 1(d)(ii)

Establish a Remuneration Standard for NSW universities (cap and public justification pathway); publish remuneration committee charters, comparator sets, and outcomes.

Term of Reference 1(d)(iv)

Require dual basis financial reporting (accrual and cash) plus group consolidated accounts for all controlled entities with related party disclosures.

Term of Reference 1(e)

Require councils to approve a Workforce Governance Standard containing minimum reporting on casual/contingent labour ratios, conversion pipelines, academic workload compliance, WHS leading indicators, and impacts of restructures on statutory objects (cross reference 1(a)(iii)).

Require councils to table cash–accrual reconciliation statements and unrestricted reserve disclosures with each budget.

Require ex post evaluations of major consulting engagements to be tabled with the council and summarised publicly.

Term of Reference 1(f)(i)

Insert a statutory equity duty: require councils to set, monitor, and publicly report equity participation, retention and completion targets (by low SES, regional/remote, disability, Indigenous status, and first-in-family), with remedial action plans if targets are missed (cross ref 1(d)(iv) transparency package).

Term of Reference 1(g)

Require entity-level schedules in annual reports: legal name, jurisdiction, ownership percentage, directors (and their university roles), auditor, purpose, revenue/EBITDA, assets/liabilities, cash flows, intra-group loans/guarantees, and related party transactions.

Create a single public COI and Related Party Register spanning parent and all controlled entities, with live recusal logging in published minutes (cross ref 1(d)(ii–iv)).

Require an International Campus Compliance Pack for council approval and annual review.

Term of Reference 1(h)

Require each university to agree on a four-year Outcome Agreement with the NSW Government that is published and reviewed annually, specifying: (i) Equity/access targets; (ii) Regional and Indigenous impact metrics; (iii) Public discourse and civic outputs; (iv) Translation and community benefit outcomes; (v) Student welfare standards.

Insert an explicit Public Benefit and Accessibility Duty: councils must set, monitor and publish equity targets; regional and Indigenous impact measures; and public discourse outputs, with budget lines aligned to these duties.

Require equity/regional/Indigenous impact statements for major restructures and property/precinct decisions. (Cross ref 1(f), 1(c).)

TR1(a): Legislative Governance Frameworks Regulating Universities In NSW and TR1(a)(i) Structure, Powers and Responsibilities of University Councils

Each of the ten NSW public universities is governed by a statutory council, senate, or board that exercises ultimate authority over property, finance, and policy. The *Universities Governing Bodies Act 2011* introduced a uniform legislative framework while simultaneously transferring to each institution's governing body the power to set its own size and composition. This shift, implemented through university-specific Orders of 2012, transformed collegial governance into a corporate model.

Analysis of the NSW university enabling Acts shows that councils are now vested with broad powers akin to those of corporate boards. These include control of property, employment, and commercial dealings. Historical amendments to those Acts, particularly since 2011, have removed ministerial oversight and reduced the requirement for representation within the university community.

Previous research we conducted with colleagues on the employment backgrounds of council members across the country has been supported by more recent research by the National Tertiary Education Union (NTEU). That research has revealed that two-thirds or more of council members at most Australian universities – including those in NSW – now come from the private sector, primarily finance, property, and consulting. Typically, fewer than one-third have experience in tertiary education. This composition reflects a profound misalignment between statutory purpose and governance expertise.

Prior to the Dawkins Reforms in the late 1980s, universities operated as communities of scholars, with councils balancing academic, student, and external perspectives. The shift to managerial governance mirroring corporate structures has produced the following outcomes:

1. **Concentration of Power.** Councils delegate extensive authority to vice chancellors and small executive committees, reducing transparency and collective oversight.
2. **Erosion of Collegial Representation.** Elected staff and student members now occupy fewer than one quarter of council seats in most NSW universities.
3. **Managerialist Decision Making.** Corporate appointees with primarily finance, consulting and property development backgrounds now dominate NSW governing boards, prioritising risk management and brand metrics over educational quality.

4. **Opaque Procedures.** Council minutes, remuneration committee outcomes, and consultant engagements are rarely published, thereby impeding public scrutiny.

Findings

- Councils function as de facto corporate boards of commercial corporations with limited internal accountability, although they are legally constituted as not-for-profit charities.
- The principle of external member majorities has supplanted democratic checks, producing self-perpetuating bodies aligned with executive interests.
- The statutory duties to “oversee the performance of the vice chancellor” and to “monitor risk” (now found in s 16(1B) of most Acts) lack enforceable mechanisms or sanctions.
- The balance of expertise on councils heavily favours finance and management over educational and community perspectives.

Case study: University of Wollongong

Transformation of governance structures and financial oversight through changes to the University of Wollongong Act between 1972 and 2024

Under the *University of Wollongong Act 1972 No. 72*, the Council was both the governing and corporate authority of the University of Wollongong (UOW). Its constitution reflected a late-19th-century binary-era public–collegial model, combining parliamentary and ministerial oversight with substantial elected representation from academics, the “Convocation,” and students.

Under the 1972 Act, two elected students and four elected Convocation members sat on the Council, alongside four elected academic staff, ensuring substantial internal and community representation. The Convocation encompassed graduates, academic staff, Council members, and other persons admitted by Council, creating an inclusive public body connecting the University to its alumni and regional community. It functioned as the broader electoral and deliberative constituency of the University – essentially its civic parliament – empowered to elect four of its members to the Council (s 15(7)(a)) and to participate in ceremonial and consultative activities. It provided a statutory mechanism for graduate and community engagement in governance, consistent with mid-20th-century models of university self-

government that have since been abandoned throughout Australia but still operate in European universities.

Nearly half of the Council's membership was elected or publicly accountable until the Dawkins Reforms of 1987 to 1989, culminating in the present situation wherein elected staff and students constitute only three of a potential 22 members. As shown in **Table 5 (see Appendix)**, all NSW universities now have between 14 and 18 members.

In the immediate aftermath of the Dawkins Reforms, Australia's previously separate universities and colleges of advanced education were unified and established or reconstituted along corporate lines to make them more "business-like". These universities, including UOW, have subsequently combined elements of collegial academic governance with the decision-making and managerial structures characteristic of commercial corporations.

The logic of New Public Management (NPM) informed the new national system introduced by the Hawke Labor Government and initially reflected a hybrid public-collegial model characteristic of these early post-binary era universities.

By way of contrast, the 1972 Council structure was deliberately pluralistic, balancing government, academic, student, and community interests. Section 15 established a statutorily fixed membership that combined internal academic and student voices with external nominees.

The inclusion of parliamentary members in the original governance structure of UOW directly linked the University to the NSW Parliament, providing a mechanism for democratic accountability that is now absent from the post-2012 governance framework.

The initial governance structure of UOW ensured broad representation, balancing government oversight with academic participation. The Council's functions under s 25(1) granted it complete control of the University's affairs and property, subject to explicit checks on borrowing, investment, and land alienation. All three required Governor or Treasurer approval (s 25(1)(e)–(f)), and leases exceeding 21 years needed ministerial consent (s 25(2)–(3)). These provisions embedded direct executive oversight of financial and property decisions in UOW's governance, reflecting a public accountability model that placed appropriate checks and balances on executive power. Delegation of powers under s 26 was also tightly circumscribed, maintaining a formal separation between governance and administration.

By way of contrast, under the *University of Wollongong Act 1989 No. 127* (as at 2024), the governance framework has been recast to align with the “New South Wales University Governance Reforms” (2004–2012). The current Act’s ss 8A–8H and 8B–8G establish a Council of 11–22 members whose size and composition are determined by two thirds Council resolution (s 8B(1)–(5)), with a statutory majority of external persons (s 8B(6)) and a prohibition on any one category forming a majority (s 8B(7)). While this mirrors the post-2004 corporate governance model across NSW universities, it also grants the Council itself the power to vary its own composition through “constitution rules”, enabling self-adjustment without ministerial assent. This is a significant departure from the 1972 model of externally imposed composition.

Section 8C of the current Act mandates at least two members with financial expertise and one with commercial expertise, embedding corporate skills as a statutory requirement. Academic and student representation has been reduced to one elected academic, one non-academic, and one student member (s 8D). Ministerial appointments persist (s 8G) but are numerically constrained and are no longer accompanied by parliamentary representation.

Therefore, **Table 1** (see Appendix) draws on Section 15 of the 1972 Act, which establishes the Council as the governing and corporate authority of the University and fixes its membership at twenty-seven (27), eleven (11) of whom are elected, representing around 41% of all members. Two parliamentary members and four ministerial appointees provide external public and governmental oversight, while university officers or co-opted members hold the remaining ten positions.

Provisions for external financial oversight have been substantially removed from post-2004 governance structures, reflecting the broader transformation of Australian university governance from a collegial–statutory to a corporate–fiduciary model.

Section 16(1A)–(1B) now vests the Council with “control and management of the affairs and concerns of the University”, including specific duties to monitor the Vice Chancellor, approve budgets, oversee risk management, and ensure control systems and accountability for “controlled entities” (s 16A). Ministerial consent is still required for the sale or mortgage of certain “relevant land” acquired from the State (s 18(3)), but day-to-day leasing and commercial activities fall under the Council’s own authority, provided they comply with the internal Guidelines for Commercial Activities (s 21B). Oversight mechanisms have thus

shifted from ex ante ministerial supervision to ex post transparency obligations, such as reporting to the Minister and Auditor General (ss 17B, 21D–21E).

The Council's functions now emphasise strategic direction, risk management, and financial stewardship rather than academic leadership. Whereas the 1972 Act required external approval for financial transactions, the 1989 Act (as amended) entrusts these powers to the Council itself, subject only to internal governance processes and public sector audit obligations. The effect is managerial autonomy coupled with reduced direct government intervention at the cost of diminished participatory oversight by the academic community.

Table 2 (see Appendix) captures the legislative evolution from a collegial, government-supervised model (1972) to a corporatised, self-regulating governance model (1989–2024).

Our review of the *University of Wollongong Act 1972 No. 72* and the *University of Wollongong Act 1989 No. 127* reveals a decisive transformation in financial governance. The 1972 Act embodied a public trustee model, under which the Council exercised stewardship of public resources subject to tight ministerial and gubernatorial control. Borrowing, investment, and, foremost, property transactions required prior government approval, and parliamentary membership on the Council embedded political accountability within university decision-making.

By way of contrast, the 1989 Act, progressively amended through the 2012 governance reforms, replaced this external supervision with a model of internalised fiduciary accountability which lacks effective public oversight or accountability.

The UOW Council now self-authorises financial activity within a so-called risk management framework. It has been empowered to make major financial decisions and investments, including the formation of commercial subsidiaries and offshore campuses, and reports to the Minister only after the fact through annual statements. Although technical audit coverage has expanded, the locus of control has shifted decisively from government to university management, reflecting the wider corporatisation of Australian higher education governance.

It should also be noted, in conclusion, that the current makeup of UOW's Council appears to be in breach of the Act and its explicit prohibition on any one category forming a majority (s 8B(7)). There are currently six external appointments, making that group dominant within the Council. If this is indeed the case, the Minister should raise it as a matter of urgency with the current UOW Chancellor and Vice Chancellor and immediately rectify it by dismissing one or more of the appointed individuals.

TR1(a)(ii) Consistency and Variation in Governance Provisions Across NSW University Acts

Across NSW, the *Universities Governing Bodies Act 2011* and the subsequent university-specific Orders re-cast the governing body provisions of each enabling Act into a broadly consistent template. Today, each Act:

- Fixes the governing body size to 11 to 22 members, with the exact total set by a two-thirds vote of the governing body.
- Divides members into official, elected, council/board/senate appointed, and ministerially appointed categories.
- Requires that a majority of the total members be “external persons” (non-staff, non-students) and prevents any one category from forming a majority.
- Requires at least two members with financial expertise and at least one with commercial expertise; and
- allows the governing body to make “constitution rules” (by two-thirds resolution) that prescribe the numbers in each category (other than officials) and to notify the Minister of any such resolution.

We can see this language almost verbatim in, for example, UNSW Act s 8B, UTS Act s 8B, USyd Act s 8B, Newcastle Act s 8B, WSU Act s 10B (Board of Trustees), which each codify 11–22, external majority and constitution rules made by super majority.

Nevertheless, material variations still matter. Even within this “standard” framework, there are meaningful statutory differences that drive non-uniform accountability, representation, and alignment with public purpose.

The following analysis pertains to the five universities other than UOW located within a 200 km radius of the Sydney CBD, where approximately 75 per cent of the NSW population resides.

1) Name and constitutional identity of the governing body

- University of Sydney: the governing body is the Senate (members are “Fellows”), and the Act retains the historical institutional architecture of a Senate and Convocation.

- UTS, UNSW, Newcastle: the governing body is a Council; UTS and Newcastle retain Convocation in the Act.
- Western Sydney University: the governing body is a Board of Trustees; Convocation is not retained (Part 2 lists graduates and staff, but item “(b)” is repealed).

2) Presence (or absence) of Convocation

- Convocation retained: USyd, UTS, Newcastle (explicit Convocation provisions appear in each Act).
- Convocation absent: UNSW (Part 2 establishes the University as Council and staff and graduates/students; no Convocation) and WSU (repealed).

3) Regional/public purpose emphasis in the “objects and functions”

- Newcastle: functions are stated “having particular regard to the needs of the Hunter region, the Central Coast and surrounding areas” (s 6(2)(a)).
- WSU: functions emphasise “the needs and aspirations of residents of Greater Western Sydney” and contribution to its “social, economic and intellectual life” (s 8(2)(a), (c); 8(3)(b)).
- UNSW, UTS, USyd: functions are framed generally (with commercial and revenue generation functions articulated), without a region-specific clause.

4) Powers to remove Chancellor/Deputy Chancellor

- 11A style removal provisions (no confidence at two consecutive ordinary meetings with a two-thirds majority) are now explicit in several Acts (e.g., UNSW contents show s 11A, UTS s 11A, Newcastle s 11A). These provisions align across Acts but are embedded within each institution’s governance.

5) Institutional nomenclature and role-specific “duties” parts

- USyd features Part 4A “Duties of Fellows”; UTS/UNSW/Newcastle use “Duties of Council members”; WSU adopts “Duties of Board members”. The content is functionally parallel but framed to each body’s title, reinforcing the quasi corporate standardisation.

6) Commercial activity, machinery and reporting

- All Acts now carry Commercial Activities divisions (Register; Ministerial reports; possible referral to Ombudsman/Auditor General). The specific Part/Division numbering varies (e.g., USyd Division 4 ss 26A–26E; UTS Division 3 ss 21A–21E; Newcastle Division 3 ss 21A–21E; WSU Division 4 ss 32A–32E), but the mechanism is substantively equivalent, with no default public access to the Register.

7) Constitution rules levers (and path dependency)

- In each Act, the numbers of elected staff, elected students, and external appointees (other than the “officials”) are not fixed in the Act but are set by “constitution rules” made by the governing body by a two thirds resolution (UNSW s 8B(4)–(5); UTS s 8B(4)–(5); USyd s 8B(4)–(5); Newcastle s 8B(4)–(5); WSU s 10B(4)–(5)). That design choice is the critical point of divergence in democratic representation: it allows each governing body to dial up or dial down elected representation over time, while always maintaining an external majority.

Implication: Although NSW Acts now appear “harmonised”, real-world variation persists because each governing body controls its own composition within the statutory envelope. As **Table 5** (see Appendix) demonstrates, the actual mix (elected staff/students vs appointed externals vs ministerial) differs markedly across USyd/UNSW/UTS/Newcastle/WSU/UOW at any given time.

Why these differences matter

1. **Democratic representation:** Because the number of elected members is set by constitutional rules, elected staff and student places can be minimised across institutions while still meeting the external majority test. This has produced significant variations in internal democracy.
2. **Public mission:** Regional purpose clauses (Newcastle, WSU) provide statutory accountability to local communities that others lack. Without such clauses, governing bodies are free to prioritise commercial or branding projects over local needs.
3. **Continuity of civic governance:** Convocation, where retained (USyd, UTS, Newcastle), keeps alive the possibility (if not the reality) of a broader civic constituency; its absence (UNSW, WSU) reflects a more managerialist constitutional identity.

RECOMMENDATIONS FOR ACTION

1. **Legislative alignment with democratic floors:** Amend each Act to require at least 40% elected members (staff and students) on the governing body, not alterable by constitutional rules. The current constitution rules model enables systematic dilution of elected voices. These rules need to be removed from each Act. A requirement to allow up to 50% of elected members should be included in each Act.
2. **Transparency of constitution rules:** Require tabling in Parliament and publication (with version history) for all resolutions under the size/composition provisions (USyd s 8B(2), (4)–(5); UNSW/UTS/Newcastle equivalents; WSU s 10B(2), (4)–(5)).
3. **Public purpose clauses statewide:** Extend region-specific or public purpose clauses akin to Newcastle's 6(2)(a) and WSU's 8(2), (3) to all NSW universities, with annual “Public Benefit Statements” measured against those objects.
4. **Commercial activity transparency:** Make the Register of Commercial Activities (now internal) public by default (redacting genuinely confidential details), and table Ministerial reports on commercial activities annually (USyd Div 4; UTS Div 3; Newcastle Div 3; WSU Div 4).
5. **Five-year independent governance reviews:** Mandate genuinely independent external reviews of governing body performance, composition and accountability systems (mirroring the “Duties” parts: USyd Part 4A; UTS/UNSW/Newcastle “Duties of Council members”; WSU “Duties of Board members”). Senior academics with appropriate expertise should conduct these reviews, but with no past or present employment or research relationships with the institution under review. External private consultants should be explicitly prohibited from conducting such reviews. A registered pool of such academics should be created and regularly reviewed and updated by the NSW Department of Education, preferably in coordination with other state and federal departments. Appropriate remuneration, commensurate with the size and scope of each undertaking, should be provided to all reviewers through a university-financed, hands-off contribution pool. This initiative should be pursued through the Council of Australian Governments (COAG).

TR1(a)(iii) Alignment of governance practices with objects and functions in each university Act

The enabling Acts for New South Wales public universities define their objects – the statutory purposes for which the institutions exist – and their functions, which include the promotion of scholarship, research, and service to the community. However, as the evidence compiled by the authors in our previously published research and various submissions demonstrates, there is a growing disconnect between these legislated purposes and the way governance structures now operate.

Across all universities examined in section 1(a)(ii), councils and senates have adopted managerial practices that prioritise financial risk, property expansion, brand marketing and “key financial performance metrics” over educational and social outcomes. This divergence constitutes a structural misalignment between the public-interest objectives embedded in legislation and the private-sector logics that shape university governance decision-making.

Now, several features will be discussed.

1. Statutory Objects and Functions.

Most Acts reproduce similar wording derived from the original University Acts 1989 template. Typical objects include:

- Advancement of learning and knowledge through teaching and research.
- Encouragement of critical and free enquiry.
- Provision of courses across a wide range of fields.
- Participation in the cultural and economic development of the community; and
- Conferral of degrees and awards.

The *University of Sydney Act 1989* s 6(1) and the *University of Wollongong Act 1989* s 6(1) are representative.

However, only the *University of Newcastle Act 1989* s 6(2)(a) and *Western Sydney University Act 1997* s 8(2)–(3) expressly tether those objects to a geographical community, creating a statutory expectation of regional service. Other Acts frame community engagement in a

generic way, allowing councils to interpret “service” through commercial or reputational lenses rather than through civic responsibility.

2. Observed Governance Practices

(a) Commercialisation and Property Expansion

- From 2014 to 2024, NSW universities collectively invested more than \$9 billion in property and infrastructure projects, frequently financed through debt and joint ventures.
- The statutory power “to control and manage property” (e.g., UOW s 16(1A)(b); UNSW s 16(1A)(b)) is now exercised through complex subsidiary entities that operate beyond direct public scrutiny.
- Council oversight is often limited to high-level approvals of “commercial activity reports”, while the details remain confidential under s 21C or an equivalent provision.

This practice contradicts the legislated expectation that councils act as stewards of public assets and ensure alignment with educational purposes.

(b) Performance Management and Financial Metrics

Many public universities now apply corporate financial KPIs such as revenue per staff member and net operating margins. These metrics are incompatible with statutory functions that emphasise teaching quality, research excellence, and community contribution.

- The widespread adoption of accrual accounting measures has enabled institutions to report paper deficits while accumulating large cash reserves, thereby justifying staff reductions that are inconsistent with the public duty “to promote learning and scholarship”.
- Vice chancellors’ remuneration packages, often exceeding \$1 million, signal a private sector ethos at odds with public service norms.

(c) Diminution of Academic Participation

- Sections 8D and 8E of the post-2012 Acts envisage elected academic and professional staff members participating in councils. In practice, their numbers have been reduced to a token presence, and confidentiality clauses and executive-only sub-committees curtail deliberative authority.

- Academic Senates, while recognised in the Acts (e.g., UOW s 15; USyd s 16), have become advisory rather than governing bodies, contrary to the historic intent that academic peers oversee teaching and research standards.

(d) Use of Consultants and External Contractors

The authors have detailed a surge in consultant expenditure. NSW universities have collectively spent over \$300 million on consulting services in the past decade. The Acts contain no explicit disclosure requirement for such expenditure. The absence of transparency mechanisms permits councils to delegate strategic planning to private firms, diluting their statutory responsibility under s 16(1B)(b) to “oversee the performance of the vice chancellor and senior executives”.

3. Consequences of Misalignment

- i. *Erosion of Public Accountability:* Without mandatory public disclosure of commercial ventures or consultancy contracts, Parliament and the community cannot evaluate whether councils are acting within statutory purposes.
- ii. *Mission Drift:* Universities now pursue property and investment returns as if they were primary goals rather than means to support learning and research.
- iii. *Democratic Deficit:* Reduced representation of staff and students means that councils rarely hear dissenting voices when commercial priorities displace academic values.
- iv. *Financial Distortion:* Accrual accounting and opaque controlled entity structures obscure genuine surpluses, undermining rational planning for education and research.

4. Illustrative Case Studies

(a) University of Wollongong

The Council’s control of the “Innovation Campus” and various commercial subsidiaries demonstrates how statutory powers over property have been reinterpreted. Decisions to lease large tracts of university land to private developers proceeded with minimal staff or community consultation, despite the legislative requirement (s 6(1)(e)) that the University “promote the cultural and social development of the Illawarra and surrounding region”.

(b) Western Sydney University

While the WSU Act imposes an explicit duty to serve Greater Western Sydney, the Board of Trustees has delegated much of this responsibility to the “Western Growth” property program. Significant residential and commercial developments have been justified on financial sustainability grounds but seldom evaluated against the statutory obligation to advance regional educational access. University properties have been leased to third parties, requiring the leasing of other properties in inappropriate locations, at a cost to the University.

(c) University of Sydney

The Senate’s governance practices retain ceremonial traditions but now mirror corporate boards in function. Decision-making occurs primarily in camera, and minutes are not publicly available. The Senate’s commercial subsidiaries operate substantial property and investment portfolios, with their reporting to Parliament indirect at best, contrary to the transparency expected of a body established under an Act of Parliament.

Findings

1. Statutory ambiguity enables mission drift. The Acts’ broad definitions of “functions” permit commercial and property activities that overshadow academic purposes.
2. Governance practices privilege financial outcomes over educational ones. Councils treat the “promotion of learning and scholarship” as secondary to maintaining credit ratings and surplus targets.
3. Internal accountability mechanisms are ineffective. Academic Senates lack veto or approval powers; elected staff and students cannot meaningfully influence Council resolutions.
4. Consultant dependency weakens institutional capacity. Councils routinely outsource governance functions – strategy design, restructuring, remuneration benchmarking – to external consultancies whose advice is proprietary, opaque and seemingly tailored to meet predetermined executive expectations.

RECOMMENDATIONS FOR ACTION

1. Clarify the Primacy of Statutory Objects.

Insert an explicit clause in each Act affirming that all decisions of the council, senate or

board must be consistent with the objects of the University, and that commercial activities are legitimate only insofar as they support those objects.

2. Public Interest Impact Statements.

Require governing bodies to publish an annual statement explaining how significant investments, restructures and partnerships further the statutory purposes of teaching, research and community service.

3. Transparency of Controlled Entities.

Mandate consolidated financial reporting for all subsidiaries, trusts and joint ventures, audited by the NSW Auditor General.

4. Limitations on Consultant Expenditure.

Establish a threshold (e.g., \$25,000 per engagement) above which consultant contracts must be disclosed in the annual report and justified as advancing statutory objects.

5. Reinvigorate Academic Senates.

Amend Acts to require councils to seek formal concurrence of Academic Senates on academic restructuring, course discontinuations and research integrity policies.

6. Independent Governance Reviews.

Every five years, each university should undergo a public, independent review of governance effectiveness and statutory compliance, tabled in both Houses of Parliament and undertaken in the manner outlined above in the fifth recommendation under Section 1(a) (ii).

TR1(a) (iv) Reporting obligations to the NSW Parliament, Department of Education and NSW Auditor General under the Acts, including compliance with these reporting obligations

TR1 (a) (v) Powers granted to universities under their Acts to engage in commercial activities and manage controlled entities

In this section, we focus on financial management practices across NSW public universities, as these are their only reporting obligations to NSW government entities. It includes an analysis of the powers granted to universities under their Acts to engage in commercial activities and manage controlled entities.

As documented in earlier sections of our submission, these powers and practices have evolved from traditional public-sector stewardship into hybrid systems dominated by private-sector accounting conventions. The result is a sector that appears perpetually constrained yet often generates substantial cash surpluses.

Universities' enabling Acts confer extensive financial powers to invest, borrow, and enter commercial ventures. However, post-2011 amendments removed most ministerial and parliamentary oversight. Each council now approves its own investment strategies and borrowings under s 16(1A)(b) and the Government Sector Finance Act. Now, several features will be discussed.

The **first** issue relates to accrual accounting and “manufactured deficits”. Under accrual reporting, non-cash expenses (depreciation, revaluations, superannuation adjustments) are treated as losses. Councils and executives have used these figures to claim “structural deficits” while simultaneously reporting strong positive cash flows.

- In multiple institutions, depreciation accounts for 80–120 per cent of reported deficits.
- Cash holdings often exceed \$1 billion across the sector, while staff redundancies continue.
- Annual reports rarely disclose a cash reconciliation in a transparent form.

These accounting choices distort the actual financial position and are inconsistent with the Acts' requirement that councils “promote the sound and prudent management of the University's finances”. We have argued that this is a direct result of the widespread

infiltration of current and former employees of the Big Four accounting partnerships and other consultancy firms into senior management and executive roles within public universities. These individuals need to be removed from their current positions by an Act of Parliament and prohibited from holding such roles in future.

The **second** issue relates to controlled and related entities. All NSW Acts authorise councils to form companies and partnerships to pursue commercial activities. However, there is no uniform statutory requirement for consolidated reporting of those entities.

Findings from the authors' Senate submissions highlight that :

- Some controlled entities – particularly property development arms – accumulate large surpluses that are not reflected in the parent university's financial statements.
- Council members frequently hold directorships in these subsidiaries, creating potential conflicts of interest.
- Registers of commercial activities (required under ss 21A–21E or equivalent) are maintained internally but not published.

The **third** issue relates to executive remuneration. Remuneration committees operate under secrecy provisions. Benchmarking is routinely outsourced to private consultancies (e.g., Mercer, PwC) and applied to publicly funded institutions using ASX Top 100 comparators.

NSW Vice Chancellors' total remuneration now averages \$1.2 million. This has occurred despite stagnant academic wages and casualisation across the sector.

Such practices are inconsistent with the fiduciary duty to act “in the best interests of the University” as a public institution.

Findings:

1. Transparency gaps in controlled entity reporting obscure universities' actual financial performance.
2. Accounting frameworks encourage austerity narratives and justify cost-cutting inconsistent with statutory functions.
3. Remuneration benchmarking lacks any public-sector justification.
4. Ministerial oversight of borrowing and investment decisions is largely absent.

RECOMMENDATIONS FOR ACTION

1. **Reporting:** Require universities to publish cash-based statements and explain significant variances to the accrual annual reports.
2. **Consolidated Accounts:** Mandate individual-level reporting for all controlled and related entities, audited by the NSW Auditor General.
3. **Remuneration Transparency:** Publish the remuneration committee charter, benchmarking methodology, and individual executive packages above \$300,000 and make them subject to triannual review.
4. **Public Sector Benchmark:** Establish a remuneration cap tied to NSW Senior Executive Service bands, unless justified publicly.
5. **Restored Oversight:** Reinstate ministerial approval for central borrowing and property acquisitions over prescribed thresholds.
6. **Financial Ethics Charter:** Introduce a statutory requirement that all financial decisions be demonstrably consistent with the university's legislated objects.

TR1(a) (vi) Powers and responsibilities of the Minister under the Acts

Across the legislative history of the broader NSW university sector, ministerial powers have undergone a marked contraction. For example, under the *University of Wollongong Act 1972 No. 72*, the Minister and Governor held direct supervisory authority over major financial and property decisions. Borrowing, investment, and land transactions required prior approval, and two parliamentary nominees sat on the Council to maintain democratic accountability. These provisions reflected a public-trustee conception of universities, autonomous in scholarship but ultimately accountable to Parliament through ministerial oversight.

By way of contrast, the *University of Wollongong Act 1989 No. 127* (as progressively amended, primarily through the *Universities Governing Bodies Act 2011* and the 2012 Order) transformed this relationship. The Minister's role became primarily ex post and informational rather than ex ante and supervisory.

Universities are now required only to provide annual financial statements, audit reports, and commercial activity summaries to the Minister and the NSW Auditor General (ss 17B, 21D–21E). The Minister retains residual power to approve the sale of certain “relevant land” granted initially by the Crown (s 18(3)), to make Orders concerning council composition, and to recommend amendments to university legislation, but no longer exercises approval over borrowing, investment, or council resolutions. As a result, the NSW Government's formal responsibility for ensuring the integrity and public benefit of universities has become indirect and reactive, relying on generic public sector audit mechanisms rather than active stewardship.

This narrowing of ministerial competence has created a governance vacuum. NSW universities now operate primarily as self-regulating corporate entities, while the Minister, although answerable to Parliament for her/his conduct, possesses few effective powers of intervention short of legislative amendment. The arrangement neither secures institutional autonomy nor guarantees public accountability. A balanced restoration of ministerial oversight is therefore warranted to re-establish the link between parliamentary responsibility and university governance.

RECOMMENDATIONS FOR ACTION

1. **Reinstate Targeted Ministerial Approval Powers** for high-risk activities, including central borrowing, long-term land alienation, and establishment of controlled entities, above defined materiality thresholds.
2. **Mandate Ministerial Tabling of Annual Oversight Statements** summarising universities' compliance with statutory objects, financial integrity, and governance standards.
3. **Establish a Joint University Governance Review Panel**, chaired by the Minister and the NSW Auditor General, to conduct periodic audits of university councils' activities and report publicly to Parliament.
4. **Clarify in each University Act Ministerial Responsibilities** for safeguarding the public interest in universities, not merely for receiving reports.
5. **Embed Ministerial Consultation Requirements** obliging universities to notify and consult the Minister before major structural reforms or commercial ventures that materially affect their public mission.

TR1(b) Delineation of responsibilities between state and federal jurisdictions

The constitutional and legislative framework governing Australian universities is a shared but asymmetrical arrangement. Under section 51(xx) of the Commonwealth Constitution, the federal government lacks explicit power over education. However, it exercises de facto control through its financial and quality assurance mechanisms, notably the *Higher Education Support Act 2003 (Cth) (HESA)*, which regulates Commonwealth funding, student contribution schemes, and the *Higher Education Loan Program (HELP)*. The *Tertiary Education Quality and Standards Agency Act 2011 (Cth) (TEQSA Act)* establishes national provider registration, course accreditation and compliance standards. Together, these Commonwealth instruments effectively determine universities' operational viability and regulation.

Conversely, the States retain the legal authority to create and incorporate universities through their own statutes. As we have previously noted and discussed, each NSW public university is established by an individual Act of Parliament that defines its corporate identity, objects, governance structure and relationship to the NSW Crown. The NSW Government, therefore, remains responsible for university governance, land ownership, financial accountability under the *Government Sector Audit Act 1983 (NSW)*, and ministerial reporting obligations.

However, Commonwealth policy and funding priorities have progressively subordinated State oversight to federal fiscal leverage. Since the Dawkins reforms of 1987–1989, universities have operated under a “national unified system” whose financial architecture and quality assurance rules are determined federally, while their legal existence and governance are defined by State legislation. This duality has produced regulatory gaps: Commonwealth agencies monitor academic standards and financial viability, but not governance performance; NSW ministers remain answerable to Parliament for institutions they can no longer meaningfully direct.

The result is a fragmented accountability regime. It is not clear whether this was an intentional or unintentional consequence of successive legislative changes at the state and federal levels.

Nevertheless, the consequence has been that university leaders can exploit jurisdictional ambiguity. They can cite Commonwealth autonomy to resist State scrutiny, and State incorporation to deflect federal intervention. Neither level of government currently assumes comprehensive responsibility for aligning universities' public purpose obligations with their

funding and governance frameworks. A coherent delineation of roles is therefore essential to restore public oversight without eroding institutional autonomy.

RECOMMENDATIONS FOR ACTION

1. **Develop a Formal Inter-Governmental Agreement on University Governance**, endorsed by the Council on Federal Financial Relations, clarifying Commonwealth control over funding and standards, and State control over corporate governance, land, and accountability.
2. **Establish an NSW–Commonwealth Joint Oversight Council** comprising senior representatives of TEQSA, the NSW Auditor General, and the NSW Department of Education to coordinate audits and share governance and risk intelligence.
3. **Harmonise Reporting Requirements** so that NSW annual report obligations under the *Annual Reports (Statutory Bodies) Act 1984 (NSW)* correspond to TEQSA’s financial viability and risk assessment frameworks.
4. **Legislate Mutual Notification Provisions** requiring the Federal Minister for Education and the NSW Minister for Skills and Tertiary Education to be formally advised of significant governance breaches, financial irregularities or public interest risks identified by either jurisdiction.
5. **Reaffirm State Legislative Primacy** by inserting in each NSW university Act a clause recognising that incorporation, governance, and land matters remain subject to NSW law, notwithstanding Commonwealth funding conditions.

TR1(c) Role of governance structures in safeguarding the public mission, academic freedom, research ethics, student welfare and social outcomes

As shown in Sections 1(a)(i–iii), the governance structures of NSW public universities have evolved from collegial, public trust frameworks into corporatised managerial hierarchies dominated by external appointees and risk management logics. These structures now emphasise compliance and financial performance over their legislated public purposes of advancing learning, scholarship and community service. The *University of Wollongong Act 1989* (s 6), like its companion Acts for UNSW, Sydney, Newcastle, UTS and WSU, declares that each university exists to promote learning and research and to serve the community. However, as documented in our previously published research and Senate submissions, the decision-making cultures of university councils and senates increasingly prioritise property ventures, global ranking metrics, and surplus targets over the educational and civic functions set out in their statutes.

This misalignment has eroded the governance system’s ability to safeguard the public mission and the intrinsic values of public universities. The contraction of elected staff and student representation on councils (see 1(a)(ii)) has weakened the internal channels through which academic freedom, ethical standards and student welfare can be protected. Collegial bodies such as Academic Senates have been rendered advisory only, with limited influence over course closures, research integrity processes or workload and safety matters. In several NSW universities, key policies on academic freedom and research conduct are drafted or implemented through external consultants or legal advisers rather than through peer deliberation. This procedural displacement undermines the autonomy of scholars and the integrity of research decision-making.

Financial and managerial reforms analysed in Section 1(b) have further compromised these public functions. Accrual accounting regimes and financial performance indicators encourage cost-cutting, casualisation, and the prioritisation of commercial research partnerships. These tendencies threaten academic freedom when corporate or donor interests influence research agendas, and they endanger student welfare when cost efficiency drives the under-resourcing of teaching and support services. The lack of ministerial and parliamentary oversight (see 1(a)(v)) leaves few avenues for public redress when governance failures occur. In practice, councils are now accountable primarily to themselves rather than to the communities that fund and sustain them.

Findings

1. *Public mission drift*: Council agendas and key performance frameworks are dominated by financial and reputational metrics rather than educational or civic outcomes.
2. *Weak protection of academic freedom*: Although most universities' bylaws include declaratory clauses on freedom of inquiry, these lack enforcement mechanisms or council-level monitoring.
3. *Research ethics vulnerability*: Institutional research integrity offices report to senior executives rather than independent committees, creating potential conflicts of interest.
4. *Student welfare marginalisation*: Students' statutory representation has declined; councils rarely review student experience and wellbeing data.
5. *Diminished civic engagement*: Universities' statutory community service functions (e.g., WSU Act 1997 s 8(2–3)) receive little systematic oversight.

RECOMMENDATIONS FOR ACTION

1. Re-embed Public Purpose in Governance Instruments

- Amend each NSW university Act to require councils to demonstrate in their annual reports how decisions advance the legislated objects of teaching, research, and community service.
- Reinstate statutory minimum proportions of elected academic, professional and student members (at least 40% of total council membership).

2. Establish Statutory Guarantees of Academic Freedom

- Insert enforceable clauses in all Acts modelled on s 4 of the *Academic Freedom and Freedom of Speech Model Code (2021)*, requiring councils to uphold and report on academic freedom compliance.

3. Independent Research Ethics Oversight

- Require university councils to maintain audit-independent Research Integrity Committees that report directly to the NSW Auditor General or to an external ethics oversight body.

4. Student Welfare Accountability

- Mandate that councils receive and publish annual reports on student safety, equity, and wellbeing indicators, prepared by student elected representatives and independent experts.

5. Public Interest Performance Indicators

- Develop a uniform set of “Public Purpose KPIs” for NSW universities that cover community engagement, graduate employability in regional sectors, equity participation, and environmental sustainability, which are to be reviewed in five-year parliamentary reports (linked to 1(b) Recommendations 1–3).

6. Restored Parliamentary Oversight

- Reintroduce a requirement for university councils to table major policy decisions and external consultant contracts exceeding defined thresholds, ensuring public transparency (see 1(a)(v)).

Legislative and policy reforms that restore democratic representation, strengthen ministerial and parliamentary oversight, and embed statutory duties relating to academic freedom, research ethics, and student welfare are essential to realign NSW universities with their foundational civic purposes.

TR1(d)(i) Qualifications, experience and appointment processes (including elected staff, student and graduate representatives)

As set out in 1(a)(i) and 1(a)(ii), all NSW university Acts now require at least two members with financial expertise and one with commercial expertise and allow councils/senates/boards to set their own size and category numbers through constitution rules passed by two-thirds resolution. These rules, together with Council Nominations Committees, dominate appointment pathways for external members. Meanwhile, the number of elected staff and student members is not fixed by statute but left to the constitution, facilitating a long, observable decline in elected representation (see **Tables 1–5** in the Appendix and the UOW case study).

Our comparative analysis (USyd/UNSW/UTS/Newcastle/WSU/UOW) shows that selection criteria for appointed externals skew heavily toward finance, property, and consulting backgrounds, with limited tertiary education expertise and inconsistent community/region representation (see 1(a)(i) Findings; 1(a)(ii) comparative matrix). Elected categories exist, but low seat numbers and narrow electoral franchises (set by laws) attenuate staff/student influence at the governing body table.

To align “skills-based” selection with public purpose, councils should adopt and publish competency matrices that explicitly weight public sector ethics, academic quality assurance, regional/public value, and research integrity, rather than finance and risk alone.

Institutions should standardise transparent appointment processes for external members (public expressions of interest; shortlisting criteria; published reasons for appointment) and codify minimum nomination rights for the Academic Senate and student organisations to ensure candidate pipelines represent core mission expertise.

For elected positions, require minimum seat floors by category (academic, professional, students, graduates) and publish electorate definitions and turnout statistics with each triennial election cycle.

RECOMMENDATIONS FOR ACTION

1. Amend each Act to establish a statutory minimum of 40% elected members (staff and students combined) and require the publication of competency matrices and appointment rationales for all council-appointed externals.

2. Require standardised, public nomination processes for external members and create reserved nomination rights for the Academic Senate and peak student bodies.
3. Mandate publication of election rules, electorates and turnout data in annual reports.

TR1(d)(ii) Dismissal, remuneration, and conflict of interest (COI) management under the Acts

a) Dismissal and removal

The current Acts provide aligned removal mechanisms for presiding officers (e.g., the Chancellor and Deputy Chancellor, via two consecutive no-confidence resolutions by a supermajority) and general grounds for removing ordinary members for misconduct, incapacity, or non-attendance. However, the triggers, processes and thresholds are unevenly operationalised and often opaque to the public (see the cross-Act review in 1(a)(ii)).

b) Remuneration

As discussed in 1(b), remuneration committees operate in camera, benchmarking is outsourced to private firms using ASX-style comparators (despite universities' public-purpose status), while vice chancellors' packages average ~\$1.2 million. This lacks a clear public sector justification and dilutes accountability to statutory objects.

c) Conflict of Interest Management

Acts require members to disclose material interests; yet COI registers and related party disclosures for councils and controlled entities are rarely proactively published, and councils frequently approve commercial activities and subsidiary governance in which members may also hold directorships (see 1(a)(v) and 1(b)).

RECOMMENDATIONS FOR ACTION

1. Create a mandatory public COI and Related Party Register (covering council members, sub-committees and all controlled entities) and require implementation of Recommendations (1)(ii).
2. Standardise and publish removal/dismissal procedures (i.e. grounds, thresholds, timelines, review rights).
3. Establish a Remuneration Standard for NSW universities (cap and public justification pathway); publish remuneration committee charters, comparator sets, and outcomes.
4. Legislate a single, public COI/RPT register across parent entities and controlled entities; require live recusal tracking in meeting minutes as well as annual COI compliance statements to the NSW Auditor General.

TR1(d)(iii) Extent to which councils reflect contemporary governance standards and stakeholder representation

Assessment against public sector and not-for-profit standards

Compared with ASX style principles (board skills matrices, independence, audit and risk), NSW councils often meet formal process expectations (e.g. risk committees, financial expertise) yet fall short of public value governance in relation to stakeholder voice, academic freedom assurance, research ethics independence, and regional benefit oversight (see 1(a)(iii) and 1(c)). Elected representation falls short of contemporary public sector norms for participatory governance. In addition, councils lack regular, independent effectiveness reviews linked to mission outcomes.

RECOMMENDATIONS FOR ACTION

1. Codify stakeholder representation floors (staff, students, graduates) and embed mission-specific council committees with clear decision rights.
2. Mandate independent quinquennial effectiveness reviews against public purpose KPIs, tabled in Parliament (see 1(a)(ii) Recommendations).

TR1(d)(iv) Public access to council decisions, strategic plans, and financial reports

As documented in 1(a)(ii), council minutes are seldom published, commercial activity registers are internal by default, and controlled entity reporting is fragmentary. Strategic plans are public, but board-level decision rationales and performance against plan reports are typically withheld; financial reporting emphasises accrual results without cash reconciliations (see 1(b)).

RECOMMENDATIONS FOR ACTION

1. Legislate proactive disclosure of council agendas/minutes/decision summaries within 30 days, with narrow, time-limited redactions for genuinely confidential items.
2. Make the Register of Commercial Activities public (redactions permitted).
3. Require financial reporting (accrual and cash) plus group-consolidated accounts for all controlled entities, with related-party disclosures.
4. Publish mid-year and end-of-year performance reports mapping strategic plan goals to public purpose KPIs and to statutory objects (see 1(c) Recommendations).

TR1(e): Ability of current legislative and governance arrangements to provide oversight of university staffing, financial management, and use of external consultants

a) Staffing oversight

As set out in 1(a)(i)–(iii), NSW university Acts vest councils/senates/boards with ultimate responsibility for “control and management” of the university and for establishing systems of risk, internal control and accountability (e.g., s 16(1A)–(1B) equivalents). In practice, staffing decisions are driven by executive management under broad delegations from council, with oversight provided indirectly through HR/people and culture committees, the Academic Senate (advisory only), and enterprise bargaining processes. The post-2012 constitution rules model reduces the number of elected staff and student members (see 1(a)(ii)), weakening the line of sight from governing bodies to workplace effects of restructures, workload, and casualisation.

Strengths: Councils can set policy frameworks (workforce strategy, delegation instruments, WHS assurance) and require management attestations; they can commission internal audits or independent reviews and receive aggregated workforce risk dashboards.

Weaknesses: The Acts provide no statutory floors for elected staff/student representation; Academic Senates lack decision rights over staffing effects of academic restructures; council committees often receive lag indicators (FTE counts, staff costs) rather than risk indicators (workload, sessional dependency, conversion to continuing, WHS/psychosocial harm). Delegations allow significant changes (VR programs, course closures) to proceed without explicit council resolution, aside from budget approval (See 1(d)(i–iii) and 1(c).)

Targeted improvements

- Require councils to approve a Workforce Governance Standard containing minimum reporting on casual/contingent labour ratios, conversion pipelines, academic workload compliance, WHS leading indicators, and impacts of restructures on statutory objects (cross reference 1(a)(iii)).
- Give Academic Senates concurrence rights (not merely advice) for academic restructures with mandated requirements for material staffing impact statements and/or require a dual assurance statement (VC and Senate) to council before approval.

- Mandate public annual workforce reports (headcount and FTE by category; continuing/fixed term/sessional; pay equity; conversion outcomes; staff-student ratios by faculty), tabled with the annual report.

b) Financial management oversight

As analysed above under 1(b), current arrangements prioritise accrual accounting, corporate financial KPIs, and consolidated financial statements, which can mask liquidity and understate capacity to maintain staffing and student services. Councils meet formal financial governance criteria (audit and risk committees, investment policies) but have limited ex ante constraints. Borrowing, investment and long lease/property decisions generally no longer require Ministerial approval (see 1(a)(v)). Registers of commercial activities and controlled entity reporting are internal by default; group-wide transparency is partial.

Strengths: Auditor General financial audits; internal audit programs; risk frameworks; capacity to set treasury and investment limits.

Weaknesses: No statutory requirement for dual basis reporting (cash and accrual) or whole of group consolidation of controlled entities in public reports; remuneration benchmarking and consulting outlays are opaque (see 1(d)(ii)). Councils often approve budgets premised on austerity narratives derived from accrual results (depreciation, actuarial adjustments) rather than cash flows and reserves.

Targeted improvements

- Require councils to table cash–accrual reconciliation statements and unrestricted reserve disclosures with each budget.
- Mandate group level financial reporting (parent and all controlled entities) with related party and inter-entity transfer transparency and publish the Commercial Activities Register with narrow redactions (cross reference 1(d)(iv)).
- Reintroduce threshold Ministerial approvals for extraordinary debt and long-term property encumbrances (cross-reference 1(a)(v)).

c) Oversight of external consultants

The Acts authorise councils to engage consultants and to enter commercial activities (see “commercial activities” divisions cited in 1(a)(ii)), but there is no NSW-wide statutory ceiling or disclosure standard for consulting. As summarised in 1(b) and 1(d)(ii), remuneration and

large strategic projects are frequently outsourced to major firms; charters and reports are typically confidential; COI and related party exposures arise when the same firms advise, implement, and audit.

Strengths: Councils can set procurement policies, require business cases and probity plans, and commission independent reviews.

Weaknesses: Fragmented disclosure; no uniform reporting line items for consultant spend by project/firm; limited visibility of scope creep, change orders, and benefits realisation; infrequent post-implementation reviews presented to council in public. COI registers for councils and subsidiaries are not routinely public (see 1(d)(ii–iv)).

Targeted improvements

- **Legislate a Consultancy Transparency Standard:** publish (i) statement of need, (ii) procurement pathway, (iii) contract value and variations, (iv) deliverables, (v) evaluation of outcomes; (vi) aggregate by vendor annually.
- **Impose cooling-off/conflict rules:** a firm that audits a controlled entity should not provide strategy or remuneration advice to the parent in the same period, absent explicit council resolution and public justification.
- **Require ex post evaluations of major consulting engagements** to be tabled with the council and summarised publicly.

Findings

- a) *Staffing:* Oversight is structurally weak because elected representation is low, Academic Senates lack decision-making rights, and council information sets emphasise cost rather than the educational mission or welfare risks.
- b) *Financial management:* Formal controls exist, but accrual-only narratives, internal-only commercial registers, and incomplete group transparency undermine public accountability.
- c) *Consultants:* Procurement occurs within general policies but without sector-wide disclosure standards; COI management is uneven and opaque, primarily to stakeholders.

RECOMMENDATIONS FOR ACTION

1. Workforce Governance Standard (statutory instrument):

Require councils to publicly report on contingent labour ratios, conversion outcomes,

workloads, pay equity, WHS leading indicators, and restructuring impacts on statutory objects; confer Senate concurrence or dual assurance rights for academic restructures.

2. Financial Transparency Package:

- (a) Dual cash/accrual reporting with reserve disclosures;
- (b) Whole of group consolidation with related party reporting;
- (c) publication of the Commercial Activities Register;
- (d) threshold Ministerial approvals for extraordinary debt/land encumbrances. (Cross ref 1(b), 1(d)(iv), 1(a)(v).)

3. Consultancy Transparency Standard (sector-wide):

Mandatory public reporting of consulting engagements above a defined threshold: scope, vendor, value, selection method, deliverables, COI declarations, and ex post benefit realisation; adopt cooling-off rules between audit and advisory roles.

4. COI and Related Party Register (single public register):

One online register spanning parent council, council committees and all controlled entities; includes live recusal tracking in published minutes (cross ref 1(d)(ii–iv)).

5. Independent Five-Year Governance and Value for Money Reviews:

Auditor General led performance audits on workforce sustainability, consultant value, and alignment of financial decisions with statutory objects, tabled in Parliament (cross ref 1(c)).

TR1(f): Ability of current legislative and governance arrangements to support the accessibility of university education and derive public benefit, and TR1(f)(i) Supporting diversity, inclusion and access for disadvantaged groups

NSW university Acts articulate broad public objects (e.g., advancing learning, serving the community), but unlike health or school legislation, do not create enforceable duties on councils to deliver equity outcomes for low SES, regional/remote, Indigenous, disability, or first-in-family cohorts. As set out in 1(a)(iii) and 1(c), governance practices have prioritised financial and reputational metrics over educational and civic outcomes, with equity performance generally treated as a subordinate KPI rather than a statutory obligation.

The practical consequences of this situation are that equity participation and success are rarely reviewed by councils as decision-gating criteria for budgets, course closures, or campus siting. Reporting to councils tends to emphasise overall load and international recruitment rather than access and completion for disadvantaged groups (see 1(b), 1(d)(iii–iv)).

Furthermore, performance management regimes incentivise income and rankings, rather than student belonging, support intensity, or completion by equity cohorts, producing misaligned incentives at the executive level.

Targeted improvements

- **Insert a statutory equity duty:** require councils to set, monitor, and publicly report equity participation, retention and completion targets (by low SES, regional/remote, disability, Indigenous status, and first-in-family), with remedial action plans if targets are missed (cross ref 1(d)(iv) transparency package).
- **Mandate equity impact statements** for major restructures and course closures, signed jointly by the VC and Academic Senate, tabled with council papers (see 1(c) on safeguarding public mission).

1(f)(ii) Promotion of regional development, Indigenous engagement, and community partnerships

As we note in 1(a)(ii), Newcastle and Western Sydney University retain region-specific objects (Newcastle's 6(2)(a); WSU's 8(2)–(3)), but other NSW Acts do not. The result is uneven statutory anchoring of regional missions. Where duties exist, they are often not

operationalised by councils through committee structures, budget rules, or performance reviews (see 1(a)(iii) case studies).

Across institutions, Indigenous strategies (e.g., access, Elders-in-Residence, Country-led curriculum, research protocols) are policy or compact-based, not Act-mandated. Governance papers reaching councils largely summarise program activity rather than outcomes against measurable commitments (participation, progression, completions; Indigenous HDR pipeline; Country benefit and community partner satisfaction). Similar patterns hold for broader community partnership agendas (civic volunteering, local procurement, school pathways, SME innovation), which lack board-level KPIs tied to funding or executive performance. These observations align with our more exhaustive analysis of mission drift and property first decision-making in 1(a)(iii).

Targeted improvements

- Extend the regional purpose clauses (Newcastle/WSU model) to all NSW Acts and require councils to publish Region and Community Impact Reports annually (engagement hours, local placements, local procurement percentages, SME partnerships, cultural participation, and graduate retention in the region).
- Make Indigenous governance visible at the board level: create a Council Committee on Indigenous Partnership and Country, co-chaired with Indigenous leaders external to the university; require annual reporting against targets co-designed with communities (access, success, employment, research ethics and benefit sharing).
- Tie controlled entity activity (property, precincts) to place-based objectives and Indigenous engagement plans, with public interest tests tabled before approval (links to 1(b) and 1(d)(iv) on transparency).

TR1(f)(iii) Advancing public discourse and civic responsibility

Section 1(c) shows that governance cultures have shifted toward risk and brand management, with diminishing attention to academic freedom, public scholarship, and civic education.

Council agendas rarely include structured oversight of freedom of speech and public interest scholarship, despite universities' statutory objects and community service functions.

What strong governance would do:

- *Institutionalise oversight of public discourse*: councils should receive a Freedom of Speech and Public Scholarship report each semester covering compliance with the Model Code, protection of dissent and whistleblowing, sanction/discipline statistics related to expression, and resourcing for public interest journalism, policy clinics, and civics programs. (Cross ref 1(c) recommendations on statutory guarantees of academic freedom.)
- *Civic responsibility metrics*: require annual reporting on civic engagement KPIs (e.g. school outreach, legal/health/engineering clinics, pro bono hours, civic literacy courses, community cultural programs, open lectures and public datasets) and incorporate them into VC and executive performance frameworks (see 1(d)(ii–iii)).

Key Findings

1. Accessibility and equity are under-governed: Acts do not impose clear, enforceable equity duties; councils rarely test decisions against equity impacts (see 1(a)(iii), 1(c)).
2. Regional and Indigenous missions lack a consistent statutory footing: only some Acts embed regional purpose; Indigenous engagement is essentially policy-driven without board-level accountability (see 1(a)(ii)).
3. Public discourse and civic responsibility are weakly operationalised: protections and programs exist, but board-level monitoring and incentive alignment are limited (see 1(c), 1(d)).

RECOMMENDATIONS FOR ACTION

1. **Equity Duty and Disclosure (statutory)**: Amend each NSW Act to impose a duty on councils to set, monitor and publish equity targets (participation, retention, completion, graduate outcomes) across low SES, regional/remote, Indigenous, disability, and first in

family cohorts; require equity impact statements for significant academic and property decisions (cross ref 1(d)(iv) transparency).

2. **Regional and Community Benefit Clauses (statutory):** Extend region-specific objects to all Acts and require annual Region and Community Impact Reports (local employment, procurement, placements, SME partnerships, cultural/civic programs, regional graduate retention).
3. **Indigenous Engagement Governance (board level):** Establish a Council Committee on Indigenous Partnership and Country; co-design measurable targets with communities (access, success, employment, HDR pipeline, research benefit sharing), with public reporting to council and Parliament (links to 1(c)).
4. **Civic and Public Scholarship Framework:** Require councils to publish a Freedom of Speech and Public Scholarship report and to embed civic engagement KPIs in executive performance plans; fund public interest clinics, civics curricula, and open knowledge initiatives as mission-critical, not discretionary.
5. **Link Controlled Entity Decisions to Public Benefit:** Before approving major commercial/precinct projects, councils must table Public Benefit Tests that evidence equity, regional, and Indigenous impacts, with the results included in the Commercial Activities Register (ties to 1(b) and 1(d)(iv)).

TR1(g): Reporting and oversight of controlled entities, including international campuses

The NSW University Acts authorise institutions to engage in commercial activities and to form, acquire or participate in companies, trusts and joint ventures. They also require internal Registers of Commercial Activities and set out reporting to the Minister/Auditor General on such activities. In principle, councils must “establish and maintain systems of control and accountability” for the university and its controlled entities and approve due diligence and probity settings before entering material ventures (see 1(a)(ii); 1(b)). In practice, however, these obligations function as internal compliance duties, with most information about subsidiaries, joint ventures, international campuses and offshore partnerships not proactively disclosed to the public; the Register is typically not public by default; and group financial reporting in annual reports is partial or aggregated, obscuring entity level risk and performance (see 1(b); 1(d)(iv)).

(a) Transparency and comparability

- Public annual reports commonly present parent-only narratives or high-level consolidated numbers that do not identify each controlled entity, its purpose, governance, directors, auditors, financial performance, related party flows, or guarantees/letters of support (see 1(b); 1(d)(iv)).
- The Commercial Activities Register is internal; there is no consistent public interest test published before councils approve new entities or significant expansions (see 1(a)(ii); 1(d)(iv)).

(b) Governance and conflicts of interest (COI)

- Cross appointments are common: senior executives/council members sit as directors of controlled entities, while the same advisory firms may provide strategy, implementation and audit services across the group (see 1(d)(ii)). COI registers and recusals are rarely published, and related party disclosures are high-level (see 1(d)(iv)).

(c) Risk ownership and assurance

- Councils receive risk summaries but not consistent entity-level risk registers (financial, legal, sanctions/export controls, foreign interference, cyber/privacy, student welfare in

offshore delivery). Post-implementation benefit reviews of major ventures are sporadic (see 1(b); 1(d)(iv)).

(d) International campuses and transnational education (TNE)

- Offshore campuses and joint programs often sit within controlled entities or contractual consortia governed by foreign law. Current arrangements do not uniformly require councils to receive:
 - Host country regulatory licences, accreditation status and renewal timelines.
 - Local labour/student safety compliance attestations.
 - Sanctions/dual use/critical technology risk assessments.
 - Profit share, repatriation, tax exposure and winding up scenarios; or
 - foreign influence/beneficial ownership analyses of key partners (see the general treatment in 1(a)(ii); 1(b)).

RECOMMENDATIONS FOR ACTION

1. Public group visibility (reporting and registers)

- Require entity-level schedules in annual reports: legal name, jurisdiction, ownership percentages, directors (and their university roles), auditor, purpose, revenue/EBITDA, assets/liabilities, cash flows, intra-group loans/guarantees, and related party transactions.
- Make the Commercial Activities Register public by default (with narrow redactions) and table an annual summary in Parliament (cross ref 1(d)(iv)).

2. Council decision rights and preapproval tests

- Before approving a new controlled entity, international campus or material joint venture, councils should receive a Public Interest and Mission Alignment Test linking the proposal to statutory objects (teaching/research/community), equity and regional/Indigenous impacts, and academic freedom safeguards (cross ref 1(a)(iii); 1(f)).
- Mandate scenario and exit analysis (break clauses, unwind costs, contingent liabilities) and capex/NPV with cash flow stress tests (cross ref 1(b)).

3. Independence and COI management

- Create a single public COI and Related Party Register spanning parent and all controlled entities, with live recusal logging in published minutes (cross ref 1(d)(ii–iv)).
- Introduce cooling off rules: an audit firm to a controlled entity should not provide strategy/remuneration advice to the parent in the same period without explicit council resolution and public justification (cross ref 1(d)(ii)).

4. International campus/TNE safeguards

- Require an International Campus Compliance Pack for council approval and annual review, covering:
 - a) Licensing/accreditation and host country legal obligations.
 - b) Student welfare and WHS equivalents, grievance/ombudsman access, and freedom of expression protocols.
 - c) Data/cyber/privacy controls.
 - d) Sanctions/foreign interference/export control screening.
 - e) Financial resilience (FX, repatriation, tax, sovereign/partner risk) and exit pathways.
 - f) Quality assurance parity with home campus (assessment, supervision, research ethics).
- Table a biennial TNE report to Parliament summarising each international campus/consortium's status, outcomes and risks (cross ref 1(c); 1(b)).

5. Ministerial thresholds and assurance

- Reinstatement of Ministerial approval thresholds for: (i) establishing/acquiring controlled entities, (ii) entering offshore campuses/joint ventures above materiality limits, and (iii) granting parent guarantees to subsidiaries; (iv) require Auditor General performance audits at set intervals (cross ref 1(a)(v); 1(b)).

Key Findings

1. Current legislation envisages oversight, but operational transparency and assurance are inadequate: public reporting is entity lite, internal registers are not public, and COI/related party visibility is poor (see 1(b); 1(d)(iv)).
2. International campuses present compound risks (legal, reputational, financial, academic freedom, student safety) that council packs do not consistently standardise (see 1(a)(ii); 1(c)).
3. The Minister lacks targeted intervention levers for high-risk group structures; restoring threshold approvals would realign accountability with parliamentary responsibility (see 1(a)(v)).

RECOMMENDATIONS FOR ACTION

1. **Public Group Disclosure Rule:** Statutory schedules for each controlled entity and each international campus/joint venture, plus publication of the Commercial Activities Register and entity-level financials with related party flows.
2. **Pre-Approval Public Interest Test:** Make mission alignment, exit planning, cash flow stress testing and equity/regional/Indigenous impact analysis mandatory council papers for new or expanded entities and offshore campuses (ties to 1(f)).
3. **COI and Assurance Package:** One public COI/RPT register (parent and group), cooling off rules for auditors/consultants, and mandatory post implementation value for money reviews tabled to council (ties to 1(d)(ii–iv)).
4. **International Campus Compliance Pack and Biennial TNE Report to Parliament** covering licensing, safety, freedom of expression, data/cyber, sanctions, financial resilience and QA parity (ties to 1(c); 1(b)).
5. **Ministerial Thresholds and Auditor General Performance Audits:** Reintroduce approval thresholds for high-risk structures and require periodic group-wide performance audits by the NSW Auditor General.

TR1(h): Opportunities for legislative reform to strengthen governance, transparency and accountability, with reference to best practice arrangements in other jurisdictions

As set out in 1(a)(ii) and 1(d), NSW's post-2011 framework standardised high-level features (11–22 members; external person majority; two-thirds “constitution rules”) but left key levers to each council, producing wide variation and thin public accountability. 1(b) shows that reporting on controlled entities and commercial activities remains internal mainly, and 1(c) demonstrates that public purpose outcomes (equity, regional service, academic freedom) are not operationalised in governance. Collectively, this system delivers process conformity without public value assurance.

1) Best practice reference points (Australia & international) & implications for NSW

(A) Western Australia: targeted borrowing oversight and standard governance settings

Western Australia's *Universities Legislation Amendment Act 2016* aligned key governance settings across WA universities and clarified capital raising powers. It created a standard scheme for raising money and made Minister/Treasurer involvement necessary only when a State guarantee is sought, removing unnecessary approvals while retaining a clear intervention threshold. This balances autonomy with public risk control and could inform NSW threshold-based Ministerial approvals (see our proposals in 1(a)(v) and 1(b)).

(B) Scotland: funding tied to published “Outcome Agreements”

The Scottish Funding Council (SFC) requires every university to agree to and publish an Outcome Agreement that sets out the measurable outcomes the institution will deliver in return for public funding, with guidance updated annually and public assurance on the use of funds. NSW could adapt this model by requiring each university to table a Public Purpose Outcome Agreement (equity, regional/Indigenous engagement, civic impact) that is reviewed against funding and published.

(C) Ontario (Canada): Strategic Mandate Agreements (SMA3) & performance-linked funding

Ontario's SMA3 (2020–2025) compacts are public and specify institution-level outcomes tied to a portion of funding, while preserving core grant stability. The agreements are published on government and institutional sites. A NSW variant could link a defined share of State support (e.g., clinical placements, regional infrastructure, research translation) to reported outcomes, with parliamentary tabling.

(D) United Kingdom: sector governance code with transparent board practices

The UK's Committee of University Chairs (CUC) Higher Education Code of Governance (2020) sets clear public-facing expectations: board effectiveness reviews, skills matrices, transparency principles, and explicit primary elements for higher education governance.

While voluntary, it is widely adopted and referenced by the Office for Students. NSW could put a statutory version in place (a code plus “comply or explain”), with published board effectiveness reviews and skills matrices.

(E) New Zealand: compact council size with mandated elected representation

Under New Zealand's Education and Training Act 2020, university and wānanga councils have 8–12 members. The Minister appoints 3–4 (depending on size); the council appoints the remainder, including elected staff and student representatives. The Tertiary Education Commission's Governance Guide and web guidance make this explicit. Although we believe 8 – 12 members is too small a number for adequate representation of the different interests involved, a NSW reform could fix tighter size ranges and minimum elected member floors in statute, rather than leaving them to amendable “constitution rules”.

2) Targeted NSW legislative reforms (how to translate these models)

The first is a statutory NSW Universities Governance Code (with “comply or explain”)

- Content: board purpose and values; public purpose KPIs; skills matrix (including public sector ethics, academic quality, Indigenous partnership, regional development); board effectiveness reviews every five years, published in full; remuneration transparency; COI and related party disclosure standards across parent and group.
- Basis: Adapt the UK CUC Code to NSW and make it mandatory via the Acts. (Cross ref 1(d)(ii–iv) for remuneration/COI; 1(c) for public purpose safeguards.)

The second is Public Purpose Outcome Agreements (NSW analogue of SFC / Ontario)

- Require each university to agree to a four-year Outcome Agreement with the NSW Government that is published and reviewed annually, specifying: (i) Equity/access targets; (ii) Regional and Indigenous impact metrics; (iii) Public discourse and civic outputs; (iv) Translation and community benefit outcomes; (v) Student welfare standards.

- Link a defined funding component or access to State infrastructure programs to performance against the Agreement, with parliamentary tabling and Auditor General assurance. (Cross ref 1(f), 1(b).)

The third is the Council composition and appointment floors (NZ style clarity)

- Fix the size range and set statutory minimum elected representation (e.g., at least two academics, one professional, two students, one graduate/alumnus), not alterable by constitutional rules.
- Cap ministerial and council-determined appointees (e.g., a maximum of four) and require public EOI processes and published appointment rationales. (Cross ref 1(d)(i).)

The fourth is threshold-based Ministerial approvals (WA-style discipline, NSW purpose)

- Reintroduce approvals for extraordinary borrowing, long-duration land encumbrances, and for establishing/acquiring controlled entities above materiality thresholds, with public reasons for decisions.
- Preserve day-to-day autonomy; require approvals only when public balance sheet or land risks are material, mirroring WA's clarified capital raising approach. (Cross ref 1(a)(v), 1(g).)

The fifth is group transparency: controlled entities and international campuses.

- Statutory group schedules in annual reports naming every controlled entity/joint venture, jurisdiction, purpose, directors, auditor, revenue/cash flows, intra-group loans/guarantees, and related party transactions; make the Commercial Activities Register public by default.
- Mandate an International Campus/TNE Compliance Pack (licensing, safety, freedom of expression, sanctions/foreign interference, data/cyber, exit plans) and a biennial TNE report to Parliament. (Cross ref 1(b), 1(g).)

The sixth involves equity, regional and civic duties to be embedded in statute and budgets.

- Insert an explicit Public Benefit and Accessibility Duty: councils must set, monitor and publish equity targets; regional and Indigenous impact measures; and public discourse outputs, with budget lines aligned to these duties.

- Require equity/regional/Indigenous impact statements for major restructures and property/precinct decisions. (Cross ref 1(f), 1(c).)

The seventh involves mandatory board effectiveness and remuneration transparency.

- Five-year independent board reviews published; open publication of council agendas/minutes/decision summaries (subject to narrow, time-limited redactions).
- Remuneration standard linked to public sector benchmarks with tabled exceptions; publish comparators and committee charters. (Cross ref 1(d)(ii–iv).)

The eighth relates to why these reforms fit NSW (principles carried across)

- Autonomy with guardrails: WA legislation highlights how to simplify routine approvals while retaining targeted State levers for high-risk decisions.
- Public money, public outcomes: Scotland and Ontario demonstrate how transparent compacts tie funding to clearly stated outcomes that are published and reviewed.
- Clear constitutional design: New Zealand clarifies council size and elected representation in primary legislation, avoiding the “self-changing board” problem created by NSW's “constitution rules”.
- Codified governance expectations: The UK CUC Code offers a portable template for board skills, transparency and effectiveness. NSW can legislate a mandatory variant to avoid uneven uptake.

RECOMMENDATIONS FOR ACTION

1. **Enact a NSW Universities Governance Code** (statutory, “comply or explain”) covering public purpose KPIs, skills matrices, five-year independent effectiveness reviews, remuneration transparency, and COI/related party standards (parent and group). (Links to 1(d).)
2. **Introduce Public Purpose Outcome Agreements** (SFC/Ontario style) with annual public reporting and Auditor General assurance; link a defined funding component to outcomes. (Links to 1(b), 1(f).)
3. **Legislate council size and elected floors** (NZ style), cap ministerial appointees, and require public EOIs and published appointment rationales. (Links to 1(d)(i).)

4. **Re-establish threshold Ministerial approvals** (WA style) for extraordinary borrowings, long leases/land encumbrances, and formation/acquisition of controlled entities; publish reasons. (Links to 1(a)(v), 1(g).)
5. **Mandate group transparency:** public Commercial Activities Registers; entity-level schedules and international campus compliance packs; biennial TNE report to Parliament. (Links to 1(b), 1(g), 1(d)(iv).)
6. **Embed Public Benefit and Accessibility Duties** in every Act with budget alignment and impact statements for major decisions. (Links to 1(f), 1(c).),

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APPENDIX

Table 1: Composition of UOW Council as constituted in the 1972 Act

| <i>Category</i> | <i>Number of Members</i> | <i>How Appointed or Elected</i> | <i>Relevant Section(s)</i> | <i>Notes / Observations</i> |
|--|--------------------------|---|----------------------------|---|
| (a) Chancellor | 1 | Ex officio (the ceremonial and presiding officer of Council) | s 15(4)(a) | Elected by the Council itself under s 20. |
| (b) Vice Chancellor | 1 | Ex officio (chief executive and academic officer) | s 15(4)(b) | Held both administrative and academic authority. |
| (c) Chair of the Academic Board | 1 | Ex officio | s 15(4)(c) | Ensured academic governance representation. |
| (d) Parliamentary Members | 2 | Appointed by the Governor on the nomination of the Minister, one from the Legislative Assembly and one from the Legislative Council | s 15(3) | Embedded parliamentary oversight in university governance. |
| (e) Ministerial Appointees | 4 | Appointed by the Governor on the recommendation of the Minister | s 15(5) | Represented government and public interest; often drawn from commerce, law, or community sectors. |
| (f) Convocation Members | 4 | Elected by and from Convocation | s 15(7)(a) | Provided representation for graduates, academics, and community members (see s 14). |
| (g) Academic Staff Members | 4 | Elected by and from the academic staff of the University | s 15(7)(b) | Guaranteed a strong academic voice on Council. |
| (h) Non-Academic Staff Member | 1 | Elected by and from non-academic staff | s 15(7)(c) | Ensured administrative and support staff representation. |
| (i) Student Members | 2 | Elected by and from students at the University | s 15(6) | Introduced direct student participation in institutional governance. |
| (j) Co-opted Members | 4 | Appointed by the Council itself | s 15(8) | Allowed Council to supplement expertise or representation as it saw fit. |

| <i>Category</i> | <i>Number of Members</i> | <i>How Appointed or Elected</i> | <i>Relevant Section(s)</i> | <i>Notes / Observations</i> |
|--|--------------------------|---|----------------------------|--|
| (k) Additional Ex Officio Members | 3 | Included the Principal of the Wollongong Teachers' College (until separation), the Deputy Vice Chancellor (if any), or others prescribed by law | s 15(9)–(10) | Transitional and administrative provisions reflecting the University's origins as a college of UNSW. |

Table 2: Devolution of governance and financial oversight in the University of Wollongong Acts 1972 and 1989 (as of 30 September 2024)

| Feature | <i>University of Wollongong Act 1972</i> | <i>University of Wollongong Act 1989</i> |
|--|--|---|
| Governing Body | <i>Council</i> established under s 15 as the governing and corporate authority. | <i>Council</i> established under ss 8A–8H as the governing and corporate authority. |
| Council Composition | Fixed by statute (s 15). Included parliamentary members (2), ministerial nominees (4), the Chancellor, Vice Chancellor, elected academics, graduates, and students. | Variable (11–22) determined by two-thirds Council resolution (s 8B(1)–(2)); categories of official, elected, Council-appointed and ministerial members (s 8B(3)–(5)). |
| Representation | Broad collegiate composition with strong staff, student, and parliamentary representation. | The majority must be <i>external persons</i> (s 8B(6)); academic and student members limited to one each (s 8D). |
| Ministerial and Parliamentary Oversight | Minister and Governor had direct approval powers over borrowing, property, and land transactions (s 25(1)(e)–(f)); parliamentary representation on Council ensured political accountability. | No parliamentary members: ministerial appointments limited (s 8G). Ministerial approval only for disposal of certain “relevant land” (s 18(3)); other financial decisions delegated to Council. |
| Financial and Property Powers | Council-controlled property and finance but subject to Treasurer/Governor approval for borrowing, investment, and leases over 21 years (ss 25–26). | Council empowered to control and manage affairs (s 16(1A)), including property, finances, and risk. Borrowing and commercial ventures are permitted under the internal <i>Guidelines for Commercial Activities</i> (s 21B). |
| Oversight Mechanisms | External, <i>ex ante</i> supervision by Minister and Governor; strict statutory constraints on delegation (s 26). | Internal, <i>ex post</i> accountability through annual reporting to Minister and Auditor General (ss 17B, 21D–21E); extensive delegation powers. |
| Expertise Requirements | None specified. | At least two members with financial expertise and one with commercial expertise (s 8C). |
| Academic Governance | Council included multiple elected academics and recognised academic committees. | Academic representation minimal; Academic Senate advisory only (s 15). |
| Governance Model | Collegial–statutory, balancing government supervision and academic participation. | Corporate fiduciary, emphasising managerial autonomy, financial expertise, and risk management. |
| Public Accountability Focus | Direct government oversight and parliamentary presence ensured transparency. | Reliance on internal governance and audit mechanisms reduced external scrutiny. |

Table 3: Devolution of financial oversight powers in the University of Wollongong Acts 1972 → 1989 (2024)

| Financial / Oversight Power | 1972 Act No. 72 – Original Provision | 1989 Act No. 127 (as of 30 Sept 2024) | Effect of Change |
|--|---|--|--|
| Borrowing Authority | Council could borrow money <i>only with the approval of the Treasurer or Governor</i> (s 25(1)(e)). | Council may borrow or raise funds without prior ministerial consent, subject only to the <i>Government Sector Finance Act 2018</i> and internal risk policies (s 16(1A)(b)). | External fiscal control replaced by self-regulation; Council now self-authorises borrowings within a broad prudential framework. |
| Investment of Funds | Investment limited to trustee-type securities and required Treasurer’s approval (s 25(1)(f)). | Council empowered to invest University funds at its discretion (s 16(1A)(b)), guided by internal investment policy and risk framework. | Shift from restricted, government-approved investments to discretionary portfolio management. |
| Acquisition or Disposal of Land | Sale, mortgage or lease beyond 21 years required <i>Governor’s approval</i> (s 25(2)–(3)). | Ministerial approval only for the sale of certain “relevant land” granted initially by the Crown (s 18(3)); all other transactions at Council’s discretion. | The majority of property decisions were decentralised, reducing ministerial gatekeeping. |
| Formation of Companies / Joint Ventures | Not expressly authorised; Council powers limited to management of University property. | Explicit authority to engage in “commercial activities,” form companies, and participate in joint ventures (ss 21A–21E). | Establishes legal basis for subsidiaries and controlled entities—activities outside the 1972 statutory scope. |
| Financial Reporting | Annual financial statements submitted to the Minister and subject to external audit; no commercial activity register. | Council must prepare annual financial reports and commercial activity statements for the Minister and Auditor General (ss 17B, 21D–21E). | Accountability mechanism shifted from direct ministerial oversight to <i>ex post</i> audit and disclosure. |
| Delegation of Financial Powers | Delegation tightly limited; Council could not delegate central borrowing or property decisions (s 26). | Broad delegation permitted to committees or Vice Chancellor (s 17A), including financial management functions. | Enhanced executive discretion; diminished collective Council control. |
| Audit and Accountability | External audit by NSW Auditor General; scope confined to main accounts. | Expanded audit to include controlled entities and commercial activities (ss 17B, 21E). | Strengthened the technical audit scope, but without restoring direct ministerial approval powers. |

| Financial / Oversight Power | 1972 Act No. 72 – Original Provision | 1989 Act No. 127 (as of 30 Sept 2024) | Effect of Change |
|--|--|---|---|
| Ministerial / Parliamentary Involvement | The Minister received the annual report and exercised approval powers; two parliamentary members sat on Council (s 15(3)). | Minister receives reports but lacks approval powers; no parliamentary representation on Council (ss 8G, 17B). | Parliamentary linkage eliminated; oversight limited to formal reporting. |
| Financial Expertise Requirement | None specified. | Minimum of two members with financial expertise and one with commercial expertise (s 8C). | Reframes oversight from public accountability to professional competency. |

Table 4: Comparative snapshot (statutory features)

| Feature (2024 Acts) | USyd | UNSW | UTS | Newcastle | WSU |
|---|-----------------|-----------------|-----------------|-----------------------------|-------------------------------|
| Governing body | Senate | Council | Council | Council | Board of Trustees |
| Size range and super majority to set the total | s 8B(1)–(2) | s 8B(1)–(2) | s 8B(1)–(2) | s 8B(1)–(2) | s 10B(1)–(2) |
| Categories (official, elected, appointed, ministerial) and the constitution rules | s 8B(3)–(5) | s 8B(3)–(5) | s 8B(3)–(5) | s 8B(3)–(5) | s 10B(3)–(5) |
| External person majority and no category majority | s 8B(6)–(7) | s 8B(6)–(7) | s 8B(6)–(7) | s 8B(6)–(7) | s 10B(6)–(7) |
| Financial and commercial expertise requirements | s 8C | s 8C | s 8C | s 8C | s 10C |
| Removal of Chancellor/Deputy (no confidence) | s 11A (present) | s 11A (present) | s 11A (present) | s 11A (present) | s 14A (present) |
| Convocation retained? | Yes | No | Yes | Yes | No |
| Region-specific public purpose clause | General objects | General objects | General objects | Hunter/Central Coast | Greater Western Sydney |

Citations: USyd (Part 3 Div 1; 8A–8H; 11A; Convocation; Commercial Activities Div 4) ; UNSW (Part 3 Div 1; 8A–8H; 11A in contents; no Convocation) ; UTS (Part 3 Div 1; 8A–8H; 11A; Convocation; Commercial Activities Div 3) ; Newcastle (Part 3 Div 1; 8A–8H; 11A; Convocation; s 6(2)(a) regional) ; WSU (Part 3 Div 1; 10A–10H; 14A; objects emphasise Greater Western Sydney; no Convocation).

TABLE 5: CURRENT GOVERNANCE STRUCTURES OF NSW UNIVERSITY COUNCILS

(a.k.a. Board of Trustees @ WSU & Senate @ Sydney)

| | Sydney ¹ | UNSW ² | UTS ³ | Macquarie ⁴ | UoW ⁵ | WSU ⁶ | SCU ⁷ | UNE ⁸ | Newcastle ⁹ | CSU ¹⁰ | ACU |
|---|---------------------|-------------------|------------------|------------------------|------------------|------------------|------------------|------------------|------------------------|-------------------|-----|
| Officials (members of the university executive) | 3 | 3 | 4 | 4 | 5 | 3 | 3 | 4 | 3 | 4 | 5 |
| Ministerial appointments | - | 2 | 2 | 1 | 1 | 4 | 2 | 2 | 2 | 2 | - |
| Council appointments (external) | 7 | 5 | 5 | 3 | 6 | 7 | 6 | 5 | 6 | 6 | 8 |
| Elected staff | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 2 | 3 | ? | 4 |
| Elected students | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Council-appointed students (graduates) | - | - | - | 3 | - | - | - | - | - | ? | - |
| TOTAL | 15 | 15 | 16 | 15 | 17 ¹¹ | 18 | 15 | 14 | 15 | 17 | 18 |

¹ <https://www.sydney.edu.au/about-us/governance-and-structure/governance/senate.html>

² https://www.gs.unsw.edu.au/councilandcommittees/Council_Members_Biographies.pdf

³ <https://www.uts.edu.au/about/university/uts-council/council-members>

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⁶ https://www.westernsydney.edu.au/about_uws/leadership/board_of_trustees/board_of_trustees_membership2/board_of_trustees_membership

⁷ <https://www.scu.edu.au/about/university-council/council-members/>

⁸ <https://www.une.edu.au/about-une/governance/une-council/council-members>

⁹ <https://www.newcastle.edu.au/current-staff/our-organisation/governance/council/council-members>

¹⁰ <https://www.csu.edu.au/division/vcoffice/ogca/governance/uc/members>

¹¹ The current version of the *UoW Act 1989* only requires one academic staff member, one professional staff member and one student representative on Council.

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