



UNSW Submission – NSW Review of the Legislative Governance Frameworks for NSW Universities

UNSW Sydney welcomes the opportunity to contribute to this important review of the legislative governance frameworks regulating universities in New South Wales.

UNSW is committed to the highest standards of governance, transparency and accountability, and to ensuring that the legislative frameworks that underpin NSW universities continue to support their public mission of education, research and community service. As a statutory body corporate established under the *University of New South Wales Act 1989 (NSW)*, we operate within one of the most complex governance and regulatory environments in Australia. As a public institution, UNSW is always looking to learn from best practice across the sector and beyond as we implement our policy of continuous improvement in governance.

UNSW notes that there has been heightened public and parliamentary interest in the way higher education institutions are managed and held accountable. This includes the Senate Education and Employment Legislation Committee's inquiry into the quality of governance at Australian higher education providers, which is examining council composition, decision-making processes and transparency, as well as the establishment of the Expert Council on University Governance to provide expert and technical advice to Education Ministers on best practice governance frameworks.

We recommend that the outcomes of those inquiries be reviewed in parallel with the findings of this inquiry.

We look forward to considering the outcomes of these reviews, to provide additional insight into where UNSW can continue to improve governance practices in a rapidly evolving external context and in the face of significant global challenges. The university sector around the world needs to undergo rapid and generational evolution in its operating model, to continue to deliver against our purpose of public benefit.

How we respond to AI in education, upskilling those already in the workforce (in addition to supporting students entering the workforce), contributing to improvements in broad based productivity, innovation and job creation, particularly in Australia, are critical questions that strong and appropriate governance can assist with.

Legislative Frameworks and the Role of University Councils

NSW universities are each constituted as statutory corporations under their own enabling Acts of Parliament, which set out their objectives, functions and governance arrangements. Each Act vests the governing authority of the university in its Council. At UNSW, the Council comprises 15 members, including the Chancellor, Vice-Chancellor and President of the Academic Board as ex-officio members, two members appointed by the NSW Minister for Education, five members appointed by the Council itself, and five elected members drawn from the staff and student body. This means nearly half of the UNSW Council is composed of staff and student representatives.

The Council is responsible for the overall strategic direction, financial stewardship and institutional accountability of the University. It is supported by a number of standing committees, including, Audit, Finance and Strategy; Safety and Risk; Remuneration and People; Honorary Degrees; and Information Technology, which provide specialised advice and oversight. The Council also delegates authority over all academic matters to the Academic Board, which operates independently to safeguard academic integrity and standards.

The existence of the Academic Board is unique to university governance, and means that all core academic decisions and governance are overseen by an expert body composed of practising academics and current students. This governance structure is repeated at the faculty level with each faculty having a Faculty Board for academic governance and decision making relevant to each discipline or faculty.

UNSW ensures that its governance practices are aligned with the objectives and functions set out in the UNSW Act. The Council endorses strategic plans, monitors risk through robust frameworks reviewed by the NSW Auditor-General, and ensures that education, research and community engagement remain central to the University's mission. This alignment is reinforced by regular public reporting and by embedding student and staff voices in decision-making processes.

While this governance model is broadly consistent across all NSW public universities, there are notable variations in the composition and size of councils, the balance of elected and appointed members, and the scope of ministerial involvement. These differences reflect the distinct history and context of each institution but can also create inconsistencies in governance expectations and practices across the state.

Reporting Obligations and Commercial Powers

Like all NSW universities, UNSW is subject to extensive statutory reporting obligations. Each year, our financial statements are audited by the NSW Auditor-General and tabled in the NSW Parliament by the Minister for Education, alongside our Annual Report. These reports provide a comprehensive account of the Council's activities, financial performance, and compliance with legislative and policy requirements, ensuring transparency and public accountability.

The UNSW Act also confers on the University broad powers to enter into commercial activities, form and manage controlled entities, and acquire, develop or dispose of property. These powers enable universities to pursue innovation, generate revenue, and translate research for public benefit. At UNSW, all controlled entities are subject to stringent governance frameworks, annual reporting, risk oversight, and consolidation within the University's audited accounts. This ensures transparency and accountability while enabling the University to operate effectively in a competitive global education environment.

Ministerial powers under the Acts are deliberately limited, preserving institutional autonomy while maintaining accountability. Under the UNSW Act, the Minister appoints two Council members, approves certain by-laws, tables the Annual Report in Parliament and may recommend statute amendments to the Governor. This balance reflects universities' unique role as autonomous public institutions.

Delineation of State and Federal Responsibilities

The regulation and oversight of universities involves both state and federal jurisdictions. NSW, through its enabling Acts, establishes universities, determines their governance structures, and holds them accountable to Parliament and the public. NSW laws also govern areas such as workplace safety,

environmental protection, information privacy, and oversight by integrity agencies including the NSW Ombudsman, the Independent Commission Against Corruption, and the Audit Office.

The Commonwealth, through the Tertiary Education Quality and Standards Agency (TEQSA), regulates quality and standards, allocates funding for teaching and research, sets student support and visa policy, and administers national frameworks for higher education. Universities are also subject to national workplace, corporation and privacy laws.

This dual framework creates overlapping responsibilities that can be both difficult to navigate and, at times, contradictory. UNSW therefore supports the conduct of a Regulatory Impact Review to map the current obligations on universities across both jurisdictions and to identify opportunities for harmonisation. This would reduce duplication and provide greater clarity, while maintaining robust accountability.

Safeguarding the Public Mission of Universities

Governance structures are central to protecting the public mission of universities. At UNSW, academic integrity is safeguarded through the independence and delegated authority of the Academic Board, which governs curriculum design and oversees academic standards and policies. Research ethics are protected through dedicated committees operating under national codes such as the NHMRC guidelines. Student welfare is supported through a comprehensive suite of policies on safety, wellbeing, equity, and sexual misconduct, as well as through the work of the Student Representative Council and the newly established National Student Ombudsman.

These governance mechanisms ensure that the University remains accountable not only for financial and operational matters, but also for its broader social responsibilities, including equity, inclusion and public service. They reflect UNSW's enduring commitment to advancing knowledge as a public good.

The formal governance processes, however, are also supplemented by a plethora of ancillary consultation and engagement processes to enable contribution from the broad staff and student community in UNSW operations. For example, the new UNSW Strategy, *Progress for All*, launched at the beginning of 2025, was developed by staff and students over an 18 month period. The Strategy is built on our distinct Societal Impact Framework and enshrines UNSW's focus on contributing to the public benefit for all segments of society. It is entirely aligned and reflective of our governing parliamentary act which lists as a principal function of the University, teaching and research to "*meet the needs of the community*". This ethos both guides how we approach our governance and why we need to continuously improve governance where appropriate.

Accountability of University Councils

The UNSW Council is appointed through a transparent and balanced process that brings together professional expertise, academic insight and lived experience. A skills matrix is used to ensure the Council collectively possesses the full range of capabilities needed to govern a modern university, including expertise in education, finance and audit, governance, health and safety, leadership and strategy, people and culture, risk, sustainability, and technology and transformation. The inclusion of seven student and staff representatives ensures that Council decisions are informed by contemporary experience within the University community. Academic Board is comprised of 28 elected academic staff, six elected student representatives, as well as 23 ex-officio staff representatives and five ex-officio student members.

¹ *University of New South Wales Act (1989)* at Section 6(2)(c)

Council members are subject to strict integrity obligations. Interests must be declared on appointment and at each meeting, and members with a material conflict of interest are excluded from related discussions and decisions. Council members are subject to duties to act in the best interests of the University, to exercise care and diligence, and to not improperly use their position or information. Council may remove any member found to have breached these duties. Council members are not remunerated for their participation in Council activities. Council members may, however, claim reimbursement for expenses, such as travel, incurred in connection with Council business, although members rarely claim.

The Council's activities are documented in the University's Annual Report, which is tabled in the NSW Parliament and published online. The majority of Council's minutes and decisions, including those of the subcommittees, are made available on the UNSW website. Furthermore, all major decisions of Council are actively communicated to the University community through formal channels. This approach balances confidentiality with transparency, and aligns with the Code of Governance Principles and Practice for Australia's Public Universities, which came into effect in December 2024.

Oversight of Staffing, Financial Management and Consultants

Staffing is governed under enterprise agreements and national workplace laws, and is overseen by the Audit Committee and the Remuneration and People Committee. The Audit Committee oversees financial reporting and internal controls, and the University is subject to external audit by the NSW Audit Office. The Annual Report, including financial statements, is tabled in the NSW Parliament. The Finance and Strategy Committee monitors the University's financial and relevant underlying operational performance, oversees a robust system of financial planning and provides advice to Council on financial proposals which Council has reserved to itself for approval. UNSW also applies strict procurement and consultant engagement policies aligned with NSW Government standards, and discloses expenditure on consultants in its Annual Report.

Supporting Accessibility and Public Benefit

The legislative framework enables universities to fulfil their public mission of providing accessible, high-quality education and contributing to social and economic development. UNSW invests heavily in programs that promote diversity and inclusion, including equity scholarships, the Gateway Pathways Program, and disability access plans.

We also contribute to regional development and Indigenous engagement through initiatives such as the Nura Gili Centre for Indigenous Programs, outreach and partnerships in regional NSW, and major activities in Western Sydney. UNSW is a leading contributor to public discourse, providing research expertise to parliamentary inquiries, public policy development, and national debates on issues of social and economic importance.

Controlled Entities and International Activities

All controlled entities at UNSW are subject to Council approval and oversight, and operate within the University's governance and risk frameworks. Their operations are reviewed annually, consolidated into the University's audited financial statements, and reported publicly.

International engagements and all joint ventures are assessed for their strategic alignment, risk profile, and compliance with legal and ethical standards before being approved by Council. This ensures that international activities and domestic collaborations support, rather than detract from, the University's public mission and accountability obligations.

Opportunities for Legislative Reform

UNSW supports targeted legislative reforms to strengthen transparency, accountability and consistency across NSW universities, while preserving institutional autonomy. These could include, embedding the use of skills matrices and mandatory governance training for Council members; setting principle based minimum requirements for student and staff representation and skill levels; and requiring regular, independent reviews of Council's effectiveness. A comparison of university Acts might also provide opportunities to streamline and promote more consistent approaches across universities.

Reforms should also be informed by the pending findings of the Expert Council on University Governance, which are expected to provide an evidence-based assessment of current governance arrangements and recommendations for improvement. By anticipating and incorporating these findings, we can ensure that any legislative changes are aligned with best practice and the sector's evolving needs rather than requiring subsequent amendments. In addition, recent reports of the NSW Auditor-General, particularly those examining the management of controlled entities and procurement practices, highlight important risks and lessons for public universities. These should be carefully considered to strengthen transparency, accountability, and value for money across the sector.

However, any reforms must be grounded in clear and enduring principles, such as transparency, accountability and respect for institutional autonomy, rather than prescriptive rules. They should recognise the diverse nature of operating models, ancillary processes and engagement approaches that exist across the state's universities, ensuring that the most effective governance mechanisms are employed in the context of each university. They should be proportionate to the actual risks faced by universities and tailored to the sector's diverse operating environments, avoiding a one-size-fits-all approach. Crucially, reforms should be co-designed and developed in genuine partnership with the higher education sector to ensure they are practical, evidence-based and minimise unintended administrative or compliance burdens that could detract from universities' core teaching, research and public-good missions.

Conclusion

UNSW is committed to principled, effective and transparent governance, and to ensuring that NSW's legislative frameworks continue to support universities' public mission while meeting the community's expectations of accountability and integrity.

We welcome this review as an opportunity to modernise and harmonise governance arrangements. This process will reinforce the foundation that enables universities to deliver excellence in education, research and public engagement amid a period of significant transformation.

Should you wish to discuss any aspect of this submission, please contact: **Duncan McDonald, Senior Manager, Government Relations and Policy** – Duncan.mcdonald@unsw.edu.au | 0422 447 674

About UNSW

UNSW is a world-leading research and teaching-intensive university, known for innovative, pioneering research and high-quality education with a longstanding global impact. Since our foundation in 1949, our aim has been to improve and transform all lives through excellence in research, outstanding learning and teaching experiences, and a commitment to advancing Australia's economic growth and prosperity.

UNSW is proud of being ranked first in Australia for graduate employment outcomes, as well as being consistently recognised as the AFR's Most Employable University. We have one of the best graduate outcomes for Australian students in relation to employability and highest average salaries across the sector. UNSW also ranks in the top 20 universities in the world, with more than 70,000 students and over 4,200 higher degree research candidates.

The University's governance framework is supported by a structured committee system, comprising the University Council, Academic Board, University Committees, and Faculty Boards and Committees. The University Council, as the governing authority, is responsible for strategic oversight and policy direction. Chaired by the Chancellor, the Council includes appointed, elected, and ex-officio members, including the Vice-Chancellor. The Vice-Chancellor, serving as the Chief Executive Officer, is responsible for the overall management of the University. The Academic Board is a critical governing body, and unique to universities in organisational governance. All academic governance, academic quality assurance and academic integrity is overseen by the Academic Board. The Board is composed of over 50 academics and has 11 student representatives (one of the highest proportions of student representation in the sector). In addition, the President of the Academic Board is a member of Council.