NSW Government response to the Interim Report of the Standing Committee on Social Issues' Inquiry into the NSW university sector

Introduction

The NSW Government acknowledges the important concerns raised by the Standing Committee on Social Issues in its inquiry into the NSW university sector, as it examines the governance of universities, the accountability of university governing bodies and a range of related issues.

The inquiry in the NSW university sector was established in response to a petition tabled by the Chair of the Standing Committee on Social Issues, Hon Dr Sarah Kaine MLC, signed by 2,619 petitioners.

As at May 2026, the inquiry has held 6 hearings and received 105 submissions. The Interim Report focuses on the University of Technology of Sydney, the University of Wollongong and universities' use of consultants. It notes the legislative and regulatory environment that universities operate in and details the evidence heard from witnesses and received in submissions on the operation of governance systems, workload, organisational restructures, how universities use consultancy firms in their operations and the reporting of these engagements.

The NSW Government acknowledges the concerns raised by participants in the inquiry process, and thanks the Committee for its work. Some evidence was difficult for witnesses to deliver, and the NSW Government recognises the personal commitment of witnesses' participating in this important democratic process.

This report makes 4 recommendations, to which a response is provided below in Table 1.

The NSW Government looks forward to receiving the Committee's final report at the conclusion of this inquiry.

The NSW Government notes the significant national reform agenda underway to improve the governance of universities, including the inclusion of the Expert Council on University Governance's Principles in the *Higher Education Standards Framework (Threshold Standards) 2021*, work to establish a remuneration framework for Vice-Chancellors and the reform of the *Tertiary Education Quality and Standards Agency Act 2011* (NSW).

The NSW Government will continue to work with the Australian Government and other jurisdictions to support the implementation of this important policy program.

Table 1: NSW Government responses to recommendations in the Interim Report of the Inquiry into the NSW university sector

Recommendation	Response
1.That the NSW Auditor-General conduct a performance audit of the University of Technology Sydney, with a focus on governance integrity, financial management, the use of consultants in decision-making, workforce management, psychosocial risk oversight, and the governance of controlled entities	**Under consideration** The NSW Auditor-General is an independent statutory office that reports to the Parliament of NSW. The Auditor-General independently decides on the audit priorities of his office.
2. That the Minister for Skills, TAFE and Tertiary Education exercise the power under section 21D of *the University of Wollongong Act 1989* to request a report from the University of Wollongong Council on the commercial activities of the University of Wollongong and its related entities, including University of Wollongong Global Enterprises.	**Under consideration** The NSW Government notes an investigation relating to the University of Wollongong is currently underway by the Independent Commission Against Corruption. The NSW Government will further consider this recommendation following the conclusion of this investigation.
3. That NSW Treasury amend the Treasury Policy and Guidelines issued under the *Government Sector Finance Act 2018* to remove the exemption applying to a council of a university, thereby requiring all NSW universities to disclose all consultant expenditure – whether expensed or capitalised – in accordance with section 2.6 of TPG25-10a.	**Support in principle** NSW Treasury has initiated consultation with universities relating to this recommendation. As universities operate separately from the broader government sector, Treasury will work to ensure that university reporting on consultant expenditure will provide consistent, reliable and collectable data.
4. That the NSW Government review the application of the *Government Information (Public Access) Act 2009* (NSW) to universities, including: (a) removing or narrowing exemptions that permit non-disclosure of consulting engagements commissioned by university governing bodies (b) strengthening oversight of contract register compliance to ensure that claims of commercial-in-confidence are applied consistently and satisfy the public interest test.	**Under consideration** The NSW Government will consider this recommendation in more detail once the Inquiry's final report has been published. In the interim, the NSW Department of Education will consult with the NSW Information and Privacy Commission and consult with NSW Universities to encourage best practice contract register compliance, recognising the importance of transparency to public trust in universities.