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Committee Secretary
Standing Committee on Social Issues
NSW Parliament House
6 Macquarie Street
SYDNEY NSW 2000
By email: Committee.SocialIssues@parliament.nsw.gov.au

12 March 2026

Dear Committee Secretary,

KPMG Australia's response to Legislative Council Standing Committee on Social Issues - Inquiry into the New South Wales university sector.

KPMG Australia (KPMG) thanks the Legislative Council Standing Committee on Social Issues (the Committee) for its questions and the opportunity to provide further information in relation to the Committee's *Inquiry into the New South Wales university sector*.

This document sets out KPMG's responses to questions on notice taken during the NSW Inquiry hearing on 18 February 2026, as well as supplementary questions received from the Committee on 26 February 2026.

Responses to Questions on Notice taken at the hearing are provided in Section 1, and responses to supplementary questions are provided in Section 2.

If you would like to discuss our response further, please do not hesitate to contact us.

Yours sincerely,

Claire McGuinness

NSW Government Lead Partner,

KPMG Australia

Chris Matthews

National Education Sector Lead Partner

KPMG Australia

<u>Section 1</u>: KPMG Australia – response to Questions on Notice taken at NSW Inquiry hearing on 18 February 2026 (due 12 March 2026)

Question 1: UTS contract extension value

The CHAIR: Sorry, there are two bits that I'm still not clear on. One is when did you start working on that particular project? It seems like it was in late 2024, but there doesn't seem to be a contract for the work signed off until March 2025. And then you said you finished in August, but there was a contract extension around that time as well. Did you not undertake any work or get paid for any work following that contract extension?

CHRIS MATTHEWS: KPMG commenced working with UTS through a competitive tender process. It responded to a tender to support the university around financial challenges. That was approximately September 2024. Work was delivered across October and November 2025. KPMG was then—which is in the public domain—procured for an additional piece of work, which then ran through till the end of June 2025, and then we were extended for an additional period of weeks, which takes us up to August 2025.

The CHAIR: So there wasn't an extension?

CHRIS MATTHEWS: There was an extension to the original—there's an extension to the piece of work that ended in June.

The CHAIR: So we're talking June to August?

CHRIS MATTHEWS: Yes, July to August was the extension for a few weeks.

The CHAIR: July to August was the $180,000 per week extension?

CHRIS MATTHEWS: Up to $180,000 per week. Again, we had fortnightly check-ins with the clients around the deliverables and what our scope of work was, and the activities and costs. They obviously had control around where our analysis was focused.

The CHAIR: Thank you for that. That's helpful. If you could provide to me on notice the exact final figure for the original contract and the extension—as I understand it, it was up to 180—that would be appreciated. I understand you might not have that right in front of you now.

CHRIS MATTHEWS: Before I release information, it's obviously subject to a commercial-in-confidence review and permission from the client as well.

The CHAIR: I'd appreciate if you could be as forthcoming as possible. If you think there are confidentiality issues, as you may have heard with our previous witness, that can be handled through the Committee.

KPMG response:

A variation was made by UTS to the original contract to reflect a broadening of the scope of the engagement. The work has since been finalised and the contract has concluded. As previously provided in evidence to the Committee by UTS the contract value for the engagement was $7 million including the contract extension. Further details would be commercial in confidence and therefore additional questions are best directed to UTS.

Question 2: KPMG personnel on UTS engagement

The CHAIR: How many staff did KPMG have working or embedded in UTS during that project?

CHRIS MATTHEWS: I'd need to take on notice the number of staff that KPMG had on the project.

The CHAIR: How many of those would have had direct university experience, apart from having been to university? When I say "experience", let me be very clear. This is a question for yourselves. How many of you have worked in universities?

CHRIS MATTHEWS: I can't confirm the exact number, but members of KPMG's team that worked at UTS and more broadly that work across the sector have worked in higher education institutions in their career.

The CHAIR: If you could provide a bit more detail on that on notice, that would be helpful. Is it true—

KPMG response:

KPMG maintains sector expertise across our teams to ensure we provide the best support to our clients. Depending on client need, at any point of time we had between 5 to 25 people working across this engagement. Our people have skills and experience across strategy, operating and service delivery model review and design, financial sustainability and technology transformation. We can confirm that four of our UTS project team members had prior direct university experience and the majority of the team had prior experience working with the higher education sector across prior engagements.

Question 3: Contract extension scope

The CHAIR: I wondered if I could ask a question about the OSI more generally. What advice did you give regarding any strategy or management of responses to the OSI? Were you asked to consider how the feedback might be responded to or anything once the drafts went out, or was your work terminated by then?

CHRIS MATTHEWS: KPMG's scope, as I mentioned before, was around analysis for the university to make informed decisions. KPMG was not engaged for any organisational change or any consultation communication component of the OSI program. There were many UTS staff as well as us a consultancy involved in OSI, but there were parts which did not have KPMG involvement.

The CHAIR: I just want to go back then to this contract extension because I'm really not clear. You've said that part of the work was terminated. You've said that you weren't engaged with the ongoing feedback and strategy development, that that became university decision-making and what you'd done had fed into that. What were you doing for those weeks when your contract was extended? Because from what we can see publicly, it's the same work that had actually been completed on the previous contract. Could you explain in a bit of detail what was the work you were doing in that contract extension?

CHRIS MATTHEWS: Thank you for the question, Chair. In the nature of these large programs of work, we clearly stated in our statement of work that we agreed with the institution the areas of analysis that we would undertake. As you undertake that analysis, sometimes there are areas where the university wants a deeper dive or greater analysis. There were some elements where we did not pursue analysis, because the first round of analysis determined that they didn't want to pursue that, and we take direction from the client. The extension relates to certain areas. I believe one was greater analysis around disciplines that the university wanted us to undertake. It's additional time of us as a consultant to undertake that analysis at the direction of the university beyond the original scope.

The CHAIR: Could you provide that information? Because, unfortunately, all we can see is that it is the original scope that's been the extension. So it's still quite difficult to understand. I appreciate the example you've given, but if you could take on notice and provide more detail on which of those areas you were asked to dive deeper into during that contract extension, that would be appreciated.

CHRIS MATTHEWS: I can provide information, obviously subject to commercial-in-confidence review in conversation with the client. There is a significant amount of information already released on the UTS deliverables in the GIPAA on the public record.

The CHAIR: Quite a lot of that was redacted, which is why we're having trouble. So actually I'd like you to provide some information. I'm not asking for everything, but you can give us the headlines of the types of issues that you were exploring. That would be appreciated.

KPMG response:

KPMG's engagement with UTS was extended beyond the initial remit by UTS.

The contract extension related to additional work undertaken at the direction of the university, where further or deeper analysis was requested in specific areas beyond the original scope.

Any further questions around scope and remit are best directed to UTS.

Question 4: KPMG personnel on governance boards

Ms ABIGAIL BOYD: How many KPMG partners and employees do you have sitting on university boards in Australia at the moment?

CLAIRE McGUINNESS: Thank you for the question, Ms Boyd. As you'll be aware, KPMG has a number on boards. We have very strict conflict-of-interest processes in place to manage those additional roles that some of our partners may perform. I don't have the specific number on hand, though, but I understand those board positions are publicly reported.

Ms ABIGAIL BOYD: If you could provide that on notice, that would be great. Also, the retired partners who are still benefiting financially from a stake in the partnership—that would also be very useful if you could come back on notice with those figures.

CLAIRE McGUINNESS: We can take that on notice.

KPMG response:

KPMG Australia is not aware of any partners or employees sitting on university boards in Australia. We can confirm that Professor Jennifer Westacott AC, a KPMG contractor and Special Advisor, serves as Chancellor of Western Sydney University.

KPMG does not make ongoing payments under any “retirement plans” to retiring partners.

Section 2: KPMG Australia response to supplementary questions received from the Committee on 26 February

(1) What connections does KPMG have with University leadership across NSW? Specifically – partners or staff on advisory boards or councils etc. Eg Jennifer Westacott WSU chancellor is a special advisor to KPMG (The Saturday Paper 13 Sept 2025)

KPMG response

KPMG refers to our response to question on notice number four in section 1 that covers this matter.

(2) What was the scope of works originally? When was this changed? Can you provide the contract for the work and all contract variations. (a) Why did you start a new phase of work in late 2024, even though the contract for the work was not signed until March 2025?

KPMG response

KPMG refers to our response to question on notice number three in section 1that covers this matter.

(3) Is it true that UTS bought laptops for the KPMG staff, if so how ,many? What happened to these laptops at the end of the project? Why was this necessary, surely KPMG provides laptops for their staff?

KPMG response

UTS did not purchase laptops for KPMG staff.

(4) What data did KPMG rely on to make its recommendations to UTS about undertaking organisational change? Where did you get it from? How did you verify it?

KPMG response

KPMG utilised a range of data sources, some publicly available, but predominately provided by UTS.

(5) What level of access were you provided to UTS systems and staff data? How did you access it? (a) What oversight was there regarding what you accessed? Did you keep log of what you were accessing, if so can we please get a copy of that log?

KPMG response

KPMG staff were able to access the UTS technology environment i.e. teams, SharePoint as is common on other client engagements of this nature. KPMG complied with all relevant confidentiality requirements, which were clearly documented in our contract.

(6) Did you identify any risk to proceeding with the UTS Operational Sustainability Initiative (OSI)?

KPMG response

Yes. As part of KPMG’s regular status reporting to UTS through the course of the project, we identified delivery risks and relevant mitigations. There were also regular program meetings where risks were discussed.

(7) In the UTS case what financial documents did you rely on – audited annual reports, management accounts or adjusted internal projections?

KPMG response

KPMG relied on a range of information including audited annual reports, management accounts and adjusted internal projections. These are the main sources of financial information for these types of engagements.

(8) Do KPMG partners or employees ever enter into parallel contracting, alongside formal consulting projects, even in a personal capacity?

KPMG response

Partners or employees are not permitted to deliver professional services work in their personal capacity in line with our policies.

(9) Are you currently advising NSW universities on cost-reduction or workforce restructuring program?
(a) Do these programs typically involve modelling staffing reductions?

KPMG response

We are currently delivering a range of support to NSW universities across strategy, operating model and service delivery model review and technology transformation.

When we do provide services that consider cost reduction these programs may consider modelling staff reductions, however, this would depend on the scope of the engagement.

(10) If there is an audited surplus but an internally presented 'core' deficit' which position forms the basis of your modelling?

KPMG response

This would depend on the scope of the engagement and our analysis on what would be the most appropriate data source to use in the context of the engagement.

(11) Do you independently interrogate assumptions, or rely on management provided projections?

(12) Are you typically asked to model pathways to achieve a specified savings target, or do you independently determine what level of savings is required?

(13) Are workforce reductions calculated to achieve financial targets, to align with sector benchmarks or both?

(14) Are universities frequently advised to consolidate services into shared-service models?

(15) Is workforce reduction commonly a component of operating model redesign?

KPMG response to questions 11-15

Our clients come to us with a range of challenges and the approach we take to assisting clients is ultimately driven by the terms of the engagement and the unique, agreed project scope.

(16) Is AI now incorporated into higher education transformation programs?

(17) Do your engagements with universities include modelling scenarios where automation reduces professional staffing levels?

KPMG response to questions 16-17

Like many businesses, universities are considering where AI may best fit into their operating models to enhance effectiveness and efficiencies. The use of automation across professional staffing would depend on the scope of the engagement and the needs and challenges of a particular client.

(18) In your view, is the professional workforce likely to be smaller in five years?

KPMG response

There's a range of factors that would impact the professional workforce over the next 5 years which would require further detailed analysis.

(19) Would the full scope of your transformation engagements be visible from annual reports alone?

(20) Would you object to universities disclosing total annual payments for benchmarking and related advisory services

KPMG response to questions 19-20

The content of university annual reports is determined by universities in line with their regulatory requirements.

KPMG would be open to considering models that involve increased transparency noting that other jurisdictions in Australia operate under frameworks with greater levels of transparency.