

Controlled Entities Policy

Section 1 - Purpose

(1) This Policy establishes the University's governance framework for Controlled Entities.

Background

(2) This Policy should be read in conjunction with the provisions of the [Macquarie University Act 1989](#) (NSW), [Government Sector Audit Act 1983](#) (NSW) and the [Macquarie University Risk Appetite Statement](#).

Scope

(3) This Policy applies to all officers and directors, members, employees, consultants and contractors of Macquarie University and its Controlled Entities.

Section 2 - Policy

(4) The University may conduct activities through Controlled Entities.

(5) The [Macquarie University Act 1989](#) (the Act) requires that Council:

- a. must ensure that a controlled entity does not exercise any function or engage in any activity that the University is not authorised by or under the [Macquarie University Act 1989](#) to exercise or engage in, except to the extent that Council is permitted to do so by the Minister.
- b. ensure:
 - i. that the governing bodies of controlled entities:
 - possess the expertise and experience necessary to provide proper stewardship and control, and
 - comprise, where possible, at least some members who are not members of the Council, or members of staff, or students of the University, and
 - adopt and evaluate their own governance principles, and
 - document, and keep updated, a corporate or business strategy containing achievable and measurable performance targets, and
 - ii. that a protocol is established regarding reporting by governing bodies of controlled entities of the Council.

(6) The University will operate its Controlled Entities in accordance with the [Act](#).

(7) The Council must approve:

- a. the establishment of a Controlled Entity, including details of the member(s);
- b. the constitution of a Controlled Entity and any material amendments to it;
- c. the deregistration or liquidation of a Controlled Entity on the recommendation of the Board of the Controlled

Entity; and

- d. transfer of activities from a Controlled Entity to any another entity (including to the University or another University Controlled Entity) which would trigger an alteration to the constitutional objects of a Controlled Entity.

(8) The Vice-Chancellor will establish procedures and guidelines for the governance and operation of Controlled Entities to provide for:

- a. proper governance;
- b. minimisation of risk to the University;
- c. maximisation of returns and benefits to the University; and
- d. appropriate reporting to ensure control and oversight by the Council.

(9) The Vice-Chancellor will provide an annual report to Council on compliance by the controlled entities of the University with the requirements of Section 16A of the [Macquarie University Act 1989](#).

(10) The Controlled Entity member has obligations as defined in the [Corporations \(New South Wales\) Act 1990](#) and each Controlled Entity's constitution.

Section 3 - Procedures

(11) Refer to the [Controlled Entities Procedure](#).

Section 4 - Guidelines

(12) Nil.

Section 5 - Definitions

(13) The following definitions apply for the purpose of this Policy:

- a. Council means the University Council which is the governing authority of the University, established under Part 3, section 8 of the [Macquarie University Act 1989](#) (NSW).
- b. Controlled Entity means a person, group of persons or body over which the University has control. Note: See also the definition of controlled entity in Section 16A of the [Macquarie University Act 1989](#) (as amended); Sections 39 (1A) and 45A of the [Government Sector Audit Act 1983](#) and Australian Accounting Standard AASB 127 Consolidated and Separate Financial Statements. Refer to the [Controlled Entities Procedure](#) for examples of evidence of control.
- c. Macquarie University Group or Group means Macquarie University and its Controlled Entities.
- d. Director means a member of a Board of a Controlled Entity.

Status and Details

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