



Controlled Entities

Procedure

Approver and Sponsor	Deputy Vice-Chancellor (Operations)
Owner	University Secretariat
Policy	UP25/4 Controlled Entities

1 Purpose

- 1.1 This Procedure —
- Establishes a clear process for forming, managing, or participating in a Controlled Entity by the University.
 - Applies to all Controlled Entities within, or proposed to be within, the University Group.
- 1.2 This Procedure is to be read in conjunction with the following –
- Controlled Entities Policy.
 - Model Constitution – Company Limited by Guarantee.
 - Model Constitution – Company Limited by Shares.
 - Directors' Briefing Pack – Controlled Entities.

2 Roles and Responsibilities

Role	Responsibilities
Controlled Entities Management Group	The assurance body that: <ul style="list-style-type: none"> Determines an entity of commercial significance Endorses entity formations, acquisitions, or disposals.
General Counsel	Approves the exemption of Controlled Entities from: <ul style="list-style-type: none"> Complying with University Policy Adopting the common board model Adopting the model constitution.
Senate	Approves the formation or acquisition of controlled entities of commercial significance. Approves the divestment of controlled entities.
University Secretariat	Completes and stewards the Entity Formation Request through approvals.
University Secretary	Approves the exemption of Controlled Entities from: <ul style="list-style-type: none"> Complying with University Policy Adopting the common board model Adopting the model constitution Holds the position of Company Secretary of the Controlled Entities, or their delegate.
Vice-Chancellor	Approves the formation or acquisition of controlled entities that are not of commercial significance.

3 Establishment or Acquisition of a Controlled Entity

- 3.1 To establish or acquire a Controlled Entity, unless otherwise authorised by the Senate, an initial request must be submitted to the following by the University Secretariat:

- (a) University Secretary;
 - (b) Chief Risk Officer;
 - (c) General Counsel;
 - (d) Chief Financial Officer or their delegate; and
 - (e) Any additional reviewers nominated by the group as relevant to the core objects of the proposal.
 - (f) Hereon, the “Controlled Entities Management Group”.
- 3.2 The initial request must make a determination as to whether the proposed Controlled Entity will be of commercial significance. This determination will be made by consensus of the Controlled Entities Management Group.
- 3.3 Following the determination, an Entity Formation Request must be completed. For a Controlled Entity of commercial significance, the Entity Formation Request must include:
- (a) Details of how the investment aligns with the University’s strategic objectives and priorities;
 - (b) An outline of the primary business objectives, accompanied by a first annual plan and budget;
 - (c) An assessment of the financial and reputational benefits and risks that complies with the University’s Risk Management Framework;
 - (d) Financial projects, including a detailed cash flow forecast for the first three years;
 - (e) The principal commercial and financial assumptions, including start-up costs, initial investments and capitalisation requirements, and any non-financial contribution by the University to the Entity;
 - (f) An external valuation justifying the acquisition price (when acquiring an established entity);
 - (g) If applicable, a proposal for deviation from the common board model with accompanying skills matrix and an initial declaration of interests; and
 - (h) If applicable, the reason for not adopting the University’s model constitution as a governing document.
- 3.4 For a Controlled Entity that is not of commercial significance, the Entity Formation Request must include:
- (a) Details of how the investment aligns with the University’s strategic objectives and priorities;
 - (b) An outline of the primary business objectives;
 - (c) An assessment of the financial and reputational benefits and risks that complies with the University’s Risk Management Framework;
 - (d) If applicable, a proposal for deviation from the common board model with accompanying skills matrix and an initial declaration of interests; and
 - (e) If applicable, the reason for not adopting the University’s model constitution as a governing document.
- 3.5 For a Controlled Entity of commercial significance, the proposal must be approved by the Senate.
- 3.6 For a Controlled Entity that is not of commercial significance, the proposal may be approved by the Vice-Chancellor.
- 3.7 Unless otherwise approved by the Senate or Vice-Chancellor, employees must not commit the University to any contract or other legally binding obligations before the establishment or acquisition has been approved, except where the Controlled Entities Management Group supports the engagement of external advisors concerning a proposal to establish or acquire a Controlled Entity.

4 Nominations and Remuneration of Directors

- 4.1 The directors of a Controlled Entity must comply with the common board model, consisting of:
- (a) Chief Risk Officer;
 - (b) Chief Financial Officer;
 - (c) An academic representative as operationally relevant; and
 - (d) A relevant Director as strategically appropriate;
 - (e) Or any of their delegates.
- 4.2 Exceptions from the common board model must be detailed in the Entity Formation Request.

- 4.3 Where the common board model is not adopted, nominations for alternate directors must:
- (a) provide details that the proposed director possesses the necessary skills, knowledge, and experience necessary to enable the Board of the Controlled Entity to provide proper stewardship and control of the Controlled Entity;
 - (b) provide details of any actual, perceived or potential conflicts of interest; and
 - (c) comply with the Controlled Entity's governing documents.
- 4.4 Directors and Public Officers of a Controlled Entity will not be eligible for remuneration for their position. Exceptions to this mandate must be approved by the Senate with sufficient justification.
- 4.5 Subject to any requirement under local laws for Controlled Entities registered outside Australia:
- (a) the University Secretary, or their nominated representative (which may include an external corporate secretariat provider where appropriate), is the Company Secretary for each Controlled Entity; and
 - (b) the Chief Financial Officer or their nominated representative is the Public Officer for each Controlled Entity, if applicable.

5 Controlled Entity Reporting

- 5.1 Unless an exception is granted by the Controlled Entities Management Group, Controlled Entities must provide the following to Management, Senate or its nominated committee:
- (a) financial disclosures in a form required by the Chief Financial Officer;
 - (b) management report on operational matters;
 - (c) a business plan that aligns with the strategic plan;
 - (d) budget performance;
 - (e) report of performance against the annual business plan;
 - (f) report of performance against the risk management strategy;
 - (g) forecast of the performance for the next year;
 - (h) audit and risk report in a form required by the Chief Risk Officer;
 - (i) identification and annual reporting of strategic and key operational risks with risk ratings, controls and treatment plans;
 - (j) reporting of health and safety risks, significant incidents and investigation findings;
 - (k) annual compliance certification that all applicable legislative obligations are met with details of any breaches noted during the year;
 - (l) access to the annual financial statements and independent audit report; and
 - (m) such other reports as may be requested by any members of the Controlled Entities Management Group.
- 5.2 Controlled Entities must immediately advise the Controlled Entities Management Group and the entity's Board if there are any:
- (a) major or extreme risks as identified by the risk management framework;
 - (b) critical incidents, including safety and cyber incidents;
 - (c) actual or potential insurance claims;
 - (d) significant changes to entity performance; and/or
 - (e) matters beyond applicable authority or delegations that need to be escalated to the University, the Senate, or one of its committees.
- 5.3 Controlled Entities must immediately advise the University Secretary of any director resignations, appointments or changes in personal details.
- 5.4 Controlled Entities must also comply with:
- (a) any additional reporting requirements communicated by the Chief Financial Officer to fulfil internal and external financial reporting obligations; and
 - (b) any requests for information from the University Secretary to maintain the Controlled Entities Register or otherwise maintain the good standing of the Controlled Entity.

6 Operations

- 6.1 The Board must ensure the Controlled Entity operates in accordance with:
- (a) Any applicable laws and regulatory requirements;
 - (b) The minimum required policies of the University as per clause 6.2, unless otherwise authorised in writing by the General Counsel and the University Secretary; and
 - (c) The constitutional documents of the Entity.
- 6.2 The Board must ensure the Controlled Entity operates in compliance with, at a minimum:
- (a) Code of Conduct
 - (b) Acceptable Use of IT
 - (c) Conflicts of Interest
 - (d) Cyber Security
 - (e) Finance
 - (f) Fraud and Corruption
 - (g) Gift Acceptance and Governance
 - (h) Gifts, Benefits and Hospitality
 - (i) Grievance
 - (j) Information Privacy
 - (k) Information Protection
 - (l) Information Retention
 - (m) Public Complaints
 - (n) Public Interest Disclosure
 - (o) Risk Management
 - (p) Safety and Health
 - (q) Social Media
 - (r) University Behaviour
- 6.3 Where the Controlled Entity considers that a Policy listed above cannot reasonably or practically be met, and an acceptable alternative policy position cannot be identified, the General Counsel and the University Secretary may exempt the Controlled Entity from compliance with the relevant policy.

7 Disposal of an Interest in a Controlled Entity

- 7.1 The disposal of an interest in a Controlled Entity includes a sale, transfer or surrender with or without consideration.
- 7.2 The Senate must approve any disposal of interest or material asset of a Controlled Entity, including any proposal to wind up an entity prior to any disposal activity occurring.
- 7.3 Proposals for disposal must be endorsed by the Controlled Entities Management Group.
- 7.4 Any proposal submitted for approval must, at a minimum, include:
- (a) a detailed rationale and proposed method for the disposal including any associated costs;
 - (b) an assessment of the financial and reputational benefits and risks in compliance with the University Risk Framework;
 - (c) an external valuation justifying any sale price;
 - (d) a detailed timeline including relevant milestones for the proposed disposal; and
 - (e) in the event of winding up an entity, the provision for the distribution of any assets in accordance with the entity's constitution.

Definitions

Term	Definition
Controlled Entity	Means an entity that is incorporated under relevant legislation (e.g. <i>Corporations Act 2001</i> (Cth), <i>Associations Incorporation Act 2015</i> (WA), <i>Charities Act 2013</i> (Cth), or equivalent international legislation), and is controlled by the University as defined in section 50AA of the <i>Corporations Act 2001</i> (Cth) or AASB 10 – Consolidated Financial Statements, where applicable.
Entity Formation Request	A document controlled and completed by the University Secretariat providing sufficient justification for establishing or acquiring a Controlled Entity.
Policy	An approved instrument registered on the UWA Policy Library that expresses principles to regulate behaviour and practice.

Legislative Context

Relevant Legislation or Regulations
<i>University of Western Australia Act 1911</i> (WA)
<i>University of Western Australia Statute (2020)</i>
<i>Corporations Act 2001</i> (Cth)

End