



Guidelines for Boards of Government Businesses

This Circular advises Government businesses of the release of the updated *Guidelines for Boards of Government Businesses* (TPP 09-02).

A revised edition of the *Guidelines for Boards of Government Businesses* (TPP 09-02) was released by NSW Treasury in April 2009, withdrawing and superseding the 2007 version (TPP 07-08).

The *Guidelines* were revised to reflect the removal of Rail Corporation New South Wales and Sydney Ferries from the *State Owned Corporations Act 1989*. The revised publication (TPP09-02) does not contain any significant amendments to the previous publication.

The purpose of the *Guidelines for Boards of Government Businesses* is to outline the key private sector good practice standards of corporate governance which are most appropriate to the practices and procedures for boards of government businesses¹. The *Guidelines* are aimed at government businesses (and their subsidiaries) with a governing board although some principles may also be relevant for advisory boards.

The *Guidelines* provide advice on the development of charters and codes of conduct, the establishment of board committees, board membership requirements, induction and training, performance evaluation and annual report disclosure.

The recommendations contained in the executive summary are not mandatory, however, where a governing board of a government business considers that a recommendation is inappropriate to its particular circumstances; the government business has the option of not adopting it and should include an explanation for this decision in its annual report. This is consistent with the requirement imposed on Australian listed companies to disclose the extent to which they have followed the recommendations set by the Australian Stock Exchange (ASX) in the reporting period.²

Agencies are advised to familiarise themselves with the *Guidelines* which took effect from the release of the policy in April 2009. Government businesses must also be guided by the policies and guidelines of the *Commercial Policy Framework*.

This Circular withdraws and supersedes Treasury Circular NSWTC 07/17 *Guidelines for Boards of Government Businesses*, however it does not represent a substantive change to the previous policy.

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Secretary

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¹ Public Trading Enterprises, Public Financial Enterprises and non-Budget dependant General Government agencies to which the *Commercial Policy Framework* applies.

² See ASX Corporate Governance Council (2007) *Corporate Governance Principles and Recommendations*, 2nd Edition.