



Hon John Carey MLA
Minister for Housing; Local Government

Your ref: 78-01680

29 JUN 2021

Ms Marion Blair
Chairperson
Local Government Advisory Board

c/o Ms Julie Knight
Department of Local Government, Sport and Cultural Industries
PO Box 8349, Perth Business Centre
PERTH WA 6849

Dear Ms Blair

MINISTERIAL EXPECTATIONS FOR GOVERNMENT BOARDS AND COMMITTEES

I am writing to you to communicate the Government's expectations in relation to the good governance of Boards and Committees.

As the Minister for Local Government, I am responsible for administering the *Local Government Act 1995*. This letter should be read within the context of the functions set out in the Terms of Reference and related Acts of Parliament administered under my portfolio or otherwise applicable to the Local Government Advisory Board.

Good governance

The general expectation of every Board or Committee member is that they will discharge their duties with diligence, care and skill. Each member is obligated to familiarise themselves with any statutory requirements and relevant best practice guidelines with respect to governance.

Ethical behaviour and conflicts of interest

Board and Committee members are expected to act ethically and impartially at all times. This includes acting with the sole objective of delivering the functions of their Board or Committee.

In this regard, the effective identification, declaration and management of any real or perceived conflict of interest is considered to be a cornerstone of ensuring and demonstrating ethical and impartial action.

Performance management

Regular performance reviews are an important discipline that contribute to the effectiveness of both the Board or Committee and its members.

While the exact form of these reviews can be tailored to the specific circumstances of the individual Board or Committee, they should include:

- an assessment of whether the functions of the Board or Committee have been performed and whether individual members have discharged their duties; and
- consideration of whether the current composition of the Board or Committee provides for an appropriate mix of skills, diversity and length of tenure across the individual members.

Appointments

Advice provided to me in relation to appointments should be timely, with paperwork to be submitted six months before expiry of an appointment term to ensure sufficient time for appointments to be made.

Boards and Committees should consider the trade-off between the benefits of a stable membership and the benefits of board renewal when considering whether to propose reappointment of an existing member. In particular, they should take note of current best practice guidance, which is not supportive of a member's total tenure exceeding ten years.

Government policies and objectives

In addition to statutory functions, there is an expectation that the Boards and Committees will take into account wider economic benefits to the State, impacts on other Government agencies and key Government policies as part of their planning and decision-making processes.

Boards and Committees should also seek to comply with relevant general policy requirements, set out in instruments including:

- Public Sector Commissioner's Circulars;
- Premier's Circulars; and
- Treasurer's Instructions.

It should be noted that these instruments also often specify the action a Board or Committee should take when compliance has not occurred. It is appropriate to inform me of instances of non-compliance and actions being taken to address the situation.

Financial management

Boards and Committees are expected to meet statutory financial management obligations including:

- ensuring that actions taken in pursuit of the Board's or Committee's objectives are efficient and deliver value-for-money;
- having in place effective asset management and protection policies and strategies;
- ensuring that planned capital works and future budget requirements are prominently identified in a Strategic Development Plan (or equivalent strategic planning documentation), are linked to the Board or Committee's objectives and that expenditure is authorised by a decision of the Expenditure Review Subcommittee of Cabinet when this is required; and
- developing and maintaining an effective internal audit function that is proportionate to the extent of any financial and operational risks being managed.

Communication

You are responsible for ensuring that timely and accurate information is provided to me to allow me to effectively discharge my Ministerial and Parliamentary obligations.

More generally, Boards and Committees are expected to be proactive in bringing specific matters to the Minister's attention, including:

- activities and performance matters that are likely to be of public interest, including major initiatives and significant transactions;
- negotiations or discussions with unions, material safety or environmental events and cyber attacks;
- material dealings with other government departments, GTEs, local government, and any dealings with foreign entities, government and officials; and
- any approaches from, or plans to communicate with, Members of Parliament.

I expect you to keep my advisers and the Department of Local Government, Sport and Cultural Industries informed in the same manner.

Yours sincerely



**HON JOHN CAREY MLA
MINISTER FOR HOUSING; LOCAL GOVERNMENT**