

Performance assessment (2) About the model policy

Guidance note for boards of DEECA agencies

This guidance note has been developed to assist all public entities and other statutory boards, committees, councils, panels, etc. in the Department of Energy, Environment and Climate Action (DEECA) portfolio.

Overview

It is recommended that your board have a policy in place that sets out:

- Requirements and procedures for assessing the board's performance on an annual basis, including:
 - the performance of individual board members
 - the collective performance of the board
 - the chair's performance of his/her additional duties.
- Procedures for improving poor performance.

DEECA offers a model policy on this topic.

Model policy for boards

To assist boards, DEECA has developed a model policy on [Dispute resolution](#). It is recommended that your board:

- adopt the model policy, which can be adapted to take into account the nature and functions of your agency; or
- have an equivalent policy in place that is consistent with the key principles in the model policy.

If your agency's establishing Act contains specific requirements in relation to performance assessment, your board will need to adapt the model policy to identify and comply with these requirements.

The model policy issued by DEECA was developed in conjunction with the [Victorian Public Sector Commission \(VPSC\)](#). It has been tailored for use by DEECA agencies.

Relevant governance obligations

The model policy is based on governance obligations that are binding on most DEECA agencies, for example:

- Almost all DEECA agencies are public entities, which are subject to the *Public Administration Act 2004* (PAA) and related codes, such as the [Code of Conduct for Directors of Victorian Public Entities](#).
- Most DEECA agencies (except most committees of management) are bound by sections 79 to 85 of the PAA – e.g. the requirements in section 81(1)(d) in relation to performance assessment and dealing with poor performance.¹

Even if these obligations are not legally binding on your agency, it is recommended that your board's policy be consistent with them. They are fundamental to the good governance of all DEECA agencies.

¹ Sections 79 to 85 bind public entities that were established after 1 July 2005 OR have had their establishing Act amended to deem that the agency is subject to such provisions (e.g. catchment management authorities and water corporations) OR are included in an order made by the Governor in Council under section 75(a) of the PAA and published in the Government Gazette.

Terms used

The model policy uses generic terms. Your board may substitute its own terms, for example: board – committee, council, panel, etc.; board member – director, committee member, council member, panel member, etc.

Roles as a board member

It is recommended that, in your role as a board member, you ensure that:

- your board has a suitable Performance assessment policy in place
- the policy is updated at least annually
- a culture exists within the board that supports the implementation of the policy
- you understand your obligations as a board member in relation to the policy.

Overview of model policy

- The board's performance will be assessed annually, including:
 - the collective performance of the board
 - the performance of individual board members
 - the chair's performance of his/her additional duties.
- The purpose of performance assessment is to enable performance areas that require improvement to be identified and addressed.
- The board will document its performance assessment plan for the forthcoming year (or two- to three-year cycle).
- The board's performance assessment plan will be consistent with any guidelines/requirements issued by the minister or by the Secretary of DEECA.
- Where areas for improvement (or areas of poor performance) are identified, the relevant board members will be offered the opportunity to improve their skills.
- If poor performance poses a major risk to the effective operation of the agency, the minister and the Secretary of DEECA will be notified.

Additional guidance

The following guidance relates to items in the model policy:

Performance Assessment Plan (item 5)

If the minister or the Secretary of DEECA has issued assessment guidelines/requirements that apply to your board, the board's policy will need to take these into account (e.g. catchment management authorities and water corporations).

Methods of assessing performance (item 6)

It is recommended that larger agencies consider conducting an independent performance review every three to four years, or more frequently.

Improving performance (item 8)

It is recommended that the board have an Induction and continuing education policy that sets out the principles and processes for ensuring that:

- all new board members receive suitable induction (including a suitable induction kit); and
- all board members have opportunities to further develop knowledge/skills relevant to their role.

DEECA has developed a model policy on Induction and continuing education, which is available from On Board (<https://www.deeca.vic.gov.au/boards-and-governance/induction-and-continuing-education>)

Disputes affecting performance (item 8.1)

A model Dispute resolution policy is available from On Board.

Further information

On Board (<https://www.deeca.vic.gov.au/boards-and-governance/on-board>), the DEECA governance guidance website, offers information and resources on a range of key governance topics, for example, support modules (e.g. [Performance assessment](#)) including:

- guidance notes, model policies, templates and sample documents, case studies, etc.
- direct links to the topic on other websites (e.g. VPSC and Victorian Ombudsman).

Join a public board (<https://www.boards.vic.gov.au>), a VPSC guidance website, offers guides on [Assessing public board performance](#) and [How to manage your CEO's performance](#) which include:

- performance survey templates, self-assessment templates, question and answer templates, etc.
- examples of how to assess board and director performance.

We acknowledge Victorian Traditional Owners and their Elders past and present as the original custodians of Victoria's land and waters and commit to genuinely partnering with them and Victoria's Aboriginal community to progress their aspirations.



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