



Performance Assessment

(2) About the model policy

Guidance note - for boards of DEPI agencies

This guidance note has been developed to assist all public entities and other statutory boards, committees, councils, panels, etc. in the Department of Environment and Primary Industries (DEPI) 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 (if any).

DEPI offers a model policy on this topic.

Model policy for boards

To assist boards, DEPI 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 DEPI has been developed in conjunction with the State Services Authority (now the Victorian Public Sector Commission). It is tailored for use by DEPI agencies.

Based on governance obligations

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

- Almost all DEPI agencies are public entities, which are subject to the *Public Administration Act 2004 (PAA)* and related codes, such as the [Directors' Code of Conduct](#).
- Most DEPI 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 DEPI agencies.

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.

Role 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

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.

Performance assessment – (2) About the model policy

Guidance note – for boards of DEPI agencies

- the policy is updated at least annually
- a culture exists within the board that supports the implementation of the policy
- you personally comply with the policy at all times.

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 DEPI.
- 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 DEPI 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 DEPI 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)

DEPI's recommendation that larger agencies undergo an **independent** performance review every two to three years is based on a recommendation by the [State Services Authority](#).

Improving performance (item 8)

It is recommended that the board have an *Induction and Capacity-building* 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.

DEPI will be developing a model policy on *Induction and Capacity-building*, which will be available from **On Board** (www.depi.vic.gov.au/onboard).

Disputes affecting performance (item 8.1)

A model *Dispute Resolution* policy is available from **On Board**.

Further information

On Board (www.depi.vic.gov.au/onboard), the DEPI governance website, offers information and resources on a range of key governance topics, for example:

- **Support modules** (e.g. **Performance Assessment**) with:
 - guidance notes, model policies, templates and sample documents, case studies, etc.
 - direct links to the topic on other websites (e.g. [Victorian Public Sector Commission](#) and [Victorian Ombudsman](#)).
- **DEPI guide to good governance – board members**, an overview of the role and duties of board members. (A key resource for all board members of DEPI agencies.)
- **E-alerts** from DEPI with governance news and information (e.g. new laws, best practice, new resources and significant updates to On Board). To register for e-alerts please email governance@depi.vic.gov.au.

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www.depi.vic.gov.au/onboard

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