

Executive Performance Management

Summary This policy has been updated to include a description and use of the new online Performance and Talent (PAT) system. This system has changed the performance planning and review process for Executives within NSW Health. This policy also aims to ensure that there is an appropriate performance management process in place for the NSW Ministry of Health's Public Service Senior Executives and Health Service Senior Executives.

Document type Policy Directive

Document number PD2022_021

Publication date 28 June 2022

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Replaces PD2022_019

Review date 28 June 2027

Policy manual Not applicable

File number H22/37526

Status Active

Functional group Personnel/Workforce - Learning and Development

Applies to Ministry of Health, Public Health Units, Local Health Districts, Board Governed Statutory Health Corporations, Chief Executive Governed Statutory Health Corporations, Specialty Network Governed Statutory Health Corporations, Affiliated Health Organisations, NSW Health Pathology, Public Health System Support Division, Cancer Institute, NSW Ambulance Service

Distributed to Ministry of Health, Public Health System, NSW Ambulance Service

Audience Senior Executive Service;NSW Health Executive Service, PSSE, Human Resources;Administration

Secretary, NSW Health

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is mandatory for NSW Health and is a condition of subsidy for public health organisations.



NSW Health

POLICY DIRECTIVE

Executive Performance Management

POLICY STATEMENT

NSW Health is committed to ensuring all Senior Executives enter into an annual performance agreement with the Employer setting out the performance obligations of the Executive, and reviews of performance, for the year.

SUMMARY OF POLICY REQUIREMENTS

The key features of the NSW Health Executive Performance Management System are aligning an executive's personal performance goals with the relevant organisation, detailing specific targets and measures of performance, linking strategic goals, awareness of budgetary expectations, promoting communication and regular feedback on performance, providing appropriate development programs and establishing a mutual understanding of what is expected of an executive.

Goals and initiatives should directly contribute to the achievement of service delivery concerning relevant priorities established in the Service Agreement or by the Minister, Ministry of Health or other part of Government.

It is the executive's responsibility to understand individual performance goals and how they can be achieved. It is encouraged that executives take responsibility for their own career and development plan, discussing these goals with the manager and setting action plans to achieving them.

Performance and Talent (PAT) is an online system wherein a plan is developed annually between the employer and an executive. It contains criteria against which the executive's performance will be reviewed.

Performance plans enhance managerial capabilities by providing appropriate development programs and supports performance and talent conversations between managers and executives.



NSW Health

POLICY DIRECTIVE

REVISION HISTORY

Version	Approved By	Amendment Notes
PD2022_021 June-2022	Deputy Secretary, People, Culture and Governance	Includes terminology changes in line with legislation and the online Performance and Talent (PAT) system.
PD2022_019 June-2022	Deputy Secretary, People, Culture and Governance	Includes information on the Performance and Talent (PAT) online performance plan and review system, and aligning performance ratings with this system; deletion of Templates 7.2, 7.3, 7.4 and 7.5.; and terminology changes in line with legislation.
PD2016_019 June-2016	Deputy Secretary, Governance, Workforce and Corporate	Provides for the assessment classifications being increased from four to five. Includes three mandatory objectives in the Performance Agreement templates; Templates 7.2, 7.3, 7.4 and 7.5 updated.
PD2015_033 August-2015	Deputy Secretary, Governance, Workforce and Corporate	Provides for the assessment classifications being reduced from five to four, and for the principles applying to SES/HES being applied to movement within the discretionary range for PSSE officers and clarifies that performance issues should be managed through Government Sector Employment Act 2013 - s68 and Government Sector Employment Rule 2014 – rule 36.
PD2014_027 August-2014	Deputy Secretary, Governance, Workforce and Corporate	Includes: introduction of the Government Sector Employment Act 2013; the numbered rating references of 1, 2, 3, 4 and 5 have been deleted; the word 'rating' has been replaced with 'assessment', 'assessed' or 'level'; methodology summary for progression along the remuneration range; information on the State Health Plan – Towards 2021; and the rating definition for Outstanding the word 'well exceeding' is replaced with 'significantly exceeding'.
PD2013_014 July-2013	Deputy Director General, Governance, Workforce and Corporate	Inclusion of Public Service Commission mandatory performance objectives for managing finance and people, reference to LHD and Specialty Network performance summary to be provided by Ministry and 'exceptional' rating changed to 'outstanding'.
PD2013_004 January-2013	Deputy Director General, Governance, Workforce and Corporate	Amendments to address specific arrangements for Ministry of Health Senior Executive Service, HAC unit health executives and "Pillar" organisation executives and other ancillary amendments.
PD2012_052 September-2012	Deputy Director General, Governance, Workforce and Corporate	Updated policy and rescinded PD2011_058.
PD2011_058 September-2011	Deputy Director General, Health System Support	New policy.

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1. BACKGROUND

This Policy Directive is to ensure that there are appropriate performance management processes in place for the Ministry of Health's Public Service senior executives (PSSEs) and the Health Service senior executives (HSSEs).

Relevant information on Public Service senior executives and Health Service senior executives can be found on the [NSW Health Intranet site](#).

1.1. About this document

The relevant legislation requires at least an annual review of executives' performance. This document sets out the objectives and procedures for such performance review. The performance review process is designed to align with the planning cycle for NSW Health and organisational performance plans where applicable.

This document:

- Identifies key features of the NSW Health Executive Performance Management System
- Provides information that will assist executives to develop appropriate individual performance plans
- Identifies the minimum processes required to effectively manage and review executives' performance
- Provides information on the online Performance and Talent (PAT) system.

1.2. Key definitions

Annual performance review	The review that is undertaken each year in accordance with the relevant Acts to assess the executive's performance.
Assignment	A PSSE or HSSE will initially be assigned to a PSSE or HSSE role (within a band), and they can subsequently be reassigned to a role in the same band in the NSW Public Service, NSW Health Service, NSW Transport Service or NSW Police Force (other than as a police officer).
Employer	Any person authorised to exercise the functions of the Secretary, NSW Health (the Secretary) as employer of PSSEs and HSSEs.
Executive	For the purpose of this policy 'executive' means a person assigned to an executive role in the NSW Health Service (HSSE) or a Public Service senior executive (PSSE) assigned to a role within the NSW Ministry of Health.



Health Administration Corporation (HAC)	Refers to the Health Administration Corporation established under section 9 of the <i>Health Administration Act 1982</i> (NSW) and includes any Division of the Health Administrative Corporation.
Health Service Senior Executives (HSSEs)	The group of staff within the NSW Health Service who are appointed as health executives under Part 3 of Chapter 9 of the <i>Health Services Act 1997</i> (NSW).
Health Executive Service Unit (HESU)	Refers to the Health Executive Service Unit within the NSW Ministry of Health which is responsible for personnel, advisory and contract administration services for NSW Ministry and Health Service senior executives.
Organisation	For the purpose of this policy 'organisation' is a generic term intended to capture all entities within NSW Health, except where the reference is particular to Local Health Districts and Specialty Networks.
Performance and Talent (PAT)	The online system used by NSW Health for senior executives and their managers to enter, save and track Performance Goals, Development Goals and Performance Reviews.
Performance assessment	The overall assessment rating used as the basis for determining annual increases to an executive's total remuneration package, including movement through the applicable discretionary remuneration range.
Performance plan	Entered into the online Performance and Talent (PAT) system, the performance plan is developed annually between the employer and an executive, containing criteria against which the executive's performance will be reviewed.
Pillar	A Statutory Health Corporation constituted under section 41 of the <i>Health Services Act 1997</i> (NSW), which is not a Specialty Network.
Public Service Senior Executives (PSSEs)	Means the Secretary of a Department and any other Public Service employee to whom Division 4 of Part 4 of the <i>Government Sector Employment Act 2013</i> (NSW) applies to.
Relevant legislation	As appropriate, means <i>Government Sector Employment Act 2013</i> (NSW) and related Rules and Regulations, the <i>Health Services Act 1997</i> (NSW) and <i>Public Sector Employment and Management Act 2002</i> (NSW) (as applicable).

Reviewer	The person who undertakes the performance review of the executive, this may be another Executive, a Chief Executive, the Secretary or a Board Chair.
Role	A reference to a PSSE role or a HSSE role, as applicable.
Role description	A reference to a PSSE role description or a HSSE role description, as applicable.
Statutory and Other Offices Remuneration Tribunal (SOORT)	The Statutory and Other Offices Remuneration Tribunal (SOORT) is constituted under the <i>Statutory and Other Offices Remuneration Act 1975</i> (NSW).

1.3. Legal and legislative framework

This Policy Directive operates within the legislative context of the *Government Sector Employment Act 2013* (NSW) and related Rules and Regulations, the *Health Services Act 1997* (NSW) and *Public Sector Employment and Management Act 2002* (NSW).

This policy is also consistent with the principles set out in NSW Health Policy Directive *Managing for Performance* ([PD2016_040](#)).

2. THE EXECUTIVE PERFORMANCE MANAGEMENT PROCESS

The Executive Performance Management process aims to:

- Align and link an executive's personal performance goals with the goals of the relevant organisation, for example, those identified in the organisation's Service Agreement or key priorities identified by the Secretary.
- Detail the specific targets and measures of personal and organisation performance, linking strategic goals, budgetary expectations and service delivery.
- Enhance managerial and other capabilities by promoting communication and providing regular feedback on performance between the executive and the line manager; and providing appropriate development programs.
- Engender a mutual understanding of what is expected of an executive by the organisation for which the executive works.
- Comply with statutory and other requirements.

3. THE PERFORMANCE PLAN

The performance plan is entered into the Performance and Talent (PAT) online system, developed annually between the employer and an executive, containing criteria against which the executive's performance will be reviewed.

Utilising an annual plan as the primary basis for performance review ensures that each

executive's performance is assessed on the basis of agreed goals and performance criteria, and that the goals and priorities of NSW Health are integrated and aligned with individual responsibilities.

The performance plan enables executives to clearly understand their responsibilities in relation to their role and the priorities of their organisation specifically, and the public health system more generally, for the year ahead.

3.1. Developing format

The individual performance plan is designed to link the organisation's performance with the responsible executive.

To complete the performance plan, executives enter their Performance and Career Development Goals into the online Performance and Talent system.

The online system makes it easier to update progress on performance goals and reviews throughout the year, not 'just' during the performance review cycle. It also makes preparing for and following up on performance meetings easier and more effective.

Strategic Objectives / Performance Goals

In respect of Local Health Districts, include goals and initiatives that directly contribute to achievement of the Service Agreement, KPIs and targets agreed between the Ministry of Health and the Local Health District.

For other organisations, include goals and initiatives that directly contribute to the achievement of service compacts and KPIs, organisational strategic plans and any relevant goals or priorities within the Secretary's performance plan, or otherwise established by the Minister, Ministry or other part of Government.

Performance goals / KPIs are recorded in the Goals section of the Performance and Talent system, following a performance and development conversation with the manager. The Goals section relates to key deliverables for the next 12 months.

Executives will be able to include goals and attach documents outlining specific priorities for that particular organisation. This would typically include goals that cannot be easily mapped to the Strategic Priorities as expressed in the Service Agreement, or other of the organisation's planning documents, and high priority projects and activities requiring the executive's particular focus during the year.

Career Development Goals

This section in the Performance and Talent system is for the executives to add capability-based goals for development which details the leadership, professional and/or technical capabilities essential or most critical to the executive's role and achievement of their goals, as well as contributing to their career development plan and career interest. Enhancing these capabilities is of mutual benefit to the executive and the organisation. The executive's personal, professional and managerial development plan must be included in the performance plan.

The Performance and Talent system supports the performance and talent development

conversations between managers and executives.

3.2. Setting performance criteria

Performance criteria describes what performance outcomes are expected and how achievement of those outcomes will be measured.

NSW Health identifies strategic priorities, whole of Government objectives, targets and KPIs. These priorities form the basis of each Performance Plan.

The local organisation may also establish strategic and operational plans that reflect the performance criteria and the specific priorities and goals for that particular organisation.

The executive's performance criteria, expressed in the performance plan must be:

- Relevant to the most strategic or critical outcomes of any strategy or project
- Based upon the already established organisational targets and KPIs, and adjusted to take account of circumstances where joint responsibility for a particular strategy or objective has been assigned to more than one executive
- Within the executive's control and authority
- Challenging but achievable and realistic. When setting performance criteria, the expected degree of difficulty of the achievement and how this may impact on the assessment process should be taken into account. Goals that are not sufficiently challenging will jeopardise the objective of the performance plan and review process
- Specific enough to be measured in qualitative and/or quantitative terms so that performance can be assessed or evaluated
- Where possible, agreed between the reviewer and the executive. In the event that organisational priorities and circumstances change, it may be necessary to review the performance criteria and modify the executive's performance plan to reflect those changes.

3.3. Linking organisational objectives and priorities to individual performance goals

A performance plan provides a means of aligning organisational objectives and priorities to the individual performance goals of the executive. Performance planning must flow from the top down, with individual goals integrated with strategic and operational priorities and objectives. This can be accomplished by ensuring that the performance plan for the individual reflects key elements of the organisation's priorities and objectives for which they have specific accountability.

Executives are also responsible for the performance of their teams / direct reports and the individual performance goals must also reflect / address this.

Documents which articulate corporate or public health system goals that will impact during the year include:

- Future Health
- The organisation's service / performance plans
- Healthcare services plans
- Workforce plans
- Strategic plans
- Specific service agreements
- Government directives.

These documents will provide the organisational context for an executive's specific performance goals and measures. A critical component of the performance plan format is the explicit alignment of the organisation's achievement of its performance objectives, by linking it to that of the executive's performance accountabilities.

In the Performance and Talent system an executive can align their performance goals to the goals of the organisation, branch or team. These goals can also be assigned by managers to direct reports.

Chief Executive (Local Health Districts and Statutory Health Corporations)

The executive team, led by the Chief Executive, is accountable for the fulfilment by the organisation of its statutory responsibilities and the targets set in the organisation's service agreement with Government.

The Chief Executive has overall accountability for leadership and effective management of the organisation's human, material and financial resources and for implementing the Government's policies.

For Chief Executives working for board governed organisations, these leadership, control and management functions are to be exercised within a governance framework established by the Board to which the relevant Chief Executive is accountable.

At Chief Executive level, there will be a direct link to the organisation's service / performance plan, or in the case of a "Pillar" organisation its compact, and achievement of the KPIs contained in it, as well as other identified strategic objectives.

"Pillar" Chief Executives will also need to consider and incorporate any objectives and targets in the Secretary's performance plan and other specific Government strategies and Ministerial directives for which they have primary functional responsibility.

In addition to the annual individual performance review, the Chief Executive must generally give feedback to executives who report to them, individually following the organisation's performance review meeting(s) between the organisation and the NSW Ministry of Health.

Second / Third Tier Executives (Local Health Districts and Statutory Health Corporations)

The performance plan for other executives is to incorporate that subset of goals and targets in the organisational service / performance plan and other relevant documents for which the executive has primary functional responsibility, either individually or jointly with other executives.

During the course of the year the organisation's service / performance plan / compact may be amended, and if appropriate, this may also translate into amendments to the relevant executive's performance plan.

Ministry Public Service Senior Executives

The performance plans for Deputy Secretaries are to incorporate that subset of objectives and targets in the Secretary's performance plan and other specific Government strategies and Ministerial directives for which they have primary functional responsibility. A cascading approach must be adopted by their Divisional executives.

Health Administration Corporation Unit Chief Executives and Executives

The performance plan for each Chief Executive are to incorporate that subset of objectives and targets in the Secretary's performance plan and other specific Government strategies and Ministerial directives, as well as service KPIs, for which they have primary functional responsibility. A cascading approach must be adopted with their second and third tier executives.

3.4. Linking executive capabilities to the performance plan

Executive roles within NSW Health are varied and complex, and capabilities required for one role may vary or have a different priority than another. Executives must identify those capabilities that they wish to improve / develop and include these in the Development Plan.

The [NSW Public Sector Capability Framework](#) goes hand in hand with the [NSW Health Leadership Framework](#).

3.5. Finalisation and variation of the performance plan

Both the executive and employer representative are to agree to the performance goals, development goals and criteria and submit the Plan in the Performance and Talent system.

Initial Appointment

Newly appointed / assigned executives are to finalise their personal performance plan within six to eight weeks of commencement in the role if the executive is appointed / assigned to a previously established role with specific performance criteria already established (for established roles the previous incumbent's performance plan can be a useful basis for developing the new performance plan). A period of up to three months may be required for developing a performance plan for a role in a new area of activity.

Variation

Performance plans may be varied during the year by mutual agreement between the executive and the line manager to take account of changes in policies, circumstances, and priorities. Variations will need to be entered into the executive's Performance and Talent profile.

Executive

The individual executive is responsible for:

- The timely development of a draft performance plan for discussion in accordance with the planning cycle (between June and September each year)
- Developing draft performance criteria that are consistent with the key duties and responsibilities of their role in fulfilling the organisation's performance plan
- Developing draft performance criteria that are consistent with this Policy
- Initiating variations to the performance plan where appropriate.

It is the executive's responsibility to understand individual performance goals and how they can be achieved. If issues are encountered within the 12-month period, these must be raised with the manager. Executives are encouraged to take responsibility for their own career and development plan, discussing these goals with the manager and setting action plans to achieving them.

Line Manager

The Line Manager is responsible for:

- Negotiating and confirming the performance criteria for his / her direct line report(s) over the review year, and any performance targets for each area of responsibility
- Ensuring the negotiated performance plan is consistent with this Policy
- Initiating variations to the performance plan where appropriate.

It is the manager's responsibility to engage executives, set a clear understanding of goals and what success looks like, and provide regular feedback to executives. It is also the manager's responsibility to understand development needs and goals and support any such goals.

Board Chairs of Local Health Districts, Board Governed Statutory Health Corporations, Specialty Networks and Health Administration Corporation Units

The Board Chair is responsible for:

- Negotiating the performance criteria, the Chief Executive is to achieve over the review year, ensuring these criteria are consistent with this and other relevant Government policy, signing off on the performance plan. This is done in consultation with the Secretary in the case of board governed Health Administration Corporation Units and statutory health organisations.
- Initiating variations to the performance plan where appropriate.

Secretary NSW Health

The Secretary is responsible for:

- Negotiating the performance criteria for his / her Ministry direct reports, Chief Executives of NSW Ambulance, and non-board governed Statutory Health Corporations and Health Administration Corporation Units and signing off on the performance plan. In the case of board governed Health Administration Corporation Units and statutory health corporations, this is done in conjunction with the relevant Chairperson.

- Initiating variations to the performance plan, where appropriate.

4. ASSESSMENT CYCLE AND PERFORMANCE REVIEW

4.1. Introduction

The performance plan, as varied throughout the year, forms an important, but not the sole basis of the annual performance review and assessment.

The performance review and assessment are to be fair and take account of circumstances that are demonstrably outside of the executive's control and which may have impacted upon the meeting of goals and targets. It should also take account of unplanned activities and changed priorities which have not been formally documented in the plan.

The assessment must appropriately differentiate between the overall performance of the organisation, and the personal contribution made by the executive to overall organisational achievement. It should identify the personal performance accountabilities of the executive. It must be a "whole of job" assessment that considers the achievement of the role accountabilities.

4.2. Assessment cycle

In most cases the timing of the assessment cycle will be linked to the corporate planning cycle, with each executive being assessed annually, after the end of financial year, and when the organisation's performance outcome information is available.

The assessment cycle will typically be one year in length, although this may be varied having regard to particular circumstances. Examples include a new appointee or an executive whose performance is under review or to accommodate any specific requirements of the Statutory and Other Offices Remuneration Tribunal (SOORT) Determination or where the organisation has implemented a standard progress review for all executives.

Regular conversations between executives and managers are encouraged throughout the 12-month assessment cycle, to track and monitor performance progress and ensure timely and relevant feedback is given on a regular basis. Annual performance reviews are to take place between June and August. Career and development goal setting are to take place between June and September.

4.3. Reviewer responsibilities

Line Manager

Clarifying performance requirements, giving feedback, undertaking a progress review (at least six monthly).

Undertaking an annual performance review and preparing an annual performance review report and assessment for his / her direct line reports between June and August each year.

Local Health District and Specialty Network Board Chairs

Clarifying Chief Executive performance requirements, giving feedback, undertaking progress reviews as required, conducting an annual performance review and assessment, and preparing a report including an assessment outcome on the performance of the Chief Executive.

Meeting with the Secretary to obtain feedback on a Chief Executive's performance *prior* to conducting the Chief Executive's annual performance review.

Consulting with the Secretary on any Chief Executive performance issues that may arise and agreeing on the appropriate course of action to address those issues.

Recommending to the Secretary, on behalf of the Board, to terminate the appointment of a Chief Executive on the basis of his / her performance in the role or other serious matter.

Chairs of other Health Organisations

For performance reviews of Chief Executives of board governed "Pillar" statutory health corporations, the Chairperson must consult with the Secretary and ensure the Secretary has the opportunity to provide input for the assessment. This could take the form of a joint review.

For Health Administration Corporation Divisions / Units with board governance in place, a joint review by the Board Chair and Secretary are to be conducted unless other arrangements are agreed in any particular case.

Secretary, NSW Health

Clarifying performance requirements, giving feedback, undertaking progress reviews as required, conducting an annual performance review and assessment and preparing a report, and assessing the performance of the relevant executive.

Providing a performance summary for each Local Health District and Specialty Network of the relevant organisation's performance over the review year for consideration in undertaking individual performance reviews.

Meeting with the Board Chair, prior to him / her conducting the annual performance review and assessment of the Chief Executive, to provide feedback on a Chief Executive's performance.

Consulting with the relevant Chairperson on performance issues that may arise with a Chief Executive and agreeing on the appropriate course of action to address those issues.

Oversighting the framework for the fair resolution of performance issues in dispute between executives and the employer representative.

Approving any system of performance related payments to executives within the framework of the annual Statutory and Other Offices Remuneration Tribunal Determination and the NSW Public Service Senior Executive Remuneration Management Framework issued annually by the Public Service Commission.

4.4. Preparation for performance review (progress and annual review)

Executives must receive at least one week's notice of any formal progress or annual performance review meeting.

Both the executive and his / her reviewer are to prepare for a performance review discussion by analysing achievements and noting factors which may have affected / impacted upon the achievement of goals and targets.

The overall performance rating will be determined by the reviewer taking into account the discussion with the executive in the performance review meeting. The executive has an opportunity to discuss the proposed rating in the performance review discussion and to comment on the rating identified by the reviewer. The assessment is recorded in the Performance and Talent system by the reviewer.

The performance review is to be a discrete discussion focussed on providing quality feedback to the executive in relation to their performance and separate from the discussion about the development of the performance plan for the following year.

Although the responsibility for recommending the final assessment is to rest with the nominated reviewer, seeking comments from others may assist this process. Any formal processes used to obtain external input on performance must be agreed between the executive and the reviewer in advance.

There should be no surprises at the annual performance review. To prevent this occurring, there is to be regular ongoing discussion and feedback between the executive / reviewer throughout the review cycle.

Following the organisation's quarterly performance review meeting with representatives of the NSW Ministry of Health, the Chief Executive / Line Manager should give individual feedback to executives who report to him / her.

As part of those discussions, the Chief Executive / Line Manager, if necessary, request feedback from the executive on reasonable support the executive may need to achieve required results.

The progress review provides an opportunity to:

- Review progress in relation to relevant key performance criteria e.g. time critical, high priority etc
- Discuss strategies for improving performance, if needed
- Review and amend the performance plan for relevance and currency
- Review progress on developmental activities
- Document agreed actions in the Performance and Talent system.

Irrespective of whether a decision has been made to conduct regular progress reviews within a particular organisation, either party can request a progress review. Any documented outcome of the progress review is to be saved in the Performance and Talent system by the reviewer. The reviewer may discuss the review outcome with the Secretary or his / her supervisory executive.

Executive's Preparation for Annual Performance Review

For the *annual review* the executive must update their commentary in the Performance and Talent system on the year in review. This should cover:

- **Achievement of Performance Criteria:** Achievements relative to the performance criteria in the executive's performance plan (or where there is no formally documented criteria performance, fulfilling the accountabilities of the role) and circumstances impacting on such achievement e.g. unforeseen events or unforeseen degree of difficulty.
- **Other Major Achievements:** Achievements in the course of the year arising from unplanned or reprioritised activities that have not been documented as part of the performance plan.
- **Corporate Contribution:** This refers to the contribution made to the broader sphere of health services / government. Examples would include participation in system / sector / state / national committees / taskforces that are *not directly related* to specific job responsibilities, piloting an initiative for Ministry or system-wide implementation.
- **Continuing Development:** The review is used to identify any personal improvement strategies that should be adopted to develop capabilities over time and included in the Career Development section in PAT. Outcomes from any agreed development plan, and existing and future goals to enhance the executive's skills and capabilities should also be covered.

Separate and discreet to the performance review discussion, the executive may wish to have available a *draft performance plan* for the year ahead to assist discussion about future priorities.

4.5. Degree of difficulty

When performance is being assessed against the relevant targets and criteria, the line manager may take into account any significant unforeseen factors not within the control of the executive, which may have impeded achievement of targets, and any significant unforeseen degree of difficulty over that which was expected. Examples include:

- Machinery of government changes
- Changes in government policy or priorities
- Significant resource re-allocation
- Organisational restructuring.

4.6. Annual performance assessment

While the performance of an executive is assessed separately to the performance of their organisation, achievement of KPIs, service measures and strategic priorities are to be taken into account when determining an executive's overall performance assessment.

A summary of each Local Health District and Specialty Network's performance under the [NSW Health Performance Framework](#) over the review year will be prepared by the Ministry

and is to be considered in undertaking individual performance reviews to the extent relevant to a particular executive's performance objectives and criterion.

It would be highly unusual for an executive to receive a high annual assessment in circumstances where the organisation is the subject of a significant escalation pathway under the NSW Health Performance Framework.

In the Performance and Talent online system, the reviewer is to provide an assessment that sets out:

- Conclusions regarding the executive's performance during the review period
- Any directions or recommendations in relation to the executive's future performance of the duties of their role, including recommendations on development needs
- Any proposal to vary performance criteria as a consequence of the performance review for the next review period
- The recommended overall assessment level that best meets one of the following descriptors in the below table.

Performance Assessment Scale

Performance Level	Description
Outstanding	Performance is consistently at an exceptional level, evident by achievement of outstanding results and strength in capabilities that far exceed standards set for the role.
Superior	Performance is consistently high, evident by significant results and capabilities at levels often exceeding requirements of the role.
Meets requirements of the role	Consistently achieves results and demonstrates capabilities at levels that fully meet all requirements of the role.
Development/Improvement required	Performance is inconsistent and/or partially meets requirements of the role and further development and/or improvement is required.
Unsatisfactory	Performance is unsatisfactory, evident by results and capabilities that do not meet the requirements of the role. Requires immediate and significant corrective action.
Unable to assess	Executive employed in the role for less than 6 months or inadequate or lack of information. Expectations have been clarified and a date has been set for the review.

The details of the reviewer's report will be accessible to the executive in the online Performance and Talent system once finalised and will form the basis of the assessment of overall performance.

The reviewer and the executive should discuss any perceived differences regarding performance against the various performance criteria. Performance on other priority tasks not previously planned for, or any short-term assignments to a different role during the review year, should be taken into account when recommending the level of overall assessment. The executive also has the opportunity to comment / respond to the assessment outcome.

4.7. Distinction between individual performance level and the NSW Health Performance Framework

The function of the performance assessment scale in this policy is to assess, on an annual basis, individual executive performance in an employment context and is consistent with general industry practice.

This performance assessment scale serves a different purpose to that of the escalation pathway used in the [NSW Health Performance Framework](#).

The NSW Health Performance Framework provides an escalation pathway upon which a level of intervention, if any, is required to improve organisation performance and is assessed on an ongoing basis.

In accordance with standard employment practice, the assessment scale is an ascending scale equating to increased levels of performance.

4.8. Timeliness, fairness and confidentiality

In respect to the annual performance review process, the assessment outcome should be finalised in the Performance and Talent system as soon as possible after the review meeting.

Executives have a right to be fully informed on all aspects of the performance review process and be given the right to comment on assessment outcomes.

All documentation associated with the performance review process should be saved in the Performance and Talent system. Dissemination of performance review assessments and related information should only be shared on a need-to-know basis.

Departures during the Review Period

Where a line manager leaves a role during the review period, and if practicable prior to his / her departure, he / she are to conduct a performance review and assessment for each direct line report. Similarly, where an executive leaves a role, if practicable prior to departure, the relevant reviewer and executive should be proactive in arranging a performance review, as this may impact any subsequent remuneration adjustment as a consequence of the annual SOORT Determination.

Performance Review in the absence of a completed performance plan

An annual performance review is required irrespective of whether a formal performance plan has been executed. Where a formal plan is not in place for whatever reason, performance will be reviewed having regard to the accountabilities set out in the relevant role description and the performance of the organisation or unit in respect of these functions and KPIs for which the executive has management accountability.

5. REMUNERATION AND EXECUTIVE PERFORMANCE

5.1. Determination of remuneration

The Statutory and Other Offices Remuneration Tribunal (SOORT) annually reviews the remuneration bands of the Public Service senior executives. Any revised rates are effective from 1 July in that year. The Tribunal's Report and Determination are forwarded to the Premier, and the Public Service Commission subsequently issues the NSW Public Service Senior Executive Remuneration Management Framework regarding implementation of the Determination.

Any annual SOORT Determination increase and conditions that apply to Public Service senior executives is by administrative action also applied to the NSW Health Service senior executive remuneration arrangements.

Following and subject to the annual SOORT Determination and relevant Government Guidelines, the Secretary determines how the annual SOORT decision, and the Government Guidelines will be implemented in NSW Health.

Where an executive's performance is assessed as *Outstanding* or *Superior*, and where the executive is not already at the top of the remuneration range for the role, they may also be eligible for progression within the applicable discretionary remuneration range, in addition to any SOORT remuneration increase.

Remuneration Progression Principles

Assessment Rating	Progression through Discretionary Remuneration Range
An assessment of Outstanding	Move 0.3 percentile points along discretionary remuneration range
An assessment of Superior	Move 0.2 percentile points along discretionary remuneration range

Note: An executive must hold the same role for at least six months in order to be considered for progression through the discretionary remuneration range.

5.2. Contract decisions

Under the provisions of the *Government Sector Employment Act 2013* (NSW) and the *Health Services Act 1997* (NSW), Public Service senior executives and Health Service senior executives may be engaged on an ongoing basis, or limited term basis where an executive is engaged for short term or limited funded projects.

Poor performance may result in sanctions against the executive. In most cases, sanctions would be accompanied by remedial action to try and improve performance. In some cases, following a formal process of review, sanctions could include reduction in remuneration or termination of the contract of employment. It should be noted that irrespective of performance, an executive's appointment can be terminated at any time, for any or no stated reason and without notice.

5.3. Checks and balances

The performance plan and review process operates on the assumption that both the

executive and the reviewer participate in the process in a professional way, working to achieve a mutual understanding and agreement on outcomes. However, if differences of opinion occur that are unable to be resolved between the executive and reviewer, the executive may have the matter referred to the appropriate supervisory executive, or if the issue remains unresolved, to the Secretary. The executive is to exercise these options in a timely manner.

6. APPENDICES

6.1. Checklist

- The executive has read documentation about the performance plan and review process attached to his / her contract of employment.
- A performance plan, including performance indicators and assessment criteria is to be completed in the Performance and Talent (PAT) system within six to eight weeks of commencement in an executive role. Subsequent annual performance plans are to be finalised by the end of September each year.
- Usefulness of a midyear or ad hoc progress review, either self-initiated by the executive or as part of standard practice within the organisation, is considered.
- An annual performance review and assessment is conducted after the organisation's performance outcome information is available (and by the end of August each year).
- All performance reviews will be accessible by the executive, manager and the Health Executive Service Unit through the online Performance and Talent system.