

Premier and Cabinet Circular

PC 29 – GUIDELINES FOR THE CHIEF EXECUTIVE PERFORMANCE APPRAISAL PROCESS 2021-22

Effective from July 2021



Contents

Introduction	3
1. Performance framework	3
Strategic cross-sector priorities	3
Agency-specific priorities	3
Organisational performance	4
2. Chief executive performance agreement	4
3. Development and succession plan	4
Personal development.....	4
Succession	5
Process and timing requirements	5
Roles and responsibilities	7
Relevant Legislation	8
Directions and Guidelines	8

Introduction

This Circular provides information about the performance appraisal process for chief executives who are employed pursuant to Part 6 of the *Public Sector Act 2009* (PS Act) and/or are members of the Chief Executive Council (CEC).

It outlines the structure, process and timing of the performance appraisal process and roles and responsibilities of people involved in the process.

Other public sector Chief Executives can use this Circular and associated templates as a guide if they wish.

Documents that support the performance appraisal process include:

1. **Performance framework** (see template at Attachment 1) – a one page summary of priorities for the Chief Executive to deliver over the financial year. Only CEC members need to complete this document.
2. **Chief executive performance agreement** (see template at Attachment 2) – this allows chief executives to provide further detail about the key performance indicators (KPIs) for each of the priorities in the performance framework and provide commentary to inform mid and end of cycle performance discussions. All chief executives in scope of this Circular (Part 6 and CEC members) need to complete this document.
3. **Development and succession plan** (see template at Attachment 3) – it is recommended chief executives develop a personal learning and development plan which includes a plan for succession. This document is optional for all chief executives in scope of this Circular (Part 6 and CEC members).

Information about each of these documents is outlined below.

1. Performance framework

Each CEC member needs to establish a performance framework that sets out priorities across three tiers:

Strategic cross-sector priorities

Priorities in this tier are either cross-sector/whole of government, or of significant strategic importance. Strategic cross-sector priorities for 2021-22 need to relate to Economic Growth, Thriving SA and Easy to do Business With.

Agency-specific priorities

Priorities at this tier reflect the strategic and legislated priorities of the agency and portfolio minister. This may include election commitments. CEC members should outline a maximum of 10 agency-specific priorities in the performance framework.

Organisational performance

Through the performance framework, CEC members will report against a small number of common measures reflecting high organisational performance. These are organised under four output areas: *Engaged and healthy workplaces*, *Workforce performance and capability*, *Effective governance and management*, and *Efficient and innovative practices and processes*.

CEC members can identify additional organisational performance measures specific to the agency, where a strategic imperative to monitor has been identified.

The performance framework is developed by the Chief Executive in consultation with the Head of the Public Sector (Chief Executive, DPC) on behalf of the Premier and the portfolio minister.

2. Chief executive performance agreement

In the chief executive performance agreement chief executives should document KPIs for each of their priorities (for CEC members these are reflected in their performance framework) that relate to the outcomes desired (i.e. the “what”) and the way they will be achieved (i.e. the “how”).

KPIs should be measurable (qualitatively or quantitatively). The ‘SMART’ acronym is commonly used to describe a well written KPI: Specific, Measurable, Achievable, Relevant, and Time-bound.

The chief executive performance agreement also includes space for chief executives to add mid and end-of-cycle performance commentary to support discussions at these points in the performance cycle (see below for further information).

3. Development and succession plan

Personal development

The development and succession plan allows chief executives to consider their personal development objectives, formulate an action plan, outline development actions and review progress. When establishing the plan, chief executives should consider:

- the most significant challenges and opportunities in achieving the performance agreement priorities,
- areas where further development is needed in order to achieve the agreement, and
- specific capabilities, skills, or knowledge to build on or refresh.

Chief executives have access to a range of professional development options, including the ***Chief Executive Development Options Guide***, provided by the Office of the Commissioner for Public Sector Employment (OCPSE).

The OCPSE offers professional support and guidance to chief executives and ministers in their personal participation in performance management and development activities.

In preparation of performance agreements for the 2021-22 cycle, chief executives may wish to discuss development priorities with their portfolio minister, the Head of the Public Sector or the Commissioner for Public Sector Employment (CPSE).

Succession

Chief executives should plan for the development of senior leaders within the agency and consider the broader issue of succession management. The development and succession plan also allows chief executives to document succession plans for themselves and their agencies.

Process and timing requirements

The diagram at Attachment 4 outlines timing requirements for the Chief Executive performance appraisal process for 2021-22 (including timeframes for closing out the 2020-21 process).

For 2021-22:

By **30 June 2021** Chief Executives will complete the performance framework (CEC members only) one page summary of priorities.

By **30 September 2021**, Chief Executives will have defined each measure and have targets set to enable reporting as green/amber/red including agreement with your Minister. The chief executive performance agreement will be updated via the online performance portal and an optional development and succession plan can be completed and submitted to CEServices@sa.gov.au.

During **August and September 2021** Chief executives can have an optional development discussion with the Head of the Public Sector or CPSE.

By **28 January 2022** Chief Executives will finalise their mid-cycle review, following discussion with their minister.

During **February 2022** CEC members will meet with the Head of the Public Sector for a post-mid cycle review discussion.

By **29 July 2022** Chief Executives will finalise their end-of-cycle review, following discussion with their minister.

Mid and end-of-cycle review commentary should:

- Reflect on the overall performance of the chief executive against what was delivered or demonstrated over the review period
- Highlight the personal contribution of the chief executive to what was achieved
- Reference examples and evidence of performance
- Draw on other relevant observations and experience of the chief executive and their portfolio minister(s).

Once complete the performance appraisal documents will be compiled for review and approval by the Head of the Public Sector, on behalf of the Premier. The Head of the Public Sector will provide a report to the Premier the outcomes of the mid and end-of-cycle reviews. A copy of endorsed agreements will be returned to chief executives for their records.

During **August 2022** CEC members will meet with the Head of the Public Sector and the Premier for a post end-of-cycle review discussion. The purpose of the meeting will be to:

- Discuss progress on the achievement of the defined cross sector/strategic priorities.
- Discuss key achievements of the agency.
- Reflect on the personal contribution of the chief executive to the performance of their agency.
- Discuss strengths and opportunities for improvement.

Performance framework monthly reporting

Chief executives who are members of CEC are also required to submit an updated performance framework and exception report to DPC each month via the online performance portal.

The Performance and Reform Unit will provide a monthly prompt to request updated information for agency performance frameworks.

DPC will be undertaking work to automate submission of performance frameworks reporting in 2021-22.

The Head of the Public Sector will provide monthly progress reports to the Premier, based on the chief executive's performance framework monthly report. It is the responsibility of chief executives to brief their minister on the current status of their performance framework.

Exceptions to the process

For chief executives appointed part-way through a performance cycle, new performance appraisal documents should be established within three months of commencement. Performance appraisal documents can be updated or amended at any time by mutual agreement between all parties to the agreement.

If the chief executive reports directly to a board, the portfolio minister may delegate, in part or in whole, their responsibilities under this Circular to the chair of the board.

In circumstances where the chief executive works closely with a board (but does not report directly to it) it is open to the portfolio minister to seek information from the chair of the board on the performance of the chief executive in relation to the relevant functions of that board.

Roles and responsibilities

The following table outlines roles and responsibilities for key individuals as they relate to the Chief Executive Performance Appraisal Process.

Chief executives <i>Part 6 chief executives and members of Chief Executive Council</i>	<ul style="list-style-type: none"> • Participate in the chief executive performance appraisal process, in line with this Circular. • Ensure that the performance appraisal documents are submitted within the required timeframes. • Ensure mid and end-of-cycle reviews, including self-assessments, are submitted within the required timeframes. • Participate in the development discussion with the Head of the Public Sector or the Commissioner for Public Sector Employment as required.
Chief Executive Council members only	<ul style="list-style-type: none"> • Participate in the post mid-cycle review discussion with the Head of the Public Sector. • Participate in the post end-of-cycle review discussion with the Premier and the Head of the Public Sector. • Submit updated performance framework monthly reports.
Head of the Public Sector	<ul style="list-style-type: none"> • Consult with CEC members to define specific strategic cross-sector priorities for each chief executive. • Meet with chief executives to discuss priority areas for leadership and development where required. • Endorse and sign established performance agreements on behalf of the Premier. • Endorse mid and end-of-cycle review documents and report to the Premier on the outcomes of mid and end-of cycle reviews. • Report to the Premier on the outcomes of the monthly agency performance framework reports. • Undertakes discussions with CEC members following mid and end-of-cycle reviews with portfolio ministers. • The design and management of DPC Circular 29 and the performance agreement template. • Monitor compliance of DPC Circular 29.
Commissioner for Public Sector Employment	<ul style="list-style-type: none"> • Meet with chief executives to discuss priority areas for leadership development where required.
Portfolio ministers or board chair (if applicable)	<ul style="list-style-type: none"> • Authorise the performance agreement for each performance cycle, in addition to mid and end-of-cycle reviews. • Provide and authorise mid and end-of-cycle review commentary.
Premier of South Australia	<ul style="list-style-type: none"> • The Premier, as the employing authority of public service chief executives employed under Part 6 of the <i>Public Sector Act 2009</i>, will meet with Chief Executive Council members, at the conclusion of the performance cycle, to discuss progress and future priorities. • Receives monthly reports against agency performance frameworks, in addition to mid and end-of-cycle reviews.

Relevant Legislation

- *Public Sector Act 2009* (PS Act)
- *Public Sector (Data Sharing) Act 2016*.

Directions and Guidelines

- Direction of the Premier: Performance Management and Development
- Guideline of the Commissioner for Public Sector Employment: Performance Management and Development.

Document Control

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For more information

People and Culture, DPC

E: CEServices@sa.gov.au
W: dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars