

2025-26 Performance Agreement

An Agreement between the Secretary, NSW Health
and the Clinical Excellence Commission
for the period 1 July 2025 to 30 June 2026



NSW Health 2025-26 Performance Agreement

Principal purpose

The principal purpose of the Performance Agreement is to set out the service and performance expectations for funding and other support provided to the Clinical Excellence Commission (the Organisation), to ensure the provision of equitable, safe, high quality and human-centred healthcare services. The agreement articulates direction, responsibility and accountability across the NSW Health system for the delivery of NSW Government and NSW Health priorities. Additionally, it specifies the service delivery and performance requirements expected of the Organisation that will be monitored in line with the NSW Health Performance Framework.

The *Health Services Act 1997* (NSW) allows the Health Secretary to enter into performance agreements with public health organisations in relation to the provision of health services and health support services (s.126).

Through execution of the agreement, the Secretary agrees to provide the funding and other support to the Organisation as outlined in this Performance Agreement.

Parties to the agreement

The Organisation

Professor Donald (Andrew) Wilson

Chair

On behalf of the

the Clinical Excellence Commission Board



Date: 30/07/2025 Signed

Adjunct Professor Michael Nicholl

Chief Executive

the Clinical Excellence Commission



Date: 30/07/2025 Signed

NSW Health

Ms Susan Pearce AM

Secretary

NSW Health

Date 31/7/25

Signed



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1 Legislation and governance

1.1 Legislation

The *Health Services Act 1997* (the Act) provides a legislative framework for the public health system, including the establishment of Statutory Health Corporations to enable certain health services and health support services to be provided within the State other than on an area basis (s.11). The Clinical Excellence Commission is a Board governed statutory health corporation established under section 41 and specified in Schedule 2 of the Act.

Under the Act the Health Secretary's functions include: the facilitation of the achievement and maintenance of adequate standards of patient care within public hospitals, provision of governance, oversight and control of the public health system and the statutory health organisations within it, as well as in relation to other services provided by the public health system, and to facilitate the efficient and economic operation of the public health system (s.122).

1.1.1 Ministerial determination of functions

The Performance Agreement recognises that the Clinical Excellence Commission has a clearly defined role and set of functions as articulated in the Ministerial Determination of Functions for the Support Organisation, signed by the Minister 12 September 2024, pursuant to Section 53 of the *Health Services Act 1997*.

- a) Provide clinical governance leadership and independent patient safety assurance advice.
- b) Develop, support implementation, and evaluate strategy, policy and initiatives related to improvements in patient safety.
- c) Promote and support safety improvement and education and training for safety, with a focus on building resilient healthcare systems and processes that improve patient safety, reduce avoidable harm, build safety capability and deliver high-value care.
- d) Identify and disseminate information about key clinical safety risks and harm events, with a focus on prevention, early identification and response, building safety capability and safety systems capacity and the sharing of learnings in collaboration with relevant partners, including bi-annual incident reporting.
- e) Build and support effective leadership and care environments for patient safety through collaboration, capability development and fostering a safety culture
- f) Provide advice, identify priorities and/or collaborate on patient safety research to support improvement and innovation in patient safety.
- g) Lead a systems approach to the review of adverse clinical incidents and develop strategies in response to the most serious incidents including (but not limited to):
 - i. coordinating responses to specific incidents with system or statewide implications; and
 - ii. providing advice to the NSW Ministry of Health, Chief Health Officer, Deputy Secretary, System Sustainability and Performance, NSW Health Secretary and Minister's Office on urgent or emergent patient and staff safety issues.
- h) Monitor and support effective implementation of the Australian Health Service Safety and Quality Accreditation Scheme in NSW Health facilities.
- i) Provide leadership in safety, assurance, governance or policy for statewide initiatives including, but not limited to, medication and medical device safety, infection prevention and control.
- j) Lead, develop, manage, and subsequently provide, the Ministry of Health and NSW public health organisations with timely patient safety data to support proactive monitoring, reporting and safety improvement

- k) Provide relevant expertise to statewide health system responses including the NSW Pandemic and disaster management plans.
- l) Develop strategic and operational plans that align activities and priorities of the CEC to the priorities and timelines of relevant NSW Health plans, and work in accordance with these plans and the annual performance agreement with the NSW Health Secretary

1.2 Variation of the agreement

The Agreement may be amended at any time by agreement in writing between the Organisation and the NSW Ministry of Health.

The Agreement may also be varied by the Secretary or the Minister in the exercise of their general powers under the Act, including determination of the role, functions and activities of statutory health corporations (s. 53).

Any updates to finance or activity information further to the original contents of the Agreement will be provided through separate documents that may be issued by the Ministry of Health in the course of the year.

1.3 Conditions of subsidy

The Organisation is required to comply with the various Conditions of Subsidy set out in the [Financial Requirements and Conditions of Subsidy \(Government Grants\)](#).

1.4 Governance

The Organisation must ensure that all applicable duties, obligations and accountabilities are understood and complied with, and that services are provided in a manner consistent with all NSW Health policies, procedures, plans, circulars, inter-agency agreements, Ministerial directives and other instruments and statutory obligations.

1.4.1 Clinical governance

NSW public health services are accredited against the [National Safety and Quality Health Service Standards](#).

The [Australian Safety and Quality Framework for Health Care](#) provides a set of guiding principles that can assist health services with their clinical governance obligations.

The NSW Health [Clinical Governance in NSW](#) policy (PD2024_010) provides an important framework for improvements to clinical quality.

1.4.2 Corporate governance

The Organisation must ensure services are delivered in a manner consistent with the NSW Health [Corporate Governance and Accountability Compendium](#).

1.4.3 Procurement governance

The Organisation must ensure procurement of goods and services complies with [NSW Health Procurement \(Goods and Services\) policy](#) (PD2024_044). The Public Works and Procurement Act 1912 grants the Procurement Board authority to issue directions and policies to government agencies regarding the procurement of goods and services of any kind. The Organisation must ensure procurement of goods and services complies with the NSW Government Procurement Policy

Framework and any NSW Procurement Board Directions as issued. The Organisation must also comply with procurement-connected policies, including but not limited to the Aboriginal Procurement Policy and the Small and Medium Enterprise and Regional Procurement Policy.

1.4.4 Performance Framework

Performance Agreements are a central component of the *NSW Health Performance Framework* which documents how the Ministry of Health monitors and assesses the performance of public sector health services to achieve expected service levels, financial performance, governance and other requirements.

2 Strategic context

The delivery of NSW Health strategies and priorities is the responsibility of the Ministry of Health, health services and support organisations. These are to be reflected in the strategic, operational and business plans of these entities.

2.1 Future Health Strategic Framework

The *Future Health: Strategic Framework* (the Strategic Framework) is the roadmap for how the health system will deliver services to achieve NSW Health's vision.

The Strategic Framework reflects the aspirations of the community, NSW Health's patients, workforce and partners in care for how they envisage our future health system. Future Health guides the delivery of care in NSW from 2022-32, while adapting to and addressing the demands and challenges facing the NSW Health system. There will be specific activities for the Ministry of Health, health services and support organisations to deliver as NSW Health implements the Strategic Framework, and services are required to align their strategic, operational and business plans with these Future Health directions.

2.2 Regional Health Strategic Plan

The *Regional Health Strategic Plan 2022-2032* outlines NSW Health's strategies to ensure people living in regional, rural and remote NSW can access high quality and timely healthcare with excellent patient experiences and optimal health outcomes. The Regional Health Strategic Plan aims to improve health outcomes for regional, rural and remote NSW residents over the decade from 2022 to 2032.

Regional NSW encompasses all regional, rural and remote areas of NSW. There are nine regional local health districts in NSW: Central Coast, Far West, Hunter New England, Illawarra Shoalhaven, Mid North Coast, Murrumbidgee, Northern NSW, Southern NSW and Western NSW. Some areas of other local health districts may also be considered regional for the purpose of the plan, such as South Western Sydney and Nepean Blue Mountains. The Regional Health Strategic Plan is also supported by the metropolitan local health districts and by the Specialty Health Networks which have patients in many regional locations.

The *Regional Health Strategic Plan Priority Framework* outlines a suite of targets for each Strategic Priority, to be achieved in each time horizon of the Plan.

2.3 NSW Aboriginal Health Plan

The *NSW Aboriginal Health Plan 2024-2034* aims to drive change to achieve the highest possible levels of health and wellbeing for Aboriginal people in NSW, in line with the National Agreement on Closing the Gap, by:

- Guiding how health systems are planned, delivered, and monitored
- Elevating the focus on Aboriginal expertise to drive shared decision-making and innovative collaborations
- Influencing the redesign of health services to achieve health equity
- Providing direction for the elimination of racism in all aspects of health care

The NSW Aboriginal Health Plan is supported by the *NSW Aboriginal Health Governance, Shared*

Decision Making and Accountability Framework which promotes partnership and shared decision making and is operationalised through the NSW Aboriginal Health Transformation Agenda which NSW Health Organisations have responsibility for actioning.

2.4 NSW Health Workforce Plan 2022-2032

The *NSW Health Workforce Plan* describes the NSW Health workforce vision and its system priorities:

1. Build positive work environments that bring out the best in everyone.
2. Strengthen diversity in our workforce and decision making.
3. Empower staff to work to their full potential around the future care needs.
4. Equip our people with the skills and capabilities to be an agile, responsive workforce.
5. Attract and retain skilled people who put patients first.
6. Unlock the ingenuity of our staff to build work practices for the future.

State-level leads have been identified to lead specific activities under the first Horizon, on behalf of the system.

However, to achieve the workforce vision, all agencies, Local Health Districts, Specialty Networks and pillar organisations are responsible for delivering on these six system-wide workforce priorities for the workforce of their organisation.

2.5 NSW Government priorities

There are several government priorities that NSW Health is responsible for delivering. These government priorities are usually reported to the Premier's Department or The Cabinet Office through NSW Health Executive. Progress on government priorities allocated to NSW Health is monitored by the Ministry of Health including:

- Election commitments including the Premier's focus areas
- Inquiry recommendations
- NSW Performance and Wellbeing Framework

3 Budget

3.1 Budget Schedule

Clinical Excellence Commission		2025-2026 Allocation in BTS (\$'000)
A	Expenditure Budget by Account Group (General Fund)	
	Employee Related	\$22,583
	Goods & Services	\$2,361
	Finance Costs	\$2
	Depreciation and Amortisation	\$519
		<i>Sub-total</i>
		\$25,464
B	Other items not included above	
	Additional Escalation to be allocated	\$812
	Time Limited Initiatives	
	1RR Co-locating Agencies	\$1,103
	Annualised Initiatives	
	NSW Medicines Formulary	\$1,204
	Savings Initiatives	
	IntraHealth and TMF Adjustments	
	IntraHealth - eHealth 25/26 Adjustment	\$72
	TMF Adjustment - Workers Compensation	\$8
	TMF Adjustment - Motor Vehicle	\$0.1
		<i>Sub-total</i>
		\$3,198
C	RFA Expenses	\$0
D	Total Expenses (D=A+B+C)	\$28,663
E	Other - Gain/Loss on disposal of assets etc	\$0
F	Revenue	-\$28,028
G	Net Result (G=D+E+F)	\$634

3.2 Funding Allocation Schedule

Clinical Excellence Commission		2025-2026 Allocation in BTS (\$'000)
Government Grants		
A	Recurrent Subsidy	-\$26,844
B	Capital Subsidy	\$0
C	Crown Acceptance (Super, LSL)	-\$1,128
D	<i>Total Government Contribution (D=A+B+C)</i>	
		-\$27,972
Own Source revenue		
E	GF Revenue	-\$57
F	Restricted Financial Asset Revenue	\$0
G	<i>Total Own Source Revenue (G=E+F)</i>	
		-\$57
H	Total Revenue Budget (H=D+G)	
		-\$28,028
Expenses		
I	Total Expense Budget - General Funds	\$28,663
J	Restricted Financial Asset Expense Budget	\$0
K	Other Expense Budget	\$0
L	Total Expense Budget (L=I+J+K)	
		\$28,663
M	Net Result (M=H+L)	
		\$634
Net Result Represented by:		
N	Asset Movements	-\$519
O	Liability Movements	-\$115
P	Entity Transfers	\$0
Q	Total (Q=N+O+P)	
		-\$634

Note:

As all banking has moved to being centrally managed, any local bank accounts remaining will be swept regularly and no funds should be held locally anymore.

4 Performance

4.1 Key performance indicators

The performance of the Organisation is assessed in terms of whether it is meeting key performance indicator targets for NSW Health strategic priorities.

Detailed specifications for the key performance indicators are provided in the [KPI Data Supplement](#).

4 Our staff are engaged and well supported 					
Measure	Target	Performance Thresholds			
		Not performing 	Underperforming 	Performing 	
Workplace Culture - People Matter Survey Culture Index- Variation from previous survey (%)	≥ -1	≤ -5	> -5 and < -1	≥ -1	
Take action - People Matter Survey take action as a result of the survey-z Variation from previous survey (%)	≥ -1	≤ -5	> -5 and < -1	≥ -1	
Staff Engagement - People Matter Survey Engagement Index - Variation from previous survey (%):	≥ -1	≤ -5	> -5 and < -1	≥ -1	
Staff Engagement and Experience – People Matter Survey - Racism experienced by staff Variation from previous survey (%)	≥ 5 % points decrease on previous survey	No change or increase from previous survey.	> 0 and < 5 % points decrease on previous survey	≥ 5 % points decrease on previous survey	
Staff Performance Reviews - Within the last 12 months (%)	100	< 85	≥ 85 and < 90	≥ 90	
Recruitment: Average time taken from request to recruit to decision to approve/decline/defer recruitment (business days)	≤ 10	> 10	No change from previous year and >10	≤ 10	
Aboriginal Workforce Participation - Aboriginal Workforce as a proportion of total workforce at all salary levels (bands) and occupations (%)	3.43	< 2.0	≥ 2.0 and < 3.43	≥ 3.43	
Compensable Workplace Injury Claims (% of change over rolling 12 month period)	5% decrease	Increase	≥ 0 and < 5% decrease	≥ 5% decrease or maintain at 0 claims	

6 The health system is managed sustainably 					
Measure	Target	Performance Thresholds			
		Not performing 	Underperforming 	Performing 	
Expenditure Matched to Budget - Year to date variance - General Fund (%)	On budget or favourable	< -0.25	< 0 and ≥ -0.25	≥ 0	
Own Sourced Revenue Matched to Budget - Year to date variance - General Fund (%)	On budget or favourable	< -0.25	< 0 and ≥ -0.25	≥ 0	

6 The health system is managed sustainably



Measure	Target	Performance Thresholds		
		Not performing ✗	Underperforming ↓	Performing ✓
Net Cost of Service (NCOS) Matched to Budget - Year to date variance - General Fund (%)	On budget or favourable	< -0.25	< 0 and \geq -0.25	\geq 0

4.2 Performance deliverables

Key deliverables will be monitored, noting that indicators and milestones are held in detailed program operational plans.

Deliverable Name	Description
Hospital Acquired Complications fora	The CEC will organise two fora on hospital acquired complications (HACs) annually to share approaches, promote best practice and support improvement in HACs across LHDs and SHNs.
Australian Sentinel Events reporting	The CEC will report confirmed Australian Sentinel Events numbers to the System Information and Analytics branch MoH for the Report on Government Services, to help the CEC target specific improvement initiatives with LHDs and SHNs.
Recognise, Engage, Act, Call, Help (REACH) forum	The CEC will organise a yearly REACH forum with key stakeholders to monitor progress against deliverables of 2025 REACH Roundtable.