



Performance and Development Scheme

A handwritten signature in black ink, appearing to read 'Daryl Karp', with a stylized, looping flourish at the end.

Daryl Karp
Director

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Version control

Version	Date	Author/Reviewer	Summary of changes	Status
V2.0	March 2021	People and Strategy	Review	Draft
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V2.2	June 2021	EMG	Review & Comment	Draft
V2.3	June 2021	Director	Endorse/Signature	Final

Team responsible for overview and updates of the policy:

People & Strategy Team

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1. General information

The objective of the Performance and Development Scheme (PDS) is to manage the performance of MoAD employees and achieve planned development outcomes by:

- ensuring that everyone in a work team has a clear understanding of their role, their responsibilities, and the behavioural standards expected of them
- identifying personal development activities for employees that are relevant to their professional and career goals and to MoAD's skill and knowledge requirements
- facilitating the opportunity to provide and receive feedback and ensuring there are no "surprises" for employees concerning their manager's assessment of their work performance
- recognising and providing opportunities for high-performing employees; and informing salary advancement within classifications
- facilitating the early identification of employee underperformance based on objective work-related data, and ensuring that underperformance is addressed proactively in a timely manner.

2. Why is a Performance Agreement required?

Under the *Public Service Act 1999* (PS Act) employees are required to participate in the PDS and uphold the APS Employment principle 10A (1) (d) 'requires all employees to participate constructively in agency-based performance management processes and practices'.

Under the Enterprise Agreement, employees must have a Performance Agreement. Employees without a Performance Agreement are not eligible for pay point advancement and may not be eligible for other salary increases.

3. Participation requirements

Employees required to participate in the PDS are:

- an ongoing employee
- a probationer
- a non-ongoing employee where employed for three months or more.

It is a requirement of the Enterprise Agreement to participate in the PDS. Refusal to participate in the PDS may be a breach of the APS Code of Conduct.

It is not possible to 'opt out' of the PDS. Refusal to sign a Performance Agreement under PDS does not prevent the Performance Agreement from coming into effect (after the employee's manager has given provided the employee a reasonable opportunity to discuss and agree to the contents of PDS Forms 2, 3 and 4).

Non-ongoing and casual employees

Non-ongoing employees contracted for three months or more must participate in the PDS.

Non-ongoing employees contracted for less than three months are not required to have a Performance Agreement.

Casual employees are not required to have a Performance Agreement.

4. Responsibilities under the PDS

General responsibilities

Performance Agreements include mandatory requirements to reflect basic requirements of MoAD employees. These mandatory responsibilities include training on the following topics:

- Heritage.
- Security.
- Finance.
- Fraud

Employees' responsibilities

- (a) Participate in all steps of the PDS.
- (b) Prepare for Performance Agreement conversations by:
 - i. identifying development opportunities relevant to their position and career path;
 - ii. preparing a list of key activities / projects;
 - iii. for step 2 and 3, preparing outline of achievements, skill development, shifting priorities etc.
- (c) Seek identified and agreed development opportunities.
- (d) Seek feedback on performance.
- (e) Prepare an outline of achievements and how skills have developed over the cycle.
- (f) Be open to receiving feedback, and engage in the process constructively and respectfully.
- (g) Provide timely information to the manager on issues affecting their performance and ability to meet agreed outcomes.

Managers responsibilities

- (a) Provide regular feedback, recognise and reward achievements and contributions and identify and address any decline in performance promptly.
- (b) Ensure the conversation with each employee is objective, constructive and respectful.
- (c) Manage workflows to ensure employees can participate in development opportunities, and that such opportunities are relevant to their role and their career plans.
- (d) Ensure expectations for performance and behaviour are reasonable and within the employee's control.
- (e) Provide reasonable assistance to support and encourage each employee to meet the expectations set for them.
- (f) Obtain evidence of the employee's performance and the skills they have developed during the cycle.
- (g) Review the employee's tasks, responsibilities and key objectives for continued relevance during each step of the PDS cycle.
- (h) Prepare a preliminary assessment of the employee's performance.
- (i) Consider any organisational constraints that might have impacted on the employee's ability to meet expectations.
- (j) Discuss with the Section Head where the proposed assessment in Step 3 is that the employee has not met expectations.
- (k) Conduct the review conversation respectfully.
- (l) Document agreed actions and changes to the Performance Agreement in consultation with the Section Head if required.

Section Heads' responsibilities

- (a) Be responsible and accountable for the management of the PDS within their sections.
- (b) Ensure access to development opportunities is consistent and appropriate.
- (c) Provide guidance and advice to managers with regard to managing underperformance.
- (d) Ensure timely and consistent completion of each step of the PDS process.

Director / Deputy Director responsibilities

- (a) Be responsible and accountable for the management of the process within their Program.
- (b) Ensure timely completion of performance reviews.
- (c) Agree to, and oversee, the implementation of underperformance processes for an employee in their Program.

Role of People and Strategy

The agreed Performance Agreement should be forwarded to People and Strategy at each step of the process. This will enable People and Strategy to:

- (a) Compile a database of training and development needs (and so then assist by coordinating training).
- (b) Monitor the process to ensure that the agreements are being made and are being reviewed.
- (c) To pay salary advancements to the relevant employees in the annual salary advancement process each July.

5. Annual Assessment Cycle

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|----------------|--|
| 1 July | the employee and the employee's manager commence compiling a Performance Agreement. |
| 31 July | the Performance Agreement is in place and Step 1 is signed by the employee and the employee's manager. A copy of the entire PDS is then provided to People and Strategy. |
| 01 Dec | the employee and the employee's manager commence a review (mid-cycle review) of the employee's performance and development to date against the Performance Agreement. |
| 15 Dec | the mid-cycle review and indicative assessment Step 2 is completed and is signed by the employee and the employee's manager. |
| 15 June | the employee and the employee's manager commence a final review of the employee's performance and development throughout the year against the Performance Agreement. |
| 30 June | the end-of-cycle review and final assessment Step 3 is completed and signed by the employee and the employee's manager and a copy is provided to People and Strategy. |

If the employee commences employment, or moves to a new position within MoAD for a period of three months or more, the employee will be required to develop a new PDS. The cycle for that Performance Agreement starts from the employee's commencement in that position and closes at either the date the employee finishes in the position or the end of the

financial year, whichever comes first. The mid-cycle review for any position is conducted at the mid-point between the date the employee commenced work in that position and the end of the financial year.

In the case of a short term position (i.e. one which does not go to the end of financial year), the mid-cycle review is conducted at the mid-point between the date the employee commenced in the position and the estimated end date of the position (e.g. a PDS for a position running from October to February would have its mid-cycle during December).

6. What is contained in a Performance Agreement?

The Performance Agreement has four forms. Form one is completed throughout the assessment cycle. Forms two and four inclusion must be filled in by the employee and the employee's manager at the commencement of an assessment cycle.

Form 1 – Performance Agreement

This form is where the employee and the employee's manager sign to certify completion of each part of the assessment cycle.

Form 2 - Responsibilities

The Performance Agreement sets out mandatory corporate and behavioural responsibilities which apply to all employees. For managers, this form sets out applicable additional mandatory leadership and management responsibilities.

Form 3 - Contribution to Business Outcomes

The Performance Agreement describes outcomes within a Section business plan that employees are responsible for delivering over the assessment cycle. Where there is no Section work plan employees should refer to their position description, the APS Work Level Standards and the APS Integrated Leadership System for their classification to identify their Key Result Areas. Form three is completed twice over an assessment cycle; the first half is completed at mid-cycle and the second half is completed at the end-of-cycle review.

Form 4 - Development Plan

This form describes the development employees are required to undertake over the assessment cycle in order to meet the agreed corporate responsibilities and business outcomes.

7. What happens at Mid-cycle Review and at the End-of-cycle Assessment?

The employee and the employee's manager are required to meet at least twice during an assessment cycle to conduct a meaningful conversation about the employee's performance and development in the context of the employee's Performance Agreement; half-way through an assessment cycle, and at the end of an assessment cycle.

The employee and the employee's manager are also expected to engage in constructive, informal feedback throughout the assessment cycle.

It is an expectation that the employee will make every effort to meet the Performance Plan's objectives, responsibilities and outcomes. If any of these are at risk and / or unmanageable, the employee's manager is to be informed promptly, to allow corrective action to be taken.

What do the Ratings Mean?

Assessment of Objectives	Summary Assessment
One or more Responsibilities or Outcomes were assessed as 'Not Met'.	Not Met
All Responsibilities and Outcomes – were assessed as 'Met'	Met

What if an employee is unhappy with their assessment?

If an employee is not satisfied with their assessment, the employee can request the Section Head to conduct a review. If the employee is not satisfied with the outcome of this review, a further formal review of actions can be conducted in accordance with the PS Act.

8. Performance Conversations

Ongoing Conversations

Regular, ongoing feedback between the employee and the employee's manager throughout the cycle is the best way to engage in the PDS. Regular feedback results in mid-cycle and end-of-cycle reviews which have 'no surprises', as the employee will already be fully aware of progress against the Performance Agreement.

If the employee's manager has concerns about the employee's performance, the manager / must raise those concerns promptly with the employee and not wait until the next planned PDS performance conversation.

If the employee becomes concerned that their performance may be adversely affected by emerging circumstances (including personal factors, interpersonal difficulties or apparent changes to work priorities) the employee must raise those concerns promptly with their manager rather than waiting until the next planned PDS performance conversation.

Mid-cycle Conversation

A formal mid-cycle review conversation between the employee and the employee's manager to review the employee's performance, and if necessary amend the agreement, should occur half way through the period covered by the agreement. For most agreements this would occur by the end of December.

In the conversation, the employee's manager will provide individual feedback on performance against the corporate and / or supervisory responsibilities and key result areas, having regard to the performance expectations and standards included in the Performance Agreement. This review will provide an indicative assessment of the employee's performance for the year to date.

This conversation does not have to be formally documented (other than in provision of the completion of PDS Form 1 Step 2 and the indicative assessment) unless there are concerns about unsatisfactory performance.

End-of-cycle Conversation

An end-of-cycle performance conversation must take place at the completion of the Performance Agreement cycle. This conversation will include an exchange of feedback, a review of performance against agreed corporate and / or supervisory responsibilities, key result areas and expectations, and identify and agree on a strategy to resolve any outstanding issues, and include an assessment summary. Assessment outcomes for all employees are due to People and Strategy by 30 June each year.

In deciding an end-of-cycle assessment, the employee's manager will consider the employee's performance in relation to results achieved against each Key Result Area and the relevant mandatory corporate and/or supervisory responsibilities documented in the Performance Agreement.

Managers will provide:

- (a) Written comments on evidence of performance against each corporate and / or supervisory area of responsibility (PDS Form 2) and each of the areas of responsibility detailed in PDS Form 3. Specific under or over-achievement against the expected standards contained in the agreement should be noted. These comments must summarise and formally document the feedback that has been provided on an ongoing basis throughout the performance period.
- (b) An end-of-cycle assessment, with ratings used in line with this document.
- (c) The employee's end-of-cycle rating to People and Strategy by 30 June each year.

9. Performance Expectations

What are effective performance expectations?

Effective performance expectations have the following attributes:

- **They are within the employee's control.** If an aspect of the employee's performance is largely thwarted by factors such as lack of resources, IT problems, etc. it is not fair or accurate to judge the employee without at least making allowance for those problems.
- **They are measurable** – that is, based on behaviour that can be observed and documented, and which is job-related. The nature of the work itself varies and will determine the type of measures and standards to emphasise.
 - If what the employee does on the job matters most, standards should emphasise actual behaviour on the job and how the employee performs the work.
 - If the outcome of the job matters most, the standards should emphasise actual results, for example turnaround times.
 - If the role of the employee matters most standards should focus on the employee's personal characteristics such as management style, contribution to teamwork and risk taking.
- **They have an impact on successful performance of the job.** They should also distinguish effective work performance from ineffective work performance.
- **They clearly communicate the expectations of performance to the employee** – that is, what must be done to be successful?
- **They take account of the realities of the work environment.** This means not only the resources issues mentioned above, but also accepting that many aspects of the job cannot be predicted.
- **They are realistically achievable.**

It is desirable to ensure that the Performance Agreement contains a mix of both quantitative and qualitative expectations and standards. An employee's performance should not hinge on a single expectation or standard.

10. Assessment Options

End-of-cycle assessments are to be based on the following definitions:

Expectations met

- Has met or exceeded expectations for mandatory corporate and/or supervisory responsibilities; AND
- Has met expectations in all Key Result Areas (may exceed expectations in some).

Where 'met' is defined as:

- responsibilities and Key Result Areas achieved are due to the employee's personal effort; OR
- responsibilities and Key Result Areas are not yet fully achieved but is/are on track to be achieved with the work to date having met the critical performance standards; OR
- responsibilities and Key Result Areas are not yet achieved but the employee has at all times employed all their energy, skill and delegated authority to achieve the results and the manager has been kept up-to-date with progress.

Expectations not met

- One or more responsibilities or outcomes were assessed as 'Not Met'. Therefore performance is below what is expected (in which case unsatisfactory performance measures may be considered).

11. Managing Unsatisfactory Performance

In recognition that unsatisfactory performance of duties sometimes occurs, the following procedures will ensure fair, timely and appropriate management of individual underperformance cases.

These unsatisfactory performance provisions do not apply:

- during a period of probationary employment
- in cases of suspected breaches of the APS Code of Conduct
- where there is a health related reason for the underperformance
- where an essential qualification has been lost.

Informal Process

Where individual cases of unsatisfactory performance are identified the emphasis of any management intervention will be to assist and guide the employee to improve their performance to a satisfactory level that will enable their skills, knowledge and experience to be retained, and their renewed and continuing effective and positive contribution to objectives and outcomes.

The manager will discuss the underperformance issues with the employee and clearly explain where performance is not satisfactory. The manager and employee must promptly and jointly develop and implement strategies to address the underperformance. These strategies should be given a reasonable period (four to eight weeks) to take effect before any formal underperformance procedures are implemented.

Written records of conversations with the employee regarding work performance will be maintained by the manager and a copy will be provided to the employee and People and Strategy.

An employee may be accompanied by a person of their choice during any part of the informal and formal proceedings, to support and assist them.

Formal Process

Where these strategies do not result in an acceptable level of improved performance the manager will notify the Head of People and Strategy of their intention to implement formal underperformance procedures, and request the Director to issue the employee with a formal warning.

Where the Director agrees, the formal warning to the employee will set out:

- details of the required standards for the duties the employee has been assigned and how the employee has failed to meet those standards
- details of how the employee's performance will be assessed
- the possible consequences if the employee has not attained and sustained the required standards by the end of the assessment period.

The Director will appoint a suitable person (the assessor), to conduct a fair and impartial assessment of the employees' work performance over an agreed period of time (this should normally be not less than six weeks and not longer than 12 weeks).

The assessor will meet with the employee and their manager to set performance objectives and standards for the assessment period and detail how the employee's performance will be assessed. The assessor will provide the employee, manager and the Director with regular feedback regarding the employee's performance during the assessment period.

Where the employee is on personal leave in accordance with this agreement, the assessment period will be deferred during the period of leave, and recommence on the employee's return to work.

Final assessment

At the end of the assessment period, if the employee's work performance is assessed as meeting the required standard, the assessor will report this finding to the Director. If the Director agrees with the finding, the employee will be advised and no further action will be taken.

If the employee is assessed as not having met the required standard, the assessor will report this finding to the Director. The Director will advise the employee of the finding and of the action he/she proposes to take, which may include one or more of the following:

- termination of employment
- reduction in classification (ongoing employees only)
- reassignment of duties (ongoing employees only)
- other appropriate action.

The employee will be given seven working days from the receipt of the advice to respond to the findings and the action proposed.

At the end of the seven working days the Director, having considered any matters raised by the employee, may issue a notice of termination of employment or effect the reassignment of duties at or below current classification or reduction in classification of the employee or other actions as considered appropriate.

Termination of employment

A notice of termination of employment will be in accordance with section 29 of the PS Act, and also in accordance with the *Fair Work Act 2009* (FW Act).

Reduction in classification

If an employee is reduced in classification without their consent, they may seek a review of the action in accordance with Section 33 of the PS Act.

A notice of reduction takes effect 28 days after the date the reduction is approved by the Director, unless the employee makes an application to the Merit Protection Commissioner (MPC). Where an employee has applied for independent external review, the reduction takes effect on the day the MPC recommends to the Director that the reduction decision should be confirmed or the application for further review is withdrawn, or 28 days after the notice is issued, whichever is the later. In the event of a MPC review, the employee will remain at their ongoing classification level on full pay until the external review is finalised.

Where, within a 26 week period following an employee's successful completion of an assessment period, the employee is again identified as failing to meet required performance standards, there will not be a strict requirement to use this formal process. Decisions about process in these circumstances will be made in line with the principles of natural justice, the FW Act and legal and administrative precedent.

Reassignment of duties at the employee's classification level takes effect seven days after the date approved by the Director.

MoAD will provide managers with support and resources (including training where appropriate) to effectively implement the under performance measures.

12. Dispute Resolution and Review Processes

Disagreement between the employee and manager

There may be times when the employee and the employee's manager disagree on an aspect of the PDS. Examples where this might occur include the setting of initial outcomes and performance expectations; changing of priorities requiring revisions to outcomes and performance expectations; or disagreement with the manager's performance assessment.

Under no circumstances can outcomes and performance expectations be revised unilaterally by the employee and the employee's manager without consulting the other signatory to the Performance Agreement. The manager should always endeavour to obtain the employee's agreement to any changes to outcomes and performance expectations. On very rare occasions (such as where there are machinery of government changes that impact on MoAD priorities), it may be necessary for the manager to change targets without the employee's agreement. The manager should only do this after consulting with their Section Head.

In cases of disagreement, the Section Head or above will review the situation in consultation with the parties concerned and make a decision as soon as possible, but in any event within two weeks of receiving a request. People and Strategy should be contacted if agreement appears unlikely.

Review of Manager's Assessment

A review of an end-of-cycle assessment is only required if the employee is dissatisfied with their manager's performance assessment. In this case the employee may ask the Section Head to review the assessment. The Section Head will review the assessment and confirm or change the end-of-cycle assessment.

If the employee is still not satisfied, the employee may request a review of the Section Head's decision as prescribed in s.33 of the PS Act.

13. Other Considerations

Reasonable Adjustment and Graduated Return to Work

The PDS processes for employees on a graduated return to work program (both compensable and non-compensable) need to be conducted in a supportive manner that encourages and assists rehabilitation where required. If the employee is on a graduated return to work program, then in developing the Performance Agreement, the employee and the employee's manager should seek advice and assistance from the rehabilitation case manager. The Performance Agreement will only include responsibilities and performance expectations that can realistically be achieved, taking into account the hours able to be worked and the vocational goals and timeframes in the return to work plan.

Workplace Diversity

Care must be taken in writing Performance Agreements, providing feedback and assessing performance, to take account of workplace diversity principles. These principles aim to recognise the value of individual differences in backgrounds, experiences and perspectives, and to create a working environment that utilises the contributions of all employees so as to draw on the widest range of ideas and understanding to support the MoAD's achievement of its accountabilities to government. The MoAD is committed to the application of the APS Values and Employment Principles, which include being sensitive in service delivery to the diversity of the Australian public and to providing workplaces that are free from discrimination and that value communication, consultation, co-operation and input from employees on matters that affect their workplace. Managing diversity is therefore a core accountability of all supervisors, who are to ensure that Performance Agreement objectives, measures and standards do not result in indirect discrimination or inequities, and that employees are encouraged to balance their work, family and other caring responsibilities effectively.

Privacy and Confidentiality of Performance Agreement Information

The provisions of the [Privacy Act 1988](#) protect the privacy of individuals and apply to all performance management matters. An employee may choose to share the contents of their Performance Agreement with other employees, but the outcomes of performance assessments will be treated confidentially with access to this information restricted to authorised employees in People and Strategy and the relevant Executive Management Group. People and Strategy requires employees to provide copies of their Performance Agreement for compliance audit purposes, collection of learning and development activities and to enable review of the quality of agreements. The Section Head may require a copy of their employees Performance Agreement for management purposes.

Further Information and Support

People and Strategy administers the Performance and Development Scheme. Contact People and Strategy for further information and support.

Supporting documentation

[Fair Work Act 2009](#)

[Privacy Act 1999](#)

[Public Service Act 1999](#)

[Old Parliament House Enterprise Agreement 2017-2020](#)

Old Parliament House Instrument of Human Resources Delegation