



## ANNUAL PERFORMANCE REVIEW FOR THE EXECUTIVE DIRECTOR<sup>1</sup>, NTGPE<sup>2</sup>

### 1. Scope

#### 1.1 Application

*This policy applies to the annual performance review of the Executive Director of NTGPE by the Board of Directors.*

#### 1.2 Limitations

*Nil*

#### 1.3 Related Standards, Policies and documents

*Performance Enhancement for NTGPE Staff*

#### 1.4 Effective from

*21<sup>st</sup> May 2003, retrospective to 8<sup>th</sup> April 2002.*

### 2. Purpose

To create a mechanism for the annual review of the ED's performance and associated remuneration reviews.

### 3. Principles

- 3.1 NTGPE will benefit from being explicit about intended organisational developments and the outcomes expected from its ED in facilitating those developments. It will also benefit from regular appraisal of the ED's performances against the outcomes.
- 3.2 Desirable outcomes are most likely to be achieved or enhanced, and undesirable ones avoided, if the Board agrees intended outcomes following discussion with the ED.
- 3.3 NTGPE and the ED will benefit from being clear on the means by which incentive-based remuneration is determined. This Policy establishes a mechanism.
- 3.4 The process of deciding issues around the ED's performance would be most appropriately managed by a subgroup of the Board in the first instance, and decided by the Board.
- 3.5 Confidentiality will help protect the Board and ED's interests, and ED's rights to privacy.
- 3.6 Performance enhancement through a performance review process is separate from any associated with disciplinary action.

<sup>1</sup> Executive Director, ED

<sup>2</sup> Northern Territory General Practice Education Limited, NTGPE

#### 4. Policy

- 4.1 The Board will conduct annual performance and remuneration reviews with the ED against the duties statement in the position description, normally on or about the anniversary of appointment. Performance reviews will be designed to foster enhanced performance. They will be based on outcome measures and performance indicators related to the business and financial plans of the company. Remuneration reviews will be based on the extent that outcomes are achieved, as shown by evidence associated with the agreed indicators, excepting unforeseen circumstances such as unanticipated funding cuts during the year.
- 4.2 The Board will establish a sub-group, initially comprising the Chair, Deputy Chair and one other Board member nominated by the Board, to undertake consensus-based processes related to the assessment of performance and remuneration with the ED. The sub-group will make summary recommendations to the Board for annual determinations.
- 4.3 Prior to, or at the commencement of each annual period, the sub-group will reach agreement on recommendations concerning the outcomes and indicators described in 4.1 in discussion with the Executive Director. These recommendations will be reported to the Board at the earliest opportunity for the Board's decision.
- 4.4 A remuneration review will normally apply from the anniversary of appointment. Such reviews will normally be considered incrementally on the original contract conditions and the remuneration outcomes from any previous review.
- 4.5 Any disciplinary action for reasons described in the ED's employment contract will be managed through a separate policy and process.
- 4.6 All matters related to the ED's review will be confidential to the Board.
- 4.7 The outcomes of all steps will be documented and agreements signed by the Chair and ED.
- 4.8 Provision for mid-term review

*The Chair of the sub-group or ED has the right to request a mid-term review by providing one month's notice. The mid-term review is intended to indicate progress towards annual outcomes and will not normally be used for remuneration review.*

#### 5. Procedures

- 5.4 The ED will propose outcome measures and indicators, derived from the duty statement and business and financial plans, at the commencement of each review period and invite discussion with the sub-group of the Board.
- 5.5 On agreement, the sub-group will notify the Board of the recommended measures and indicators for the coming period at the earliest opportunity. The Board will resolve on the proposal.
- 5.6 One month prior to the date of review, the Chair will invite the ED to prepare and present documentation related to the achievement of the indicators associated with each outcome measure, and to propose an associated remuneration outcome. The ED will provide the information as soon as possible and normally within six weeks of the request. The sub-group will commence discussions with the ED as soon as possible and normally not later than six weeks following receipt of the information.
- 5.7 The sub-group will recommend to the Board based on the material provided, discussions held with the ED, and deliberations by the sub-group. Recommendations to the Board will normally be accompanied by a summary report from the sub-group.
- 5.8 The Chair of the Board or nominee will request that the Finance Manager implement the remuneration review.
- 5.9 The outcomes of all steps will be documented and agreements signed by the Chair and ED.

## **6. Approval and Authority**

The NTGPE Board of Directors endorsed this policy on Tuesday, 9<sup>th</sup> December 2003. The NTGPE Board of Directors will also act as the Authority for this policy.