
2026-29 Performance Agreement

An Agreement between the Secretary, NSW Health
and the Clinical Excellence Commission
for the period 1 July 2026 to 30 June 2029



NSW Health 2026-29 Performance Agreement

Principal purpose

The principal purpose of this Performance Agreement (**the Agreement**) is to articulate the direction, responsibility and accountability across the NSW Health system for the delivery of high quality, effective healthcare services that promote, protect and maintain the health of the community, in keeping with NSW Government and NSW Health priorities.

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 Clinical Excellence Commission (**the Organisation**) as outlined in the Agreement (including through the Funding and Performance Supplement which is entered into by the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement, and forms part of the Agreement).

Objectives

NSW Health's vision is for a sustainable health system that delivers outcomes that matter most to patients and the community, is personalised, equitable, invests in wellness and is digitally enabled.

To achieve this, the Performance Agreement, and related Funding and Performance Supplements:

- Enable the organisation to deliver high quality, effective services that promote, protect and maintain the health of the community, and provide care and treatment to sick and injured people
- Promote accountability to Government and the community for service delivery and funding
- Contribute to health system performance monitoring and management to achieve NSW Health and Government goals and priorities
- Recognise that the needs of the population are not the same and all components of the system should strive to improve and drive equitable health outcomes
- Incorporate funding processes that target both allocative and operational efficiency
- Provide longer term funding certainty and investment flexibility with accountability mechanisms.

The Performance Agreement also seeks to link budget to outcomes to achieve NSW Outcomes:

- People receive timely quality care in hospitals
- People receive timely quality care in the community
- People are supported to make the best decisions for their health
- People are enabled to lead healthy and active lifestyles

Parties to the agreement

The Organisation

Dr Michelle Mulligan OAM

Chair

On behalf of the

Clinical Excellence Commission Board

Date20/08/2026 Signed 

Adjunct Professor Michael Nicholl

Chief Executive

Clinical Excellence Commission

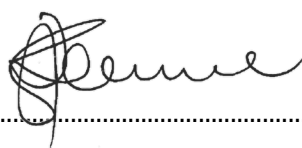
Date20/08/2026 Signed 

NSW Health

Ms Susan Pearce AM

Secretary

NSW Health

Date 20/8/2026 Signed 

Contents

- Contents 3
- 1 Legislation and governance 4
 - 1.1 Legislation..... 4
 - 1.2 Structure of the Performance Agreements 5
 - 1.3 Variation of the agreement 5
 - 1.4 Conditions of subsidy 5
 - 1.5 National Agreement 5
 - 1.6 Governance..... 5
- 2 Strategic context 7
 - 2.1 Future Health Strategic Framework..... 7
 - 2.2 Regional Health Strategic Plan..... 7
 - 2.3 NSW Aboriginal Health Plan 7
 - 2.4 NSW Health Workforce Plan 2022-2032 8
 - 2.5 NSW Government priorities 8

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 Structure of the Performance Agreements

The Agreement consists of the following:

- (a) this document;
- (b) any Funding and Performance Supplement executed between the Secretary, NSW Health and the Organisation for each financial year during the term of the Agreement; and
- (c) any documents incorporated by reference.

1.3 Variation of the agreement

The Agreement may be amended at any time by agreement in writing between the Organisation and the 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 and / or the Funding and Performance Supplement for each financial year during the term of the Agreement will be provided through separate documents that may be issued by the Ministry of Health in the course of the year and will be incorporated into the Agreement by reference.

1.4 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)*.

1.5 National Agreement

The Australian and all state and territory governments reaffirmed their commitment to providing healthcare accessible under the Medicare principles to all Australians through a long term agreement on health funding and reform reached at National Cabinet on 30 January 2026. This commitment, alongside funding and system reform agreements are detailed in the Addendum to the National Health Reform Agreement (NHRA) 2026-2031, which takes effect from 1 July 2026 at the endpoint of existing agreement.

1.6 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.

1.6.1 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 (PD2025_032) provides an important framework for improvements to clinical safety.

1.6.2 Corporate governance

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

1.6.3 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.

1.6.4 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