

# **Service Agreement Mid-year Review Deed of Amendment (Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

And

**PathWest Laboratory Medicine WA**

for the period

1 July 2020 – 30 June 2021

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## BACKGROUND

- A. With effect from 1 July 2020, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a Service Agreement (Interim). Section 46(4) of the Act provides that the Service Agreement is binding on the Parties.
- B. This Service Agreement was interim in its nature to reflect the delay in the 2020-21 State budget due to the COVID-19 pandemic.
- C. The Service Agreement details the health services that the Department CEO will purchase from the PathWest Laboratory Medicine WA (PathWest) and the health services PathWest will deliver during the 2020-21 financial year.
- D. The State Budget handed down on 8 October 2020 changed the funding set out in the Service Agreement and an amendment was executed through a Budget Deed of Amendment.
- E. The State Mid-year Review published on 14 December 2020 further changes the funding set out in the Service Agreement and Budget Deed of Amendment and a Mid-year Review amendment is therefore required to reflect these and other WA health system allocation adjustments.
- F. Section 50 of the Act stipulates that a Party that wants to amend the terms of the Service Agreement must provide written notice of the proposed amendment to the other party. This written notice was provided to PathWest on 15 January 2021.
- G. This Deed is executed in accordance with section 41 of the Act.

## DEFINED TERMS

In this Deed:

1. **Budget Deed** means the Health Service Provider Budget Deed of Amendment.
2. **Mid-year Review Deed** means the Health Service Provider Mid-year Review Deed of Amendment.

## **1. OPERATION OF AMENDMENTS**

The Service Agreement including amendments contained in the Budget Deed, will be read and construed subject to this Deed, and in all other respects the provisions of the Service Agreement are confirmed, and subject to the terms of the amendments contained in this Deed and the Service Agreement and Budget Deed, will continue in full force and effect in accordance with its terms.

Each Party will promptly do and perform all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that Party) required by law or reasonably requested by any other Party to give effect to this Deed.

This Deed is governed by and will be construed according to the laws in force in Western Australia.

## **2. ENTIRE AGREEMENT**

This Deed together with the Service Agreement, including amendments contained in the Budget Deed, constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this Deed.

## **3. AMENDMENTS TO SERVICE AGREEMENT**

With effect from the date of this Deed the Parties agree that the Service Agreement is varied so that:

- (a) The Schedule B: Summary of Activity and Funding table at page 25 of the Service Agreement, as amended by the Budget Deed, is amended. This amendment is attached hereto and marked as Annexure 1.

## **4. PUBLICATION OF DEED**

The Department will publish an abridged version of this Deed on the WA Health internet site, in accordance with Schedule D9 of the National Health Reform Agreement. Any subsequent amendments to this Deed together with the Service Agreement will also be published in accordance with Schedule D9 of the National Health Reform Agreement.

## **9. FUNDING TO DELIVER HEALTH SERVICES**

### **9.1 Funding**

The Department CEO will fund the PathWest to meet its service delivery obligations under this Agreement in accordance with the schedules to this Agreement. A summary of the funding to be paid to the PathWest is set out in the Schedule B: PathWest Summary of Activity and Funding.

The PathWest is to use the funding provided by the Department only for the delivery of health services specified under this Agreement. The funding will include direct service costs and the cost of overheads that the Department considers inherent in the delivery of the health services.

Additional budget allocations for COVID-19 related costs are identified separately in the Schedule D: Health Allocation Adjustments (HAA). These COVID-19 allocations are provided specifically for the purpose of meeting COVID-19 costs and the budget amounts are to be quarantined for this purpose only.

**Parties to the Agreement:**

Executed as a Deed of Amendment in the State of Western Australia.

**Parties to the Agreement:**

**Department CEO**

Dr David J Russell-Weisz  
Director General  
Department of Health

Date: 31/3/21

Signed: 

The Common Seal of the  
PathWest Laboratory Medicine WA  
was hereunto affixed in the presence of: )  
)  
)



Professor Christobel Saunders AO  
Board Chair  
PathWest Laboratory Medicine WA

Date: 23.02.2021

Signed: 

Mr Joseph Boyle  
Chief Executive  
PathWest Laboratory Medicine WA

Date: 23-2-21

Signed: 

## Annexure 1

### B: PathWest Summary of Activity and Funding

OBM Service	2019-20 End-of-year Final Allocations \$'000	2020-21 Budget Deed of Amendment \$'000	2020-21 Mid-year Review Deed of Amendment \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
01 Public Hospital Admitted Services	—	—	—	—	—	—
02 Public Hospital Emergency Services	—	—	—	—	—	—
03 Public Hospital Non-Admitted Services	—	—	—	—	—	—
04 Mental Health Services	—	—	—	—	—	—
05 Aged and Continuing Care Services	—	—	—	—	—	—
06 Public and Community Health Services	—	—	—	—	—	—
07 Pathology Services	223,063	235,083	239,902	234,616	239,050	256,394
08 Community Dental Health Services	—	—	—	—	—	—
09 Small Rural Hospital Services	—	—	—	—	—	—
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—
Government Corrective Measures	(13,586)	(14,197)	(14,197)	(14,204)	(14,204)	(14,204)
Health Allocation Adjustments	126,899	118,139	125,117	119,111	125,299	131,368
<b>Total</b>	<b>336,375</b>	<b>339,025</b>	<b>350,821</b>	<b>339,523</b>	<b>350,146</b>	<b>373,558</b>
<i>Less Income</i>	<i>(188,373)</i>	<i>(199,502)</i>	<i>(231,185)</i>	<i>(208,022)</i>	<i>(226,433)</i>	<i>(231,194)</i>
<b>Net—Funding</b>	<b>148,002</b>	<b>139,523</b>	<b>119,637</b>	<b>131,501</b>	<b>123,713</b>	<b>142,363</b>

#### Notes

- a. “Less income” is the estimated value of revenue from sources other than State Appropriations.