

# **Service Agreement Budget Deed of Amendment (Abridged)**

An agreement between:

**Department of Health Chief Executive Officer**

And

**WA Country Health Service**

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 health pandemic.
- C. The Service Agreement details the health services that the Department CEO will purchase from the WA Country Health Service (WACHS) and the health services WACHS will deliver during the 2020-21 financial year.
- D. Where the State Budget handed down on 8 October 2020 contains any changes to the funding set out in the 2020-21 Service Agreement (Interim), this information will be included in the Deed of Amendment.
- E. Since the commencement of 2020-21, changes to funding set out in the Service Agreement (Interim) have occurred and these also will be included in the Deed of Amendment.
- 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 WACHS on 23 October 2020.
- G. This Deed is executed in accordance with section 41 of the Act.

## DEFINED TERMS

In this Deed:

1. **Deed** means this Deed of Amendment.
2. **Parties** means the parties to the Service Agreement and to the Deed and “Party” means any one of them.
3. **Schedule** means a schedule to the Service Agreement.
4. **Service Agreement** means the Health Service Provider 2020-21 Service Agreement (Interim) between the Parties and as amended from time-to-time including all schedules and annexures.

## **1. OPERATION OF AMENDMENTS**

The Service Agreement 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 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 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 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 system 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.

**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: 11/12/20

Signed: 

The Common Seal of the  
WA Country Health Service  
was hereunto affixed in the presence of: )  
)



Professor Neale Fong  
Board Chair  
WA Country Health Service

Date: 18/12/20

Signed: 

Mr Jeffrey Moffet  
Chief Executive  
WA Country Health Service

Date: 18/12/20

Signed: 

## Annexure 1

### B: WACHS Summary of Activity and Funding

OBM Service	2019-20		2020-21		2020-21		2021-22		2022-23		2023-24	
	End-of-year Final Allocations		Service Agreement (Interim)		Budget Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000
01 Public Hospital Admitted Services	110,058	714,107	110,058	736,648	112,210	747,832	114,104	763,328	116,586	786,660	119,121	808,554
02 Public Hospital Emergency Services	39,984	258,707	39,984	264,630	40,796	268,726	41,683	275,733	42,589	284,141	43,515	292,200
03 Public Hospital Non-Admitted Services	19,473	119,215	19,473	129,028	20,742	136,775	21,193	140,348	21,654	144,623	22,125	148,733
04 Mental Health Services	5,551	122,920	5,831	126,345	5,831	128,281	5,958	41,296	6,088	42,515	6,220	43,810
05 Aged and Continuing Care Services	—	115,831	—	101,928	—	104,307	—	84,025	—	47,106	—	43,778
06 Public and Community Health Services	—	303,716	—	320,430	—	315,012	—	312,398	—	305,125	—	229,791
07 Pathology Services	—	—	—	—	—	—	—	—	—	—	—	—
08 Community Dental Health Services	—	—	—	—	—	—	—	—	—	—	—	—
09 Small Rural Hospital Services	—	293,143	—	300,200	—	300,954	—	304,374	—	315,139	—	380,032
10 Health System Management - Policy and Corporate Services	—	—	—	—	—	—	—	—	—	—	—	—
11 Health Support Services	—	—	—	—	—	—	—	—	—	—	—	—
Government Corrective Measures	—	(29,504)	—	(32,233)	—	(32,233)	—	(28,512)	—	(28,468)	—	(25,284)
Health Allocation Adjustments	—	7,198	—	14,937	—	13,692	—	6,997	—	(4,980)	—	(4,712)
<b>Total</b>	<b>175,066</b>	<b>1,905,333</b>	<b>175,346</b>	<b>1,961,913</b>	<b>179,579</b>	<b>1,983,345</b>	<b>182,938</b>	<b>1,899,985</b>	<b>186,917</b>	<b>1,891,861</b>	<b>190,981</b>	<b>1,916,903</b>
Less Income	—	(744,588)	—	(742,069)	—	(738,975)	—	(689,558)	—	(685,892)	—	(713,181)
<b>Net—Activity and Funding</b>	<b>175,066</b>	<b>1,160,745</b>	<b>175,346</b>	<b>1,219,844</b>	<b>179,579</b>	<b>1,244,370</b>	<b>182,938</b>	<b>1,210,427</b>	<b>186,917</b>	<b>1,205,969</b>	<b>190,981</b>	<b>1,203,721</b>

#### Notes

- 2019-20 WAUs are presented in the 2020-21 Framework. Under the 2019-20 Framework the target is 170,797 WAUs.
- "Less income" is the estimated value of revenue from sources other than State Appropriations.
- The 2019-20 Income figure has been recast to align to the presentation being introduced for Income in the 2020-21 Service Agreement Deed of Amendment. The 2020-21 Service Agreement (Interim) Income figure has not been recast.

## WACHS—Commonwealth and State contributions to the National Health Funding Pool

	National Efficient Price (as per IHPA)	Total Expected NWAUs	Total Contribution	Commonwealth		State
				Contribution	Funding Rate	Contribution
<b>ABF Service group</b>	<b>(NEP \$)</b>	<b>(#)</b>	<b>(NEP \$)</b>	<b>(NEP \$)</b>	<b>(%)</b>	<b>(NEP \$)</b>
Acute Admitted	5,320	95,236	506,655,520	214,424,314	42.3	292,231,206
Admitted Mental Health	5,320	5,386	28,653,520	12,126,605	42.3	16,526,915
Sub-Acute	5,320	7,307	38,873,240	16,451,746	42.3	22,421,494
Emergency Department	5,320	37,254	198,191,280	83,877,561	42.3	114,313,719
Non Admitted	5,320	18,144	96,526,080	40,851,304	42.3	55,674,776
<b>Total ABF</b>	<b>5,320</b>	<b>163,327</b>	<b>868,899,640</b>	<b>367,731,529</b>	<b>42.3</b>	<b>501,168,111</b>
<b>Non-ABF Service group</b>			<b>(\$)</b>	<b>(\$)</b>	<b>(%)</b>	<b>(\$)</b>
Non Admitted Mental Health			61,189,884	19,232,189	31.4	41,957,695
Non Admitted CAMHS			15,633,693	1,661,063	10.6	13,972,629
Non Admitted Home Ventilation			—	—	—	—
Rural CSO sites			245,471,850	109,957,646	44.8	135,514,204
Teaching, Training and Research			29,613,896	11,475,487	38.8	18,138,409
<b>Total Block Funding</b>			<b>351,909,323</b>	<b>142,326,385</b>	<b>40.4</b>	<b>209,582,938</b>

**Note:**

This schedule relates to Commonwealth "in-scope" activity only and is a subset of the Summary of Activity and Funding Schedule WA funds nine (9) Rural CSO sites via ABF although the Commonwealth funds these same hospitals as block.