

Service Agreement Deed of Amendment (Abridged)

An agreement between:

Department of Health Chief Executive Officer

and

PathWest Laboratory Medicine WA

for the period

1 July 2021 – 30 June 2022

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BACKGROUND

- A. With effect from 1 July 2021, pursuant to section 46 of the *Health Services Act 2016* (the Act) the Parties entered into a 2021-22 Service Agreement (Interim). Section 46(4) of the Act provides that the 2021-22 Service Agreement (Interim) is binding on the Parties.
- B. The 2021-22 Service Agreement (Interim) 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 2021-22 financial year.
- C. The 2021-22 Service Agreement (Interim) was issued on an interim basis due to delivery of the 2021-22 State Budget being delayed to 9 September 2021, following the 13 March 2021 State election.
- D. Updated 2021-22 budget allocations have been advised by letter to PathWest where applicable since 1 July 2021.
- E. This Deed of Amendment reflects adjustments to the 2021-22 Service Agreement (Interim) resulting from the 2021-22 State Budget, the 2021-22 Mid-year Review, the 2022-23 budget process and other WA health system allocation adjustments since the 2021-22 Service Agreement (Interim) was issued.
- 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 16 December 2021.
- G. This Deed is executed in accordance with section 41 of the Act.

DEFINED TERMS

In this Deed:

1. **Deed** means the 2021-22 Deed of Amendment.

1. OPERATION OF AMENDMENTS

The 2021-22 Service Agreement (Interim) will be read and construed subject to this Deed, and in all other respects the provisions of the 2021-22 Service Agreement (Interim) are confirmed, and subject to the terms of the amendments contained in this 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 2021-22 Service Agreement (Interim) 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 2021-22 Service Agreement (Interim) is varied so that:

- (a) The first paragraph of Section 4.4 “PathWest” is amended as follows:

PathWest provides State-wide support services to HSPs. PathWest must execute a Service Level Agreement (SLA) with other HSPs (other than Health Support Services and the Quadriplegic Centre) for the provision of State-wide support services by PathWest for the Term of the Agreement by 31 July 2021. The SLAs will be developed by PathWest with input from each HSP and the Department CEO.

- (b) The following paragraph is included under Section 5 “Funding and Purchasing” of the 2021-22 Service Agreement (Interim) as follows:

General COVID-19 Allocations

Additional budget allocations for general COVID-19 related costs, excluding activity-based allocations (e.g. outpatient COVID clinics), 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. Underspent funds in 2021-22 are to be carried over and used to offset expenditure in 2022-23.

- (c) The Schedule B: Summary of Activity and Funding table at page 23 of the 2021-22 Service Agreement (Interim) 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.

5. EXECUTION

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

Parties to the Agreement:

Department CEO

Dr D J Russell-Weisz
Director General
Department of Health

Date: 24.6.22

Signed: 

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



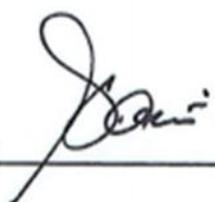
Angie Paskevicius
Board Chair
PathWest Laboratory Medicine WA

Date: 2.6.22

Signed: 

Adrian Bautista
Chief Executive
PathWest Laboratory Medicine WA

Date: 2.6.2022

Signed: 

Annexure 1

B: PathWest Summary of Activity and Funding

OBM Service	2021-22		2021-22		2022-23		2023-24		2024-25	
	Service Agreement (Interim)		Deed of Amendment		Forward Estimate		Forward Estimate		Forward Estimate	
	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000	WAUs	\$'000
1. Public Hospital Admitted Services	—	—	—	—	NOT APPLICABLE					
2. Public Hospital Emergency Services	—	—	—	—						
3. Public Hospital Non-Admitted Services	—	—	—	—						
4. Mental Health Services	—	—	—	—						
5. Aged and Continuing Care Services	—	—	—	—						
6. Public and Community Health Services	—	—	—	—						
7. Pathology Services	—	234,008	—	247,412						
8. Community Dental Health Services	—	—	—	—						
9. Small Rural Hospital Services	—	—	—	—						
10. Health System Management - Policy and Corporate Services	—	—	—	—						
11. Health Support Services	—	—	—	—						
Government Corrective Measures	—	(3,875)	—	(3,422)						
Health Allocation Adjustments (HAA)	—	117,945	—	168,575						
Total—Activity and Funding	—	348,077	—	412,564						
Less Income	—	(201,940)	—	(64,502)						
Net—Activity and Funding	—	146,137	—	348,062						

1. The allocations included in “Less Income” have been subject to a changed classification standard which means that significant items previously included in Own Source Revenue have been re-classified as sourced from the Government sector.