

Service Agreement End-of-year Final Allocations 2025-26 (Abridged)

An agreement between:

Department of Health Chief Executive Officer

and

South Metropolitan Health Service

for the period

1 July 2025 – 30 June 2026

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BACKGROUND

- A. With effect from 1 July 2025, pursuant to section 46 of the Health Services Act 2016 (the Act) the Parties entered into a 2025-26 Service Agreement. Section 46(4) of the Act provides that the 2025-26 Service Agreement is binding on the Parties.
- B. The 2025-26 Service Agreement details the health and other services that the Department CEO will purchase from the South Metropolitan Health Service (SMHS) and the health and other services SMHS will deliver during the 2025-26 financial year.
- C. Updated 2025-26 budget allocations have been advised by letter to SMHS since 1 July 2025, where applicable.
- D. Since the 2025-26 Service Agreement and up to 30 June 2026, changes to the budget allocations may have occurred and an amendment to these is required.
- E. This document is not required to be executed in accordance with section 41 of the Act as all amendments have been approved through other processes.

1. OPERATION OF AMENDMENTS

The 2025-26 Service Agreement will be read and construed subject to this End-of-Year Final Allocations, and in all other respects the provisions of the 2025-26 Service Agreement are confirmed, and subject to the terms of the amendments contained in this End-of-Year Final Allocations, will continue in full force and effect in accordance with its terms.

This End-of-Year Final Allocations is governed by and will be construed according to the laws in force in Western Australia.

2. ENTIRE AGREEMENT

This End-of-Year Final Allocations together with the 2025-26 Service Agreement constitutes the entire agreement between the Parties and supersedes any previous agreement between the Parties as to the subject matter of this End-of-Year Final Allocations.

3. AMENDMENTS TO SERVICE AGREEMENT

With effect from the date of this End-of-Year Final Allocations the 2025-26 Service Agreement is varied so that:

- (a) The Schedule B: Summary of Activity and Budget Allocations table at page 28 of the 2025-26 Service Agreement is amended. This amendment is attached hereto and marked as Annexure 1.

4. PUBLICATION OF END-OF-YEAR FINAL ALLOCATIONS

The Department will publish an abridged version of this End-of-Year Final Allocations on the WA Health internet site, in accordance with Schedule E8 of the *National Health Reform Agreement 2011* and its 2020-25 Addendum (NHRA). Any subsequent amendments to this End-of-Year Final Allocations together with the Service Agreement will also be published in accordance with Schedule E8 of the NHRA.

Annexure 1

B: Summary of Activity and Budget Allocations

OBM Service	2025-26		2025-26		2025-26	
	Service Agreement		Changes from SA to EOY Final Alloc.		End-of-Year Final Allocations	
	WAs	\$'000	WAs	\$'000	WAs	\$'000
1. Public Hospital Admitted Services	221,661	1,671,667	(1,424)	(293)	220,237	1,671,374
2. Public Hospital Emergency Services	34,440	267,351	(501)	1,689	33,940	269,040
3. Public Hospital Non-Admitted Services	52,904	405,995	2,830	23,308	55,734	429,303
4. Mental Health Services	15,213	257,533	4,563	52,311	19,776	309,844
5. Aged and Continuing Care Services	—	16,247	—	8,681	—	24,928
6. Public and Community Health Services	—	42,902	—	(3,979)	—	38,924
7. Pathology Services	—	—	—	—	—	—
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 (GCM)	—	(389)	—	—	—	(389)
Health Allocation Adjustments (HAA)	—	229,873	—	145,130	—	375,002
Total—Activity and Funding	324,218	2,891,178	5,469	226,848	329,686	3,118,026
Less Income	—	(248,601)	—	—	—	(248,601)
Net—Activity and Funding	324,218	2,642,577	5,469	226,848	329,686	2,869,425
Asset Investment Program	—	68,329	—	—	—	68,329

SMHS—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
ABF Service group	(NEP \$)	(#)	(NEP \$)	(NEP \$)	(%)	(NEP \$)
Acute Admitted	7,258	176,516	1,281,154,362	438,615,631	34.2	842,538,730
Admitted Mental Health	7,258	14,257	103,479,266	50,785,764	49.1	52,693,501
Sub-Acute	7,258	17,099	124,104,832	50,479,559	40.7	73,625,273
Emergency Department	7,258	31,717	230,199,010	77,070,378	33.5	153,128,633
Non Admitted	7,258	48,197	349,811,576	118,902,138	34.0	230,909,438
Community Mental Health	7,258	9,071	65,836,520	22,844,098	34.7	42,992,422
Total ABF	7,258	296,857	2,154,585,566	758,697,568	35.2	1,395,887,998
Non-ABF Service group			(\$)	(\$)	(%)	(\$)
Other Mental Health			32,253,492	13,090,705	40.6	19,162,787
Non Admitted Home Ventilation			2,229,348	1,003,207	45.0	1,226,142
Rural CSO sites/Stand Alone Facilities			—	—	—	-
Teaching, Training and Research			102,858,184	41,272,557	40.1	61,585,627
Highly Specialised Therapies			8,800,000	5,139,894	58.4	3,660,107
Total Block Funding			146,141,024	60,506,363	41.4	85,634,661

Note:

a) This schedule relates to Commonwealth "in-scope" activity only, it is based on the NEP value and is a subset of the Summary of Activity and Funding Schedule of the Service Agreement.

b) For 2025-26 Western Australia continues to block-fund Community Mental Health services whereas the Commonwealth has started using ABF for most of these services.