



COMMONWEALTH AND STATE HOSPITAL SERVICES AGREEMENT

No. 108 of 1976

ANALYSIS

1. Short title.
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AN ACT to approve an agreement entered into between the Government of the Commonwealth and the Government of the State with regard to the provision of hospital services in the State and to facilitate the carrying into effect of the agreement.

[15 December 1976]

BE it enacted by His Excellency the Governor of Tasmania, by and with the advice and consent of the Legislative Council and House of Assembly, in Parliament assembled, as follows:—

1 This Act may be cited as the *Commonwealth and State Hospital Services Agreement Act 1976*. Short title.

Interpretation.

2 In this Act the " Agreement " means the agreement a copy of which is set out in the Schedule, and expressions used in this Act to which meanings are assigned in Schedule A of the Agreement have, unless the contrary intention appears, the same meanings for the purposes of this Act.

Approval of Agreement.

3 The Agreement is approved.

Supplementary provisions.

4—(1) The Minister may give such directions to the board or other authority having the charge or management of a recognized hospital as he considers necessary to enable effect to be given to any of the provisions of the Agreement, and that board or other authority shall comply with those directions.

(2) Where under any Act regulations may be made with respect to a recognized hospital the Governor may, under this Act, make such regulations with respect to that hospital as he considers necessary to give effect to the Agreement.

(3) Nothing in any other Act or in any instrument relating to or affecting the management of any recognized hospital has effect to prevent the carrying out or performance of any of the provisions of the Agreement, and any such Act or instrument has effect subject to the provisions of this Act.

Termination of previous Agreement and repeal of Commonwealth and State Hospital Services Agreement Act 1975.

5—(1) In accordance with the Agreement, the Agreement entered into between the Government of the Commonwealth and the Government of the State on 23rd May 1975 shall be deemed to have been discharged and the rights and obligations of the parties thereto shall be deemed to have been released.

(2) The *Commonwealth and State Hospital Services Agreement Act 1975* is repealed.

SCHEDULE

(Section 2)

AN AGREEMENT made the fifteenth day of October One thousand nine hundred and seventy-six between—

THE COMMONWEALTH OF AUSTRALIA (in this Agreement called " the Commonwealth ") of the one part, and

THE STATE OF TASMANIA (in this Agreement called " TASMANIA ") of the other part.

WHEREAS—

- (A) by sub-section (1) of section 30 of the Health Insurance Act 1973 as amended by the Health Insurance Amendment Act (No. 2) 1976 the Commonwealth Parliament has provided that the Commonwealth may enter into an agreement with a State for and in relation to the provision of hospital services to eligible persons;
- (B) sub-section (2) of that section provides that an agreement referred to in sub-section (1) shall be in terms that give effect substantially to the Heads of Agreement specified in Schedule 2 of the Act but may include provisions with respect to other matters;
- (C) the Commonwealth and Tasmania are desirous of entering into an agreement to the effect provided for by the section and with respect to other matters as hereinafter appears:

NOW IT IS HEREBY AGREED AS follows:

Operation of Agreement

- 1.1 This Agreement is subject to approval by the Tasmanian Parliament and shall come into force when it is approved by an Act of that Parliament.
- 1.2 This Agreement shall relate to the period commencing on the 1st day of October 1976 and ending on the 30th day of June 1985.

Interpretation

- 2.1 Except where the contrary intention appears or the context otherwise requires, words and expressions used in this Agreement shall have the meanings respectively attributed to them by the definitions in Schedule A and this Agreement shall be otherwise construed as set out in that Schedule.

Recognized Hospitals

- 3.1 The hospitals in the State listed in Schedule B are recognized hospitals for the purposes of this Agreement.
- 3.2 The list of recognized hospitals in Schedule B may at any time be added to, deleted from or otherwise altered by agreement in writing between the Minister for Health and the Tasmanian Minister.

Central Services

- 4.1 The authorities and institutions listed in Schedule C are central services for the purposes of this Agreement.
- 4.2 The list of authorities and institutions in Schedule C may at any time be added to, deleted from or otherwise altered by agreement in writing between the Minister for Health and the Tasmanian Minister.

- 4.3 The operating payments and operating receipts of a central service shall be taken into account in ascertaining the gross operating costs and revenue of the central service for the purposes of this Agreement to the extent only that the costs or the revenue relate directly to the provision of services to recognized hospitals and—
- (a) if at any time a question arises as to the extent that the costs or revenue of a central service are so related; or
 - (b) where in Schedule C it is indicated that a central service is listed to the extent, or in respect of payments to the extent agreed between the parties,
- the Director-General of Health and the Director-General of Health Services shall agree upon the extent to which the operating payments and operating receipts of the central service relate directly to the provision of services to recognized hospitals.
- 4.4 If at any time, the Director-General of Health and the Director-General of Health Services are not able to agree upon a matter referred to in paragraph (a) or (b) of clause 4.3, the matter shall be referred to, and shall be determined by, the Ministers.

Payment for Hospital Services

- 5.1 Subject to clause 22.1, the Commonwealth shall pay to Tasmania, in accordance with the provisions of this Agreement, amounts that in total are equal to—
- (a) 50 per centum of the net operating costs in respect of all recognized hospitals in the State in respect of the period of this Agreement; or
 - (b) the total of the amounts paid by Tasmania from its own resources towards meeting the net operating costs of recognized hospitals in the State in respect of the period of this agreement,
- whichever is the less.
- 6.1 For the purposes of clause 5.1 the net operating costs of central services shall, subject to clauses 4.3 and 4.4, be taken into account in ascertaining the net operating costs of recognized hospitals.
- 7.1 Any financial gains which accrue to Tasmania as a result of payments made by the Commonwealth under this Agreement as varied from time to time will not be offset by the Commonwealth against General Revenue Payments to the State.

Provision of Hospital Services

- 8.1 Tasmania will endeavour to ensure that care and treatment provided by recognized hospitals in the State in accordance with clauses 24.1 to 32.1 inclusive are available to all eligible persons in the State who wish to receive them.

8.2 In conformity with its obligation under clause 8.1 Tasmania undertakes to provide, to the best of its ability, the accommodation, facilities, staff and services needed for the care and treatment referred to in that clause.

Standing Committee

9.1 A committee shall be established known as the State Standing Committee.

9.2 The Committee shall consist of representatives of the Commonwealth and representatives of Tasmania not exceeding in either case such number as may at any time be agreed upon by the Ministers.

10.1 The members of the Committee shall be persons nominated from time to time, as to representatives of the Commonwealth, by the Director-General of Health and, as to representatives of Tasmania, by the Director-General of Health Services.

10.2 The proceedings of the Committee shall be as from time to time agreed between the representatives of the Commonwealth and the representatives of Tasmania and, in the event of any failure to agree, shall be determined by the Ministers.

11.1 The main functions of the Committee shall be—

(a) to formulate and recommend to the Ministers budgets of operating payments and operating receipts of recognized hospitals and central services, in aggregate, for each financial year or part of a financial year of the period of this Agreement; and

(b) to review budgets so formulated and, where appropriate, recommend to the Ministers revised budgets,

in accordance with this Agreement.

11.2 The Committee shall undertake such further functions ancillary to or in association with those main functions as are provided for by, or are required to be performed by it by virtue of, this Agreement and may undertake such other functions as the Ministers may at any time direct it to perform.

11.3 The Committee shall in relation to the carrying out of its main functions under clause 11.1—

(a) endeavour to apply principles aimed at achieving operating economies in recognized hospitals and central services consistent with maintaining or achieving an acceptably high standard of health care; and

(b) have regard to such recommendations made by the Hospital and Allied Services Advisory Council or by a National Standing Committee established within that Council as provided in clause 42.1 as are approved by the Ministers for the purposes of this Agreement in accordance with clause 42.2.

Formulation and Review of Budgets

- 12.1 The Committee shall, during each year throughout the period of this Agreement other than 1976, meet in or about March (hereinafter referred to as a "March meeting") and in or about November (hereinafter referred to as a "November meeting").
- 13.1 At a March meeting the Committee shall formulate a budget for the ensuing financial year relating to all the recognized hospitals and central services, in aggregate, in the State and setting out estimates by month of the operating payments and operating receipts in respect of those hospitals and central services.
- 13.2 In formulating the budget the Committee shall have regard to the following—
- (a) actual net operating costs in respect of the first half of the current financial year;
 - (b) the effects of actual and anticipated changes in wages, prices and fee rates during the second half of the current financial year;
 - (c) seasonal and irregular receipts and payments;
 - (d) actual and anticipated variations in services through the opening or closing of recognized hospitals or central services or units in recognized hospitals or central services or other extensions or contractions of services within recognized hospitals or central services during the second half of the current financial year;
 - (e) anticipated variations in services and changes in wages, prices and fee rates during the ensuing financial year; and
 - (f) any other relevant factors or considerations.
- 13.3 The Committee shall at a March meeting also review the budget for the current financial year having regard to actual or anticipated changes in the factors and considerations that were taken into account in the formulation of the budget and to any other relevant factors and considerations and formulate any variations that it considers should be made to the budget in respect of the financial year, including any variations in respect of so much of the financial year as preceded the review.
- 14.1 The budget for the part of a financial year from the commencement of the period of this Agreement until the 30th day of June 1977 shall be formulated at a meeting of the Committee which shall be held as soon as practicable after the date of this Agreement.
- 14.2 The provisions of this Agreement relating to budgets and to advances and payments shall apply to and with respect to the part of a financial year referred to in clause 14.1 as if references in those provisions to a financial year included, where appropriate, a reference to that part of a financial year.

- 15.1 At a November meeting the Committee shall review the budget for the previous financial year in the light of the actual operating payments and operating receipts of the recognized hospitals and central services to which the budget relates during that financial year having regard to—
- (a) the principles, guidelines and particulars that constitute the agreed basis upon which the budget and variations of the budget were formulated and approved;
 - (b) the actual results of the factors and considerations that were taken into account in the formulation of the budget and the review of the budget; and
 - (c) any other factors which the Committee considers to be relevant.
- 15.2 Arising out of the review of a budget under clause 15.1, the Committee shall—
- (a) determine the extent to which the actual operating payments and operating receipts with which the review is concerned are, in aggregate, in conformity with the basis, factors and considerations upon which the budget was formulated having regard to any other factors and considerations which the Committee considers to be relevant; and
 - (b) formulate such retrospective variations of the budget as the Committee considers should be made so that the budget is consistent with the determination made under paragraph (a) and can be recommended to the Ministers as the agreed budget in respect of the financial year to which it relates.
- 15.3 If the Committee is not able to agree in any respect upon a determination under paragraph (a) of clause 15.2 or upon the formulation of retrospective variations of a budget under paragraph (b) of that clause, the Committee shall report to the Ministers upon each matter in respect of which it is unable to agree and provide such information as may be appropriate to enable the Ministers to consider the matter.
- 15.4 If upon a review of a budget under clause 15.1 the Committee considers it appropriate to do so, the Committee will formulate and submit to the Ministers recommendations as to future action either in relation to the budget that was reviewed or to the current or succeeding budgets.
- 15.5 The Committee shall at a November meeting also review the budget for the current financial year having regard to actual results of, or anticipated changes in, the factors and considerations that were taken into account in the formulation of the budget and to any other relevant factors and considerations and formulate any variations that it considers should be made to the budget in respect of the financial year including any variations in respect of so much of the financial year as preceded the review.

- 16.1 The Committee shall recommend a budget or any variations, including retrospective variations, of a budget formulated by the Committee under the preceding provisions to the Ministers for their approval.
- 16.2 The Committee may at any time during a financial year formulate or may authorize specified members to formulate on behalf of the Committee variations of the budget for that financial year having regard to developments that had not been foreseen by the Committee or to any other factors which the Committee considers justify special consideration.
- 16.3 Any variation so formulated shall be recommended to the Ministers by the Committee or by the members by which they are formulated and, in the case of recommendation by members, shall be notified to the Committee at its next meeting.
- 17.1 The Ministers shall consider a recommendation under clause 16.1 or 16.3, with consultation as is appropriate, and may approve the budget or variations of the budget, as the case may be, as recommended or with such alterations as may be agreed upon between them.
- 17.2 References in this Agreement to a budget, otherwise than to a budget prior to its approval by the Ministers, shall be to a budget approved by the Ministers or, upon variations of a budget being approved by the Ministers, to the budget as so varied.
- 18.1 In the event that the members of the Committee representing the Commonwealth and the members representing Tasmania are in disagreement on any matter relating to a budget, not being a matter referred to in clause 15.3, the matter shall be referred to the Ministers for resolution by them or in such manner as the Ministers may direct.

Advances and Payments

- 19.1 The Commonwealth shall, subject to clauses 19.2 and 19.3 and to the provisions of this Agreement relating to the adjustment of advances, in each month of the period of this Agreement make advances to Tasmania that amount to the sum that is equal to 50 per centum of the estimated net operating costs in respect of all recognized hospitals and central services in the State for that month in accordance with the relevant budget.
- 19.2 The amount of the advances by the Commonwealth under clause 19.1 for each of the initial months of the period of this Agreement shall, in anticipation of the approval of a budget formulated in accordance with clause 14.1, be such respective amounts as are notified by Tasmania as being 50 per centum of estimated net operating costs in respect of those months, provided that the Minister for Health is satisfied as to the reasonableness of each amount that is so notified.
- 19.3 Where a matter that relates to the formulation of the budget for a financial year is to be resolved under clause 18.1, until the matter is resolved and a budget can be ascertained the amount of the advances

by the Commonwealth under clause 19.1 for each of the initial months of the financial year until the budget can be ascertained shall be equal to 50 per centum of the average monthly net operating costs of recognized hospitals and central services for the quarter that commenced on the preceding 1st day of January as shown in the return submitted for that quarter pursuant to clause 35.1 and, subject to clause 19.4, adjustments shall be made to the advances so paid to bring the respective amounts of them into accordance with the budget for the financial year when the budget is ascertained.

- 19.4 Where a return provided by Tasmania under clause 35.1 or other information provided by Tasmania to the Commonwealth under this Agreement shows that the net operating costs of recognized hospitals and central services during the three month period to which the return or information relates exceed or fall short of the net operating costs for that period in accordance with the relevant budget, the Commonwealth may adjust the amount it has provided by advances under clause 19.1 during that period by adding to, or deducting from, as the case may be, the amount of the advances in a subsequent month (including a month during a financial year subsequent to that in which the period occurred) such amount or amounts, not exceeding in total the excess or short fall, as the Commonwealth considers appropriate.
- 20.1 Upon the approval of variations of a budget by the Ministers under clause 17.1—
- (a) an adjustment shall be made to the amount that is payable by the Commonwealth by way of advances under clause 19.1 in respect of the next whole month after the approval so that the total of the amount so payable by the Commonwealth in respect of the financial year prior to that month equals the amount that was payable in accordance with the budget as varied; and
 - (b) the amount that is payable by the Commonwealth by way of advances under clause 19.1 in respect of each whole month of the financial year after the approval shall be the amount so payable in accordance with the budget as so varied.
- 21.1 Subject to any action that is taken or is proposed to be taken under clause 23.1, Tasmania, from advances made by the Commonwealth and from its own resources, will make payments in each month to recognized hospitals and central services of amounts equal in total to the net operating costs of all recognized hospitals and central services in the State, including any adjustments arising from a review of a budget, that are payable in that month in accordance with the appropriate budget.
- 22.1 The amount that is payable by the Commonwealth by virtue of clause 5.1 in respect of a financial year during the period of this Agreement shall be the equivalent of 50 per centum of the net operating costs of all recognized hospitals and central services as shown by the

revised budget in respect of the financial year that is approved by the Ministers as the agreed budget in accordance with clauses 15.1, 15.2 and 15.3, but so that the amount that is so payable shall not exceed the amount that would be payable in respect of the financial year upon the application of the provisions of clause 5.1 in respect of the period of the financial year.

22.2 When the amount that is payable by the Commonwealth under the Agreement in respect of a financial year is ascertained in accordance with clause 22.1 an adjustment shall be made as between the Commonwealth and Tasmania either by payment or in such manner as may be otherwise arranged so that, taking into account the advance payments that have been paid by the Commonwealth during the financial year, the Commonwealth shall have paid that amount to Tasmania.

22.3 If at any time the amount that has been paid by the Commonwealth in pursuance of clause 22.1 in respect of a financial year is less than the amount that would be payable in respect of that financial year in accordance with clause 5.1 the Minister for Health shall, after consultation with the Tasmanian Minister, and if he is satisfied that circumstances justify a further payment, approve the payment of the further payment that he considers justified and the Commonwealth shall make that payment to Tasmania accordingly.

23.1 If the actual operating payments or operating receipts of a recognised hospital or central services differ substantially from the estimates of those payments or receipts in the annual budget of that recognized hospital or central service, Tasmania will instigate such investigations as are necessary to establish how the situation occurred and, if considered necessary, may be corrected.

23.2 Tasmania shall inform the Committee of the circumstances relating to, and the results of, an investigation under clause 23.1 and of the remedial action, if any, that was taken or is proposed to be taken.

23.3 In respect of payments by the Commonwealth under this Agreement Tasmania will comply with the procedures that are from time to time agreed between the Commonwealth and Tasmania.

Hospital Services

24.1 The accommodation, facilities, staff and services referred to in clause 8.2 shall, to the extent appropriate to the care and treatment provided by the relevant hospital, include—

- (i) accommodation and meals;
- (ii) where medically necessary, accommodation appropriate to any special care required;
- (iii) medical services;
- (iv) nursing services;
- (v) pathological, radiological and other diagnostic procedures;

- (vi) drugs, biologicals and related preparations;
- (vii) operating theatre, recovery room and anaesthetic facilities, including necessary equipment and supplies;
- (viii) surgical supplies, including agreed prostheses, splints and appliances necessary for discharge;
- (ix) radiotherapy services; and
- (x) physiotherapy and other ancillary health services considered necessary by the State.

24.2 A private patient who is accommodated in a recognized hospital shall, in addition to the services of his own medical practitioner, be entitled to the services referred to in clause 24.1, except items (iii), (v) and (ix), but so that such medical services as of necessity must be provided by the hospital are so provided.

25.1 Out-patient services when provided by a recognized hospital shall include, where available, the services referred to in (iii) to (x) of clause 24.1.

Charges for Hospital Services

26.1 The Commonwealth and Tasmania acknowledge and agree that—

- (a) an eligible person other than a privately insured person is to be entitled to receive free of charge care and treatment as a hospital patient, as provided for by clauses 8.1, 8.2 and 24.1, in a recognized hospital;
- (b) subject to clauses 27.2 and 27.3 an eligible person other than a privately insured person is to be entitled to receive free of charge out-patient (except dental) services provided by a recognized hospital;
- (c) subject to clauses 27.2 and 27.3 an eligible person who is a privately insured person is to be entitled to receive out-patient services provided by a recognized hospital in accordance with clause 25.1, and Tasmania may either provide such a person with these services free of charge or charge such a person at rates determined by Tasmania after consultation with the Minister for Health.

27.1 In accordance with paragraph (a) of clause 26.1, Tasmania undertakes that means tests will not be applied in determining the classification of in-patients.

27.2 In accordance with paragraphs (b) and (c) of clause 26.1, Tasmania will ensure that no means test is applied by hospitals as a criterion of eligibility to any eligible person seeking out-patient services.

27.3 An eligible person is to be entitled to receive dental services as an out-patient at a recognized hospital, provided that a means test may be applied to determine whether or not a charge is to be raised for such services and, where such a charge is raised, it shall be at such rates as are from time to time determined by Tasmania.

- 28.1 An eligible person who is an in-patient of a recognized hospital but is not a hospital patient is to be charged as follows:—
- (a) in respect of accommodation in other than a single room—\$40 per day;
 - (b) in respect of accommodation in a single room at the request of the patient—\$60 per day.
- 28.2 In respect of an eligible person who is a privately insured person and who is receiving medical treatment exclusively from medical practitioners employed by, or under an arrangement made by, a recognized hospital, Tasmania may provide such a person with accommodation and medical treatment free of charge but, where Tasmania wishes to raise a charge for accommodation, it shall be \$40 per day.
- 29.1 The charges set out in clauses 28.1 and 28.2 are subject to adjustment having regard to cost increases or other considerations and such adjustments shall be as agreed upon from time to time by the Minister for Health and the Tasmanian Minister, notwithstanding the provisions of clause 30.1.
- 30.1 In furtherance of clause 29.1 the Committee shall at a March meeting in each year review the charges set out in clauses 28.1 and 28.2 and make recommendations to the Hospital and Allied Services Advisory Council and that Council, or a National Standing Committee within that Council, shall be requested to consider the recommendations along with recommendations of other State Standing Committees relating to like charges within other States and, with a view to achieving uniformity between States, to advise the Ministers as to an adjustment in charges.
- 31.1 Subject to clause 32.1 and to any variation of this Agreement that may be agreed upon at any time between the parties, the preceding provisions of clauses 26.1, 27.1 and 28.1 to 30.1 do not apply in relation to the care and treatment of an eligible person in a recognized hospital in respect of an injury, illness or disease if the eligible person is entitled to the payment of, or has been paid, compensation, damages or other benefits, including a payment in settlement of a claim for compensation, damages or other benefits in respect of that injury, illness or disease.
- 32.1 Clause 31.1 shall only be applicable in cases where the injury, illness or disease is one in respect of which compensation, damages or other benefits are payable or have been paid under a law that is, or was in force in a State or Internal Territory, including a law with respect to Workers' Compensation or Motor Accident (Liability and Compensation) and for the care of seamen covered by the Navigation Act 1912-1965, and in cases to which that clause is applicable the hospital may charge at whatever rates are determined by the State and claim the amount of the charges payable from the insurer or other person liable to meet the charge.

Statistics and Other Information

- 33.1 In advance of the meeting of the Committee referred to in clause 14.1 Tasmania shall provide to the Commonwealth in an agreed form a proposed budget showing estimates of operating payments and operating receipts of recognized hospitals and central services, in aggregate, for each month of the part of a financial year commencing on the 1st day of October 1976.
- 33.2 In each year of the period of this Agreement Tasmania shall, by an agreed date prior to the March meeting of the Committee, provide to the Commonwealth in an agreed form a proposed budget showing estimates of operating payments and operating receipts of recognized hospitals and central services, in aggregate, for each month of the coming financial year.
- 33.3 If the Commonwealth at any time reasonably so requests, Tasmania shall provide details of the estimated operating payments and operating receipts of particular recognized hospitals and central services on which a proposed budget provided by Tasmania under clause 33.1 or 33.2 is prepared.
- 33.4 When providing a proposed budget in accordance with clause 33.2 Tasmania will provide to the Commonwealth information concerning the actual and anticipated variations of services due to the opening or closing of recognized hospitals and central services or units within recognized hospitals and central services and other extensions or contractions of services within recognized hospitals and central services during the second half of the current financial year and anticipated variations in services during the ensuing financial year and information showing the assumptions that have been made as to variations in wages, prices and fee rates for those periods, together with an explanation of the effect of these factors on the proposed budget.
- 34.1 In each year of the period of this Agreement Tasmania shall, by an agreed date prior to a November meeting of the Committee, provide to the Commonwealth details of proposed variations to the budget for the current financial year, together with explanations to show why the variations are necessary.
- 35.1 As soon as practicable after the last days of the months of September, December, March and June in each year during the period of this Agreement, Tasmania shall provide to the Commonwealth a return showing actual details of the gross operating costs, revenue and net operating costs of recognized hospitals and central services in total and by month for the relevant three monthly period.
- 35.2 As soon as practicable after the 30th day of June in each year and in any event not later than the 31st day of December in each year during the period of this Agreement, Tasmania shall provide to the Commonwealth details of the operating payments and operating receipts of each recognized hospital and central service in respect of the preceding financial year or part of a financial year.

- 35.3 If the Commonwealth so requests, Tasmania shall, as soon as practicable after the end of each month in each year during the period of this Agreement, provide to the Commonwealth details of the operating payments and operating receipts of particular recognized hospitals and central services in respect of that month.
- 36.1 Tasmania shall provide statistics in such manner and at such times as are agreed between the Commonwealth and Tasmania, including listings of individual patients in the recognized hospitals in a form as required by the Commonwealth.
- 36.2 Tasmania shall comply with any reasonable request in writing from the Commonwealth for information relating to a claim on the Commonwealth for payment under this Agreement.

Audit

- 37.1 The accounts of recognized hospitals and central services in the State in respect of each financial year or part of a financial year of the period of this Agreement shall be audited either by the Auditor-General of the State or by a person approved by that Auditor-General.
- 37.2 Tasmania shall arrange for the provision to the Commonwealth in respect of each financial year or part of a financial year of the period of this Agreement of an audit certificate by the Auditor-General of the State in respect of net operating costs and payments by the Commonwealth and Tasmania towards meeting net operating costs under this Agreement and the audit certificates to be provided shall be, as to manner and extent, in terms agreed to between appropriate representatives of the Commonwealth and of Tasmania.

Medical Staff

- 38.1 Remuneration for medical services to hospital patients in recognized hospitals shall be paid by way of salaries or sessional payments as determined by the appropriate salary or sessional fee determining authority in Tasmania. Before approving other forms and amounts of payments made for medical services provided to hospitals on contract bases, including payments for servicing hospitals and their annexes by staff remunerated by non-hospital authorities for services over and above their normal duties, the Director-General of Health Services shall consult with the Director-General of Health. This clause extends to remuneration for medical services provided to patients in recognized hospitals by university clinical teaching staff and salaried District Medical Officers.
- 38.2 The Commonwealth and Tasmania will participate jointly in discussions from time to time with representatives of the medical profession—
- (a) regarding the terms and conditions upon which medical staff engaged by hospitals are appointed and remunerated; and

- (b) with a view to achieving uniformity between States and Territories and ultimately to establishing national machinery for the determination and review of payment for and conditions of service of medical staff in hospitals.

Tuberculosis Act and National Health Act Benefits

- 39.1 Payments to Tasmania under or arising out of the Tuberculosis Act 1948 in respect of tuberculosis patients in recognized hospitals in the State will be subsumed by payments by the Commonwealth under this Agreement and Tasmania agrees not to claim payments under that Act or under an arrangement made in accordance with that Act for items coming within net operating costs for the purpose of this Agreement.
- 39.2 Payments to Tasmania in respect of Pharmaceutical Benefits for patients in recognized hospitals under Part VII of the National Health Act 1953 will be subsumed by payments by the Commonwealth under this Agreement and Tasmania agrees not to claim for these benefits in respect of the period of this Agreement.
- 39.3 Tasmania will ensure that recognized hospitals in the State do not avail themselves of supplies of Pharmaceutical Benefits by means of National Health Scheme prescriptions dispensed by pharmaceutical chemists in private practice except in an emergency.
- 39.4 Tasmania will ensure that a recognized hospital that has a dispensing service does not avail itself of supplies of pharmaceuticals by means of prescriptions dispensed by pharmaceutical chemists in private practice, except in an emergency.

New Financial Responsibilities

- 40.1 In submitting to the Commonwealth budgets, or proposals to vary budgets, or actual details of gross operating costs, revenue and net operating costs, Tasmania will identify new financial responsibilities not previously identified, and costs of such responsibilities shall not be included in gross operating costs for the purpose of this Agreement except as agreed in writing by the Minister for Health and the Tasmanian Minister.

Special Operating Cost Items

- 41.1 Payments by recognized hospitals and central services in respect of the acquisition, provision and operation of home dialysis machines and of all ancillary equipment and disposable items for those machines, including expenditure on the installation (including the adaptation of premises) and maintenance of the machines and equipment but excluding home dialysis fluids that are paid for by the Commonwealth under section 100 of the National Health Act 1953, will be included in gross operating costs notwithstanding any apparent exclusion of those payments by virtue of paragraphs (a) to (h) of the definition of "gross operating costs" in Schedule A.

Hospital and Allied Services Advisory Council

- 42.1 The Commonwealth and Tasmania agree that the Hospital and Allied Services Advisory Council or a National Standing Committee within that Council should consider broad policy issues related to joint Commonwealth and State examinations of hospital expenditure and be requested to make recommendations with a view to improving efficiencies in and achieving rationalization of hospital services.
- 42.2 Recommendations made by that Council or by a National Standing Committee shall be referred to the Ministers for consideration with a view to the approval of them by the Ministers for the purposes of the operation of this Agreement.

Agreements with Other States

- 43.1 Should a State other than Tasmania have entered into or enter into an agreement with the Commonwealth under sub-section 30 (1) of the Act or an agreement with the Commonwealth under sub-section 30 (3) of the Act to vary an agreement entered into under that sub-section receive more favourable terms than those provided for by this Agreement, Tasmania will be given adequate opportunity to examine the conditions accorded to that State and to re-open negotiations with the Commonwealth.
- 43.2 The parties to this Agreement agree that this Agreement shall be varied to provide that Tasmania shall receive no less favourable terms than those accorded to another State under an agreement referred to in clause 43.1 subject to recognition of the principle that the sharing of net operating costs under the Agreement does not extend to items of cost that prior to the signing of this Agreement were not accepted by Tasmania as part of the cost of the operation of recognized hospitals in the State.

Prior Agreement

- 44.1 Upon the coming into force of this Agreement the Agreement expressed to have been made the 23rd day of May 1975 between the Government of the Commonwealth of Australia and the Government of the State of Tasmania in relation to the provision of hospital services shall, to the extent that the Agreement may have had any force or effect, be hereby discharged and the rights and obligations, if any, of the parties thereto are hereby mutually released.

SCHEDULE A

Clause 2.1

Definitions and Matters of Construction

- (1) Words and expressions used in this Agreement that have meanings attributed to them by, or by virtue of their inclusion in, the Act shall, except as provided in clause 2.1, have in this Agreement those respective meanings.

(2) Subject to clause 2.1, the following words and expressions used in this Agreement have the respective definitions hereunder:

“central service” means an authority or institution, being an authority or institution owned or conducted by the State, a substantial part of the activities of which is in respect of recognized hospitals and which does not already attract a Commonwealth Government grant other than under the Act, that is, at the relevant time, a central service by virtue of clause 4.1;

“financial year” means a year commencing on a first day of July;

“gross operating costs” means, in respect of the period indicated, the total of all payments made by recognized hospitals and, subject to clauses 4.3 and 4.4, by central services during that period, irrespective of the date on which the cost to which the payment relates was incurred but not including payments for, or payments of—

- (a) purchase of land;
- (b) new hospitals or buildings, extensions to existing hospitals or buildings and replacement of hospitals or buildings, including associated equipment and services;
- (c) renovations to buildings or parts of buildings costing 50,000 dollars or more per project;
- (d) additional works or services costing 50,000 dollars or more per project;
- (e) replacement or additional equipment, plant, furniture, furnishings or fittings costing 50,000 dollars or more per item;
- (f) depreciation of assets;
- (g) loans made and loans repaid;
- (h) interest on loans received;
- (i) Royal Flying Doctor Service for services to hospitals;
- (j) the Red Cross Blood Transfusion Service; and
- (k) expenditure incurred in respect of Auditor-General charges;

“medical practitioner” means a person registered or licensed as a medical practitioner under Tasmanian law;

“net operating costs” means gross operating costs less revenue;

“new financial responsibility” means a cost item which is of a kind not normally or traditionally associated with patient care by a hospital or central service in the State and which was not a financial responsibility of a hospital or central service for the period of three months prior to the date of this Agreement;

“operating payment” means a payment included in gross operating costs;

- “operating receipt” means a receipt included in revenue;
- “out-patient” means a patient treated by or at a recognized hospital without being admitted as an in-patient and in respect of whom the hospital formally accepts responsibility for the provision of out-patient services;
- “period of this Agreement” means the period to which this Agreement relates as provided in clause 1.2;
- “privately insured person” means a person who is, for the purposes of the Act, deemed to be a privately insured person by subsection 3 (7) of the Act;
- “recognized hospital” means a hospital that is a recognized hospital by virtue of clause 3.1;
- “revenue” means, in respect of the period indicated, the total of all receipts of recognized hospitals and, subject to clauses 4.3 and 4.4, of central services received during that period, irrespective of the date of the service to which the receipt relates, but not including receipts in respect of—
- (a) sale of land or buildings;
 - (b) sale of items of plant, equipment, furniture, furnishings or fittings if sold without replacement for 5,000 dollars or more or if replaced with an item costing 50,000 dollars or more;
 - (c) interest received;
 - (d) donations, legacies or fund raising activities and any interest thereon except to the extent expended on items coming within the definition of “gross operating costs”;
 - (e) loans received and loans repaid;
 - (f) payments by Tasmania from its own resources towards meeting the net operating costs of recognized hospitals in the State under this Agreement to which paragraph (b) of clause 5.1 relates;
 - (g) payments by the Commonwealth under this Agreement towards meeting the net operating costs of recognized hospitals and central services in the State; and
 - (h) payments by Tasmania other than—
 - (i) payments referred to in (f); and
 - (ii) grants to match Commonwealth Government payments to recognized hospitals, not being payments made under the Act;
- “standard ward accommodation” means the accommodation in a recognized hospital in which hospital patients are normally accommodated in that hospital;

- “ the Act ” means the Health Insurance Act 1973 of the Commonwealth Parliament as amended and in force on the coming into operation of sections 6 and 10 of the Health Insurance Amendment Act (No. 2) 1976 and, except where the context otherwise indicates, includes any further amendments of that Act;
- “ the Director-General of Health ” means the Permanent Head of the Commonwealth Department of Health and includes a person for the time being acting in that Office;
- “ the Director-General of Health Services ” means the Director-General of Health Services of the Department of Health Services of the State and includes a person for the time being carrying out the duties of that office.
- “ the Minister for Health ” means the Minister for Health of the Commonwealth or another Minister of the Commonwealth to whom the relevant functions of that Minister may at any time be allocated and includes any other Minister of the Commonwealth who may for the time being be acting for that Minister;
- “ the Ministers ” means the Minister for Health and the Tasmanian Minister and, where that expression relates to an act or thing to be done by the Ministers, means those Ministers acting jointly;
- “ the State ” means the State of Tasmania; and
- “ the Tasmanian Minister ” means the Minister for Health of the State and includes a Minister of the State who may for the time being be acting for that Minister.

(3) In this Agreement, unless a contrary intention appears:

- (a) a reference (other than in this paragraph (a)) to this Agreement or to a part or provision of this Agreement includes, where the Agreement is varied, a reference to this Agreement or that part or provision as amended;
- (b) a reference to a clause refers to the relevant clause of this Agreement;
- (c) a reference to a Schedule is to a Schedule of this Agreement;
- (d) a reference to an Act, if that Act has been or is amended, is a reference to that Act as amended;
- (e) words in the singular include the plural and words in the plural include the singular; and
- (f) words that import the masculine gender include the feminine gender.

(4) The Schedule to this Agreement constitute an integral part of the Agreement.

SCHEDULE B

Clause 3.1

RECOGNIZED HOSPITALS

<i>Hospital</i>	<i>Address</i>
Beaconsfield District Hospital	BEACONSFIELD, 7251
Campbell Town District Hospital (including the following annexes)	85 High Street, CAMPBELL TOWN, 7210
Avoca District Nursing Centre	AVOCA, 7213
Rossarden District Nursing Centre	ROSSARDEN, 7213
Flinders District Hospital	Whitemark, FLINDERS IS. 7255
Huon District Hospital (including the following annexe)	Main Road, FRANKLIN, 7113
Dover District Nursing Hospital	DOVER, 7116
King Island District Hospital (including the following annexe)	Currie, KING ISLAND, 7256
Grassy District Nursing Centre	Grassy, KING ISLAND, 7256
Launceston General Hospital (including the following annexes)	Charles Street, LAUNCESTON, 7250
Evandale Division of the Launceston General Hospital	EVANDALE, 7212
Deloraine Division of the Launceston General Hospital	DELORAINE, 7304
George Town Division of the Launceston General Hospital	GEORGE TOWN, 7253
Lilydale District Nursing Centre of the Launceston General Hospital	LILYDALE, 7254
Mole Creek District Nursing Centre of Launceston General Hospital	MOLE CREEK, 7304
Mersey General Hospital (General Division) (including the following annexes)	Torquay Road, LATROBE, 7307
Womens Division	Steele Street, DEVONPORT, 7310
Outpatients Division	Steele Street, DEVONPORT, 7310
Mothercraft Home	43 Pirie Street, NEW TOWN, 7008
New Norfolk District Hospital	Circle Street, NEW NORFOLK, 7450
North Eastern Soldiers' Memorial Hospital (including the following annexes)	SCOTTSDALE, 7254
Gladstone District Nursing Centre	GLADSTONE, 7254
Ringarooma District Nursing Centre	RINGAROOMA, 7254
North Western General Hospital, Burnie Division	Edwardes Street, BURNIE, 7320

<i>Hospital</i>	<i>Address</i>
North Western General Hospital, Spencer Division, Wynyard (including the following annexes)	Bass Highway, WYNYARD, 7385
Savage River Division of the North Western General Hospital	SAVAGE RIVER, 7321
Waratah District Nursing Centre	WARATAH, 7321
Luina District Nursing Centre	LUINA, 7321
Ouse District Hospital	OUSE, 7461
Peacock Convalescent Hospital	11 Swan Street, NORTH HOBART, 7000
Queen Alexandra Maternity Hospital	82 Hampden Road, HOBART, 7000
Queen Victoria Hospital	7 High Street, LAUNCESTON, 7250
Rosebery District Hospital	ROSEBERY, 7470
Royal Hobart Hospital (including the following annexes)	48 Liverpool Street, HOBART, 7000
Lady Clark Hospital	Main Road, CLAREMONT, 7011
Vaucluse Hospital	319 Macquarie Street, SOUTH HOBART, 7000
Wingfield House, Rehabilitation Centre	St. John's Park, NEW TOWN, 7008
Alonnah District Nursing Centre	Alonnah, SOUTH BRUNY, 7159
Cygnet District Nursing Hospital	Mary Street, CYGNET, 7112
Nubeena District Nursing Hospital	NUBEENA, 7184
Oatlands District Nursing Hospital (Cecilia Button Medical Centre)	13 Church Street, OATLANDS, 7205
Triabunna District Nursing Hospital	TRIABUNNA, 7273
Swansea District Nursing Hospital (May Shaw Memorial Hospital)	SWANSEA, 7275
Gore Street, Obstetrics Division	Gore Street, SOUTH HOBART, 7000
Smithton District Hospital (including the following annexe)	Bass Highway, SMITHTON, 7330
Redpa District Nursing Centre	REDPA, 7330
St. Helens District Nursing Hospital	ST. HELENS, 7216
St. Marys District Hospital	ST. MARYS, 7215
Toosey Memorial Hospital	Archer Street, LONGFORD, 7301
Ulverstone District Hospital	New Street, ULVERSTONE, 7315
West Coast District Hospital (including the following annexe)	McNamara Street, QUEENSTOWN, 7467
Strahan District Nursing Centre	Harvey Street, STRAHAN, 7468

SCHEDULE C

Clause 4.1

CENTRAL SERVICES

The central services for the purpose of this Agreement are:

Department of Health Services of Tasmania—Payments as follows:

- (a) salaries and wages of staff and employees wholly and directly concerned with servicing hospitals as agreed to by the parties; and
- (b) other gross operating costs on behalf of hospitals as agreed to by the parties.

State Laboratory—Payment of a proportion as agreed to by the parties.

Central Medical Store—Payment of a proportion as agreed to by the parties.

IN WITNESS WHEREOF this Agreement has been signed on behalf of the parties respectively as at the day and year first above written.

SIGNED by the Right Honourable JOHN MALCOLM FRASER, Prime Minister of the Commonwealth of Australia, in the presence of—

K. E. HEYDON

} MALCOLM FRASER

SIGNED by the Honourable WILLIAM ARTHUR NEILSON, Premier of the State of Tasmania, in the presence of—

A. M. CORNISH

} W. A. NEILSON