

13 January 2025

Rodney Parsons  
[fyi-request-28960-ce2fb5ff@requests.fyi.org.nz](mailto:fyi-request-28960-ce2fb5ff@requests.fyi.org.nz)

Tēnā koe Rodney,

## Your request for official information, reference: HNZ00070448

Thank you for your email on 12 November 2024, to Health New Zealand | Te Whatu Ora (Health NZ), under the Official Information Act 1982 (the Act). Please find a response to each of your questions below.

### Response

*Outline what assessments the Government, Ministry, Te Whatu Ora or Ambulance Services have provided about their assessed resource needs for the next and subsequent years.*

Emergency Road Ambulance Services (ERAS) in New Zealand are purchased by the Accident Compensation Corporation (ACC) and Health NZ (the Purchasers). ERAS are commissioned by the Ambulance Team on behalf of the Purchasers, who work in partnership with ERAS providers (namely, Hato Hone St John [HHStJ] and Wellington Free Ambulance [WFA]) to assess their resource requirements every year. Future ambulance service resource requirements are informed by the Ambulance Activity and Resource Model (AARM). The AARM is a complex simulation model that allows ERAS providers to model and plan optimal resource deployment to achieve a hierarchy of performance objectives, including staff utilisation levels and service response times. Over the last 2 years, ERAS providers have been funded based on the AARM scenario, which has resulted in funding for approximately 300 additional FTE. The full financial cost of the increased resources are funded by the Purchasers. HHStJ have implemented the additional resources per the HHStJ AARM scenario. The Purchasers and ERAS providers continue to evaluate future frontline resource requirements.

*Differentiate between what is an indexed uplift and what is a funded uplift in activity- how have ambulance services been funded for both the inflationary pressures over recent years and how have they been funded for increased activity?*

The contract includes an Annual Funding Review, which accounts for inflationary pressures (using the Labour Cost Index [Healthcare and Social Assistance] and Producer Price Index), resource requirement changes, and any new cost pressures.

Any funding invested into front line staffing above any agreed inflationary adjustment (i.e. an investment into the service) is considered funding for increased activity or volume.

Since 2022, HHStJ and WFA have received a combined \$148 million in additional funding composed of inflationary funding, increased front line staff, or volume funding. In late October 2024, the Government announced additional funding of \$21 million for HHStJ. Please note the corresponding additional funding for WFA is still to be confirmed.

*Outline the government's approach to addressing any long-term shortfall in ambulance funding.*

There has been a significant increase in annual ERAS funding from the Purchasers, from approximately \$164M in FY2016/17 to \$393M in 2023/24. The Purchasers and ERAS providers

have regular commercial discussions regarding the investment/funding requests. Ultimately, additional investment into ERAS is at the discretion of Government.

*Outline how the government funds capital expenditure for ambulance services, how it indexes this and supports funding and planning of ambulance stations, ambulance vehicles and essential medical equipment.*

ERAS providers receive approximately 83% of their funding from the Purchasers and attain their remaining funding through commercial activities, fundraising, and part-charges with respect to HHStJ.

The Purchasers' investment contributes to both staffing and capital expenditure requirements. The Purchasers do not pay for explicit capital expenditure, rather the contract reflects the overall contribution to the cost of the service with some explicit requirements, typically related to Front Line Resources.

*Address how the government will fund the increased activity incurred through the mental health withdrawal from police and transfer of that workload to ambulance services, and what has been put in place to ensure consumers and ambulance workers are kept safe.*

Health NZ is working with NZ Police and the Ministry of Health, along with ERAS providers, to change the way agencies respond to mental-health incidents. The change will see an increased health-led response, enabling Police support to be more focused on core policing activity, particularly crime prevention. A joint agency governance group involving the agencies listed above will remain in place throughout the year-long change programme to ensure there is an agreed and aligned approach to managing the change.

It is worth noting that emergency ambulance staff are trained in the management of threatening circumstances and patients suffering from mental health conditions. Furthermore, emergency ambulance staff are encouraged to raise any incidents of harm through the usual escalation process. All reported incidents of harm to staff or other persons, or where there appears to have been a possibility for serious harm to have occurred, are taken seriously and I am advised they are actively investigated and collated to inform planning and review processes. Additionally, the Police are committed to responding to any calls where an offence is being committed or there is an immediate risk to life or safety, including any risk to safety within our hospitals.

There will also be a clear process to review the impact of the changes in the early stages to ensure there are no unintended consequences and to allow for processes and resources to be adjusted if needed. Further information related to the mental health withdrawal can be found on the [Te Whatu Ora website](#).

*Outline whether it's usual practice for the government to require non-governmental organisations to fundraise for incomplete funding of essential services, and please outline what the thinking is by requiring ambulance organisations to either fundraise or charge the public for ambulance services.*

Non-governmental organisations (providing essential health services) obtaining funding via part-charges or co-payments is a common health funding model. Examples of this include, but are not limited to, pharmacy part-charges and GP co-payments. Additionally, I note that some providers may wish to offer services outside of what the Purchasers require, including those they have historically provided, and thus undertake fundraising or other commercial activities to provide such services.

Furthermore, this model can be observed in other international ambulance services. Further information can be found in [PWC's review of international ambulance services](#) which demonstrates some of the ambulance funding models utilised internationally.

*Outline any reviews, reports or advice the government has received contributing to its decision to continue to require the public to pay for ambulance services.*

We have interpreted this part of your request as reviews, reports, or advice provided by Health NZ to Ministers.

Health NZ has not undertaken any review or provided reports or advice to the Ministers on the decision to continue to require the public to pay for ambulance services. Accordingly, this part of your request is refused under section 18(e) of the Act.

*Outline any reviews, reports or advice the government has received in terms of indexing ambulance services against the impacts of the relative undersupply of primary care in certain regions throughout the country.*

No such advice or reporting exists to our knowledge. Accordingly, this part of your request is refused under section 18(e) of the Act.

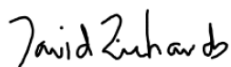
## **How to get in touch**

If you have any questions, you can contact us at [h.nzOIA@tewhatuora.govt.nz](mailto:h.nzOIA@tewhatuora.govt.nz).

If you are not happy with this response, you have the right to make a complaint to the Ombudsman. Information about how to do this is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or by phoning 0800 802 602.

As this information may be of interest to other members of the public, Health NZ may proactively release a copy of this response on our website. All requester data, including your name and contact details, will be removed prior to release.

Nāku iti noa, nā



## **David Richards**

**Group Manager Ambulance – Living Well  
Planning, Funding and Outcomes**