

NCOSS Submission to the Review of Financial Aspects of the Ambulance Service of NSW



June 2005

1. About NCOSS

The Council of Social Service of NSW (NCOSS) is the peak body for the social and community services sector in New South Wales. NCOSS works with its members on behalf of disadvantaged people and communities towards achieving social justice in NSW.

NCOSS provides an independent voice on welfare policy issues and social and economic reforms and is the major co-ordinator for non-government social and community services in NSW.

2. What Funding Approach is Appropriate?

Ambulance services are an essential service that deliver direct benefits to persons who are experiencing health crisis, by facilitating access to health facilities and enabling high level medical support on location and / or in transit. Because ambulance services must be available to respond to many incidents at the same time and / or major incidents, resourcing must take into account the need for standby capacity.

Ambulance services also deliver *indirect* community wide benefits, avoiding the social and economic costs associated with delays and non-treatment of ill patients. This includes lowering the costs associated with time off work for family members and a reduction in distress for families and friends etc.

Given the need for emergency response services to be available universally across NSW, NCOSS believes that the provision of ambulance services is a core responsibility of Government.

The current funding approach for the NSW Ambulance service can be characterised as a mix of *Government community service obligation payments*, *direct user charges*, and *indirect community contributions* (in the form of the Health Insurance Levy).¹ Arguably, this funding approach lacks consistency and delivers socially inequitable outcomes. Concerns include:

- the direct contribution (46%) from Government is comparatively low for what is arguably a core responsibility of government;

¹ The Ambulance Service of NSW breakdown revenue sources for the service at approximately 21% through fees, 30% from the health Insurance levy and 46% Government funding. See Ambulance Service of NSW, "Review of Financial Aspects of the Ambulance Service of NSW: Submission to the Independent Pricing and Regulatory Tribunal," May 2005, Fig 2, p15.

- contributions through the Health Insurance Levy draw from only a section of the NSW population (44%²), and whilst targeting higher income households, do not necessarily exclude contributions from low income households;
- direct individual user charges can be onerous and impact disproportionately on low income households that currently do not receive a fee exemption.³

3. What is the appropriate balance between Community Service Obligation and user pays?

A shift in the balance of CSO payments, indirect and direct contributions would arguably deliver more socially equitable outcomes. Overall NCOSS believes that abolition on individual user charges, and an increase in Government contribution would resolve existing issues.

a) Individual User Charges

NCOSS does not support a substantial increase in user charges because of the negative social impacts this would generate for low income households.

The charges currently levied on non-private health insured users can have a disproportionate impact upon the budgets of low to middle income households. These fees often come at a time of health crisis when families are struggling to meet the costs of other health related expenses.

The pricing of user charges disadvantages people who are located at a distance from health facilities. This will have a disproportionate impact on rural and remote patients who are already disadvantaged by distance and are impacted upon by NSW Health centralisation of health services to major towns. In these cases in particular, the per kilometre rate is inherently unfair, as the community has no control over where health services are located (or relocated).

Further, high user charges can discourage some community members from calling an ambulance, even when an emergency medical response is required to avoid further injury or death.

At present fees for individual users accounts for only 4% of the revenue of the Ambulance Service of NSW.⁴

b) Institutional User Charges

Currently fees for institutions account for 17% of the revenue for the Ambulance Service, with charges to hospitals accounting for around three quarters of this

² Ibid., p16.

³ Price Waterhouse and Coopers (PWC) estimate that only 33.6% of the NSW population is eligible for direct user charges. See Price Waterhouse Coopers, "Ambulance Service of NSW Funding Model: A Comparison with Other National and International Ambulance Services," May 2005, p15.

⁴ Ambulance Service of NSW, "Review of Financial Aspects of the Ambulance Service of NSW," p15.

revenue.⁵ In many respects because of the large contribution to this revenue stream from State and Federal Government agencies (ie NSW Health and Department of Veterans Affairs), institutional user charges can be characterised as comprising largely indirect government contributions.

Taking into account the greater capacity of institutional users to meet ambulance charges it is reasonable for the Ambulance Service to seek recovery for some of the costs from these organisations. In particular there is a case for levying charges on facilities where it is clear that the way in which health services have been structured and organised has in turn generated the transport task (for example as a result of the regionalisation of specialist services).

c) Health Insurance Levy

It is reasonable to assume that by and large the Health Insurance Levy would be paid by higher income households, and therefore impact mostly on those with a capacity to pay.

It should be noted though that Australian Government incentives for private health insurance subscribership are likely to increasingly push lower income households and individuals into private health insurance, and thus there is likely to be an increasing number of low income people who are paying the Health Insurance Levy into the future. More sophisticated stepped pricing for the Health Insurance Levy, or an alternative levy scheme, could ensure that low income households do not bear a disproportionately high level of cost in their contribution to ambulance services.

d) Inclusion of Ambulance Costs as a Component of Medicare

Given that the emergency support and transport services provided by the Ambulance Service of NSW are a public good that arguably *all* may need at some time in their lives – indeed some would suggest that emergency transport and support is an essential component of a health system – there is *prima facie* a strong case for inclusion of the costs of this service under public health insurance. Further, because the Medicare Levy is payable through a tax system that incorporates capacity to pay principles, there is a degree of equity in seeking to fund ambulance services through this public resource.

NCOSS understands that the Queensland government had unsuccessfully approached the Australian Government on this issue. There will undoubtedly continue to be political barriers in relation to seeking Commonwealth responsibility and funding for ambulance services, particularly at a time when the Australian Government is seeking to mitigate its future financial obligations to health funding. Nevertheless, NCOSS believes that inclusion of the costs for Ambulance Services through the Medicare Levy is both the most efficient and equitable mechanism for generating revenue for this service.

e) Increased NSW Government Contribution

⁵ Ibid., p15.

IPART estimates that the current ratio between Government community service obligation payments and user pays funding is 47:53.⁶ NCOSS believes that taking into account the relatively low proportion of funding provided directly by the NSW Government for this essential service, there is justification for an increased contribution.

There is currently a low level of contribution by individual users to the Ambulance Service NSW (4%⁷) as a result of a large number of exemptions for some low income groups, and the high levels of bad and doubtful debts. Given the small contribution made by individual users, there may be some justification for abolishing individual user contributions and for government to increase its contribution to meet the funding gap this would generate (approximately \$15m pa). This would create a 51:49 split between government and community / institutional contributions to the service. Apart from the concerns expressed above in relation to the Health Insurance Levy, this would alleviate the social costs currently associated with user charges for low-income households that currently do not receive an exemption from fees.

This solution is relatively simple and cost effective, although it could conceivably lead to increases in user charges into the future, particularly if institutional users (such as the Department of Veterans Affairs or health facilities) seek to restructure their funding for ambulance transport to take advantage of the exemption in charges for individuals. This could be avoided by abolition of both individual *and* institutional user charges completely for the Ambulance Service of NSW. This would mean that the Health Insurance Levy would continue to provide 30% of the funding of the service, while Government funding would comprise 67% of funding, creating a reasonable 70:30 Government / community split in contribution for the costs of the Ambulance Service of NSW. Based on 2003 – 04 figures, this approach would necessitate a \$71m per annum increase in NSW Government allocation for the Ambulance Service of NSW.⁸ Note that a complete exemption on user charges would effectively remove the costs of ambulance transport for institutional users. In some respects this is reasonable because of the tangible community benefit these services provide. On the other hand, this may act to hide some of the very real transport costs that exist within the health system, some of which are themselves generated by the way in which health services are structured.

f) A General Community Levy for Ambulance Services

Governments have increasingly favoured the use of levies as a supplementary taxation mechanism to raise additional revenue. When levies are targeted to products and services they can act to regulate demand, and are useful where the levied activity carries socially or environmentally adverse externalities (for example the NSW Parking Space Levy both raises revenue for Government and aims to discourage private motor vehicle use to central business districts).

⁶ Independent Pricing and Regulatory Tribunal, “Review of the Financial Aspects of the Ambulance Service of NSW: Issues Paper,” March 2005, p21.

⁷ Ambulance Service of NSW, “Review of Financial Aspects of the Ambulance Service of NSW: Submission to the Independent Pricing and Regulatory Tribunal,” p15.

⁸ See Ambulance Service of NSW, “Review of Financial Aspects of the Ambulance Service of NSW: Submission to the Independent Pricing and Regulatory Tribunal,” p15.

Where a levy is imposed on an essential service (such as electricity / energy) that is used by a large proportion of the population, the effect of the levy can be to increase prices, often disproportionately affecting low income households who use the affected service. Worse still, the levy can itself discourage usage of the essential service by those who subsequently cannot afford to pay. This has been, for example, a criticism of the fire services levy imposed on home insurance policies in NSW.⁹

IPART have suggested that a levy could be imposed local government rate notices.¹⁰ A levy on council rates would impact land owners, as opposed to renters, this levy would both inadvertently include “income poor” property owning households, and exclude high income tenants.

In their submission to the Tribunal, the NSW Ambulance Service has highlighted a number of benefits of imposing a generalised community levy imposed on electricity accounts (as is currently in place in Queensland) to raise revenue for ambulance services (in part to fund the abolition of user charges).¹¹ Note that this proposal effectively involves imposing a levy on an essential service to pay for another essential service. NCOSS has concerns that a generalised levy through electricity accounts or local government rates could have significant adverse impacts for households that are currently struggling to meet living costs, particularly those low income households that would not be eligible for a concession / exemption. NCOSS is aware that at present up to half of electricity disconnections are represented by households where the main source of income is a wage. Any significant increase in charges is likely to increase the incidence of disconnection for this group. Note also that this proposal comes at a time when both government and industry have flagged significant upward pressure on energy pricing, which will itself have a potentially adverse effect for some consumers.

Other concerns relating to a levy on electricity accounts include the possibility of increased pressure on the Energy Accounts Payment Assistance (EAPA) Scheme by households who have difficulty meeting electricity costs; the role of EAPA vouchers with respect to a new Levy (ie do vouchers cover levy costs?); whether failure to pay the levy would compromise receipt of either electricity service or ambulance service; and finally, the administrative costs of setting the levy and the subsequent flow on effects of these costs.

If IPART were to recommend the abolition of the Health Insurance levy and individual user charges in favour of a generalised ambulance service levy, NCOSS recommends that this levy be directly hypothecated to the Ambulance Service of NSW, and that the levy be designed to raise revenue equivalent to the contribution currently made by the Health Insurance Levy (ie \$100m pa). Government would meet the \$15m pa funding gap for individual user charges. In its simplest form, if electricity

⁹ For example, a NRMA media statement from 2003 states “No one in the community benefits from insurance that is almost 40 per cent to 80 per cent more expensive than it has to be. Not people who have to pay the extra because they take out insurance and not people who can’t afford insurance because of the unfair way fire services are collected puts it out of their reach,” 26th February 2003, at <http://www.nrma.com.au/pub/nrma/about_us/media_releases/20030226a.shtml>.

¹⁰ IPART, “Review of the Financial Aspects of the Ambulance Service of NSW: Issues Paper,” p21.

¹¹ Ambulance Service of NSW, “Review of Financial Aspects of the Ambulance Service of NSW: Submission to the Independent Pricing and Regulatory Tribunal,” pp22-3.

accounts were leviable, this would result in a uniform levy of approximately \$45 per year per household, assuming exemptions are granted for low income households (ie pension and health care card holders).¹² NCOSS favours exemptions or concessions for low income working households who do not currently possess a relevant concession.

An alternative to a generalised levy is to target the levy on particular services or goods in order to mediate any disproportionate impacts on lower income households (in some respects the existing Health Insurance Levy achieves this, although as discussed above, there are equity issues to consider in relation to this). In 2004 NCOSS proposed a Social Reclamation Levy on vehicles that generate high social and environmental costs.¹³ NCOSS estimated that a 5% levy on new Four Wheel Drive (4WD) vehicles would alone generate \$54m annually for the NSW Government.¹⁴ Factoring the substantial social and economic costs generated by road related fatalities (increasingly as a result of 4WD vehicles¹⁵), and taking into account the pivotal role played by emergency services in responding to road related injury and fatality, there is arguably a justification for such a levy, provided of course appropriate safeguards are in place for lower income households.

g) Charges for Standby Services at Major Events

A revenue option that is not explored by IPART, the Ambulance Service of NSW or PWC is levying a charge for standby services provided at major events. While it is reasonable for these services to be made available without charge for large not for profit events, NCOSS believes that there is a case for imposing charges on commercial promoters of large events where it is clear that the event is a profit making venture. Many of these events (such as large sporting fixtures on weekends) do draw away capacity from the service.

4. How Should Individual Users be Charged?

As stated above, NCOSS believes that direct user charges are inappropriate for ambulance services. Nevertheless, if the Tribunal were to favour the maintenance of, or expansion of, user charges NCOSS recommends that the following factors be taken into account.

a) Which users?

At present user charges are payable by households that do not subscribe to private health insurance and are not eligible for a relevant exemption. This will include low to

¹² Based on an assumption that there are a total of approximately 3 million residential and non-residential electricity accounts in NSW, and allowing for exemptions for 1/6th of accounts. Based on IPART figures, in 2002 there were 2,975,736 residential and non-residential accounts in NSW (see Independent Pricing a Regulatory Tribunal, “NSW Electricity Distribution Pricing 2004/05 to 2008/09 - Draft Report,” January 2004, p12).

¹³ Council of Social Service of NSW, Fairer Taxes and Better Services, Social and Economic Priorities for a Fair and Sustainable Community: 2004 – 2005 State Budget,” February 2004, pp5-6.

¹⁴ Ibid., p6.

¹⁵ It has been noted in the media that four wheel drive vehicles are “four times more likely to kill passengers in a normal car in a collision,” see M. Devine, “The Right to Drive is not the Right to Kill,” in *The Sydney Morning Herald*, Thursday May 19th, 2005, p15.

middle income households who do not hold a relevant concession card, but cannot afford private health insurance, a group that includes low income working families and some lower income self funded retirees. NCOSS is concerned that many of these households are not in a position to meet user charges, particularly during times of health crisis when there are likely to be a range of other health related costs.

Better targeting of exemptions, or a stepped pricing scheme, could reduce impacts for households that are currently adversely affected by user charges.

Because of the problems related to imposing user charges on low income families and individuals, NCOSS would not support the PWC proposal to introduce a co-payment ambulance call out fee for non-emergency services.¹⁶

b) New Charges for “Treat and not Transport”

NCOSS does not support the introduction of charges for ‘treat and not transport’ services.

As argued above, apart from the provision of health transport, a core responsibility of an ambulance service is to provide emergency support to patients, either at the location of an incident or in transit. These services are to a large extent a public good, and it is debateable as to the appropriateness applying charges to members of the public who require support as a result of a critical incident. Further, the ‘treat and not transport’ capacity of ambulance services provides a flow on benefit to health services, which subsequently do not need to respond to patients who have been treated by an ambulance service. Note that if these patients were transported to a public hospital emergency department, then they would be able to claim health expenses against Medicare.

Apart from the potential impact of a new charge for low income families and individuals, NCOSS is concerned that a ‘treat and not transport’ charge may discourage people in health crisis from requesting emergency support from the Ambulance Service. In particular, people who experience chronic illness or older people with complex health issues who can require frequent ambulance service support may be reluctant to contact the ambulance service, even in potentially life threatening situations.

c) Fee Levels and Structures

Although the comparatively low level of user charges in NSW are acknowledged,¹⁷ NCOSS does not support a substantial increase in charges because of the social impacts discussed above. Nevertheless, NCOSS recommends an examination of charges imposed for non-emergency transport: this issue is discussed in further detail below.

Unlike a general transport provider, it is a core responsibility of the Ambulance Service of NSW to respond to emergencies that fall outside of regular business

¹⁶ See PWC, “Ambulance Service of NSW Funding Model,” p57.

¹⁷ IPART, “Review of the Financial Aspects of the Ambulance Service of NSW: Issues Paper,” p24.

hours. For this reason, NCOSS believes it would be unreasonable for an emergency response service to impose an after hours surcharge.

If the tribunal recommends an increase in user charges, NCOSS would urge consideration of a stepped pricing scheme, with lower income individuals and families not currently eligible for an exemption provided a lower user charge than that imposed on other users. If implemented this would promote increased affordability for some users.

d) Impacts of User Charge Increases

IPART have speculated that an increase in user charges is likely to lead to an increase in private health insurance subscribership, as a result of the increased “cost of the risk of being uninsured.”¹⁸ A significant proportion of non-privately insured people who are not exempt from user charges are low to middle income households, who arguably are not in a position to meet the costs of private health insurance. While many of these households may eventually subscribe to private health insurance as a result of continued inducement from Federal government subsidy and financial penalties, it is debateable to what extent health insurance subscribership will increase *solely* as a result of increased ambulance service charges, particularly given the common misperception that these services are current provided with no charge. Nevertheless it is possible that some low income households may subscribe to ‘ambulance only cover,’ particularly if there is a substantial increase in user charges, and there is an anticipation from users that there will be the need for frequent use of the service.

As discussed above there could be a number of adverse side effects related to increases in user charges. These include increased financial stress for low income individuals who are currently not entitled to an exemption, and an increased reluctance from these individuals to call for an ambulance in a situation of health crisis. There may also be increasing demands placed on community transport providers for some non emergency health related trips.

e) Bad and Doubtful Debts

Around 47% of individual users invoiced for Ambulance Service transport fees do not pay. This is generally agreed to reflect the community assumption that ambulance service costs are (or should be) borne by the public health system. The PWC report recommends that the Ambulance Service use “techniques” currently employed by other debt and fine collection agencies, including the State Debt Recovery Office, on the assumption that “the vast majority of these bad debtors are not substantially dependent on welfare payments” and there should therefore be “some prospect of debt recovery.”¹⁹

Taking into account the fact that a significant proportion of ‘bad debtors’ can be assumed to include low income working households, and further comprises families and individuals who have experienced – or are experiencing – some form of health

¹⁸ Ibid., p25.

¹⁹ PWC, “Ambulance Service of NSW Funding Model,”p16.

crisis, the use of more aggressive techniques for debt recovery by the State Debt Recovery Office (SDRO) or any other agency is inappropriate. NCOSS has previously provided public comment on the NSW Fine enforcement system, and the unfortunate role this has played in a range of socially adverse consequences for low income families and individuals in NSW, in part a result of the processes utilised by the SDRO in the pursuit of outstanding fines.²⁰

f) User Charges as a Means to Regulate Demand for Services

Both IPART and PWC have signalled that user charges can be used as a tool, in particular circumstances, to regulate demand for services. PWC in particular state that changing the structure of user charges to increase the flagfall from \$165 to \$375 may “provide a better price signal to contain usage to genuinely necessary and appropriate occasions.”²¹

NCOSS is yet to see evidence presented to IPART that Ambulance Services are currently being inappropriately used by sections of the community to warrant such a change in fee structure. NCOSS further has concerns that this approach to setting user charges reflects a poor understanding of both the relationship between price and the supply of essential services, and the potential adverse social consequences associated with limiting access to an emergency response service through the mechanism of user charges. If there is a need for Ambulance Charges, ideally the motivation should be to provide partial cost recovery for the service, and not to limit demand on the unfounded belief that low pricing will encourage increased inappropriate usage.

5. Effectiveness of the Ambulance Service

NCOSS recommends that the following issues be considered in relation to reporting on the effectiveness of the Ambulance Service of NSW.

a) Key Performance Indicators

Although there appear to be robust measures in relation to response times, there is little data collected on the outcomes in relation to ambulance response. Data collected on the outcomes of transport / treatment could help to generate a more complete picture of the role played by the Ambulance Service.

Although response times are important in assessing the effectiveness of the Ambulance Service, but they do not provide a complete picture of the role played by the service. NCOSS acknowledges the steps taken by the Ambulance Service of NSW in developing KPIs related to clinical practice issues.²²

b) Patient Satisfaction Survey

²⁰ See for example Council of Social Service of NSW, “NCOSS Submission to the RTA Review of Fines and Demerit Points,” February 2004, pp4-5.

²¹ PWC, “Ambulance Service of NSW Funding Model,” p56.

²² Ambulance Service of NSW, “Review of Financial Aspects of the Ambulance Service of NSW: Submission to the Independent Pricing and Regulatory Tribunal,” pp28-9.

Although the Patient Satisfaction survey results indicate a high level of user satisfaction with the service, NCOSS notes that the survey size was relatively narrow in comparison to users of the services (1,300 people surveyed out of close to 1million responses). An expanded survey size would provide a more representative sample of user satisfaction.

Further information on the demographics of the survey sample – for example, age, membership of a Culturally and Linguistically Diverse community, metropolitan or rural / remote residency, Aboriginal and Torres Strait Islander origin – would further add depth to the survey results.

6. Efficiency of the Service

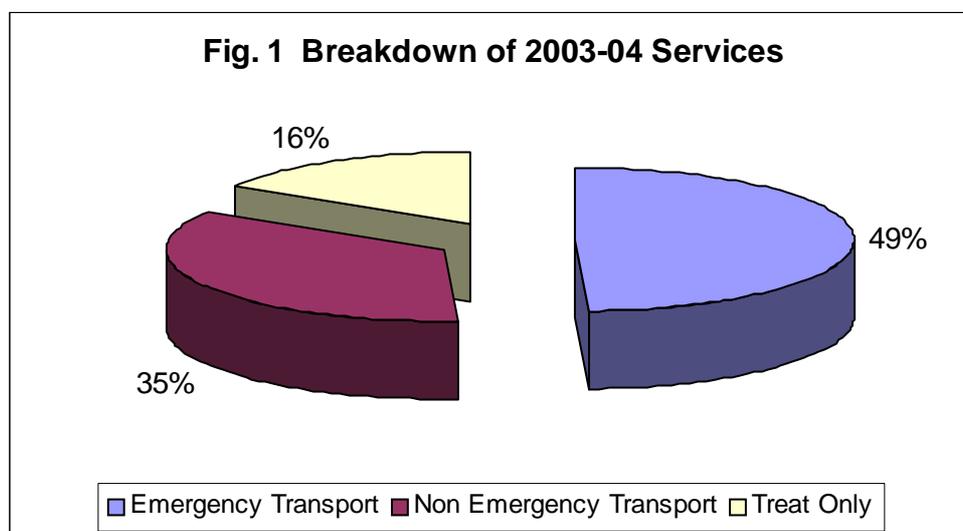
a) Quality, Reliability and Safety

NCOSS does not have further comments on the Quality, Reliability and Safety aspects of the Ambulance Service of NSW, with the exception of the observations made above on improving the available data on the effectiveness of the service.

b) Costs

There are difficulties in balancing the costs associated with an emergency response service against questions of efficiency because of the nature of the service. For example because the Ambulance Service must have capacity to respond to emergency situations, including major incidents, it is inevitable that vehicles and equipment will be under-utilised while they are on stand-by. In this respect it would work against the effectiveness of the Ambulance Service to significantly diminish its 'spare capacity.'

A significant question is posed by the structuring of Ambulance Service costs in relation to *non emergency transport*, which currently represents a significant proportion of the services provided (see Figure 1). At present non emergency transport attracts user charges which are more or less equivalent to charges for emergency transport.



NCOSS believes that to a certain extent it is inevitable that an emergency service will be called upon for some non-emergency trips, and that in many cases the Ambulance Service NSW is in the best position to provide non emergency health related transport, either through emergency or non emergency vehicles. Note also that emergency vehicles do provide a proportion of non emergency trips (the Ambulance Service of NSW estimates this at 21% in Sydney)²³. Nevertheless, non emergency transport, particularly where it is provided by a non-emergency transport vehicle (ie Patient Transport Service), bears a significantly reduced cost, because of the lowered requirements in terms of medical support of patients, and the capacity to transport a number of patients in a single trip. It is apparent that cross subsidisation between emergency and non-emergency transport assists to meet some of the costs of emergency service provision. Certainly any restructure of costs for emergency and non emergency transport should ensure that resources remain intact for vital emergency response services.

The Ambulance Service of NSW have suggested that there may be some grounds to consider the introduction of competition for some non-emergency services. NCOSS expresses some caution in relation to this approach, and stresses that there may be some adverse consequences for consumers, particularly if contestability of contracts for non-emergency services is based on an approach that privileges price rather than quality of service.

An option that is not raised either by IPART, the Ambulance Service of NSW or the PWC report is an expansion in the role currently played by not for profit community transport providers. Many of these providers specialise in the provision of non emergency health related transport to health facilities, and utilise drivers who have some expertise in meeting the support needs of people who require this form of transport. While there are limits to the capacity of these organisations to provide many trips (for example late night emergency responses may not be possible), in some cases there could be opportunities for the Ambulance Service of NSW / NSW Health to sub-contract non government and local council transport providers to provide non emergency transport.

A related issue is the role of other NSW Health funded transport assistance programs in relation to the Ambulance Service of NSW. Currently NSW Health funds an Isolated Patients Transport and Accommodation Assistance Scheme (that provides travel and accommodation subsidy by reimbursement) and a Transport for Health program (which includes funding for non emergency health related transport). Both programs suffer from a lack of resources, and arguably an increased Government investment may result in a reduced demand on the Ambulance Service NSW for non emergency transport.

NCOSS also notes that the Ministry of Transport has been working in regional areas with non government and private transport providers to maximise the use of existing spare capacity, particularly where there is limited availability of resources. NCOSS

²³ Ibid., p26.

believes there may be grounds for a similar approach with non emergency vehicles in the Ambulance Service NSW fleet.

7. Application of Cost Index Approach to Ambulance Service Fees.

NCOSS supports increases in revenue for the Ambulance Service NSW to cover bona fide increases in costs. But, given there is good justification for individual user fees to *not* reflect on the real costs of service (because of the social utility associated with ambulance services), and further, given the greater capacity of government (as opposed to individual users) to wear expenses related to any irregular upward pressure on costs, NCOSS believes there is a strong case for tighter regulation of user charges with respect to potential social impacts. NCOSS recommends that the tribunal adopt a social cost index as a component in the cost index approach.²⁴

There is a question as to the suitability of IPART providing future determinations on Ambulance charges, particularly given the constraints on the Tribunal to devise a cost index approach, and to factor performance issues in order to justify user charge increases. As a consequence of the significant social impacts associated with user charge increases, NCOSS would advocate user determination through another process that has the capacity to apply more weighting to adverse social costs.

8. Conclusion

As stated above, a preferred approach would be federal funding for Ambulance Services through the Medicare Levy. NCOSS strongly urges the Tribunal to recommend that the NSW Government negotiate with other States and Territories to create a case for inclusion of Ambulance Costs within the Medicare levy.

Failing this, NCOSS provides the following recommendations to IPART in relation to the financial aspects of the Ambulance Service of NSW:

- i) That IPART recommend (a) abolition of individual user charges; (b) maintenance of HIL; (c) adoption by government of suitable government / community funding ratio for the Ambulance Service NSW to meet these costs.
- ii) That if a general community levy is sought in lieu of the HIL and user charges, then the levy should be set to raise revenue equivalent to the current contribution by HIL and that government and institutional users should meet the remaining costs.
- iii) That if user charges are maintained IPART explore the possibility of introducing stepped pricing to provide a reduced user charge to low income families and individuals who are currently not provided with an exemption.
- iv) That IPART recommend a review of the provision of non emergency health related transport in NSW, including examination of the roles of the ambulance Service of NSW and community transport and other operators.

²⁴ NCOSS has recommended this to IPART in relation to taxi fares. See Council of Social Service of NSW, "NCOSS Submission to the Independent Pricing and Regulatory Review of Taxi Fares 2003," June 2003.

