

Public Benefit Test Report

National Competition Policy Review
of the Queensland

Ambulance Service Act 1991

Ambulance Service Regulation 1991

Table of Contents

Executive Summary	2
Recommendations	6
Background	8
An Overview of Ambulance Services in Queensland.....	12
Legislative Context.....	16
The Ambulance Service Act 1991; s43 Unauthorised ambulance transport	18
Ambulance Service Regulation 1991; s7 Fees for service.....	28
Ambulance Service Act 1991; s45 Unauthorised collections	29
Ambulance Service Act 1991; s48 Restricted use of words	30
Ambulance Service Act 1991; s44 Unauthorised teaching of first aid	32
Implementation Issues	36
Appendix 1: Review Terms of Reference.....	38
Appendix 2: Summary of Submissions Received.....	39
Appendix 3: Restrictions Legislative Provisions	41
Appendix 4: Ambulance Services in Other Jurisdictions	43
Appendix 5: First Aid Approved Providers	46

Executive Summary

The Legislation

The legislation being reviewed in accordance with the Competition Policy Agreements (CPA) is the *Ambulance Service Act 1991* (the Act) and the *Ambulance Service Regulation 1991* (the Regulation).

The Ambulance Service Act 1991 was passed by Parliament to provide Queensland's ambulance service with an organisational structure that enabled it to more effectively service the needs of Queenslanders. While it seeks to ensure Queenslanders have available an appropriately structured, funded and staffed ambulance service that meets the identified needs of Queenslanders, it is essentially an Act for the Queensland Ambulance Service rather than for the provision of Ambulance Services in Queensland. By its very nature, the Act itself is considered to be restrictive.

While the underlying objective of the Act remains relevant, the restrictive provisions could be viewed as eliminating the possibility of competition within the ambulance transport market.

The restrictive provisions have been identified below. The Steering Committee has identified the policy objectives of these provisions as being to:

- Appropriately regulate the ambulance services market to ensure that timely, relevant and comprehensive ambulance care is provided equitably to all Queenslanders; and
- Appropriately regulate the market for first aid training.

This Public Benefit Test (PBT) Report clarifies that the policy objectives of the legislation remain relevant in terms of contemporary economic issues and community attitudes.

Nevertheless, while the overall objectives of the legislation remain relevant, the Steering Committee has identified that these objectives can be better achieved through revision of the Act to increase the opportunities for competition while still maintaining an effective, responsive and equitable ambulance service in Queensland.

In reviewing the legislation, the Steering Committee believes that a net benefit will accrue to the community, outweighing any associated costs.

The Steering Committee also believes that greatest value to the community will be achieved through retaining some restrictions on ambulance service delivery.

Restrictive Provisions

s43 of the Act

S43 prohibits persons, other than the QAS, from implying that they provide ambulance transport, unless they have obtained the approval of the Minister. The section also allows the Minister to set conditions for approval.

In examining this restriction, the Steering Committee considered two options in addition to the status quo. These were deregulation, and contestability for accredited suppliers. A summary table of options is included within the report.

The Steering Committee believes Option 2 – Contestability for Accredited Suppliers is the Option that will deliver the greatest benefit for the least cost. Stakeholder impact analysis is discussed in the body of the Report.

Consistent with the provisions of the Legislation, the Steering Committee believes there is a net public benefit associated with retaining the restriction on persons implying that they provide ambulance transport services. The benefit is derived from the ability to ensure quality and public safety in ambulance service delivery. In this regard, the Steering Committee recommends that services tasked through the triple zero '000' facility not be subject to contestability.

The current legislation makes provision for alternative suppliers to enter the market through an approval process. However, the process for obtaining approval needs to be more transparent, and subject to an appropriate set of criteria. In addition, a process for gaining approval needs to be articulated, and an appeal mechanism established. The Committee recommends that s43 be amended to incorporate reference to a regulation that establishes a transparent process, guidelines and appeal mechanism by which suppliers may be accredited to provide ambulance services.

The Committee considers that the Minister for Emergency Services is the appropriate authority in which power to accredit potential market entrants should be vested and that this authority be non-delegable.

To assist the Minister in accrediting alternative providers, it is recommended that a Technical Advisory Body be established to provide the necessary input regarding the clinical, organisational and technical abilities of the organisation or individual seeking approval.

While a general accreditation and standards framework is suggested, the Committee does not consider its role is to explore in any depth the process by which standards are developed or discuss the actual standards themselves. The Committee suggests that a technical taskforce be established to undertake this development work.

The Committee also notes that the objective of the *Ambulance Services Act 1991* was stated as “an Act to establish the Queensland Ambulance Service and for other purposes”. However, as the environment for ambulance services in Queensland changes, the relevance of the Act as the sole vehicle for regulating ambulance service delivery diminishes. Consequently, the Committee suggests that a longer-term strategy of Government should be to undertake a more in depth review of the Act to develop a more robust legislative vehicle for the general provision of ambulance services.

s7 of the Regulation

S7 of the Ambulance Service Regulation 1991 sets fees payable by non-subscribers to Queensland Ambulance Service for ambulance services.

The Committee considers that s7 of the Regulation appropriately reflects the objective of the Act, being specifically related to the Queensland Ambulance Service. Consequently, as long as it is clear to both consumers and suppliers of ambulance transport services that the fees included within s7 of the Regulation relate only to the QAS, it is not considered that this provision impacts adversely on non-QAS providers.

The Committee further determined that, should s7 of the Regulation present an issue for QAS in the event that the ambulance service market becomes more competitive, QAS would need to address this issue through normal Government legislative review processes.

The Steering Committee also identified the related provision, s54 subsection 2(a) of the Act, as a potential issue for alternative providers providing ambulance services. The Committee suggests that advice on this section be obtained from the Crown Solicitor to determine whether its wording requires review in order to clearly reflect the Steering Committee's conclusions related to s7 of the Regulation.

s45 of the Act

S45 prevents persons who are not authorised by a Local Ambulance Committee from collecting or soliciting of money or property from the public in return for ambulance services, unless they have the Commissioner's approval. The Commissioner may impose conditions for approval.

The Steering Committee does not believe this restriction confers a public benefit and should therefore be repealed. There are other legislative mechanisms to protect the public from fraudulent or imprudent behaviour in the marketplace.

s48 of the Act

S48 prevents persons from using the words 'Ambulance Service' or similar as a name, title or description, and using the word 'Ambulance' on any vehicle not owned or operated by the Queensland Ambulance service. A person or corporation may use these words if they obtain the written authority of the Commissioner.

The Steering Committee has concluded that there remains a public benefit in restricting the use of the words 'ambulance service' and 'ambulance', but that, consistent with recommendations made under s43 of the Act, the Minister is the appropriate approving authority.

The Steering Committee determined that the provisions in s48 of the Act would be more appropriately placed with the provisions under s43, ensuring that the need to approve use of the words 'ambulance service' and 'ambulance' is considered in the process of the Minister approving provision of these services.

In repealing s48 and incorporating its provisions under s43, the Committee would expect that ambulance service providers holding a current approval under s48 of the Act to provide ambulance services, and to utilise the words 'ambulance service' and 'ambulance', would retain this approval after revision of the Act.

s44 of the Act

S44 prohibits a person, other than a (QAS) officer, from teaching first aid without the approval of the Commissioner. The section also allows the Commissioner to impose conditions for approval. The issue with this section of the Act is primarily that the regulator of the first aid training industry is also the major provider of first aid training services. This constitutes a significant conflict of interest.

The Steering Committee considered two options in relation to this section of the Act. The first was that s44 be repealed from the Act with no alternative regulatory measure implemented, and the second was that s44 be repealed from the Act with an alternative regulatory body established under legislation administered by the Department of Employment and Training.

While it was strenuously argued by some parties that deregulation of the first aid training market would raise public safety issues, there was an equally strong view that regulation of first aid training presented a barrier to consumers accessing first aid training services. It was argued that deregulation would allow greater coverage of the public with associated social benefits.

Furthermore, National Competency Standards and accredited courses for first aid training have been established under The Australian Quality Training Framework's Health Training Package. It is the responsibility, therefore, of the Health and Community Services Industry Training Advisory Board to provide advice to the Queensland Department of Employment and Training as to approvals under the new nationally recognised guidelines. The concern for supporters of regulation is that this leaves non-accredited providers of first aid training in Queensland subject to no regulatory provisions. This is consistent with the situation in other States.

After considerable deliberation regarding the various arguments, the Steering Committee concluded that there was no evidence to suggest that deregulation of the first aid training market would lead to adverse outcomes. The Steering Committee therefore considers it appropriate that s44 be repealed from the Act. It considers that a major provider should not deal with the regulatory function in the first aid training market.

Additionally, the national and state accreditation processes for registered training organisations wishing to be accredited to provide first aid training appear to be robust enough to appropriately regulate the market for first aid training.

Consultation

As the review was conducted as a minor departmental review, a targeted consultation process was undertaken. Public notices were placed in *The Courier Mail* and *The Australian* on Wednesday 15 and Saturday 18 May, 2002 informing the public of the review and inviting all interested parties to make a submission.

The Steering Committee also wrote to key stakeholders to advise them of the review and invite submissions. Stakeholders were provided with relevant sections of the PBT Plan that identified the restrictions, discussed alternatives, and canvassed the regulatory environment in other jurisdictions. Other explanatory materials were also made available. Appendix 2 summarises the submissions received by the Steering Committee.

Further Review of the Act and Regulation

It has been recommended by the Committee that some of the restrictive provisions remain within the Act and Regulation. Consequently, in accordance with Queensland Government guidelines, it will be necessary for a further National Competition Policy Review to be undertaken within 10 years.

Recommendations

- Recommendation 1. That, in the interests of public safety, and to ensure quality of, and access to, essential services, ambulance services tasked through the triple zero '000' facility continue to be provided by a single provider with the capability to deliver a Statewide response (such as the QAS).
- Recommendation 2. That a project team with appropriate representation be formed to develop a new Regulation which establishes transparent entry (accreditation) criteria for the provision of emergency, urgent and non-urgent ambulance services.
- Recommendation 3. That an independent technical advisory group be established to advise the Minister on accreditation of individuals and organisations.
- Recommendation 4. That s43 of the Act be reviewed to give the Minister for Emergency Services the non-delegable power to approve alternative ambulance providers.
- Recommendation 5. That in the longer-term, Government undertake a full review of the Act to update and change the focus of this legislation to deal with the provision of ambulance services in Queensland, rather than being simply a vehicle for the establishment of the Queensland Ambulance Service.
- Recommendation 6. That it be noted some provisions in the Health (Drugs and Poisons) Regulation 1996, and the Transport Operations (Road Use Management) Act 1995 may require minor changes as a consequence of the proposed revision of s43 of the Act.
- Recommendation 7. That once the new Regulation is promulgated, existing ambulance services, including the QAS, undergo the accreditation process during a transitional period.
- Recommendation 8. That pricing Regulation be retained for QAS under the Act. A subsequent review will be undertaken by the Department of Emergency Services to ensure QAS pricing in various market segments accurately reflects the cost of service delivery in those market segments.
- Recommendation 9. That advice be sought from the Crown Solicitor with regard to s54 subsection 2(a) of the Act to determine its impact, if any, on fees charged by alternative suppliers of ambulance services.
- Recommendation 10. That s45 of the Act be repealed.
- Recommendation 11. That s48 subsection 1(a) and 1(c), and s48 subsection 2(a), (b) and (c) of the Act be repealed.
- Recommendation 12. That s43 of the Act be redrafted to incorporate the current provisions of s48 subsection 1(a) and 1(c) of the Act.

- Recommendation 13. That the Minister be the authority responsible for approving use of the words 'ambulance' and 'ambulance service' as part of the accreditation process under s43 of the Act.
- Recommendation 14. That currently exempted services under s48 subsection 2 of the Act, and the Queensland Ambulance Service, be provided with an automatic approval to use the words 'ambulance service' and 'ambulance' as part of implementation of Recommendation 11 above.
- Recommendation 15. That organisations or individuals holding a current approval under s48 1(a) and s48 1(c) of the Act be granted approval where appropriate to use the words 'ambulance service' and 'ambulance' in a manner consistent with their current approval from the Commissioner.
- Recommendation 16. That s44 of the Act be repealed.

Background

National Competition Policy

In April 1995, the Commonwealth, State and Territory Government signed a set of agreements to implement National Competition Policy (NCP). Under NCP, each participating jurisdiction committed to implementing a series of competition reforms.

Under the Competition Principles Agreement (CPA), which forms part of NCP, each state and territory government is required to:

- Review and reform, where appropriate, all legislation containing provisions restricting competition; and
- Subject all new legislative proposals that contain measures restricting competition to a public benefit test (PBT).

The CPA's guiding principle is that legislation should not restrict competition unless it can be demonstrated that the:

- Benefits of the restriction to the community as a whole outweigh the costs; and
- Objectives of the legislation can only be achieved by restricting competition.

Implementation of NCP in Queensland

The Queensland Government's approach to implementing the NCP is that legislative restrictions upon competition may occur where they are clearly shown to be in the public interest and there are no significant adverse effects on stakeholders.

NCP reviews of Queensland legislation are required to be undertaken in accordance with the Queensland Government's Public Benefit Test Guidelines. The Guidelines require reviews to:

- Clarify the objectives of the legislation;
- Identify the nature of the restriction on competition;
- Analyse the likely effect of the restriction on competition and on the economy generally;
- Assess and balance the costs and benefits of the restriction including the identification of market failure;
- Identify alternative means for achieving the same result including non-legislative approaches; and
- Assess the costs and benefits of the implementation of the identified alternatives.

The Queensland Government's *Public Benefit Test Guidelines* also require NCP reviews to take the following issues into account:

- Government legislation and policies relating to ecologically sustainable development;
- Social welfare and equity considerations, including community service obligations;

- Government legislation and policies relating to matters such as occupational health and safety, industrial relations and access and equity;
- Economic and regional development, including employment and investment and growth;
- The interests of consumers generally or a class of consumers;
- The competitiveness of Australian, and specifically Queensland businesses; and
- The efficient allocation of resources.

Reviews of Queensland legislation are also required to take account of the Government's *Priority Outcomes for Queensland*:

- More jobs for Queensland – Skills and Innovation – The Smart State;
- Safer and More Supportive Communities;
- Community Engagement and a Better Quality of Life;
- Valuing the Environment; and
- Building Queensland's Regions.

The Legislation

The legislation being reviewed in accordance with the Competition Policy Agreements (CPA) is the *Ambulance Service Act 1991* (the Act) and the *Ambulance Service Regulation 1991* (the Regulation).

The identified restrictions in the Act are:

- S43, which **prohibits persons**, other than the Queensland Ambulance Service (QAS), from **implying that they provide ambulance transport**, unless they have obtained the approval of the Minister. The section also allows the Minister to set conditions for approval;
- S44, which **prohibits a person**, other than a (QAS) officer, from **teaching first aid without the approval** of the QAS Commissioner. The section also allows the Commissioner to impose conditions for approval. The provision also lists organisations granted an exemption from the section;
- S45, which **prevents persons** who are not authorised by a Local Ambulance Committee¹ **from collecting or soliciting money or property from the public in return for ambulance services**, unless they have the Commissioner's approval. The Commissioner may impose conditions for approval; and
- S48, which **prevents persons from using the words 'Ambulance Service'** or similar as a name, title or description, **and** using the word **'Ambulance'** on any vehicle not owned or operated by the [Queensland Ambulance] service. A person or corporation may only use these words if they obtain the written authority of the Commissioner.
- Section 7 of the Regulation, which sets the fees payable by non-subscribers to the Queensland Ambulance Service for ambulance services.

¹ Local Ambulance Committees were established under the *Ambulance Service Act 1991* to provide advice to the ambulance commissioner, liaise between the community and the Ambulance Service, and raise funds for the local Ambulance Service.

Objectives of the legislation

In assessing how legislation may restrict competition, its economic impacts, benefits and costs, and what alternatives may exist, an important first step is to clarify the purpose of the legislation. This means clearly identifying the objectives of the legislation in terms of the problems it is intended to address, relevance to the economy, and the issues it raises for other aspects of the NCP review.

The Act does not contain any detailed statements of the objectives it is intended to achieve. The preamble states the intent is to "establish the Queensland Ambulance Service and for other purposes". Parliament passed the Act to provide Queensland's ambulance service with an organisational structure that enabled it to more effectively service the needs of Queenslanders. The legislation implemented the Government's commitment to unify the Queensland Ambulance Transport Brigades under the one organisation. The means by which the Government has implemented the legislation is through the establishment of the Queensland Ambulance Service with associated broad structures, accountabilities, restrictions and funding mechanisms.

The primary reason for establishing such a service is to rapidly transport seriously ill people to hospital in emergency situations, and in situations where appropriate but less intensive medical treatment or monitoring is required.

While the objective of providing a State-wide service remains relevant, the restrictive provisions effectively eliminate the possibility of competition within this market.

The Review Committee believes the objectives of the existing Act are to:

- Provide for timely, relevant and comprehensive ambulance care to Queenslanders; and
- Ensure the quality of training provided in the first aid market meets appropriate standards.

Review Process

A 'minor assessment' model was used for the review. This model was appropriate for the following reasons:

- The number of discrete affected groups is relatively low, although for some of these groups it is possible that the financial impact of removing or altering the restriction may be significant;
- The issues to be reviewed were relatively simple and there was a low level of uncertainty as to the impact changes may have on stakeholders; and
- The policy intent of the legislative restrictions were primarily to meet social rather than economic objectives.

Review Steering Committee

An independent Steering Committee to the Review was formed and comprised representatives from the following Queensland Government Departments:

- Department of Justice and Attorney General (Chair)
- Department of Emergency Services
- Queensland Treasury
- Department of the Premier and Cabinet

- Queensland Health
- Queensland Transport.

To ensure independence and objectivity, industry and interest groups were not represented directly on the Steering Committee. Consistent with NCP Guidelines, the participation of these groups occurred through consultation and written submissions.

Consultation

In undertaking the review, targeted public consultation was undertaken with key stakeholders who were advised of the review and invited to make submissions. Public notices were also placed in the Courier Mail and the Australian on Wednesday 15 and Saturday 18 May, 2002 informing the public of the review and inviting all interested parties to make a submission on the review. Stakeholders were provided with the review's terms of reference (see Appendix 1) and supporting information that identified the restrictions, discussed alternatives, and canvassed the regulatory environment in other jurisdictions (Information was also available on the Agency's website). Appendix 2 summarises the stakeholder submissions received.

An Overview of Ambulance Services in Queensland

Overall Market

The demand for ambulance services in Queensland, as elsewhere, is determined by the size and age distribution of the population. The current population in Queensland is estimated at 3.6 million. While a large proportion is concentrated in the south-east corner of the State, Queensland's population is unique in Australia in that a high proportion of its residents are diversely located in rural and remote areas of the State. In fact, more than half its population resides outside its capital city (54%), whereas in New South Wales, Victoria, South Australia and Western Australia between 20% to 37% of the population reside outside metropolitan areas.

It is in this context that, for Queensland, the market for ambulance services is growing and changing. The over 65 age group are disproportionately large users of ambulance services and this population is expected to increase relative to the younger age groups over the next 20 years. This is consistent with national projections which show that by 2019, around 18% of Australia's population is likely to be aged 65 years and over, compared with the current level of around 12%. In Queensland, 11.5% of the population is currently aged 65 years and over.

The Government owned Queensland Ambulance Service (QAS) is the main provider of ambulance services in Queensland. There are a few other authorised suppliers such as Queensland Health, Queensland Helicopter Rescue, and community helicopter providers, who provide specific services in specified areas.

The total cost of providing ambulance services in Queensland was \$242.7million in 2001-02. However, in the absence of information on the costs for other authorised suppliers, this reflects QAS costs only.

This cost was funded from the following sources in 2001-02:

- State Government funding: 56.3%
- Subscription fees: 19.4%
- Transport charges: 20.1%
- Other sources: 4.2%

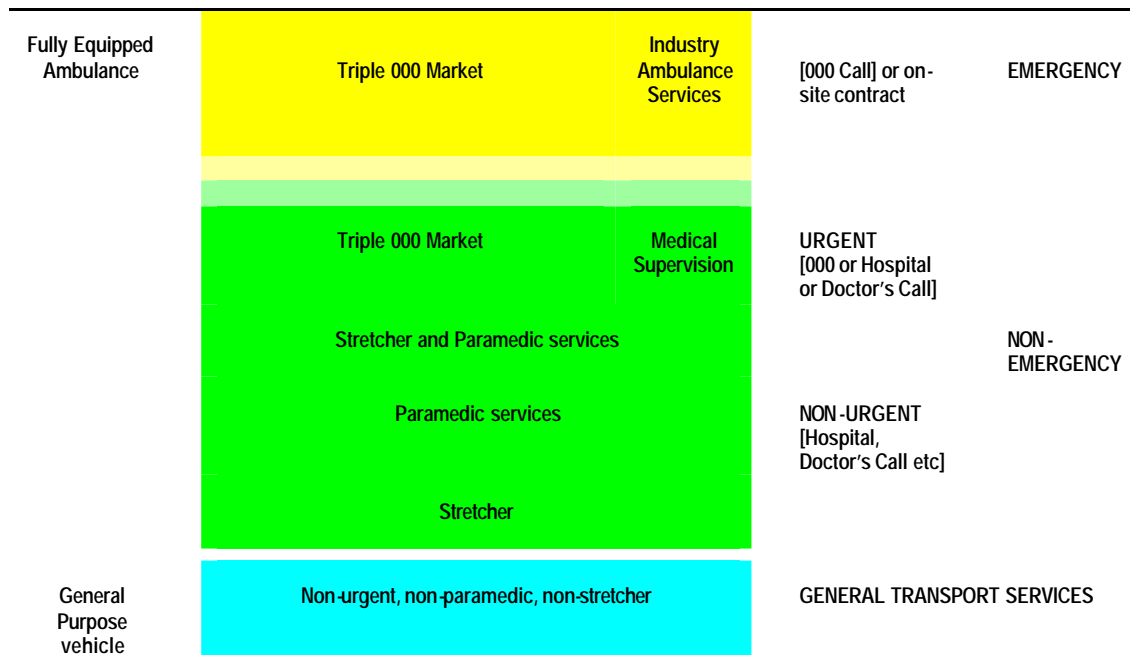
The QAS responded to 566,499 cases in 2001-02. Emergency and urgent (code 1 and code 2) cases attended accounted for around 59.2 per cent of the total cases handled by the QAS in 2001-02.

Market Segments

The diagram below attempts to represent the ambulance service market and its relevant market segments. It is acknowledged that this is a simplification of the market and does not fully represent all the complexities of the industry. Nevertheless, it serves to provide a general overview of the types of service provided.

On the basis of response to incidents, there are two major segments in the ambulance services market, namely, emergency services and non-emergency services, although there will always be some overlap at the margin because of uncertainty at the time some '000' calls are made.

DIAGRAM 1: THE QUEENSLAND AMBULANCE MARKET



Emergency Ambulance Services

The Regulation defines “emergency transport” as meaning “transport, provided by the Service, in response to a request for urgent assistance”.

Emergency ambulance activities include both emergency cases tasked through the triple zero '000' network and emergency services contracted by the industry sector to service mine sites and significant events such as the Indy Carnival.

There were 162,393 emergency ambulance services provided in 2001-02.

Triple Zero '000' Emergency Services

Emergency ambulance transport is universally accessible throughout Queensland through the triple zero '000' telephone service. A subscription service is available to customers of the Queensland Ambulance Service. The opportunity for other providers of emergency ambulance transport to establish a subscription service is restricted by the legislation.

QAS provides triple zero '000' emergency ambulance services from 252 locations throughout Queensland². These locations include ambulance stations and other locations where QAS vehicles are regularly located.

Ministerial approval to provide some emergency ambulance transport has been granted to government and community helicopter services. Typically emergency medical assistance at the incident is provided by a QAS paramedic or a medical doctor.

The Royal Flying Doctor Service (RFDS), and ambulance transport operated by Queensland Health are exempted from the legislative restriction with geographical boundaries³ applying to their services.

² Queensland Ambulance Service Ten Year Review 1991-2001, accessed on the internet http://www.ambulance.qld.gov.au/about/pdf/Ten_Year_Review.pdf

³ Rural and remote area only.

RFDS transport is used when the distance a patient needs to be transported is too great for road ambulance transport, and also beyond the reasonable working range of rotary wing aircraft from their current bases, incorporating most of the Queensland east coast. The RFDS also provides air ambulance services based out of Bundaberg.

Queensland Health provides ambulance services at 33 locations, including:

- 17 remote Health Centres with a vehicle equipped to transport patients;
- two locations where Queensland Health operates an ambulance service with no involvement by QAS; and
- 14 locations where Queensland Health provides the services and QAS provides the vehicle and training.

Emergency activities require officers with high clinical skills, equipment for pre-hospital care of patients, and vehicles capable of "lights and sirens" response and recovery of stretcher patients. Emergency ambulance vehicles are staffed by paramedics – ambulance officers who have the necessary level of qualifications to provide diagnosis, monitoring, life support, and drug administration as appropriate.

Triple zero '000' emergency ambulance transport in Queensland is conducted as a not-for-profit business. This is because there are considerable costs involved in delivering the service, including maintaining specialist staff, equipment, vehicles, buildings, communications systems and sophisticated administrative systems such as clinical protocols. Start-up costs are high, as are both fixed and operating costs. A significant feature of emergency ambulance services is the cost of maintaining a contingent capability. There is a significant cost associated with having emergency ambulance personnel, equipment and vehicles ready to respond at any time. There are also high costs associated with maintaining skills and currency of technology.

Emergency ambulance services are characterised by high structural costs associated with maintaining a service. However, the marginal cost associated with providing individual transports is relatively low by comparison.

The frequency, timing or location of emergency ambulance services cannot be planned, and therefore a fully staffed and active service needs to be maintained at all times and at considerable cost.

However, private sector triple zero '000' ambulance services successfully operate in both Western Australia and the Northern Territory in a competitive environment, although in both jurisdictions only one provider of triple zero '000' services is operating on a sole provider basis.

Industry Emergency Services

In addition to the above, some emergency services are provided through contract to the industry sector, rather than through the '000' facility. The most common purchasers of these services are mining or industrial sites. It is unclear how many sites this may involve, but anecdotally, it was estimated at more than 30 sites throughout Queensland. These services are provided by a range of providers including "in-house" company resources and by the QAS.

Workplace health and safety legislation and other legislation covering the mining industry requires a level of emergency health care at workplace sites. Although much of the data to substantiate the size of this market is 'commercial-in-confidence', a conservative estimate of its size is between \$10-15 million. It is understood that a very small number of private providers have been approved under s43 of the Act to operate in this market and they compete with the QAS.

Non-Emergency Ambulance Services

Non-emergency ambulance transports cover a wide range of transports, from urgent cases (non-life threatening acute injury or illness), to routine, non-urgent transports such as hospital discharges, routine admissions or visits to or from a medical facility. Non-emergency transport includes patient movements from hospital and nursing homes for day treatment, for discharge to home or a convalescent facility, or to another hospital or clinic (perhaps with more specialised facilities).

To date a number of providers of non-emergency ambulance transport have been granted Ministerial approval under s43 of the *Ambulance Service Act* 1991. Approved providers are mostly private hospitals. Queensland Health operates a small number of non-emergency ambulance transport vehicles at some of its larger facilities.

Urgent ambulance services

In 2001/02, there were 173,236 urgent ambulance services provided by the QAS.

Urgent ambulance services are tasked through the triple zero '000' network and calls can come from hospitals seeking a patient's transfer to an alternative facility, doctors' clinics where admission to hospital is sought, or from individuals.

This market segment is further delineated by the source of the call. Calls taken directly from consumers are likely to be tasked through the triple zero '000' service.

These calls are subject to the same information problems as the emergency triple zero '000' services in that the consumer is unlikely to have the level of information available to them, or be in an appropriate state, to make an informed choice about service providers.

However, if the call is from a medical practitioner or a hospital, tasking on behalf of a client, the medical practitioner or hospital will have a greater level of understanding about services provided by various suppliers, and the level of care required for individual patients. Consequently, there is less likely to be an information asymmetry problem conducive to market failure.

Non-urgent ambulance services

Non-urgent services are not normally tasked through the triple zero '000' network and would normally be the result of a call from a hospital or doctor's clinic. Such a call may be seeking transfer of a patient to an alternative medical facility for tests, seeking transfer of a patient home, or seeking pickup of a patient from their home. A patient may require both a stretcher and a paramedic if they have reduced mobility and are at risk of requiring intervention en-route. Alternatively, a patient may be fully mobile, but require a paramedic, or they may not require a paramedic but, for various reasons, may require a stretcher.

Again, similar to the urgent calls tasked by a medical practitioner, non-urgent transports will not be subject to the same level of information asymmetry as urgent transports tasked through the triple zero '000' network. Consequently, there is greater opportunity to open this market up to contestability without the potential for market failure.

Generally, in order to provide non-emergency transport across each of these market segments, officers do not need to be as highly trained clinically compared to officers providing emergency responses. Nevertheless, the level of clinical skill and equipment required will still be dependent on the level of service necessary. A single officer can be used to transport patients who do not require any monitoring or treatment en-route. If the patient is being administered a drug or treatment for which the ambulance officer or patient transport officer is not trained, a second officer, escort, or paramedic may be required.

In 2001/02, the QAS responded to 222,449 non-urgent cases which incorporates both the non-urgent ambulance services discussed in this section, in addition to other non-urgent, non-paramedic, non stretcher services discussed below.

Other Non-urgent, non-paramedic, non-stretcher services

Other transports are also currently provided by ambulance services in Queensland where a patient does not require either a paramedic or a stretcher. These services are currently provided in metropolitan areas of Queensland through a Patient Transport Service (PTS). While substitutable service providers for these services are currently operating in Queensland, the opportunity for suppliers to access clients currently using the QAS for these services is limited.

There was a significant increase in demand for non-urgent patient transport in the 2000/01 financial year and a smaller increase in demand for these services in 2001/02. In the previous two years, the demand for these services had declined.

While the quality of the actual transport service provided has been reported as being of a very high standard, the dissatisfaction has been with the ability of the current arrangements to meet demand in a timely fashion, or at all. It has been reported that, on an annual basis, more than 1,800 non-urgent transport cases are declined and the situation is deteriorating, although the requirements of this unmet need are not clear.

It was also suggested that the high caseload of Queensland's hospitals, along with increasing numbers of day surgery cases has resulted in a growing demand on ambulance transport for post-operative patients. The growth in demand for non-urgent cases is set to continue due to changing models of hospital care and the ageing population.

The geographical boundaries of the non-emergency ambulance transport market are influenced by the source of demand for the transport service. The metropolitan and urban areas of Queensland, by virtue of the population size and location of medical facilities between which transports typically occur, constitute most of the market environment. QAS operates its patient transport service only in metropolitan areas.

Non-metropolitan areas rely on conventional ambulance vehicles and paramedics for their non-emergency transports. For routine transports, this can often only be when time permits with consequential service inefficiencies. In addition, in non-metropolitan areas where a limited number of vehicles do undertake routine transports, the risk increases of there being a delay in the provision of emergency services where ambulances are in the process of undertaking other work (for example, possibly transporting non-urgent cases out of the immediate geographic area).

Legislative Context

Legislation under Review

The current legislation governing Queensland's ambulance services regulates the market and, as demonstrated above, effectively confers a statutory monopoly on the delivery of ambulance services in this State. It does this through:

- S43, which **prohibits persons**, other than the Queensland Ambulance Service (QAS), from **implying that they provide ambulance transport**, unless they have obtained the approval of the Minister. The section also allows the Minister to set conditions for approval;
- S44, which **prohibits a person**, other than a (QAS) officer, from **teaching first aid without the approval** of the QAS Commissioner. The section also allows the

Commissioner to impose conditions for approval. The provision also lists organisations granted an exemption from the section;

- S45, which **prevents persons** who are not authorised by a Local Ambulance Committee⁴ **from collecting or soliciting money** or property **from the public in return for ambulance services**, unless they have the Commissioner's approval. The Commissioner may impose conditions for approval; and
- S48, which **prevents persons from using the words 'Ambulance Service'** or similar as a name, title or description, **and** using the word **'Ambulance'** on any vehicle not owned or operated by the [Queensland Ambulance] service. A person or corporation may only use these words if they obtain the written authority of the Commissioner.
- Section 7 of the Regulation, which sets the fees payable by non-subscribers to the Queensland Ambulance Service for ambulance services.

The legislation also has the effect of combining the role of regulator and provider, which is less than optimum from a competitive neutrality perspective.

The intent of these restrictions is to ensure quality, consistency and reliability in delivery of ambulance services to the community, and in turn, to provide consumers of these services with a degree of confidence that care provided by ambulance services providers will be appropriate and timely.

The full text of the provisions of the Act and the Regulation identified as potentially restricting competition are reproduced in Appendix 3.

Other legislation

The emergency ambulance transport market is also regulated by the *Health (Drugs and Poisons) Regulation 1996* and Transport legislation as detailed below.

The *Health (Drugs and Poisons) Regulation 1996* provides for the endorsement and authorisation of persons to possess and administer various drugs and poisons listed in Schedules to the Regulations. The Regulation permits ambulance officers, to the extent necessary for performing duties for the QAS, to obtain, possess and administer restricted drugs. This legislative authority is also subject to adherence to a clinical practice protocol approved by the QAS. The effect of these provisions is to limit the endorsement and authorisation for an ambulance service to services operated by the QAS. While this act also affects the ambulance transport market, it is out of scope of the current NCP Review and has already been subjected to a Public Benefit Test as part of an NCP Review. The draft NCP Review report concluded that the current level of controls over administration of medicines be retained.

The *Transport Operations (Road Use Management—Vehicle Registration) Regulation 1999* defines an ambulance vehicle as “a motor vehicle used solely for rendering emergency treatment and pre-hospital patient care to, and the transport of, sick or injured persons by an ambulance service or hospital”. The ambit of this legislation is restricted to the registration of motor vehicles.

The *Transport Operations (Road Use Management) Act 1995* and *Transport Operations (Road Rules Management – Road Rules) Regulation 1999* regulates the use of flashing warning lights for emergency vehicles, where emergency vehicles are defined in Schedule 6 (Dictionary) as a motor vehicle driven by a person who is:

- (a) an emergency worker; and

⁴ Local Ambulance Committees were established under the *Ambulance Service Act 1991* to provide advice to the ambulance commissioner, liaise between the community and the Ambulance Service, and raise funds for the local Ambulance Service.

- (b) driving the vehicle in the course of his or her duties as an emergency worker.

Schedule 6 of the *Transport Operations (Road Rules Management – Road Rules) Regulation 1999 – Dictionary* states that an “Emergency worker” means:

- (a) an officer of the Queensland Ambulance Service or an ambulance service of another State; or
- (b) an officer of the Queensland Fire and Rescue Authority or a fire and rescue service of another State; or
- (c) an officer or employee of another entity with the written permission of the commissioner.

The *Transport Operations (Road Use Management—Road Rules) Regulation 1999* also specifies the circumstances in which traffic must keep clear of police and emergency vehicles.

In addition, the *Transport Operations (Passenger Transport) Act 1994* and its subordinate legislation apply to the provision of public passenger services in Queensland. Ambulance services have been expressly excluded from the definition of a public passenger service and so are not subject to the requirements of this Act. However, community transport providers (eg. Home and Community Care funded operators) of non-emergency transport for the sick or injured are subject to the Act.

The Ambulance Service Act 1991; s43 Unauthorised ambulance transport

Overview

Section 43 of the Act prohibits persons, other than the Queensland Ambulance Service (QAS), from implying that they provide ambulance transport, unless they have obtained the approval of the Minister. The section also allows the Minister to set conditions for approval. The Royal Flying Doctor Service and ambulance services conducted under the *Health Services Act 1991* are exempt from this section.

It is not the intent of the section to prohibit a person from providing ambulance transport in an unforeseen emergency without obtaining Ministerial approval (eg. driving a member of the family to hospital in an emergency). Instead, prohibiting a person from implying they provide ambulance transport prevents a person or corporation from soliciting for business in the event of a situation requiring an ambulance. For example, this would prevent a corporation establishing a business that contracts to provide an ambulance transport service, or an alternative provider of ambulance services establishing itself to provide emergency, or non-emergency services directly to the public. The provision is a legislative barrier to entry to the market of ambulance transport.

Furthermore, neither the Act nor the Regulation state the conditions under which persons may obtain Ministerial approval. The degree to which consistent criteria are applied in the approval process also cannot be identified given the lack of clear and consistent guidelines for applications, and guidelines for decision processes. In essence, the approval process is not transparent and approval conditions that could potentially be imposed by the Minister on the applicant may, or may not, be consistent with principles of efficient and effective competition. Therefore the process for granting approval lacks transparency and acts as an additional barrier for providers seeking to enter the market.

As a result of this restriction, ambulance services in Queensland, with some minor exceptions, operate as a legislative monopoly with the Queensland Ambulance Service being the sole provider.

Submissions Received

Submissions received in response to the Review had several major themes, the first of these being almost universal agreement that the market for triple zero '000' emergency ambulance services should be limited to one statewide provider.

The second theme, advanced by potential alternative providers of services, agree that the QAS should not be the regulator of alternative suppliers of ambulance services and that this responsibility should fall to an independent advisory body.

Numerous submissions stated that the current restrictive legislative environment negatively impacted on organisations' capacity to compete in the market for health and emergency care. This was particularly the case in tendering for workplace contracts such as industrial and mining site health and emergency health services. However, Ministerial approval has been granted to some organisations that have sought to tender to provide first aid and health care services within the confines of a mine site.

In addition, some submissions asserted that s43 of the Act is unnecessarily restrictive in terms of alternative providers competing for routine ambulance transport work. There were several examples presented of other States where competitive models successfully operate.

Some submissions also remarked that the intent of the Ambulance Service Act 1991 is primarily to provide the community with an emergency ambulance transport service. They considered that it is beyond the scope of any government and its emergency services provider to become the sole provider of such services to the industry sector.

Comments made in submissions indicate that both purchasers of ambulance services (including patients and hospitals) as well as the QAS, are not entirely satisfied with existing non-emergency arrangements.

Various stakeholders reported that other transport services were used for those patients who did not need monitoring. These included Home and Community Care and community and voluntary transport services. When patients require neither monitoring, nor a specialised vehicle, taxis have also been utilised.

The view advanced by consumer bodies supported the current system of public provision. From a consumer's perspective, this model is simple and transparent, and can be relied upon to provide equitable statewide access to essential ambulance services.

While the preferred model of delivery across submissions varied between public provision, and a mixed public/private model, there was consistent agreement that quality of service provision, access to services, and price controls should be maintained.

Other Jurisdictions

The Australian Capital Territory, New South Wales, and Tasmania all have ambulance services which are funded and operated in a similar way to Queensland. In each of these jurisdictions there is one state-wide provider, established in legislation, with provisions for approval of other providers of ambulance services. The sole service provider in each case provides emergency and non-emergency services in a similar way to Queensland.

Victoria has a slightly different system, which allows for ambulance services to be referenced in legislation (*Schedule 1 of the Ambulance Services Act 1986*) under the direction of the Minister. However, Victoria recently undertook an NCP Review recommending that a licence/registration system be implemented to allow an ambulance service (public, private or not-for-profit) to use warning devices under certain circumstances and also to use the term 'ambulance'.

A range of licenses were proposed to cover emergency, first responder, medical retrieval, public events and non-emergency services. Government services would be corporatised Government Business Enterprises (GBE's) providing ambulance services on a commercial basis.

Wilson's Transport is one major provider of non-urgent ambulance services in Victoria, undertaking inter-hospital transfers and other non-urgent ambulance services on a contract basis. Providers of non-urgent services do not compete directly with Victoria's Metropolitan Ambulance Services or Rural Ambulance Services, referenced under Schedule 1 of the *Ambulance Services Act 1986*. Instead, alternative providers of ambulance services in Victoria are contracted to legislated service providers.

South Australia's *Ambulance Services Act 1992* provides for licensing of persons who provide ambulance services, and regulations governing conditions and standards of licensing exist. The Minister is responsible for granting licenses and setting associated conditions. Fees for ambulance services are fixed by the Minister by notice in the Gazette. South Australian emergency ambulance services are provided by one independent state-wide provider, South Australian Ambulance Services.

The Northern Territory and Western Australia both contract ambulance services from St John Ambulance. Neither jurisdiction has legislation governing ambulance services. In the Northern Territory, St John Ambulance is the only provider of emergency and non-emergency ambulance services. In Western Australia, St John Ambulance Services has the sole contract for provision of emergency ambulance services, and competes for non-emergency ambulance services with a small number of other providers. The St John Ambulance WA Inc submission to the review indicated that, following a review conducted between 1995 and 1997, the WA Government decided that it was in the public interest for:

- all ambulance transport in the Perth metropolitan area to be provided by St John Ambulance;
- all metropolitan inter-hospital transfers to be made the subject of competitive tender; and
- all ambulance transport in regional and rural Western Australia to be provided by St John Ambulance (including inter-hospital transfers).

A detailed overview of ambulance services in other jurisdictions is included in Appendix 4.

Government Priorities

The regulation of the market for emergency ambulance transport assists the Government to meet its social welfare objectives. One such objective is that sick and injured persons in *all areas* of Queensland can access appropriate and safe emergency treatment and pre-hospital patient care and transport. Emergency services cannot be provided in a safe and appropriate way without properly qualified and equipped service providers being available.

Nevertheless, to ensure the quality of services in a more competitive environment it would be appropriate to establish minimum criteria for service delivery. This would ensure that providers of ambulance services have the necessary skills and equipment to ensure the safety of consumers.

The Queensland Government is also committed to the provision of equitable access to appropriately staffed and maintained emergency ambulance services across the State. In order to achieve this in rural and remote areas, the QAS has collaborated in service provision with other providers including the RFDS and Queensland Health.

It is unlikely that additional alternative service providers for services provided by RFDS or Queensland Health would be either available or competitive.

This aspect of service delivery should be maintained in the interests of equitable access to services for all Queenslanders living in rural and remote communities. These communities are already concerned about access to, and standards of service, as demonstrated by some of the submissions received in response to the consultation process.

The system introduced to accompany any changes to existing legislation should ensure that rural and remote communities have certainty of service delivery into the future. The introduction of competition should be complementary to existing suppliers, not in place of those services currently in place.

The current restrictions on emergency ambulance transport also help achieve public safety in that the provisions avoid a situation where multiple ambulance vehicles arrive at an incident in a competitive way in order to win the transport work. In addition, the current system ensures an appropriate ambulance vehicle is dispatched to an incident and avoids confusion that may be caused by multiple providers operating in the same area.

Summary of Options

Base Option Retain the Status Quo	Option 1 Deregulation	Option 2 Contestability for accredited suppliers
<p>Under this option there would be no change to the Act or Regulation. The provision of ambulance services would in effect, be largely restricted to the QAS.</p>	<p>Under this option, s43 of the Act would be repealed to eliminate the existing restrictions on persons or corporations implying that they provide ambulance transport without the approval of the Minister.</p> <p>There would be no alternative regulatory measures implemented in place of the removed or modified provision.</p> <p>This means that any person or organisation would potentially be able to provide ambulance transport services, including emergency and non-emergency services, in all or any part of the State.</p> <p>Related transport and health legislation would continue to regulate the registration and use of lights by 'emergency' vehicles and the use of restricted drugs.</p>	<p>Under this option, entities seeking to provide ambulance services would continue to require the Minister's approval as at present, but the legislation would be amended to provide for a transparent entry process based on appropriate accreditation standards.</p> <p>A regulation would be developed stating the conditions and criteria for accreditation for individuals or organisations to provide services in the ambulance market, thus ensuring entry to the ambulance service market is transparent and consistent for potential suppliers.</p>

Base Option – Retain the Status Quo

As demonstrated in the Summary of Options above, under this option there would be no change to the Act or Regulation. The provision of ambulance services would in effect be largely restricted to the QAS.

Advantages of the Base Option

- Queensland Ambulance Service would continue to provide all services to the public with the current level of public confidence in the system prevailing.

- Emergency ambulance services would continue to be provided to some consumers at a lower price due to efficiencies the QAS can achieve through using its infrastructure to deliver non-emergency services.
- Rural and remote communities would have long-term certainty about continued provision and cost of ambulance services.
- Quality of services could be assured.

Disadvantages of the Base Option

- Ambulance services would continue to be provided in a market for which the process of entry for alternative suppliers is not transparent, and the criteria for entry are unclear.
- The regulator of market entry would continue to be the primary provider of ambulance services.
- Non-urgent ambulance services would continue to be provided to some consumers at a higher price as the infrastructure cost of QAS is spread equally across all services delivered by QAS.

This option is not supported by the Steering Committee. While there are advantages associated with retaining the current system, it is considered there is a net public benefit to be derived from reducing restrictions on the ambulance service industry.

Option 1 – Remove current restrictions within s43 of the Act

Under this option, s43 of the Act would be repealed to eliminate the existing restrictions on persons or corporations implying that they provide ambulance transport without the approval of the Minister. There would be no alternative regulatory measures implemented in place of the removed or modified provision. This means that any person or organisation would potentially be able to provide ambulance transport services, including emergency and non-emergency services, in all or any part of the State, subject to restrictions contained in other legislation (see Legislative Context, p18).

Advantages

- If all restrictions in the Act on implying that an entity provides ambulance transport were removed, it is reasonable to assume that suppliers would enter some segments of the market. It is anticipated there would be greater interest from new suppliers in the lower cost non-urgent market segments. In addition, new suppliers would not be confined to providing a standardised product or service, and it could be expected that an amount of product differentiation would take place.
- This could take the shape of providers specialising at any point along the spectrum of services categorised as 'non-emergency'. Start-up, fixed and operating costs would be directly related to the services along this spectrum that new suppliers provided. For example, if an entity concentrated on cases that required only simple monitoring tasks and a single driver, these costs could be expected to be quite low.
- More providers would be able to represent themselves to the corporate sector as being able to provide emergency ambulance transport. Contracts for mining, industrial and workplace sites or events (eg. IndyCar racing carnival, RNA Exhibition) will be more attractive to service providers as they can better estimate the level of risk and service provision necessary, and appropriately, cost these factors into the contract according to the specifications of the purchaser. Due to the more stable operational environment in non-triple zero '000' emergency ambulance markets, these are likely to be targeted by potential alternative service providers ahead of the triple zero '000' emergency ambulance market.

- As the number of market entrants increase, competitive forces should ensure prices charged appropriately reflect the cost of service delivery. In the non-emergency ambulance transport market, this would theoretically cause demand and supply to equalise, thereby resolving the current issue of demand outweighing supply.
- In the ambulance transport market where there is currently unmet demand (ie. non-urgent ambulance services), there are potential alternative service providers capable of operating and providing substitutable services. It is unclear whether the unmet demand is the product of legislative barriers or due to suppliers inability to access funds that might finance the delivery of these additional services.
- The costs faced by non-emergency ambulance transport providers depends on the level of transport and services provided. Typically, all cost categories (start-up, fixed and operating costs) become lower as the complexity of the staff, equipment and vehicle requirements of the transport declines. For example, the cost structure of providers of emergency ambulance services would be vastly different from that of providers of routine services. This is because providers of routine services can better plan their service structure, staffing and transport schedules to maximise 'business profits'. This means there is likely to be greater competition to provide services in the non-urgent market than to provide services in the urgent or emergency markets.

Disadvantages

- Clients who use emergency ambulance transport services are more likely to do so from necessity rather than choice and they are not usually in a position to 'shop around' to decide which service provider to use. Unless the consumer has the opportunity to subscribe to alternative services through some form of ambulance insurance scheme, the 'emergency' nature of the need to 'consume' this category of ambulance transport means that consumers are not able to consider alternative providers or substitutable services. Nevertheless, at the point of consuming this service, such information would not necessarily be available to third parties exercising choice on the consumer's behalf. Full market deregulation would make consumer decisions much more difficult when presented with a range of different providers for ambulance services because consumers would not be informed about the criteria necessary for providers to operate a quality service safely. Consequently, there is a need for some mechanism to be available to consumers to assist their decision-making processes.
- Transaction costs for purchasers of Industry emergency ambulance transport may increase, as they could no longer rely on a ministerial authorisation to signal the quality of the service provided and would have to acquire more information, at a cost. However, given that purchasers in this market currently rely on extensive contract conditions to describe the quality and price of the service required, losing the signal provided by the restriction would not significantly diminish information available to purchasers.
- A further negative impact on public health and safety could occur if a duplicative and confusing system was implemented in the provision of emergency ambulance services, with providers openly competing on the street for triple zero '000' emergency ambulance transport work. Submissions were almost unanimous in perceiving this as an undesirable state. It would therefore be undesirable to deregulate the triple zero '000' emergency ambulance system to the extent that providers are competing against each other for this work. There needs to be a balanced approach to matching supply and demand in introducing competition into the emergency ambulance market. The overwhelming position in submissions was that there should be a single point of access for the public to emergency ambulance services (currently the triple zero '000' communication centres).
- The deregulation of emergency ambulance service provision could potentially lead to an absence of ambulance services in some remote areas of Queensland, as costs may render service delivery unviable. There would be a significant level of discontent in rural

and remote communities that have experienced the effect of deregulation in other sectors. In addition, the price of these services for consumers may increase where the infrastructure costs are unable to be spread over the quantum of emergency and non-emergency services currently provided. The maintenance of ambulance services in rural and remote communities is an equity consideration for government.

- There are considerable costs involved in delivering a triple zero '000' emergency service, including maintaining specialist staff, equipment, vehicles, buildings, communications systems and sophisticated administrative systems such as clinical protocols. Start-up costs are high, as are fixed and operating costs. A significant feature of emergency ambulance services is the cost of maintaining a contingent capability. There is a significant cost associated with having emergency ambulance personnel, equipment and vehicles ready to respond at any time. There are also high costs associated with maintaining skills and currency of technology. Whilst there are high structural costs associated with maintaining such a service, the marginal cost associated with providing individual transports is relatively low by comparison. The frequency, timing or location of emergency ambulance services cannot be planned, and therefore a fully staffed and active service needs to be maintained at all times and at considerable cost.

Conclusion

Private sector triple zero '000' ambulance services successfully operate in both Western Australia and the Northern Territory in a competitive environment, although in both jurisdictions only one provider of triple zero '000' services is operating on a sole provider basis. Given the high costs associated with establishing and operating a triple zero '000' emergency ambulance transport service, it is reasonable to assume that there would not be a large number of potential market entrants. Indeed, the results of the public consultation indicated that there was little interest in providing such a high cost, low profit business.

The Steering Committee does not support this Option for the following reasons:

- Removal of s43 of the Act without establishing an alternative means for regulation is likely to have an impact on the safety and quality of some services.
- In addition, it is likely to decrease consumer confidence as clients, in deciding which service provider to use, grapple with quality and safety issues at a time when they are particularly vulnerable.
- Although this model would benefit alternative service providers, it does not go far enough in ensuring the consumer protection aspects of service provision.

Option 2 – Contestability for Accredited Suppliers

Under this option, entities seeking to provide ambulance services would continue to require the Minister's approval as at present, but the legislation would be amended to provide for a transparent entry process based on appropriate and objective accreditation standards.

Accreditation to operate as an ambulance service would automatically enable suppliers to utilise the words 'ambulance' and 'ambulance service'.

Under this option, it is envisaged that several levels of accreditation would exist. While development of the detailed aspects of criteria for accreditation would be the responsibility of a project team with representation from appropriate Government agencies, it is likely that separate accreditation criteria would be implemented for emergency and non-emergency (urgent and non-urgent) transports.

Only suppliers accredited by the Minister under the relevant levels would be eligible to compete for emergency, urgent and non-urgent ambulance services. The market for patient transport services would be open to non-accredited suppliers, as is currently the case.

Applicants for accreditation would be assessed against criteria relating to:-

- the education, knowledge and experience of staff and management within the organisation;
- the suitability of equipment and vehicles;
- the appropriateness of organisational processes and operational arrangements, including an assessment of overall business viability; and
- the level of service provision proposed to be undertaken by the organisation (eg. emergency, urgent, non-urgent).

The Steering Committee is strongly of the view, that in the interests of public safety, and to ensure quality of, and public access to, essential services, ambulance services tasked through triple zero "000" facilities should continue to be provided by a single ambulance service on a Statewide basis (such as the QAS).

It is envisaged that organisational accreditation would be reviewed periodically by the technical advisory group with consequential reports submitted to the Minister on:-

- the quality of services provided; and
- compliance with any conditions of accreditation.

Under this option, transitional arrangements would be put in place to allow continued service delivery by existing providers, including QAS. However a lead-time would be stipulated for all providers (including the QAS), to meet ongoing accreditation and operating requirements under the legislation.

To assist the Minister in undertaking accreditation, a Technical Advisory Body would need to be established to provide the necessary input regarding the extent to which the clinical, organisational and technical abilities of the applicant organisation or individual meets the accreditation criteria. In addition, an appeal mechanism would be established to ensure accountability of the process.

While, under this option, there would be greater contestability within the ambulance service market, in particular suppliers would compete for available contracts, confined to specific geographic areas, centred around particular health facilities or for specific commercial contracts. This is because there are public safety issues associated with having ambulance transport suppliers competing aggressively for individual clients, perhaps even at the scene of an incident. In addition, in urgent or emergency situations, it would not be desirable for there to be any conflict or confusion in terms of suppliers that should be selected for specific cases.

Advantages

- Under this option the Minister would retain responsibility for accreditation of ambulance services. Suppliers would be accredited to enable them to compete for available contracts, confined to specific geographic areas, centred around particular health facilities or for specific commercial contracts.
- This option is administratively simple, with few additional costs expected to be imposed on potential alternative suppliers other than the set up and operational costs required to meet transparent entry and operational requirements. Once accredited, suppliers would

remain accredited for a specific number of years, at which time their accreditation would be reviewed.

- Whereas the current system restricts market entry into some emergency, urgent and non-urgent markets where there are potential alternative suppliers, this option seeks to establish transparency and accountability through development of the regulation. In addition, an appeal mechanism and transparent entry and operating criteria would exist to ensure the rights of potential market entrants.
- This option ensures universal emergency services are available to all Queenslanders through co-ordinated and affordable service provision.
- Rural and remote communities would have long-term certainty about the continued provision and cost of ambulance services.
- The transparency and accountability of the accreditation process would be greatly improved through a consistent set of criteria and standards.
- It is not considered that the benefits or costs of the move to a less restrictive state would impact adversely on any of the Queensland Government's target consumer groups such as indigenous persons, and the disabled.
- One consumer group that has significantly benefited from Government policy in the ambulance market has been pensioners. Pensioners are entitled to free ambulance services, subject to obtaining the appropriate medical approvals. While it is not considered that a move to a more competitive environment will affect this group of consumers, it is considered that this program may become more efficient for government funders due to gains that might be achieved through competitive market forces, say in the category of patient transport services.
- Queensland Health is currently a large user of ambulance services, particularly for inter-hospital transfers. It continues to have a level of unmet demand. In addition, current delays experienced in the provision of some non-urgent ambulance services lead to missed appointments and flow-on service inefficiencies in the health services sector. Queensland Health may benefit from increased competition in the provision of ambulance services and may consider contracting with other providers for non-urgent services, possibly at a lower price, but certainly with the effect of increasing service efficiency in the health sector. (Alternatively, Queensland Health could consider contracting on a facility basis, for instance where the QAS is experiencing increased demand pressures, which make it difficult for the QAS to meet non-emergency commitments at hospitals.)

Disadvantages

- Under this option it would be possible for suppliers, once accredited to provide emergency and urgent services, to seek access to the triple zero '000' market. However, as funder of Queensland based triple zero '000' communications services, tasking of the responding agency is a purchasing decision of Government. The Government would, therefore, need to fully consider the community outcomes associated with contestability within the triple zero '000' ambulance service market as part of any alternative purchasing choice. In addition, costs associated with the tasking (communication) centres would also need to be shared between service providers.
- The Minister would retain responsibility for accreditation of market competitors, which could be seen as a conflict of interest, however, this would be reduced significantly by the introduction of the role of a Technical Advisory Body. Also an appeal mechanism and transparent entry and operating criteria would exist to ensure the rights of potential market entrants.

- The Review Committee acknowledges there would be some costs involved with development of the regulation and associated documentation. It is envisaged that an appropriately researched regulation could take some time to develop.
- Under this Option, the Government would need to affirm its full commitment to affordable ambulance services for all Queenslanders to address any concerns by rural communities, particularly those in remote areas.

Conclusion

This option is **supported** by the Steering Committee as it is considered there are quality and public safety benefits associated with regulating entry to the ambulance service market. However, it is considered that a more transparent entry process, supported by guidelines and criteria for accreditation, in addition to an appeal mechanism, would be beneficial. This option provides an appropriate basis for entry to the ambulance service market, while also preserving the flexibility of purchasing choices that can be made by Government and other purchasers of these services.

Conclusions in Relation to s43 of the Act

Consistent with the provisions of the Legislation, the Steering Committee believes there is a net public benefit associated with retaining the restriction on persons implying that they provide ambulance transport services, given the Legislation makes provision for alternative suppliers to enter the market through an approval process. It is considered that contestability would be substantially improved through development of a regulation outlining the process, standards and criteria for accreditation of alternative suppliers. Consequently, the Committee supports **Option 2 - Contestability for Accredited Suppliers** as their preferred option for implementation.

The Committee further considers that the Minister for Emergency Services is the appropriate authority in which to vest power to accredit potential market.

The Committee therefore recommends that s43 of the Act be redrafted to retain the Minister as the approval authority, but to make the power non-delegable. To assist the Minister in undertaking accreditation approvals, it is also suggested that a Technical Advisory Body be established to provide the necessary input regarding the extent to which the applicant has met the clinical, organisational and technical criteria.

While a general approval and standards framework is suggested, the Committee does not consider its role is to explore in any depth the process by which standards are developed or discuss the actual standards themselves. The Committee suggests that a project team be established to undertake this development work.

The Committee also notes that the objective of the *Ambulance Services Act 1991* was stated as “an Act to establish the Queensland Ambulance Service and for other purposes”. However, as the environment for ambulance service delivery in Queensland changes and becomes more competitive, there is a difficulty in the Act continuing to evolve as the sole vehicle for regulating ambulance service delivery in Queensland. Consequently, the Committee suggests that a longer-term strategy of Government should be to undertake a complete review of the Act to develop a more robust legislative vehicle for the general provision of ambulance services.

Recommendations related to s43 of the Act

- Recommendation 1. That, in the interests of public safety, and to ensure quality of, and access to, essential services, ambulance services tasked through the triple zero '000' facility continue to be provided by a single provider with the capability to deliver a Statewide response (such as the QAS).

- Recommendation 2. That a project team with appropriate representation be formed to develop a new Regulation which establishes transparent entry (accreditation) criteria for the provision of emergency, urgent and non-urgent ambulance services.
- Recommendation 3. That an independent technical advisory group be established to advise the Minister on accreditation of individuals and organisations.
- Recommendation 4. That s43 of the Act be reviewed to give the Minister for Emergency Services the non-delegable power to approve alternative ambulance providers.
- Recommendation 5. That in the longer-term, Government undertake a full review of the Act to update and change the focus of this legislation to deal with the provision of ambulance services in Queensland, rather than being simply a vehicle for the establishment of the Queensland Ambulance Service.
- Recommendation 6. That it be noted some provisions in the Health (Drugs and Poisons) Regulation 1996, and the Transport Operations (Road Use Management) Act 1995 may require minor changes as a consequence of the proposed revision of s43 of the Act.
- Recommendation 7. That once the new Regulation is promulgated, existing ambulance services, including the QAS, undergo the accreditation process during a transitional period.

Ambulance Service Regulation 1991; s7 Fees for service

Section 7 of the Regulation sets fees payable by non-subscribers to QAS for ambulance services. These fees have legislative underpinning and require Governor-in-Council approval to be changed. These fees may not be truly reflective of current business practice and could act as a market distortion should it be interpreted that these prices have relevance to alternative service providers in a competitive market.

In a competitive market, the range of prices a consumer might pay would be more likely to reflect the actual level of service provided. However, for some consumers, especially in the triple zero '000' emergency services market, they may actually be priced out of the market. This would not be in line with the Government's commitment to make these services affordable to all Queenslanders.

It, therefore, remains appropriate to contain costs to consumers of ambulance services through some form of price control. However, it would not be appropriate to have restrictive price controls over all suppliers in areas of the market where competitive forces are present.

The Committee considers that s7 of the Regulation appropriately reflects the objective of the Act, being to establish the Queensland Ambulance Service, and advice from the Crown Solicitor is that the prices stated in s7 of the Regulation can only be interpreted as relating to the QAS. Consequently, as long as this remains clear to both consumers and suppliers of ambulance services, it is not considered that this provision impacts adversely on non-QAS providers.

The Committee further determined that, should s7 of the Regulation impact on the capacity of the QAS to compete in a more competitive market, QAS would need to address this issue through normal Government review processes.

The Steering Committee also considers the provision of s54 subsection 2(a) of the Act, the power to make Regulations, may pose a potential issue for alternative providers providing ambulance services. The Committee suggests that advice on this section be obtained from the Crown Solicitor to determine its impact, if any, on alternative suppliers of ambulance services.

Submissions that commented on the restrictions in s7 of the Regulation were supportive of price controls for emergency ambulance transports. However, it was generally recognised that price controls would introduce market distortions when applied to more competitive service areas. Nevertheless, there were some alternative price control models offered for consideration that would enable common rates across providers to be implemented.

Recommendations related to s7 of the Regulation

Recommendation 8. That pricing Regulation be retained for QAS under the Act. A subsequent review will be undertaken by the Department of Emergency Services to ensure QAS pricing in various market segments accurately reflects the cost of service delivery in those market segments.

Recommendation 9. That advice be sought from the Crown Solicitor with regard to s54 subsection 2(a) of the Act to determine its impact, if any, on fees charged by alternative suppliers of ambulance services.

Ambulance Service Act 1991; s45 Unauthorised collections

This section of the Act prevents persons who are not authorised by a Local Ambulance Committee⁵ from collecting or soliciting money or property from the public in return for ambulance services, unless they have the Commissioner's approval. The Commissioner may impose conditions for approval.

It is possible that this section of the Act may prevent an alternative subscription or pre-payment scheme for ambulance services being established. Effectively, a person or corporation cannot collect or solicit money from the general public on the understanding that they have purchased certain ambulance services to be consumed in the future. This restricts the capacity of a person or corporation from raising equity in order to establish an ambulance service business that involves high start up costs, thus reinforcing these costs as a barrier to market entry.

If all restrictions on the conduct of a business providing ambulance transport and/or services were removed, there would be no restrictions (apart from the usual laws dealing with fraudulent representation and trustee funds) on who could raise money for the provision of ambulance services. The Steering Committee was not convinced that there would be any appreciable impact on the market for ambulance services if the restriction on soliciting or collecting money from the public for ambulance services was removed in favour of accreditation.

This is because, under such a regime, it would be an offence to provide or promise to provide ambulance services without appropriate accreditation. Where a would-be provider does not hold the necessary accreditation, it would be subject to the normal provisions of fraudulent representation.

⁵ Local Ambulance Committees were established under the *Ambulance Service Act 1991* to provide advice to the ambulance commissioner, liaise between the community and the Ambulance Service, and raise funds for the local Ambulance Service.

The Steering Committee does not believe this restriction confers a public benefit and should therefore be repealed. There are other legislative mechanisms to protect the public from fraudulent or imprudent behaviour in the marketplace.

Respondents that addressed s45 of the Act generally agreed that, where a supplier provides a service, they are entitled to collect payment. It is therefore, not anticipated that there will be any objection to the conclusions reached by the Steering Committee.

Recommendations related to s45 of the Act

Recommendation 10. That s45 of the Act be repealed.

Ambulance Service Act 1991; s48 Restricted use of words

This section of the Act prevents persons from using the words 'Ambulance Service' or similar as a name, title or description, and using the word 'Ambulance' on any vehicle not owned or operated by the QAS. A person or corporation may only use these words if they obtain the written authority of the Commissioner.

No provision is made in Legislation, Regulation, or other administrative mechanism, for pre-requisites of authorisation.

S48 (2) provides an exemption for the use of the 'ambulance' by St John Ambulance Australia-Queensland, and an ambulance service conducted under the "Health Services Act 1991".

This section of the Act limits the separation of the regulatory and service provision functions, which could act as a potential barrier to a provider's ability to operate effectively within the market. Essentially, the wording of this section provides the QAS with the opportunity to restrict the marketing of alternative ambulance services (including sub-sets of an ambulance service) by competitors to the QAS.

Issues

Arguably, there are information benefits associated with the use of the terms 'ambulance' and 'ambulance service', especially with respect to the triple zero '000' emergency ambulance transport market. The vast majority of consumers who require an emergency response do not necessarily have the skills, knowledge or time to make informed decisions about potential providers. Additionally, the nature of the demand for the service means that the level of consumption is not sensitive to transaction costs that often drive information gathering. In these instances, the terms 'ambulance' and 'ambulance service' act as a market signal assisting consumers' decision making.

This is also true of the urgent and non-urgent ambulance markets where the term 'ambulance' and 'ambulance service' act as a significant market signal to consumers.

If all anti-competitive provisions were removed from the Act, there would be no restriction on who could use the term 'ambulance' or 'ambulance service'. Any person or entity, regardless of their skills or experience, could market themselves as an ambulance or ambulance service.

At the same time, the understanding the community has in relation to the word 'ambulance' also acts as a relatively efficient signal for quality in an imperfect market. The value of the signal increases with the urgency of the demand for an 'ambulance service'.

Therefore, the Steering Committee believes that removing all restrictions on the use of the words ambulance, and particularly 'ambulance service', would cause public confusion in the market. This confusion could be more acute in the situation of a health emergency.

It can, however, be argued that the competitive benefits associated with the word 'ambulance' should be conferred upon all approved suppliers of ambulance services, not just the QAS or St John Ambulance Service as is the current situation, and that an exemption under legislation confers a competitive advantage on exempted organisations.

Conclusions related to s48 of the Act

The Steering Committee has concluded that there remains a public benefit in restricting the use of the words 'ambulance service' and 'ambulance', but that, consistent with recommendations made under s43 of the Act, the Minister is the appropriate approving authority.

The Steering Committee further determined that the provisions in s48 of the Act would be more appropriately placed with the provisions under s43, ensuring that the need to approve use of the words 'ambulance service' and 'ambulance' is considered in the process of the Minister approving provision of these services. As such, the project team formed to develop the transparent entry (accreditation) criteria for emergency, urgent and non-urgent ambulance services should consider how the use of the words "ambulance" and "ambulance service" would form part of the accreditation process.

Finally, in repealing some of the provisions under this section of the Act and incorporating these within s43, the Committee would expect that ambulance service providers holding a current approval to provide ambulance services, and to utilise the words 'ambulance service' and 'ambulance', would retain this approval after revision of the Act.

Summary of Submissions

Submissions from potential alternative providers of ambulance transport services advocated, in particular, the use of the word ambulance by all approved providers of ambulance transport services. Again, it is not anticipated that there will be any objection to the Steering Committee's proposal above. This is because the approval of the use of these words is contingent on the provider having a relevant approval to provide ambulance transport services.

Recommendations related to s48 of the Act

- | | |
|--------------------|---|
| Recommendation 11. | That s48 subsection 1(a) and 1(c), and s48 subsection 2(a), (b) and (c) of the Act be repealed. |
| Recommendation 12. | That s43 of the Act be redrafted to incorporate the current provisions of s48 subsection 1(a) and 1(c) of the Act. |
| Recommendation 13. | That the Minister be the authority responsible for approving use of the words 'ambulance' and 'ambulance service' as part of the accreditation process under s43 of the Act. |
| Recommendation 14. | That currently exempted services under s48 subsection 2 of the Act, and the Queensland Ambulance Service, be provided with an automatic approval to use the words 'ambulance service' and 'ambulance' as part of implementation of Recommendation 11 above. |
| Recommendation 15. | That organisations or individuals holding a current approval under s48 1(a) and s48 1(c) of the Act be granted approval where appropriate to use the words 'ambulance service' and |

'ambulance' in a manner consistent with their current approval from the Commissioner.

Ambulance Service Act 1991; s44 Unauthorised teaching of first aid

This section of the Act prohibits a person, other than a (QAS) officer, from teaching first aid without the approval of the QAS Commissioner, and allows the Commissioner to impose conditions for approval. Also listed are organisations granted an exemption from the section.

The requirement for potential market entrants to receive approval from the Commissioner presents a significant barrier to entry to the market for first aid training. No approval criteria, mechanisms or processes are stated in the Act or in the Regulation, and therefore the process has in the past lacked transparency and, arguably, consistency.

The wording of the Act provides the Commissioner with the authority to impose conditions on the approval, potentially restricting the conduct of the business, and distorting competitive forces within the market. This could result in a reduction in the potential public benefit derived from the presence of an additional provider in the market.

Overview

Currently, the regulatory function of approval of a first aid training supplier resides with the main provider of these services (QAS). It would be appropriate to separate the regulatory approval function from service provision to ensure transparency in the approval process. In effect, if the restriction is retained in its current form, it provides the QAS with control of its market competitors.

A number of organisations have the approval of the Commissioner to deliver first aid training. In addition, four organisations (St John Ambulance Australia – Queensland, Royal Flying Doctor Service of Australia, Australian Red Cross, Queensland division, and Surf Life Saving Association of Australia, Queensland State Centre Inc.) and two categories of people (medical practitioners and Queensland Health employees authorised by the Departmental CEO) are granted an exemption from approval under s44 of the Act. Consequently, the Steering Committee recognises that there is a relatively competitive market place for first aid training. This is reflected in the number of first aid approved providers, which are listed in Appendix 5.

Broadly, there are two categories of first aid training – vocational first aid training that results in award of a qualification consistent with the Australian Quality Training Framework, and first aid training for individuals or juniors that does not result in a formal qualification.

In exercising this legislative responsibility, the Commissioner has in the past referred all applications for advice to the Community Initiatives and First Aid Advisory Committee (CIFAAC), an independent specialist advisory committee of the Queensland Emergency Medical System (QEMS). CIFAAC will recommend that the Commissioner approve a person to teach first aid subject to that person:

- meeting the minimum human resource guidelines set down by CIFAAC;
- being engaged by an approved training organisation; and
- using units from an endorsed National Training Package for a nationally accredited course.

For non-Registered Training Organisations (RTOs) and individual applicants, the Commissioner uses a reduced approval process.

As part of the requirements under s44, Registered Training Organisations (RTOs) must also comply with the Australian Quality Training Framework. The Australian National Training Authority (ANTA) and DET have implemented the Australian Quality Training Framework, which has standards for mandatory compliance by RTOs across the relevant industry.

The Queensland Community Services and Health Industries Training Council (QCS&H ITC) advises the Department of Employment and Training whether an RTO that applies for scope of registration to deliver and assess first aid units of competency has the capacity to deliver and assess those units. QCS&H ITC examines the RTO's human and learning resources, and assessment tools. Whilst QCS&H ITC does examine the technical content of the learning and assessment materials, it has not previously done so to the extent that the QAS Commissioner requires for approval under s44 of the Act. The QAS Commissioner requires additional declarations regarding maintenance of currency of clinical skills, ongoing professional education for all trainers and an established point of evidence-based clinical reference.

The approval process for RTOs is confined to training organisations that provide vocational training courses. Information courses provided to individuals, or for the purpose of junior (non-qualification) training, are not covered by the National accreditation or quality standards. However, the provisions of s44 of the Act are all-encompassing and, any individual or organisation providing first aid training at any level must obtain the approval of the Commissioner.

Issues

The provisions of s44 of the Act were implemented at a time when there were no National Competency Standards for first aid training. Under the Health Training Package, there are now nationally recognised courses and standards for first aid that result in mutually recognised standards across states and territories in first aid training. These standards are administered in Queensland by DET on the advice of the CS&H Industry Training Advisory Board (ITAB).

In addition, the QAS, QEMS, the First Aid Providers Forum and DET have agreed on a set of guidelines to establish standards for compliance in relation to first aid training in Queensland. These groups are representative of the first aid industry in Queensland.

Should the provisions of s44 of the Act be repealed, it would be the responsibility of DET to ensure that RTO providers of first aid training are competent to provide such training. Given the industry understanding that has now been established, that Department would have discretion in determining the appropriate approval process.

Repeal of s44 would leave non-RTO providers of first aid training unregulated. However, while the current legislation has provided for monitoring of non-RTO providers as well as RTO providers, this role has not been consistently undertaken resulting in non-RTO providers being relatively free to carry on training services.

The exemptions listed in s44 appear to be a historical anomaly and inconsistent. For example, Surf Lifesaving Queensland and the Royal Life Saving Society Queensland perform similar functions with similar community support. However, Surf Lifesaving has an exemption from approval under s44, but Royal Life Saving does not.

There is a mixed view among respondents regarding regulation of first aid training in Queensland. While there is an overwhelming view that the QAS should not be the regulating body, there is industry support in Queensland for this regulatory function to be moved to another Government body (Option 2 below). Proponents of this view include: the QAS, the Chair of the QEMS, and Wilson Patient Transport.

The alternative view (Option 1 below) that the industry should not be regulated at all, is supported by St John's Ambulance, and St John Ambulance WA Ambulance Service Inc., in addition to Meditrans Patient Transport Pty Ltd. The view of these organisations is that the industry would be appropriately regulated through the existing provisions of the Australian Quality Training Framework and the Health and Community Services ITAB.

The underlying feeling is that the current provisions of s44 limit delivery of first aid training more broadly to the public. In addition, suppliers of first aid training are able to gain a competitive advantage by becoming a Quality Endorsed Training Organisation (QETO), and as such there is an incentive for organisations to follow national quality and accreditation standards.

Stakeholders have reported to the Steering Committee that there is a community perception that those organisations that are exempt from s44 must necessarily be a 'better' provider of first aid training. This 'differentiation' might be used by those organisations in advertising its services, and could be quite misleading to the community and potential client groups.

It was also reported that the administrative processes for obtaining all the necessary authorisations from all the relevant agencies are unnecessarily repetitious and can take a long time to resolve. The Commissioner will not issue an approval to teach until he is advised by DET that the ITAB will approve the applicant to teach vocational first aid. The Committee has concluded that a simple and transparent process would assist competition in the market and lessen barriers to alternative providers.

However, at the same time that the QAS is the regulator for the first aid training market, it also services approximately 30 per cent of the market for first aid training. Many other market participants are dissatisfied with this arguable conflict of interest.

Other Jurisdictions

No other State or Territory in Australia regulates the ability of an organisation to operate as a first aid training organisation. However, most jurisdictions, including Queensland, regulate the provision of first aid in the workplace under their respective Workplace Health and Safety regulations. This usually includes specification of particular courses that are appropriate to provide the required standards for first aid providers. Many industries in Queensland and in other jurisdictions also regulate providers of first aid, stating relevant approved courses and equipment that must be available. This includes the pharmaceutical, child care and mining industries.

Option 1 - remove all legislative barriers

Under this option, all restrictions on organisations undertaking first aid training would be removed. These would not be replaced by any other regulatory means.

Advantages

- If all restrictions on first aid training were removed from the Act, no providers would have a market advantage because of their exempt status in the Act resulting in removal of market distortions around the 'exempt' status of organisations, and the perception these organisations are 'better' providers of first aid.
- Suppliers of first aid training who are RTOs would still have to comply with the regulatory requirements of the Australian Quality Training Framework and the QCS&H ITC would still assess the capacity of the RTO to deliver first aid units of competency.
- Transaction costs for RTOs to obtain approval to deliver vocational first aid training may be reduced, however, the Steering Committee does not expect that this would be a significant overall reduction in costs. Cost savings may be achieved by way of a shorter approval time. Nevertheless, there would only be one point of contact for RTOs to have

first aid training approved within their scope making the system more transparent and efficient.

- Finally, the regulatory role over suppliers of first aid training would no longer be the responsibility of the major supplier in the industry.

Disadvantages

- Those individuals or non-RTOs that wish to provide non-vocational or non-qualification first aid training (eg. informal in-house information or badge or achievement award status) would not be covered by any regulatory restriction.
- Consequently, the industry scrutiny of course content and first aid techniques being taught would not continue. There would be no means by which the industry could regulate non-RTOs.
- While there is an argument that this option could raise public safety issues, injury mortality statistics suggest that, in other States where the first aid training market is not regulated, injury outcomes are actually better. It is acknowledged that there are a number of factors that would contribute to Queensland's injury mortality rates, including higher rates of mortality for rural and remote, and indigenous populations. However, the statistics do suggest that there may be no significant adverse outcomes from deregulating this market. The submission from St John Ambulance WA Ambulance Service Inc supports this assertion.

Option 2 – Regulated Competitive Supply (Legislative)

Under this option, all restrictions within the Act on organisations undertaking first aid training would be removed. However, current national legislation, as well as legislation administered by the Department of Employment and Training, are suitable for administering first aid training.

Suppliers of first aid training who are RTOs would still have to comply with the regulatory requirements of the Australian Quality Training Framework and the industry body would assess the capacity of the RTO to deliver first aid units of competency. Importantly, clinical assessment would be provided by a reference group with appropriate industry representation.

An industry body would be established to act as a reference and advisory group for a regulator to approve organisations with the appropriate skills, qualifications and organisational ability to undertake first aid training. Such a body, the QEMS First Aid Providers Reference Group, has recently been established to advise the Commissioner on this and other issues relevant to first aid.

It has been suggested that an appropriate body to provide advice on the approval would be the Queensland Community Services and Health ITAB, and there has been general industry agreement to this approach.

Under this option, the Department of Education and Training would be legislated as the regulating body, receiving advice from the ITAB, with input from the First Aid Providers Reference Group.

Given the role for the ITAB under this approach would be much broader than its current RTO role, it is expected that additional costs would be incurred by ITAB to undertake both regulation and monitoring roles for all first aid providers. It has been estimated that resources under \$100,000 would be required.

Advantages

- If all restrictions on first aid training were removed from the Act, no providers would have a market advantage because of their exempt status in the Act. This would improve any market information distortion that currently exists around the 'exempt' status.
- The difference in this option from Option 1 above is that all providers of first aid training, including the QAS, would come within the provisions of the Act, similar to the current regulatory environment, thereby imposing an additional level of industry clinical scrutiny on courses conducted.
- However, this regulatory role over suppliers of first aid training would no longer be the responsibility of the major supplier in the industry, but rather of a representative industry group.
- There would be some savings in gaining approval for suppliers of first aid training in that there would be one point of contact for obtaining approvals, and the process for obtaining approvals would be more transparent.

Disadvantages

- There are no additional costs that would be incurred by the industry as a result of this option, however, there would be no savings to potential suppliers either, as would be achieved under Option 1.
- Under this option there is potential to restrict the number of first aid providers in Queensland. This may impact on the identified need to increase the level of CPR and first aid knowledge in the general community and in rural and remote locations.

Conclusions related to s44 of the Act

The Steering Committee considers it appropriate that s44 be repealed from the Act. It considers that a major provider should not deal with the regulatory function in the first aid training market.

Additionally, the national and state accreditation processes for registered training organisations wishing to be accredited to provide first aid training appear to be sufficiently robust to appropriately regulate the market for first aid training, particularly in view of the implementation of the Australian Quality Training Framework, and industry agreement in Queensland on minimum guidelines for approval of training organisations.

Consequently, the Steering Committee supports Option 1 above which recommends repealing s44 of the Act.

Recommendations related to s44 of the Act

Recommendation 16. That s44 of the Act be repealed.

Implementation Issues

In implementing the Committee's recommendations relating to the restrictive provisions within the Act and Regulation, the Government may wish to consider the following:

- Establishment of a technical taskforce to undertake policy development work (the establishment of such a taskforce is incorporated within Recommendation 3);

- In developing the guidelines, the taskforce needs to consider the means by which equity, access, quality, safety, and affordability of ambulance services can be maintained. This includes maintaining services in rural and remote areas, and incorporating existing government policy.
- The taskforce should also progress changes to associated legislation to ensure consistency with the new licensing arrangements.

Appendix 1: Review Terms of Reference

NATIONAL COMPETITION POLICY REVIEW OF THE QUEENSLAND AMBULANCE SERVICE ACT 1991 & AMBULANCE SERVICE REGULATION 1991

In April 1995, all Australian Governments endorsed a package of legislative and administrative arrangements that underpin National Competition Policy (NCP). The key objective of NCP is to develop a more open and integrated Australian market that limits anti-competitive conduct and removed the special advantages previously enjoyed by government business activities, where it is in the public interest to do so.

A key element of NCP is the review of all legislation that restricts competition. A critical part of the Queensland Government's overall approach to NCP is the legislation review process. The Government is committed to a legislation review process based on a rigorous assessment of the costs and benefits of options for reform.

The Ambulance Service Act 1991 and the Ambulance Service Regulation 1991 have been identified as legislation for review under NCP. The review will be undertaken in the 2001/2002 financial year. The Minister for Emergency Services will submit the report of the review to the Treasurer by 30 June 2002.

The guiding principle of the review is that legislation (including Acts, enactments, Ordinances or Regulation) should not restrict competition unless it can be demonstrated that:

- (a) the benefits of the restriction to the community as a whole outweigh the costs; and
- (b) the objectives of the legislation can only be achieved by restricting competition.

Without limiting the terms of reference, this review will:

- (a) clarify the objectives of the legislation;
- (b) identify the nature of the restriction on competition;
- (c) analyse the likely effect of the restriction on competition and on the economy generally;
- (d) assess and balance the costs and benefits of the restriction; and
- (e) consider alternative means for achieving the same result including non-legislative approaches.

The following matters shall, where relevant, be taken into account:

- (a) government legislation and policies relating to ecologically sustainable development;
- (b) social welfare and equity considerations, including community service obligations;
- (c) government legislation and policies relating to matters such as occupational health and safety, industrial relations and access and equity;
- (d) economic and regional development, including employment and investment growth;
- (e) the interests of consumers generally or of a class of consumers;
- (f) Australian businesses; and
- (g) the efficient allocation of resources.

Appendix 2: Summary of Submissions Received

No.	Date Received	Author	Organisation
1	27 May 2002	Ramon Shaban Principal Educator Paramedic Clinical Education	QAS Education Centre (QASEC)
2	28 May 2002	Mrs L Bettinson A/Senior Support Officer Executive Services	Queensland Health
3	28 May 2002	David Baker Chief Executive Officer	St John Ambulance Australia – Northern Territory
4	6 June 2002	John Conde Chairman & Executive Director	MBF Sydney
5	6 June 2002	Jim Campbell Chief Pilot/Manager	Sunshine Coast Helicopter Rescue Service - Marcoola
6	11 June 2002	Mick Davis Manager Business Process Improvement	Queensland Ambulance Service
7	11 June 2002	Graham Morrow Chair	Qld Emergency Medical Systems Secretariat
8	17 June 2002	Mrs Lisette Brake	From Wangan
9	17 June 2002	G Haddock The Secretary	Redland Local Ambulance Committee
10	17 June 2002	Mr Ian Holm Managing Director	Trans-Medic Australia Pty Ltd
11	17 June 2002	Ms Jennifer Leigh Project Officer	Qld Council of Social Service Inc. (QCOSS)
12	17 June 2002	Mr Don Rixon National Manager	Wilson Patient Transport Victoria
13	17 June 2002	Mr Alan Close	LifeAid Pty Ltd Victoria
14	17 June 2002	Ms Yvonne Zardani OAM State Secretary	Australian Pensioners' and Superannuants' League Qld Inc.
15	17 June 2002	Mr Ron Monaghan Secretary	Australian Liquor Hospitality & Miscellaneous Workers Union
16	17 June 2002	Mr Errol Carey Chief Executive Officer & Danitza Schealler Executive Officer-Training	St John Ambulance Australia (Qld)
17	17 June 2002	Ms Kate Middleweek Public Officer/Corporate Lawyer	MBF – Legal Division Sydney
18	17 June 2002	Mr Bruce Maguire Chief Executive Officer	R.F.D.S. Qld Section
19	18 June 2002 (14/6)	Mr Rod Arthur Director	Open Learning Institute of TAFE - Sth Brisbane
20	18 June 2002	Ms Cath Wood	Q-Comp – The Workers Compensation Regulatory

No.	Date Received	Author	Organisation
	(17/6)	General Manager	Compensation Regulatory Service of Qld
21	18 June 2002 (14/6)	Mr Ian Kaye-Eddie Chief Executive Officer	St John Ambulance - WA Service
22	18 June 2002	Mr Ken Smith Director-General	Dept of Employment and Training
23	19 June 2002	Mr Don Young Member of QLAC	LAC Boonah
24	19 June 2002	Mr Nigel Mowbray Director	Meditrans Patient Transport Victoria
25	24 June 2002	Dr Gerry Fitzgerald Commissioner	Queensland Ambulance Service
26	26 June 2002 (19/6)	Ms Karen Roach District Manager	Queensland Health Toowoomba Health Service District
27	26 June 2002	Ms Karen Williams Director of Nursing Services	Gympie Health Service District
28	8 July 2002	Tracy Worrall Executive Director	Qld Community Health Services & Health Industries Training Council
29	9 July 2002	Don Lanham	Life International Training Pty Ltd
30	16 July 2002		Queensland Health
31	16 July 2002	Dr Gerry Fitzgerald Commissioner	Queensland Ambulance Service
32	Undated draft	Bruce Wilson Director-General	Queensland Transport

Appendix 3: Restrictions Legislative Provisions

Unauthorised ambulance transport

s43

- (1) A person, other than the chief executive or the commissioner, is not to directly or indirectly imply that the person provides or participates in providing ambulance transport without the approval of the Minister and except in accordance with such conditions (if any) as the Minister may impose.
- (2) The Minister may revoke any approval given, or revoke or vary any condition imposed, under this section.
- (3) This section does not apply to —
 - (a) the Royal Flying Doctor Service of Australia; and
 - (b) an ambulance service conducted under the *Health Services Act 1991*.

Unauthorised teaching of first aid

s44

- (1) A person, other than a service officer, is not to teach first aid without the approval of the commissioner and except in accordance with such conditions, (if any) as the commissioner may impose.
- (2) The commissioner may revoke any approval given, or revoke or vary any condition imposed, under this section.
- (3) This section does not apply to —
 - (a) St John Ambulance Australia-Queensland; and
 - (b) Royal Flying Doctor Service of Australia; and
 - (c) Australian Red Cross Society, Queensland division; and
 - (d) Surf Life Saving Association of Australia, Queensland State Centre Inc.; and
 - (e) a person registered as a medical practitioner (within the meaning of the *Medical Act 1939*, or a corresponding Act of any other State); and
 - (f) an employee of the department in which the *Health Services Act 1991* is administered, authorised by the chief executive of that department.

Unauthorised collections

s45

- (1) A person, other than—
 - (a) a member of, or person authorised by, a committee; or
 - (b) a service officer;
 is not to organise, conduct or take part in the collection or soliciting of money or property from the public for, towards or in return for the provision of ambulance services without the approval of the commissioner and except in accordance with such conditions (if any) as the commissioner may impose.
- (2) The commissioner may revoke any consent given, or revoke or vary any condition imposed, under this section.
- (3) This section—
 - (a) does not apply to the Royal Flying Doctor Service of Australia; and
 - (b) in respect of that part of ambulance services that comprises first aid services—does not apply to St John Ambulance Australia-Queensland.

Restricted use of words ‘Ambulance Service’ s48

- (1) A person must not—
 - (a) without the written authority of the commissioner—use the words ‘Ambulance Service’ or any similar name, title or description’ or
 - (b) represent that the person is associated with the service unless such an association exists; or
 - (c) without the written authority of the commissioner—use the word ‘Ambulance’ on any vehicle that is not operated by the service; or
 - (d) impersonate an officer; or
 - (e) without the written authority of the commissioner—use any insignia of the service in any manner contrary to the manner approved by the commissioner.
- (2) This section does not apply to—
 - (a) an ambulance service conducted under the *Health Services Act 1991*; and
 - (b) the use of the word ‘Ambulance’ by St John Ambulance Australia-Queensland as part of its name; and
 - (c) the use of the words ‘animal ambulance’ on a vehicle owned or operated by an animal welfare organisation for the transport of sick or injured animals.

Ambulance Service Regulation 1991

Fees for services

S7

- (1) The fees payable by non-subscribers to Queensland Ambulance Service for ambulance services are—
 - (aa) for emergency transport—\$706.00; or
 - (ab) for non-emergency transport—
 - (i) if the ambulance does not travel more than 50 km—\$263.00; or
 - (ii) otherwise—\$263.00 plus \$1.10 for each kilometre or part of a kilometre over 50 km travelled by the ambulance; or
 - (b) for ambulance attendance if ambulance transport is refused or not required and an ambulance officer examines a patient or provides a patient with first aid or emergency treatment—the greater of—
 - (i) \$74.00; or
 - (ii) \$10.15 for each kilometre or part of a kilometre travelled by the ambulance, to a maximum of \$706.00; or
 - (c) for the treatment of a patient at an ambulance casualty centre—\$12.80; or
 - (d) for transport by aerial ambulance—\$5.20 per kilometre or part of a kilometre flown from the airport at which the aerial ambulance is normally based, and return, or \$243.00, whichever is the greater.

Appendix 4: Ambulance Services in Other Jurisdictions

Australian Capital Territory

Current Legislation: *Emergency Management Act 1999*

Structure of Services:

The *Emergency Management Act 1999* provides specifically for the establishment and operation of the ACT Ambulance Service.

The ACT Ambulance Service has a Chief Officer to manage the ambulance service and develop standards and protocols for medical treatment provided or by a person or agency acting on behalf of the ambulance service. The role of the Chief Officer falls within the jurisdiction of the public service.

However, Section 72 of the *Emergency Management Act 1999* provides authority for the Minister to approve ambulance service providers. Under subsection 3 of Section 72, in considering an application for approval (subject to relevant regulations) the Minister must have regard to the public benefit, and the impact that approval of the application would have on the health and safety of the community. The Minister may set conditions for approval.

NCP Review: none planned.

New South Wales

Current Legislation: *Ambulance Services Act 1990*

Structure of Services:

The *Ambulance Services Act 1990* makes specific provision for the establishment of the Ambulance Service of NSW under the jurisdiction of the Crown. An Ambulance Service Board controls the operations of the Ambulance Service of NSW. The Board is responsible to the Minister.

The Health Administration Corporation is taken to be the employer of Ambulance Service staff and establishes employment conditions and resolves industrial matters.

Section 23 (1) of the *Ambulance Services Act 1990* states that “A person must not:

- (a) directly or indirectly provide or take part in the provision of transport for sick or injured persons for fee or reward, or
- (b) conduct for fee or reward any operations similar to the operations carried on by the Ambulance Service under this Act,

without the consent of the Director-General and except in accordance with such conditions (if any) as the Director-General may from time to time impose.

The Director-General means the Director-General of the Department of Health, and thus remains at arms length from the Ambulance Service of NSW.

Exemptions under Section 23 (3) include the Ambulance Service of NSW, the St John Ambulance Services (NSW) for operations similar to the operations carried on prior to the commencement of s23(1), the RFDS (NSW) the mines rescue company within the meaning of the *Coal Industry Act 2001*, and members of the NSW Mines Rescue Brigade established under the *Coal Industry Act 2001*.

NCP Review: Completed

Victoria

Current Legislation: *Ambulance Services Act 1986*

Structure of Services:

Ambulance services in Victoria are managed by a Committee of Management, that is appointed by the Governor in Council on the recommendation of the Minister.

However, it is the responsibility of the Secretary of the Department of Human Services and Health to advise the Minister on all matters related to ambulance services, and to formulate and determine policies, standards and guidelines relating to ambulance services. The Secretary may also give directions to ambulance services or their committees of management relating to a range of operational and strategic matters.

Ambulance Services are established by order of the Governor in Council, on the advice of the Minister. Recognised ambulance services are listed in Schedule 1 of the *Ambulance Services Act 1986*.

NCP Review:

The *Ambulance Services Act 1986* underwent a NCP Review, finalised in April 1999. The review recommended that a licence/registration system be implemented to allow an ambulance services (public, private, or not-for-profit) to use warning devices under certain circumstances and also to use the term 'ambulance'. A range of licences was proposed to cover emergency, first responder, medical retrieval, public events and non-emergency. Government services would be corporatised GBEs providing ambulance services on a commercial basis.

It was also proposed that an independent purchasing board be established to purchase ambulance services on behalf of Government with a requirement to use mechanisms that enhance competition. The board would also oversee a subscriptions scheme and regulate the price of ambulance services. The board would also be responsible for development and implementation of industry standards, relying on industry input. The board would be responsible for the registration/licensing of ambulance services.

Finally, the report recommended establishment of an independent, self-funding Board appointed by Government to administer occupational registration of ambulance officers for the purposes of protection of consumers.

South Australia

Current Legislation: *Ambulance Services Act 1992*

Structure of Services:

The *Ambulance Services Act 1992* provides for the licensing of persons who provide ambulance services. Under this legislation, (Section 5) a person who provides an ambulance service is guilty of an offence unless (a) he or she is licensed under this Act to provide that service, or (b) the service is provided by a person or a person of a class, or in circumstances, prescribed by regulation.

The Minister is responsible for granting licenses and setting associated conditions. Fees for ambulance services are fixed by the Minister by notice in the Gazette.

NCP Review: None planned.

Tasmania

Current Legislation: *Ambulance Service Act 1982*

Structure of Services:

The *Ambulance Service Act 1982* provides for the establishment and operation of the Tasmanian Ambulance Service. The Director of the Ambulance Service controls all operational and strategic aspects of the service. However, the Director is subject to the control of the Minister.

The Ambulance Service Act 1982 states under Section 37 (1) A person shall not provide ambulance services similar to the services provided by the Director under this Act without the written consent of the Director, and except in accordance with such conditions (if any) as the Director may from time to time impose in relation to the provision of ambulance services by that person.

Exceptions from section 37 (1) are St John Ambulance – Tasmania in respect of operations similar to the operations lawfully carried on by the at body immediately before the commencement of the provisions under s37 (1), and any prescribed person or class of persons.

NCP Review: None Planned.

Northern Territory

Current Legislation: None

Structure of Services:

There is no core legislation governing the Northern Territory's ambulance services. St John Ambulance Service (NT) Inc operates the ambulance service within the Northern Territory, under contract to the Northern Territory Government.

NCP Review: None Planned.

Western Australia

Current Legislation: None

Structure of Services:

There is no legislation in Western Australia specific to ambulance operations with the exception of the Road Traffic Act 1974, that provides the necessary authority for ambulances to transport patients under emergency driving conditions.

Following a review between 1995 and 1997, the WA Government decided that it was in the public interest for:

- all ambulance transport in the Perth metropolitan area (with the exception of inter-hospital transfers) to be provided by St John Ambulance;
- all metropolitan inter-hospital transfers to be made the subject of competitive tender; and
- all ambulance transport in regional and rural Western Australia to be provided by St John Ambulance (including inter-hospital transfers).

NCP Review: None Planned.

Appendix 5: First Aid Approved Providers

Organisation Name

ABC First Aid (First Aid Training Co) (We Teach FA)
 Accidental First Aid Training
 Australasian College of Health & Safety
 Australian College of Tropical Agriculture
 Australian Institute for Care Development (Aged Care Qld)
 Australian Professional Training Institute
 Australian Sports Medicine Federation
 Blue Care was (TLC First Aid & Life Saving Educators)
 Board of Secondary Schools
 CareFlight Safety (Services) Qld
 Chubb Security
 Construction Skills Training Centre
 Critical Response Training & Services
 Divers Alert Network
 Emergency Care Education
 Errol Baldwin Training
 First Aid First
 First Response Australia
 Immediate Assistants Pty Ltd
 Lesley Wemyss Training Consultancy
 Life Support & Safety Training Service
 Life International Training Pty Ltd
 LifeAid Emergency Care Education
 Mater Education Centre
 National On Site Training
 National Safety Council of Aust. Ltd
 Queensland Ambulance Service
 Redrock Enterprises Pty Ltd
 Scout Association - Qld Branch
 Security Institute
 Seventh Day Adventist Church
 State Emergency Service
 Surf Life Saving Queensland
 TAFE Colleges - Barrier Reef Institute, Bremer Institute, Brisbane Institute, Central Queensland Institute, Cooloola Sunshine Institute, Gold Coast Institute, Logan Institute, Moreton Institute, Mount Isa Institute, North Point Institute, Open Learning Institute, Southbank Institute, Southern Queensland Institute, Tropical North Institute, Wide Bay Institute, Yeronga Institute
 The Safety Network Australia (also Trading as Wilderness First Aid Con
 Toowoomba First Aid Training Supplies
 Vital First Aid
 Work Skills Advancement Corporation
 YMCA