

Submission

No 4

**FOLLOW UP OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDITS SEPTEMBER 2010 - FEBRUARY
2011**

Organisation: NSW Department of Health
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Date Received: 16/04/2012

Theme:

Summary

P12/124

Mr Jonathan O'Dea MP
Chair
Legislative Assembly
Public Accounts Committee
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

Dear Mr O'Dea

Auditor-General's Report on Helicopter Emergency Medical Service Contract

I refer to your letter of 28 February 2012 requesting a submission outlining NSW Health's response to the Auditor-General's *Helicopter Emergency Medical Service Contract*, tabled September 2010.

The Ambulance Service of NSW accepted, without alternation, all eight recommendations made by the Audit.

Attached is a report prepared by the Ambulance Service and a table outlining progress of implementation of each of the recommendations for the consideration of the Committee.

With regard to feedback on the effectiveness of the audit process, the Ambulance Service found that the audit process focused on the key deliverables of the program and provided additional support for other important areas which were already identified by the Ambulance Service.

The person to contact at the Ambulance Service for further information or assistance is Mr Mike Willis, Acting Chief Executive of the Ambulance Service of NSW, on 9320 7601.

Yours sincerely



Dr Mary Foley
Director-General

11 - 4 - 12

PERFORMANCE AUDIT – Helicopter Emergency Medical Service Contract

IMPLEMENTATION OF RECOMMENDATIONS

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1 Ambulance should ensure, in consultation with the helicopter operators that the improvements recommended by the safety audit of the Orange helicopter landing site are followed (page 19)	Accepted	<ol style="list-style-type: none"> 1. Previous helicopter landing site – Implement Safety Audit recommendations in consultation with helicopter operators and Orange Base Hospital Management. 2. Aviation consultant review of plans for new helicopter landing site. 3. Undertake Safety Audit of new helicopter landing site prior to commissioning. 	Immediate	<p>Completed</p> <ol style="list-style-type: none"> 1. All recommendations pertaining to the previous helicopter landing site have been actioned. This site is now decommissioned. 2. The new hospital and helipad became operational in March 2011. The previous operational constraints are not present with the new helipad. 3. An audit of the new helicopter landing site has been completed and minor recommendations have been completed by the Western Local Health District Management. 	Aeromedical & Medical Retrieval Services
2 Ambulance should provide more comprehensive information on its helicopter emergency medical services performance to the public (page 15).	Accepted	Publish information regarding helicopter activity, emergency response times and helicopter availability on the ASNSW website under "Our Performance"	March 2011	<p>Completed</p> <p>Information similar to road ambulance activity regarding helicopter activity, emergency response times and helicopter availability is available on the</p>	Corporate Services NSW Ambulance Service

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
3 Ambulance should explore whether any financial compensation should be sought for lost capability resulting from the installation of the inlet barrier filters (page 19).	Accepted	<ol style="list-style-type: none"> 1. Explore feasibility of identifying missions unable to be undertaken by the EC145 due to the effect of the inlet barrier filters amongst other operational factors. 2. Explore cost of investigation versus potential financial compensation 	March 2011	<p>Completed</p> <p>The Orange EC145 became operational in December 2009 and the Barrier Filters were removed on 1 June 2010. While records are available to determine which aircraft did a mission, there is no way to retrospectively determine whether the reason for the EC145 to be unable to do a mission was due to the barrier filters or a combination of aviation factors. This would require an aviation consultant to recreate the mission and flight details to determine whether theoretically the EC145 without the filters could have done the mission. Such an analysis would be time consuming and may not be a cost effective analysis.</p> <p>To explore the potential magnitude of such an analysis, the Ambulance Service examined records to identify those missions where the Orange EC145 was on line, not otherwise tasked but the mission was undertaken by another aircraft. Only five cases were identified. For three cases it was clinically and</p>	Aeromedical & Medical Retrieval Services

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
				<p>operationally more appropriate to use another aircraft. Of the remaining two cases, one was cheaper and faster by the alternate aircraft and one was approximately \$100 more expensive.</p> <p>The Sydney EC145 commenced operations on 15 March 2010 and the filters were removed on 1 June 2010. The tasking arrangements with the two Sydney aircraft are such that it is not possible to retrospectively determine any impact the barrier filters may have had on the choice of aircraft on any particular day. An average mission is 1.6 hours. The cost difference between the AW 139 and the EC 145 for an average mission is \$400. Extrapolating from the analysis with respect to the Orange EC145 any financial impact is likely to be minimal over 2.5 months and not cost effective to explore.</p>	
4 Ambulance should ensure that AmbFlight is implemented and fully functional (page 15).	Accepted	<ol style="list-style-type: none"> 1. Introduce AmbFlight phase 1 2. Complete Business Case, scope, fund and implement phase 2. 	Sept 2011	<p>AmbFlight phase 1 is complete.</p> <p>AmbFlight phase 2 is under development and on track for implementation in October 2012.</p> <p>To effect the connectivity with AmbCAD the Ambulance Service was required to engage with an IT</p>	Corporate Services

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
5 Ambulance should advise the public on the permanent location for the Sydney HEMS base and its impact on operations once this decision is made (page 19).	Accepted	<ol style="list-style-type: none"> 1. Complete the Sydney Helicopter Base - Review of Options project 2. Discuss options with the Land and Property Management Authority 3. Develop Business Case for preferred option 4. Identify funding and seek approval 5. Commence planning and approval requirements for acquisition and development of land 	Sept 2011	<p>Delayed</p> <ol style="list-style-type: none"> 1. The Options paper was completed in 2011. 2. With the assistance of the Land and Property Management Authority, the Ambulance Service has identified a preferred option. 3. The Business Case for the preferred option is complete and a Gateway Review has been arranged. This being a pre-requisite to submission of the project for Government consideration. 4. NSW Health has incorporated the cost of the Base into its forward capital funding projections. 	Aeromedical & Medical Retrieval Services

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
				5. The Ambulance Service is also reviewing aeromedical retrieval services as part of the current Ambulance Service Health Check. The Terms of Reference include the development of the future rotary services operational model. This may mean the current contract extension options are used and hence more time is available to meet the requirement to have the new base in place before the replacement contract is put in place.	
6 Because of the apparent change in demand across NSW, Ambulance should review the effectiveness of all helicopter emergency medical arrangements before extending the CHC contract or executing any new regional contracts (page 18).	Accepted	<ol style="list-style-type: none"> 1. Seek the approval of the Minister for Health for a review of aeromedical retrieval services in advance of new regional helicopter contracts. 2. Develop Terms of Reference for approval by the Minister's Office. 3. Undertake Review and develop recommendations 4. Determine final recommendations for approval by Minister for Health. 	Sept 2012	<p>On track</p> <ol style="list-style-type: none"> 1. The Minister for Health announced a broad review of the Ambulance Service including aeromedical services on 8 September 2011. 2. Terms of Reference have been approved 3. The Aeromedical sub-committee is established and preparing to invite a Request for Proposal for consultants to undertake the review. 	Ministry of Health

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
7 Ambulance should ensure through its contract management that helicopter operators gain appropriate authorisation for any changes that may influence delivery capacity of the helicopters (page 19).	Accepted	<ol style="list-style-type: none"> 1. Ambulance to continue to conduct regular contract meetings with all helicopter providers and remind helicopter providers of the need to notify Ambulance of all modifications to aircraft and to seek Ambulance approval for all modifications to the aircraft except those required by law. 2. Aircraft modifications placed as standard agenda item at contract performance meetings. 3. All modification requests to be considered by an independent aviation advisor. 	Ongoing	<p>Completed and ongoing</p> <p>Three helicopter operators have requested and received approval from the Ambulance Service to undertake significant aircraft changes. These are:</p> <ol style="list-style-type: none"> 1. Child Flight – Acquisition of new aircraft 2. Northern Region Helicopter Rescue Service – Introduction of Night Vision Goggle operations 3. Hunter Region Helicopter Rescue Service – Acquisition of new aircraft. <p>All requested changes are complete and have been audited by an independent aviation advisor.</p>	Aeromedical & Medical Retrieval Services
8 Ambulance should continue to ensure CHC apprise them of any possible changes in corporate direction that could affect their role in Australia (page 13).	Accepted	<ol style="list-style-type: none"> 1. Ambulance will continue to monitor the corporate direction and organisational restructure of CHC 2. Rights and obligations under the contract cannot be assigned without Ambulance written consent. 	Ongoing	<p>Completed and ongoing</p> <p>In November 2010, CHC advised that it intended to restructure its Australian operation in order to better service its clients. The Ambulance Service was consulted and kept informed of the progress of the restructure through regular contract meetings.</p> <p>The restructure is now complete</p>	Aeromedical & Medical Retrieval Services

LEGISLATIVE ASSEMBLY- PUBLIC ACCOUNTS COMMITTEE

NSW Health submission

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, On track, delayed) AND COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
				and has resulted in a separation of EMS/SAR operations and Oil and Gas operations into different business units. From the perspective of the Ambulance Service this has resulted in a dedicated EMS/SAR General Manager and a dedicated manager for the Greater Sydney helicopter contract. The dedicated base manager started in January 2011 and the EMS/SAR General Manager in April 2011. This is an improved position further facilitating contractual and day to day operational management.	



**Ambulance Service
of New South Wales**

excellence in care

**AUDIT OFFICE OF NSW PERFORMANCE AUDIT
HELICOPTER EMERGENCY MEDICAL SERVICE CONTRACT**

Ambulance Report on Recommendations

Statewide Services
March 2012

AUDIT OFFICE OF NSW PERFORMANCE AUDIT
HELICOPTER EMERGENCY MEDICAL SERVICE CONTRACT
Ambulance Report on Recommendations

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Introduction and Background

NSW has a robust medical retrieval system which provides for the prehospital and interhospital transfer of critically ill patients. The Medical Retrieval System is essential for the proper functioning of critical care services in NSW.

The care of the critically ill in NSW is centered on a number of operationally distinct but functionally inter-dependent arrangements. They are:-

1. **NSW Critical Care Plans** - which provide a framework for determining the critical care service levels and the networking of, and access to critical care services within and between Local Health Districts. Operationally, these are expressed as hospital role delineations and NSW Health Policy Directives and Guidelines.
2. **The NSW Medical Retrieval Network** - which provides appropriately qualified and supported medical staff and equipment to undertake the prehospital and interhospital transfer of critically ill patients.
3. **The NSW Medical Transport System** - which provides appropriately equipped vehicles (road, helicopter and fixed wing) to transport medical teams and patients.
4. **The Retrieval Co-ordination System** - which is concerned with the provision of clinical advice, bed finding and the tasking of retrieval teams and vehicles.

Whilst each of these elements is operationally distinct with independent lines of authority, they are functionally inter-dependent. Operating together, these elements constitute a model of care for the critically ill and injured who may require medical retrieval at some time during their acute illness to ensure they get the right care, by the right team, at the right place, using the right vehicle and in the right timeframe.

To support the Medical Retrieval System the Ambulance Service tasks 9 helicopters across the state. Helicopters are located in Lismore, Tamworth, Newcastle, Sydney (3), Orange, Wollongong and Canberra. The helicopters are provided by 5 different helicopter providers.

In 2006, The Ambulance Service commenced a tender process to provide helicopters in the Greater Sydney Area covering Sydney, Wollongong and Orange. In May 2007 Lloyd Off-Shore Helicopters Pty Ltd trading as CHC Helicopters (Australia), which was already providing a service in Wollongong and Canberra, started providing helicopter services for the entire Greater Sydney region.

In 2010, The Audit Office of NSW undertook a performance audit of the Greater Sydney Emergency Medical Helicopter Contract. The objective of the audit was to assess whether the contract process and outcomes were satisfactory. The Audit addressed the management of the contract process and the outcomes of the new arrangements with attention to addressing significant statements or claims made in the media and Parliament.

The Audit found that the contract process was satisfactory and that contract requirements were being met with the exception of the availability of the Wollongong helicopter. The audit also found that the ability of the Ambulance Service to transport patients to the right hospital at the right time had improved.

The Audit made 8 recommendations. NSW Health accepted all 8 recommendations without alteration. This report addresses the progress made to-date regarding the implementation of the recommendations.

RECOMMENDATION 1

Ambulance should ensure, in consultation with the helicopter operators, that the improvements recommended by the safety audit of the Orange Hospital helicopter landing site are followed.

Accepted by NSW Health: Yes

Audit Office Due Date: Immediate

Background:

The Ambulance Service commissioned a safety audit of the Orange Base Hospital helicopter landing site in March 2010, following difficulties experienced by helicopter operators departing from the hospital under certain circumstances. The audit identified operational constraints with the helicopter landing site and made recommendations as interim measures until the new hospital and new helipad was operational in March 2011.

Proposed Actions:

1. Previous helicopter landing site – Implement Safety Audit recommendations in consultation with helicopter operators and Orange Base Hospital Management.
2. Aviation consultant review of plans for new helicopter landing site.
3. Undertake Safety Audit of new helicopter landing site prior to commissioning.

Progress:

1. All recommendations pertaining to the previous helicopter landing site have been actioned. This site is now decommissioned.
2. The new hospital and helipad became operational in March 2011. The previous operational constraints are not present with the new helipad.
3. An audit of the new helicopter landing site has been completed and minor recommendations have been completed by the Western Local Health District Management.

Recommendation Status:

Complete

Supporting Documentation:

- Helipad Audits
- Progress of Recommendations

These documents are available on request.

RECOMMENDATION 2

Ambulance should provide more comprehensive information on its helicopter emergency medical services performance to the public

Accepted by NSW Health: Yes

Audit Office Due Date: End March 2011

Background:

The ability of the Ambulance Service to report on aeromedical performance has been limited by the availability of operations software to facilitate reporting with the same capacity as the Computer Aided Dispatch System (AmbCAD) can for road operations.

The Ambulance Service is developing and introducing new Aeromedical Operations Centre software. Once complete the Ambulance Service will have the capacity to regularly report and publish Aeromedical indicators of performance similar to those published for road ambulance services

Proposed Actions:

Publish information regarding helicopter activity, emergency response times and helicopter availability on the ASNSW Website under "Our Performance"

Progress:

Information similar to road ambulance activity regarding helicopter activity, emergency response times and helicopter availability is available on the ASNSW Website under "Our Performance"

Recommendation Status:

Complete

Supporting Documentation:

- Information on ASNSW Website - <http://www.ambulance.nsw.gov.au>

RECOMMENDATION 3

Ambulance should explore whether any financial compensation should be sought for lost capability resulting from the installation of the inlet barrier filters

Accepted by NSW Health: Yes

Audit Office Due Date: End March 2011

Background:

Ambulance identified that the operational capabilities of the Orange EC145 following delivery were less than had been required during the contract process. This was traced to the fitting of an inlet filter to the engines which imposed manufacturer imposed performance limitations.

Ambulance had not been advised of the effect of the filters. Once aware, it sought advice and established that they were not required for safety or as part of the contract. The filters were removed and the manufacturer imposed performance limitation was also removed.

Proposed Actions:

1. Explore feasibility of identifying missions unable to be undertaken by the EC 145 due to the effect of the inlet barrier filters amongst other operational factors.
2. Explore cost of investigation versus potential financial compensation

Progress:

The Orange EC 145 became operational in December 2009 and the Barrier Filters were removed on 1 June 2010. Whilst records are available to determine which aircraft did a mission, to retrospectively determine whether the reason for the EC 145 to be unable to do a mission was due to the barrier filters alone or the more common combination of aviation factors would require detailed analysis. The operational reasons for an aircraft being unable to successfully and safely complete a particular mission are usually a combination of factors and identifying and recording the relative contribution made by each of these factors is impractical. It would require an aviation consultant to recreate the mission and flight details to determine whether theoretically the EC 145 without the filters could have done the mission. Such an analysis would be time consuming and may not be a cost effective analysis.

To explore the potential magnitude of such an analysis, the Ambulance Service examined records to identify those missions where the Orange EC 145 was on line, not otherwise tasked but the mission was undertaken by another aircraft. Only 5 cases were identified. For 3 cases it was clinically and operationally more appropriate to use another aircraft. Of the remaining 2 cases, one was cheaper and faster by the alternate aircraft and one was approximately \$100 more expensive.

The Sydney EC 145 commenced operations on 15 March 2010 and the filters were removed on 1 June 2010. The operational arrangements regarding choice of aircraft at the Sydney and Wollongong Bases are such that it is not possible to retrospectively determine any impact the barrier filters may have had on the choice of aircraft on any particular day. As explained above, the operational reasons for an aircraft being unable to successfully and safely complete a particular mission are usually a combination of factors and identifying and recording the relative contribution made by each of these factors is impractical.

There are three aircrafts at the Sydney Base (2 operational and one in maintenance) and one in Wollongong. It is normal and good practice for the operational crews to change the next out aircraft to match maintenance requirements and the particular requirements of a mission. The effect of the Inlet Barrier Filters would only be apparent at times of poor weather when additional range and safety margins were required. In these circumstances it would be normal practice to task the AW 139 helicopters as they provide better range and afford the best opportunity to complete the mission and

provide an additional margin of safety for the operational crew. Hence tasking the AW 139 in lieu of the EC 145 at times of poor weather would not be noted as abnormal. An average mission is 1.6 hours. The cost difference between the AW 139 and the EC 145 for an average mission is \$400. Extrapolating from the analysis with respect to the Orange EC145 any financial impact is likely to be minimal over 2.5 months and not cost effective to explore.

Recommendation Status: Complete

Supporting Documentation:

- Analysis of potential financial loss

This document is available on request.

RECOMMENDATION 4

Ambulance should ensure that AmbFlight is implemented and fully functional

Accepted by NSW Health: Yes

Audit Office Due Date: End September 2011

Background:

With respect to road ambulance operations, performance information is provided by the Operations Centre (AmbCAD) computer systems and the mobile data terminals fitted to ambulances. This provides objective and comprehensive performance information on all phases of an ambulance task. With aeromedical operations data relating to aircraft and medical crew response time performance is manually entered by the responding crew.

Most aircraft on contract to the Ambulance Service are required by contract to be equipped with a GPS tracking system called SkyConnect that amongst other things records aircraft movements including take-off and landing times.

The Ambulance Service is introducing operational software for the Aeromedical Operations Centre known as AmbFlight. This is occurring in two phases. Phase 1 replaces the original software. Phase 2 was scoped to provide connectivity between AmbFlight and AmbCAD, the operations centre software used by road operations to facilitate booking of road legs to meet aircraft arrivals as well as providing connectivity with SkyConnect to enable the automated recording of aircraft movements.

Proposed Actions:

1. Introduce AmbFlight phase 1 as scoped.
2. Complete Business Case, scope, fund and implement phase 2.

Progress:

AmbFlight phase 1 is complete.

AmbFlight phase 2 is under development and on track for implementation in October 2012.

To effect the connectivity with AmbCAD the Ambulance Service was required to engage with an IT company that has exclusive rights to AmbCAD. This company does not have the technical expertise to connect AmbFlight and SkyConnect. The Ambulance Service has identified an IT provider with the demonstrated expertise, however, this requires a separate project to be scoped as a subsequent phase at the completion of phase 2.

Recommendation Status:

Phase 1 is complete.

Phase 2 is in progress and on track.

Phase 3 will require further scoping and identification of funding at the conclusion of Phase 2.

Supporting Documentation:

- Ambflight Phase 2 Business Case
- Ambflight Phase 2 Statement of Work
- Major Projects Progress Report

These documents are available on request.

RECOMMENDATION 5

Ambulance should advise the public on the permanent location of its Sydney HEMS base and its impact on operations once this decision is made. This should be implemented within one year

Accepted by NSW Health: Yes

Audit Office Due Date: End September 2011

Background:

The current helicopter base facilities are provided through the helicopter contractor. The relocation of the helicopter base with each contract is a severe disruption to service provision and the identification of suitable sites for helicopter bases into the future will be progressively problematic. The current location at Bankstown airport is not suitable as a long term location because of air space competition, the operational requirement to use the airport runway; and the consequent effect on response times. In addition, the separation of the base from the contract process enables all suppliers of helicopter services to bid on an equal footing and should provide more competitive tendering.

Proposed Actions:

1. Complete the Sydney Helicopter Base - Review of Options project
2. Discuss options with the Land and Property Management Authority
3. Develop Business Case for preferred option
4. Identify funding and seek approval
5. Commence planning and approval requirements for acquisition and development of land

Progress:

- The Options paper was completed in 2011.
- With the assistance of the Land and Property Management Authority, the Ambulance Service has identified a preferred option.
- The Business Case for the preferred option is complete and a Gateway Review has been arranged. This being a pre-requisite to submission of the project for Government consideration.
- NSW Health has incorporated the cost of the Base into its forward capital funding projections.
- The Ambulance Service is also reviewing aeromedical retrieval services as part of the current Ambulance Service Health Check. The Terms of Reference include the development of the future rotary services operational model. This may mean the current contract extension options are used and hence more time is available to meet the requirement to have the new base in place before the replacement contract is put in place.

Recommendation Status: Delayed

The requirement for implementation within one year will not be met with revised date now dependant on Government decision following the Gateway and the separate Health Check reviews.

Supporting Documentation:

- Sydney Helicopter Base - Review of Option
- Sydney Helicopter Base –Business Case

These documents are available on request.

RECOMMENDATION 6

Because of the apparent change in demand across NSW, Ambulance should review the effectiveness of all its helicopter emergency medical arrangements before extending the CHC contract or executing any new regional contracts. This should be implemented within two years

Accepted by NSW Health: Yes

Audit Office Due Date: End September 2012

Background:

NSW Health has conducted reviews of Rotary Wing Services in NSW in 1994, 1999 and 2004 each providing the strategic direction and informing procurement processes for the following seven to ten years. A further review around 2010/11 was planned.

Current contracts conclude between December 2012 and May 2014 excluding extension options.

It is appropriate to conduct another review of Aeromedical Retrieval Services to set the strategic direction for medical retrieval services in NSW and to inform the next helicopter procurement process to support the medical retrieval system. The scope of the review will cover service delivery requirements and options.

A separate technical review covering helicopter types and specifications to match the service delivery options if required would commence once sufficient information is available to inform the technical review.

Proposed Actions:

1. Seek the approval of the Minister for Health for a review of aeromedical retrieval services in advance of new regional helicopter contracts.
2. Develop Terms of Reference for approval by the Minister's Office
3. Undertake Review and develop recommendations
4. Determine final recommendations for approval by Minister for Health

Progress:

1. The Minister for Health announced a broad review of the Ambulance Service including aeromedical services on 8 September 2011.
2. Terms of Reference have been approved
3. The Aeromedical sub-committee is established and preparing to invite a Request for Proposal for consultants to undertake the review.

Recommendation Status: On Track

Supporting Documentation:

- Terms of reference for a Review of Aeromedical (Rotary) Retrieval Services in NSW.

This document is available on request.

RECOMMENDATION 7

Ambulance should ensure through its contract management that helicopter operators gain appropriate authorisation for any changes that may influence the service delivery capacity of the helicopters. This is ongoing.

Accepted by NSW Health: Yes

Audit Office Due Date: Ongoing

Background:

Ambulance found that the operational capabilities of the EC145 following delivery were less than had been required during the contract process. This was traced to the fitting of an inlet filter to the engines which imposed performance limitations. Whilst the rationale for fitting the filters was sound, they did pose a performance penalty.

The Ambulance Service had not been advised of the effect of the filters. Once aware, the Ambulance Service sought independent aviation advice and established that they were not required for safety or as part of the contract. The filters were removed and the performance penalty imposed by the filters has been removed.

Proposed Actions:

1. Ambulance to continue to conduct regular contract meetings with all helicopter providers and remind helicopter providers of the need to notify Ambulance of all modifications to aircraft and to seek Ambulance approval for all modifications to the aircraft except those required by law.
2. Aircraft modifications placed as standard agenda item at contract performance meetings.
3. All modification requests to be considered by an independent aviation advisor.

Progress:

Three helicopter operators have requested and received approval from the Ambulance Service to undertake significant aircraft changes. These are:

1. Child Flight – Acquisition of new aircraft
2. Northern Region Helicopter Rescue Service – Introduction of Night Vision Goggle operations
3. Hunter Region Helicopter Rescue Service – Acquisition of new aircraft.

All requested changes are complete and have been audited by an independent aviation advisor.

Recommendation Status: Complete and ongoing.

Supporting Documentation:

- Child Flight Bell 412 Technical audit
- Northern Region Helicopter Rescue Service NVG Introduction
- Hunter Region SLSA Bell 412 Technical Audit

These documents are available on request.

RECOMMENDATION 8

Ambulance should continue to ensure that CHC apprise them of any possible changes in corporate direction that could affect their role in Australia. This is ongoing.

Accepted by NSW Health: Yes

Audit Office Due Date: Ongoing

Background:

In December 2009 CHC advised the Ambulance that CHC was reviewing the nature of its interests in Australia. In particular, CHC was considering a restructure and the possible sale of its Australian SAR and EMS business. Ambulance was kept informed of the potential changes to CHC Australia.

It should be noted that rights and obligations under the contract cannot be assigned without the written consent of the Ambulance Service.

In March 2010 CHC confirmed with the Ambulance Service its ongoing commitment to EMS and SAR operations in Australia.

Proposed Actions:

1. Ambulance will continue to monitor the corporate direction and organisational restructure of CHC

Progress:

In November 2010 CHC advised that it intended to restructure its Australian operation in order to better service its clients. The Ambulance Service was consulted and kept informed of the progress of the restructure through regular contract meetings.

The restructure is now complete and has resulted in a separation of EMS/SAR operations and Oil and Gas operations into different business units. From the perspective of the Ambulance Service this has resulted in a dedicated EMS/SAR General Manager and a dedicated manager for the Greater Sydney helicopter contract. The dedicated base manager started in January 2011 and the EMS/SAR General Manager in April 2011. This is an improved position further facilitating contractual and day to day operational management.

Recommendation status:

Complete

Supporting Documentation:

- Correspondence from CHC regarding re-organisation
- Contract Meeting Minutes.

These documents are available on request.