

24 March 2020

Dear Partners

The New Zealand Health and Disability Sector is seeing unprecedented demand for your products and services, as a result of COVID-19.

We do appreciate the support we have had to date, both in terms of responsiveness as well as proactive steps to support us, and your advice about the steps your organisation is taking to ensure continuity of service. There have also been a number of very generous offers which are greatly assisting us to operate through this time.

We live in uncertain times and it is not clear when the situation will be resolved and when we expect demand to drop back to a new normal.

On behalf of the Sector, the Ministry is asking that, as a key supplier you assist us further by considering your charges for additional demand. We do understand you have your own commercial realities and the laws of supply and demand. However, the Ministry would appreciate it if charges for the additional products and services we require are fair and reasonable, and that you give consideration to covering your direct costs, with a significantly reduced margin on top.

A good example is software licensing. We need to increase the base of licensed users to support alternative ways of working and locations of work, but in many cases, this will not be enduring. If there is an up-front licence cost, we would like that cost to reflect that the demand is largely temporary, and any licence use will be limited. Similarly, in the case of concurrent licenses, we would appreciate you enabling temporary access to increased concurrent users at limited cost. Some of you will recall the escalation of professional services leading up to Y2K, and we would not like to see a repeat.

Regarding this request, we propose basing your decisions on an initial period of increased demand of six months.

The Ministry has established regular meetings with a range of Health and Disability Sector organisations to coordinate the COVID-19 response and to understand where we can assist in terms of any challenges with service providers or supply chain. We will use these meetings to monitor the situation regarding product and service charging.

Thanks, in anticipation.



Shayne Hunter
Deputy Director-General
Data and Digital