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REVIEW OF THE WAY IN WHICH PHYSIOTHERAPY SERVICES  
ARE FUNDED AND ACREDITED BY ACC

Transcript of Proceedings  
of  
Conference / Teleconference

Before  
David Goddard, QC, Chairman  
Monday, 8 July 2007

APPEARANCES:

For Review Secretariat:	Diane Salter
From KPMG:	Troy Newton
From Deloitte:	Andrew Gibbs
	Tim Richards
(By telephone:)	
From Physiotherapy Trust:	Malcolm Hood
From NZSP:	Jonathan Warren
	Gail Leach
From ACC:	Kevin Morris
	Anne O'Connell
	Gail Kettle
	Mary Smith
	Amanda Dyson

(Transcript prepared from audio sound recording.)

1 CHAIRMAN: Perhaps it's worth just going through who we  
2 have got, if everyone could just introduce  
3 themselves briefly, that will also help if we do end  
4 up needing to get this typed up to have voice checks  
5 for everyone.  
6 So I am David Goddard the Reviewer. And we'll  
7 go around this room, first.  
8 MR NEWTON: Troy Newton, KPMG.  
9 MR GIBBS: Andrew Gibbs from Deloitte.  
10 MR RICHARDS: Tim Richards from Deloitte.  
11 MS SALTER: Diane Salter from the Review Secretariat.  
12 CHAIRMAN: Okay. Now let's go through who we have got on  
13 the telephone in the order in which you joined.  
14 So Malcolm Hood, first.  
15 MR HOOD: Good morning, everybody.  
16 CHAIRMAN: And then who do we have next?  
17 MS SALTER: Jon?  
18 MR WARREN: Hi. Jon Warren from the New Zealand Society  
19 of Physiotherapists.  
20 MS SALTER: Gail?  
21 MS LEACH: Hello, Gail Leach from the New Zealand Society  
22 of Physiotherapists.  
23 MS SALTER: And ACC. Kevin, could you just --  
24 MR MORRIS: Yes, it's Kevin Morris here from ACC. I am  
25 fighting with my very, very poor (inaudible).  
26 We'll see how we go but it is very difficult --  
27 MS SALTER: We're having trouble hearing you too, Kevin.  
28 CHAIRMAN: Yes, everyone else is very clear, except you,  
29 Kevin. So make sure you speak up and stay close to  
30 your microphone to get over the technological  
31 hurdles there.  
32 MR MORRIS: Right. We've just made an adjustment here,  
33 does that make it any better?  
34 CHAIRMAN: Yes, you are definitely loud, now.  
35 MR MORRIS: Okay. It was the technology.  
36 So Kevin Morris from ACC and with me I have  
37 got Anne O'Connell, Gail Kettle, Mary Smith and  
38 Amanda Dyson.  
39 CHAIRMAN: Thank you very much, everyone, for joining us.  
40 As I said, the questions were circulated and I

1 have been handed this morning some written answers  
2 to those which our experts have prepared jointly.

3 I will ask them to go through those. I think  
4 you may as well just take it from the top and go  
5 through rather than me interrupting with each  
6 question.

7 If I have any points of clarification, I will  
8 stop you and ask. And then, since you are here in  
9 the room, I have actually got two small further  
10 questions that I have identified in the course of my  
11 continuing work on the draft report which I will  
12 spring on you. They are much easier, I think, than  
13 the others.

14 So I don't know who is going to lead off?

15 MR RICHARDS: I am happy to lead off. I have the  
16 questions related to specific modeling parts, I am  
17 happy to --

18 MS SALTER: Actually, for the person doing the  
19 transcript, would you mind when you start saying  
20 your comments who you are?

21 MR RICHARDS: Yes. It is Tim Richards from Deloitte. I  
22 will just go through the questions, quickly outline  
23 the question and then follow with the answer to the  
24 question.

25 So question 1 was that costs being based on  
26 practice data, and which costs were based on assumed  
27 data versus which costs were based on actual  
28 practice data.

29 The following costs components are based on  
30 assumed data. The information I am about to talk  
31 about now relates practices, excluding outlier  
32 practices, so that was 17 of the 23 practices.

33 Those cost components based on assumed data  
34 were: Salaries to business owners and clinical  
35 staff, capital costs, accreditation costs, and  
36 goodwill.

37 The following costs were based on practice  
38 data: Administrative wage/salary costs, and the  
39 category of labour/other costs, consumables,  
40 facility costs, and administrative expenses

1 excluding accreditation costs.

2 The actual practice data as a proportion of a  
3 total practice costs was approximately 33 percent.

4 MS SALTER: Do you want questions now or later?

5 CHAIRMAN: Let's do follow-up questions for each issue as  
6 we go.

7 MS SALTER: Just in terms of the six outlier practices,  
8 who were deemed to be outliers, was there any trend  
9 in whether they tended to be metropolitan or rural?  
10 I know there weren't any rural examples in the  
11 original sample, or any trend in whether they tend  
12 to be EPN versus regulation?

13 MR RICHARDS: I haven't done that analysis, Diane. I  
14 could do it but I haven't done it, sorry. Not sure  
15 if the colleagues have got anything further --

16 CHAIRMAN: If you could come back and check, that would  
17 be helpful.

18 MS SALTER: Yes, it would be helpful to know.

19 MR RICHARDS: So the two trends?

20 MS SALTER: So the interesting issue is whether there  
21 was any particular, yes --

22 CHAIRMAN: Are the outliers consistently in a particular  
23 group? Like, are they all metropolitan, for  
24 example.

25 MS SALTER: Or are they all EPN.

26 CHAIRMAN: Yes.

27 MS SALTER: In which case what does that mean about the  
28 balance met.

29 MR RICHARDS: So the question is about the distribution?

30 MS SALTER: Yes. And again, further issues around  
31 representativeness.

32 MR RICHARDS: Okay. Question 2 in relation to cost  
33 allocation, explaining whether the 67 percent split  
34 was applied to every practice or whether the revenue  
35 split for each practice was applied to the costs of  
36 that practice.

37 The 67 percent is an output based on the  
38 weighted average revenue split of sampled practices.  
39 It is built via a bottom-up approach from practice  
40 data. The revenue and cost split was based on the

1 percentage of EPN and regulation revenue relevant to  
2 each practice rather than 67 percent being applied  
3 to each practice.

4 However, in undertaking of the sensitivity  
5 analysis, there is a different approach. The  
6 sensitivity analysis uses a top-down approach in  
7 which the revenue split is determined, for example,  
8 80 percent, and then applied to the base practice  
9 data.

10 CHAIRMAN: That does indeed, identify why I was confused,  
11 I think.

12 MR RICHARDS: Yes.

13 CHAIRMAN: So let me just make sure I understand that.

14 Suppose that in the sample there was a practice  
15 which mostly did non-ACC work, for example, so only  
16 30 percent of its revenue was derived from EPN and  
17 regulation payments.

18 I take it that that means that only 30 percent  
19 of its costs will have gone through --

20 MR RICHARDS: That's right.

21 CHAIRMAN: And that as a result it will have had less of  
22 an impact on all the results than it would have if a  
23 higher proportion of its revenue had been  
24 EPN/Regulation?

25 MR RICHARDS: That's right.

26 CHAIRMAN: Okay. So however when we come to the  
27 sensitivity analysis, and the 80 percent cost  
28 allocation, that practice will have had the same  
29 80 percent weight -- the same impact, on the results  
30 reached regardless of whether it was doing a lot of  
31 EPN regulation work or almost none.

32 MR RICHARDS: That's right.

33 MR NEWTON: Let me clarify that question, Tim. The  
34 weightings, cost weightings, derived, I thought was  
35 a percentage of cost over total revenue.

36 MR RICHARDS: Yes.

37 MR NEWTON: So if the costing was 30 percent, it's  
38 30 percent of total revenue?

39 MR RICHARDS: Yes.

40 MR NEWTON: Okay.

1 MS SALTER: And if I can just ask a clarifying question,  
2 too.

3 So when you did the analysis, were applying  
4 that 80 percent to your average practice costs, or  
5 were you going back and doing it to each of the 17  
6 practices.

7 MR RICHARDS: To each of the 17 practices.

8 MS SALTER: As well. Okay.

9 MR RICHARDS: That 80 percent applied to it.

10 MS SALTER: That's fine.

11 CHAIRMAN: Okay. 2.1.

12 MR RICHARDS: Okay. Question 2.1: Does this have  
13 implications for the use of the mean versus median  
14 figures?

15 I have got comments for Deloitte and for KPMG.  
16 The Deloitte comment:

17 There will be implications for the use of the  
18 mean compared with the median when you use the  
19 EPN/Regulation revenue relevant to each practice.  
20 If the EPN/Regulation revenue split is set at the  
21 same rate across the practices, as was done with the  
22 sensitivity analysis, there will not be any  
23 implications.

24 Just to note, that although the Deloitte  
25 model produced a mean of \$137.52 in the Deloitte  
26 base model case, the median one our practice costs  
27 across those 17 practices was in fact lower at  
28 \$128.76.

29 Also, in terms of the 67 percent revenue  
30 split, we note that when outliers were removed this  
31 actually reduces the revenue split from 67 percent  
32 to 64 percent.

33 When you look at the median EPN/Regulation  
34 split when outliers are removed, you have a number  
35 of 68.9 percent.

36 KPMG comment:

37 KPMG agree that if the revenue split is set at  
38 the same rate across all practices, there will be no  
39 implications of use of the mean versus the median  
40 figures.

1 MS SALTER: First, a question for clarification. Can  
2 you remind me, Tim, what the criteria was for  
3 outliers?

4 MR RICHARDS: Two.

5 MS SALTER: Two standard deviations from the mean? Yes,  
6 okay. Thank you.

7 MR RICHARDS: 2.2. Please describe briefly the issues  
8 raised by the further data provided by ACC referred  
9 to on page 11 and the reasons for not using it.

10 MS SALTER: And that was page 11 of the original joint  
11 report.

12 MR RICHARDS: In terms of background, Deloitte had sought  
13 further information from ACC to try and provide some  
14 guidance as to how much is the total ACC spend  
15 within physiotherapists for a number of different  
16 contracts.

17 We received some data from ACC, copies of  
18 which I am going to provide to the Reviewer; data of  
19 the EPN and Regulation revenue; and data from ACC  
20 relating to other ACC contracts; and the last piece  
21 of information is information which was provided to  
22 NZSP on April 2007 relating to income for ACC  
23 contracts.

24 The data which we collected post the public  
25 review from ACC, there was a difference with the  
26 data which had been provided to NZSP. Specifically  
27 in relation to the area of activity-based  
28 programmes, there was different figures for the  
29 amount of income for those total contracts.

30 When we questioned ACC on why there were  
31 differences between the two data sets, the following  
32 reasons were given:

33 The later data which was provided to Deloitte  
34 uses a wider definition of ABP to incorporate all  
35 the various ABP contracts. The data provided to  
36 Deloitte has been extracted based on service dates,  
37 and the data provided to NZSP was based on the  
38 payment date. And the data provided to Deloitte was  
39 GST exclusive and the data provided to NZSP was GST  
40 inclusive.

1           Troy, do you want me to give your comment or  
2           would you like?

3 MR NEWTON: I think the second paragraph of our comment  
4           is the only relevant one. Even although we had the  
5           opportunity to go through the additional ACC data,  
6           we couldn't get comfortable, by reconciliation, to  
7           use that data, and accordingly preferred not to use  
8           it at all.

9 CHAIRMAN: Okay. Moving on then to question 3.

10 MR RICHARDS: Question 3. Please comment on whether and  
11           how the spread of locational cost structures, item  
12           10, has been taken into account in establishing the  
13           modelling percentile under item 3.

14           Answer: We have not taken into account  
15           locational cost structures in establishing the  
16           modelling percentile.

17 CHAIRMAN: Can I follow up on that? In item 10 of your  
18           final draft you say on page B7 that you believe it's  
19           more practical to derive a single sustainable price  
20           but give careful consideration to the spread of  
21           locational cost structures when establishing the  
22           percentile for appropriate sustainable pricing over  
23           different cost points.

24           In other words, you said that it was at that  
25           point that this factor should bite. You have  
26           explained now that you haven't taken that into  
27           account, despite saying here that it should be given  
28           careful consideration.

29           Are you able to explain why you ended up not  
30           taking it into account?

31 MR RICHARDS: I suppose -- this is Tim speaking -- one of  
32           the reasons was we didn't have enough information,  
33           really, in terms of factors which may particularly  
34           influence locational cost differences.

35           The only factor which we had altered in the  
36           very initial model was differences in salary pricing  
37           for business owners between metropolitan, urban and  
38           rural.

39           KPMG and Deloitte both agree that there are a  
40           number of factors which potentially influenced this

1 which are outside the scope of the model exercise,  
2 and we didn't have data to feed into the model.

3 MR NEWTON: It's Troy Newton speaking.

4 We also had more of a philosophical discussion  
5 around this issue, and wearing our hats as  
6 independents, we came to the view that issues to do  
7 with locational pricing might be best dealt with by  
8 direct contracting rather than through a single rate  
9 to be applied.

10 Having said that, comment about percentile was  
11 intended to indicate that the percentile might be  
12 higher in order to mitigate any risk of  
13 underpayment.

14 CHAIRMAN: Let me tell you what is exercising my mind as  
15 I think through these issues and seek a comment. It  
16 seems to me that if you have a price and you allow  
17 co-payments, then geographical differences basically  
18 sort themselves out. You will see different levels  
19 of co-payment in different areas, and that is what  
20 the mystery shopping survey showed quite strikingly  
21 back in 2003, for example.

22 But if you have a single price which applies  
23 for an hour of services provided anywhere in New  
24 Zealand, and you want that price to be set at a  
25 sustainable level, and we talked about what we meant  
26 by that in terms of ensuring that most practices are  
27 able to continue to supply at existing quality, and  
28 the quantity is reasonably demanded by consumers,  
29 you need to be confident that you made that possible  
30 even in higher cost areas.

31 So if, for example, we believe that we can  
32 learn something useful from the 2003 mystery  
33 shopping survey, and there are some issues obviously  
34 around the way that was structured and its  
35 reliability, what it suggests is that costs were  
36 materially higher in some of the metropolitan areas,  
37 Auckland and Wellington, where a large proportion of  
38 New Zealand's population lives, and that to achieve  
39 sustainable delivery of service prices there, you'd  
40 need to set your no co-payment price at a level that

1 enabled a significant proportion of practices in  
2 those areas to continue to deliver services.

3 That would necessarily be at a higher level  
4 than the same proportion of practices nationally,  
5 wouldn't it?

6 MR NEWTON: I guess that assumes that the revenue per  
7 hour has a similar ratio. One of the concerns we  
8 have is that an urban practice might be able to  
9 drive a much more efficient, in terms of revenue  
10 generation, business, compared with a remote  
11 practice where there might be quite a lot of driving  
12 time and therefore quite a lot of relatively high  
13 fixed cost proportion for the same revenue.

14 CHAIRMAN: Well, that's theoretically possible of course,  
15 but it is not what the 2003 mystery shopping survey  
16 suggested, is it?

17 MR NEWTON: I don't know about the -- I am sorry, I am  
18 not familiar with the survey.

19 CHAIRMAN: Okay.

20 MR GIBBS: It's Andrew Gibbs here.

21 I think the other observation to make is that  
22 proportionally the salary costs were one of the  
23 highest components of the cost structures of  
24 practices. And the supply and demand of people into  
25 rural areas and how that may effect that behaviour  
26 you are talking about, we didn't model in our -- you  
27 know, we didn't gather that data as part of our  
28 costing exercise.

29 You might have gathered other data as part of  
30 your project, sorry. The concern Tim raised was the  
31 original intention of the model wasn't designed to  
32 provide -- you know, highlight those types of  
33 issues, so we can talk in general terms but --

34 CHAIRMAN: And I guess the other point is that given that  
35 the model now incorporates uniform assumptions about  
36 salaries across New Zealand.

37 MR GIBBS: Yes.

38 CHAIRMAN: Some of the variability has been assumed away.

39 MR GIBBS: That's our concern.

40 CHAIRMAN: Okay.

1 MR GIBBS: Or the observation that we need make when  
2 you --

3 MR RICHARDS: It's Tim Richards speaking.

4 I think that the number of sample practices we  
5 had, with such a low number within rural and the  
6 definition of metropolitan could include a practice,  
7 for example, down Lambton Quay as well as a practice  
8 in Khandallah. There is quite a lot of difference  
9 even within metropolitan, that the data just didn't  
10 have enough to make any real concrete observations.

11 CHAIRMAN: Yes, that's a pervasive issue, which is also  
12 not helping.

13 Okay. Question 4, Tim.

14 MR RICHARDS: Question 4 was in relation to undertaking  
15 further sensitivity analysis.

16 We have undertaken further analysis with  
17 modelling percentiles set at 70 percent, 75 percent  
18 and 80 percent. The first lot of analysis we  
19 undertook had the following adjusted inputs. We  
20 used a base salary of \$80,000 for business owner;  
21 \$60,000 for clinical staff before over-time; and a  
22 cost allocation of 80 percent.

23 CHAIRMAN: I actually wonder whether it is useful for you  
24 to read out all the figures. It looks to me like  
25 you have done exactly what I asked you to and you  
26 have provided some tables, which are those outputs.

27 Obviously this needs to be circulated to  
28 everyone. Diane, perhaps I could ask you to do that  
29 immediately after the call. And then everyone will  
30 have it before them.

31 But it provides a broader range of sensitivity  
32 analysis which I think is helpful in just working  
33 out what matters, what doesn't, what's driving large  
34 differences.

35 That brings me I think to my two supplementary  
36 questions. And you may be able to answer these now  
37 or you may, especially the first one, tell me you  
38 want to go away and briefly do a little bit of work.

39 The first is that I have been trying to work  
40 out what hourly rate is implicit in current EPN

1 payments. And based on the most recent answers I  
2 have had from ACC about the derivation of those  
3 rates in 2003, it seems clear that the starting  
4 point was not a uniform hourly rate and then  
5 specific assumptions about the number of minutes  
6 required for each of the four different categories  
7 of treatment.

8 But it nonetheless seemed to me that it might  
9 be possible to identify an effective hourly rate for  
10 comparison purposes with all this sensitivity  
11 analysis you have given me, using the same sort of  
12 split of different types of treatment. What would  
13 it produce as an hourly rate based on the  
14 assumptions in the modeling.

15 Is that right? Would that be possible?

16 MR GIBBS: I believe it would be. We'd have to make some  
17 assumptions around the time per consult, and if we  
18 make the assumption as were used in the model, we  
19 could provide that.

20 CHAIRMAN: Could you do that? Because that will provide  
21 me with a benchmark for understanding how these  
22 recommendations relate, holding assumptions about  
23 consultation time constant, to current remuneration  
24 levels.

25 That would be very helpful, thank you. And  
26 obviously the sooner I could have that, the better.

27 The last question, really, relates to the  
28 return on investment approach on which you have  
29 differed. And I wanted to ask some very naive  
30 questions, and see if I am not only naive, but also  
31 wrong on these issues.

32 And this is how I was thinking about it:

33 Suppose you start your shiny new practice on  
34 day one and you put in \$175,000 worth of capital  
35 investment. That is the figure you have been  
36 working with. And you need to recover in your  
37 pricing, both a return on that investment and a  
38 return of that investment through depreciation.

39 And just to keep things simple for today,  
40 though I am sure this isn't exactly what you have

1 done, let's assume that you decide to depreciate it  
2 on a straight-line basis for ten years, so every  
3 year you want to recover \$17,500 of that investment  
4 with the result that after ten years, which we will  
5 assume I am sure counter-factually, is the useful  
6 life of everything you have paid for your  
7 investment.

8 Now you get to the end of year one, you have  
9 recovered in your fees \$17,500. It seems to me that  
10 at that point you don't need to keep earning a  
11 return on that \$17,500 because you actually have it  
12 in your hand and you can either return it to the  
13 lender, if it's debt capital and you don't need to  
14 service it anymore, or you can return it to the  
15 business owner, they have the capital back, less  
16 capital is invested in the business, or you can  
17 invest it and produce a return.

18 But, isn't it the case that you no longer need  
19 to earn a return on that \$17,500?

20 And I think Mr Newton, this is a question for  
21 you, because I think your approach suggests you  
22 should.

23 MR NEWTON: It does. So does -- this is Mr Newton  
24 speaking. Can I respond now?

25 CHAIRMAN: Yes.

26 MR NEWTON: I am happy to. The fact that you might  
27 receive back your capital doesn't, in our opinion,  
28 mean you shouldn't receive a return on the capital  
29 you put at risk at the outset.

30 In fact, notionally the \$17,500 depreciation  
31 must be reinvested in the business in order to  
32 sustain its productive capacity. It is not able to  
33 be pulled away from the business in a strict  
34 reinvestment sense.

35 CHAIRMAN: Would that depend on business structure? If  
36 you are talking about a sole trader, for example,  
37 and they notionally advance the money into their  
38 business, they may well, if that is sitting in their  
39 business bank account at the end of the year, claw  
40 it back as a partial repayment on the capital they

1 have invested and it ceases to be at risk in future  
2 years.

3 MR NEWTON: If you want -- and if you are comfortable  
4 with that business becoming unsustainable, that  
5 approach will work. But, if that business is to be,  
6 and to maintain its sustainability at the marginal  
7 costs producing each unit, you must reinvest the  
8 equivalent of the depreciation and then you must  
9 notionally get a return on that.

10 CHAIRMAN: So you are assuming reinvestment in further  
11 facilities in some way each year and therefore the  
12 capital staying at risk?

13 MR NEWTON: Yes. That's precisely what we are assuming,  
14 in order for sustainability.

15 CHAIRMAN: Do we have any evidence at all on the level of  
16 continuing investment required? We have got this  
17 assumption that to set up a new practice costs  
18 \$175,000. Do we actually know anything about the  
19 level of reinvestment required year-on-year?

20 MR NEWTON: I can talk in a general sense. Most capital  
21 intensive businesses would have to reinvest at or  
22 about some form of reinvestment which also takes  
23 into account PPI or relevant index for the cost of  
24 the items they need to reinvest in.

25 So in real terms, it might be the same, unless  
26 there are material efficiencies which -- they might  
27 be technological efficiencies or other types of  
28 purchasing power efficiencies for that reinvestment  
29 to fall over time, the same productive capacity.

30 CHAIRMAN: Or if it is just the case that investment in  
31 assets are long-lived.

32 MR NEWTON: In any case, the capital needs to be  
33 notionally set aside.

34 CHAIRMAN: Mr Gibbs, do you have any comment on that?

35 MR GIBBS: Yes, it is Andrew Gibbs speaking.

36 The principles you are trying to unravel in  
37 terms of an economic sense, I think Mr Newton is  
38 correct.

39 You are recovering cost at -- a depreciation  
40 cost is no different to a rental charge or any other

1 cost that comes through in terms of your pricing.

2 The debate KPMG and Deloitte have had is about  
3 the level of that, you know, whether the \$175,000  
4 that has been used is for an Auckland practice  
5 starting off fresh, and we have seen through the  
6 information we have got back from current practices,  
7 that that number is a lot lower.

8 But small businesses, in terms of what they --  
9 they live within their budgets and within the  
10 cashflows that they have got.

11 So the question you have asked is: Do you  
12 expect to have a return over and above the capital  
13 that's been put into the business. Well, in  
14 principle you seek to do that, a small return over  
15 the top of that, yes.

16 The question we are debating is how much.

17 MR RICHARDS: We discussed the return on investment  
18 question internally in Deloitte, and our approach  
19 from some of our experts at Deloitte was that the  
20 Deloitte one was the correct one to use and that you  
21 wouldn't seek to re invest that depreciation amount  
22 and get a return on it, as well.

23 I am not an expert in that field. I have  
24 discussed it with some experts at Deloitte, and  
25 that, I suppose, is the difference between the  
26 Deloitte approach and KPMG approach.

27 CHAIRMAN: It doesn't sound like that's going to produce  
28 a swift and certain answer, but I think I understand  
29 the nature of the debate better, so thank you for  
30 that.

31 I will just check whether anyone on this call  
32 has any questions or very brief comments that they  
33 would like to make.

34 And we'll go through again in the order in  
35 which people joined the call. Mr Hood?

36 MR HOOD: No, thank you very much. Very clear, thank  
37 you.

38 CHAIRMAN: Mr Warren.

39 MR WARREN: No, no further comments. Thank you very  
40 much.

1 CHAIRMAN: Ms Leach?

2 MS LEACH: No, I have nothing further.

3 CHAIRMAN: Mr Morris.

4 MR MORRIS: No, we have nothing further.

5 CHAIRMAN: Okay. Well, I will ask Diane Salter to  
6 circulate the material that we've received, and I  
7 will continue to work on the draft report.

8 I did mention, I think, before the call began,  
9 to the experts in the room who lightly asked how it  
10 was all going, that it was well under way, but that  
11 there was the possibility of one or two days, two or  
12 three maybe, slippage beyond the dates indicated.

13 To some extent we'll have to play that by ear,  
14 I think, but we are very much on track.

15 MS SALTER: So I think people should expect to see it if  
16 not by the 22nd, certainly within a few days of the  
17 22nd of July.

18 CHAIRMAN: Yes. And if there is to be any delay, we'll  
19 actually communicate that rather than leave people  
20 guessing about when it is going to materialise.

21 MS SALTER: We are conscious that the date for the  
22 hearings is the 29th to the 31st on the draft  
23 report.

24 We still think that people should have most of  
25 August, virtually all of August, and a little bit of  
26 July, to assess the draft report before attending  
27 the hearings.

28 CHAIRMAN: And probably it's sensible for you to wait and  
29 have a look at it before expressing a view on  
30 whether there is a problem with that timeframe.

31 Once it's been circulated, if anyone thought  
32 that there was a significant problem, then they  
33 could come back to us on that, but we don't expect  
34 that there will be, and obviously there are very  
35 strong reasons to keep the dates because of the  
36 arrangements that have been made in terms of  
37 people's availability and availability of facilities  
38 and in terms of our end date.

39 But again, it's important that everyone have a  
40 proper opportunity to contribute to this.

1           So in the unlikely event that there is a  
2           concern, I certainly would want to hear about it and  
3           I would want to hear about it sooner rather than  
4           later.

5 MS SALTER:    Is that okay with everybody on the phone?

6                   (Acceptance indicated.)

7 CHAIRMAN:    Thank you very much everyone.    Goodbye.

8                   (Proceedings adjourn.)

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