

# TRANSCRIPTS

## STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

### Subcommittee

#### Inquiry into machinery of government changes

Melbourne — 21 July 2015

#### Members

Mr Edward O'Donohue — Chair

Mrs Inga Peulich

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Mr Daniel Mulino

#### Staff

Secretary: Ms Lilian Topic

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#### Witnesses

Dr Pradeep Philip, secretary, and

Mr Lance Wallace, deputy secretary, corporate services division, Department of Health and Human Services.

**Necessary corrections to be notified to  
executive officer of committee**

**The CHAIR** — I declare open again this public hearing of the Legislative Council Legal and Social Issues Committee. This hearing is in relation to the machinery of government changes inquiry. I welcome Dr Pradeep Philip, Secretary of the Department of Health and Human Services, and Mr Lance Wallace, the deputy secretary.

I caution you both that evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside this hearing may not be so protected. All evidence is being recorded. You will be provided with proof versions of the transcript in the next couple of days.

We have allowed half an hour for this session. To ensure there is sufficient time for questions, the committee asks that any opening comments be kept to 5 to 10 minutes. Members of the committee present today are Mr Melhem, Mr Mulino, Mr Rich-Phillips and Mrs Peulich. We welcome your statement, and thereafter the members will have questions. Thank you very much for your presence this morning.

**Dr PHILIP** — Thank you very much, Chair, and thank you for the invitation to be here. I might make just a few opening remarks, and I will keep them to a minimum.

As the committee would be aware, the Premier on 4 December last year announced a number of machinery of government changes effective from 1 January 2015. In particular the machinery of government changes created a new Department of Health and Human Services, bringing together people from the Department of Health, the Department of Human Services, and Sport and Recreation Victoria, and also the transfer of medical research functions from the former Department of State Development, Business and Innovation. These machinery of government changes are quite a common practice following a change of government, and it is a government's prerogative to make changes to government functions as it sees fit to deliver on its priorities.

At a higher level, the recent machinery of government changes are designed to make changes to portfolios and to position departments for delivering on the government's priorities with respect to improving social service delivery, driving Victoria's economic development and managing Victoria's built and natural environments, while increasing accountability and transparency of government.

Improving social service delivery was a major driver for the creation of the new Department of Health and Human Services. I understand that the government's intention of consolidating the former Department of Health, the Department of Human Services and Sport and Recreation Victoria was to better align functions with the following government policy objectives: firstly, to develop integrated and innovative policy service delivery responses which have a greater client focus, which seek to improve the health and wellbeing of Victorians and to tackle the issues associated with social disadvantage in a holistic manner; secondly, to strengthen the focus on prevention and early intervention by better linking universal health services with the more targeted and specialist services, particularly in human services and mental health; and thirdly, to combine the efforts of these service systems to drive improved outcomes for all Victorians, particularly those with multiple and complex needs, spanning issues such as mental health, housing, drugs and alcohol, chronic health and disability.

In terms of the logistics of this, the Premier is responsible for machinery of government changes that involve changes to portfolio and the transfer of functions and staff from one public service body to another, and, as the first minister's department, the Department of Premier and Cabinet has responsibility for overseeing the implementation of the Premier's machinery of government changes.

The Premier, as first minister of the government, has the power to make a general order to establish portfolios and to allocate ministerial responsibility for all Victorian legislation. That general order establishes a framework for all other machinery of government changes, including changes to departments and administrative offices, and the transfer of staff and their functions.

As I have mentioned at the start, the machinery of government changes were announced on 4 December 2014 with implementation required by 1 January 2015. The implementation process was overseen and coordinated with a whole-of-government IDC chaired by DPC. Departments, though, were individually responsible for working with DPC to develop relevant sections of the declaration made under section 30 of the Public Administration Act, procuring the agreement of secretaries — as employers — to the proposed transfer of staff and functions, and to work together to progress the transfer and consolidation of corporate services such as

payroll, IT et cetera, with the Department of Treasury and Finance on the realignment of the financial estimates for the new administrative structure.

With respect to the Department of Health and Human Services, the creation of this new department involved the amalgamation of approximately 1372 EFT from the former Department of Health, 9691 EFT from the former Department of Human Services, 63 EFT from the former Sport and Recreation Victoria, the transfer out to the Department of Premier and Cabinet of approximately 10 EFT related to the women's affairs and equality portfolio and the transfer of inner functions related to medical research without any staff transfer.

The implementation process needs to be seen within the context and history of the two former departments of health and human services. From 1996 to 2009 the former departments of health and human services had been amalgamated. In 2009 when the departments were separated they agreed to continue to be co-located in the same central and regional offices and to continue to use many common support functions. The common support services included payroll; financial systems; document management systems; administrative services such as mail, fleet and accommodation; and executive services, such as freedom of information, corporate integrity and ministerial support. The extent of these shared arrangements has minimised the scope of work involved in the amalgamation and creation of a new department.

As secretary, I established a transition process to oversee and implement the machinery of government changes, and that transition project operated from December 2014 until the end of March 2015. That project involved consultation with staff from the three former departments and focused on key priorities: firstly, finance, closing the accounts, developing the budget and identifying the relevant paperwork and processes needed; secondly, information management, ensuring we have system access and telephony, particularly for the Sport and Recreation Victoria staff; thirdly, our own communications informing staff and stakeholders of the changes; fourthly, around legal, ensuring that all the delegations had been put in place; fifthly, around people and culture, creating the new senior staff structure, new board arrangements and so forth; and finally, around administration, particularly accommodation for Sport and Recreation Victoria staff.

I can report that the implementation has proceeded smoothly without any significant impact at all. The new senior structure was announced on 19 December ahead of the 1 January start date, and delegations and other key legal and financial documents were legalised and finalised for the commencement of the department on 1 January.

In accordance with government policy, there were no forced redundancies associated with the machinery of government changes. I also contacted the secretary of the CPSU to communicate the proposed changes and confirm that the changes would be implemented consistent with the government's policy commitments and that there would be no forced redundancies. I am happy to take any questions, Chair.

**The CHAIR** — Thank you Dr Philip.

**Mr MULINO** — Thank you very much, Dr Philip, and also Mr Wallace, for your time today. I want to start with a couple of questions around some of the policy goals in this machinery of government change. These two changes that I want to allude to sound like they were already at the forefront of the departments' thinking, and even before this change they were sharing a lot of resources and were co-located. The first one is around preventive approaches, which I think is an increasing focus of governments here and in other countries. I just wanted to ask how you think the machinery of government change will help by bringing together human services and health in achieving long-term savings by being able to bring about policy changes that will see a whole-of-government approach to policy development and the cost to government of certain changes.

**Dr PHILIP** — Thank you for that question. As you alluded to in your preamble to your question, prevention is one of the key objectives for the government, and that primarily revolves around better linking what generally would be considered a universal platform of health with a lot of target services. Previously most of the target services have sat in the Department of Human Services, particularly dealing with the issue of social disadvantage and quite often delinked from the universal health platform. This is an opportunity to think a bit differently and to bring the two together. That is essentially one of the key tasks we have. By bringing these things together we can get a much richer understanding of social capital, so that is essentially the task I have set for the new department.

**Mr MULINO** — The second related question is around another issue you raised, which is more integrated service delivery, because often people who are being dealt with by the health department and/or the human services department have complex needs. They are often coming from a position of vulnerability, and I imagine it is going to be possible to get better outcomes and potentially even savings if we can look at people from more of a whole-of-government perspective. That would hopefully be more able to be achieved through better alignment of these two departments.

**Dr PHILIP** — That is correct. One of the things we tend to find is that people with complex needs often have to see multiple providers, often set across a number of departments, particularly around health and human services. What bringing the departments together can achieve is better integration of services so that you minimise fragmentation and provide a more seamless pathway for people across the service provision spectrum. So I think that is one of the keys to our work because I think that is what will deliver better outcomes for people with complex needs.

**Mr MULINO** — Just one last question on these two things I have raised. If we get a better approach on prevention and more integrated service delivery, are the potential savings very significant over time?

**Dr PHILIP** — To the extent that you get better outcomes for people, then you enhance wellbeing, and that leads to a much more cohesive and productive society. So to that extent, yes, you would be right.

**Mr RICH-PHILLIPS** — Dr Philip, thank you for your introductory statement this morning; it was very helpful in understanding the changes going on in your department. Just with respect to one of the changes you outlined at the starting point, the transfer of medical research from the previous innovation department to human services, you noted that that is without a staff transfer — that is the function. What is the rationale for that coming out of the innovation area — that is obviously something I had some considerable interest in previously — and moving into your operational department?

**Dr PHILIP** — Again, the government has a clear priority around medical research, particularly around translational research. We know that a lot of the innovation in the medical field now is at that interface between clinical and what would have previously been considered pure research. It is at that interface where we are actually seeing the richness of innovation now come to pass. So that is one of the things we are trying to focus on with the medical research function coming into the new department.

**Mr RICH-PHILLIPS** — How do you achieve that engagement with the innovation community, for want of a better term, given that the transfer of responsibility has been without any of the key staff who have those relationships with the medical research community and with the broader innovation community? Obviously it is quite dynamic in Victoria. It is quite well linked in Victoria into Europe, Israel and the US, but all of that intellectual property exists with staff in the former industry department whom you have not taken on.

**Dr PHILIP** — It is an agreement that the secretary in the new department of employment and I came to, which was that there were only a small number of staff anyway, and we had already in the former Department of Health been building up some capacity. We thought this might be a good way to ensure that expertise remained in that economic portfolio while we built up our capacity, and interchange between them is what we are encouraging. We do not expect any loss of impact, knowledge or expertise from having staff remain in the former department of state development and innovation, now the new department of economic development. We actually have put in place some close working relationships.

**Mr RICH-PHILLIPS** — Can I ask you about structure now? You brought together pretty large blocks of the public service — 1300-odd from health, 9500 out of human services, a small number from SRV in what I think was the former DTPLI and shared some into DPC. Have they come together in your new structure simply as blocks alongside each other, or have you made or are you going to make internal structural changes in the department?

**Dr PHILIP** — We have made some changes to align with the government's priorities. We have not just plonked them all side by side, so there a couple of instances where they have been brought together in some significant areas. I can allude to a couple of them: one is that there is a division now in the new department titled mental health, wellbeing, social capital and ageing. In that division we have brought together — the focus is on, for example, Aboriginal health and Aboriginal services, from the two departments into one. This sits alongside community health, primary care, mental health and ageing to try to build that interface. Secondly, we have

brought community development, which previously sat in human services, into this area to drive greater interaction with all those different areas that I have mentioned but also including prevention and population health. Through that, alongside sport and recreation, we have quite a large division where we ought to see a lot of the functions interrelate much more with each other. That is one.

The second is that in the regulation, health protection and emergency management division that we have created we have pulled together the various emergency management functions that sat in the two previous departments, sitting alongside health protection, because quite often the two have a lot to do with each other. In this way we are trying to build some greater synergies between the work that used to take place in separate departments. So they are just two areas that I would highlight where there have been some structural changes bringing together the best of two departments, co-located where they interact with each other a lot more.

**Mr RICH-PHILLIPS** — Approximately what number of people are involved in those areas? Is it a significant part of the department?

**Dr PHILIP** — There were not significant numbers of people involved in those changes, and one of the principles that — —

**Mr RICH-PHILLIPS** — A couple of hundred?

**Dr PHILIP** — I think probably less than a couple of hundred. What was significant about our change was there is very little change to people shifting between units; so if you sat in a unit or branch, you moved as a group, because I did not want to lose the way they worked.

**Mr RICH-PHILLIPS** — That was going to be my next question, as to how you managed the process internally. I assume there was not, from what you have said, the abolition of existing roles and the creation of new roles as a consequence?

**Dr PHILIP** — That was minimised to a handful, so from recollection perhaps only one team was split apart. Everything else stayed the same. This is important; people have built good team relations, so that was important to preserve.

**Mr MULINO** — Dr Philip, you have talked about the fact that even before this MOG change health and human services had some shared functions — they had shared payroll, financial and document management, because it made sense in terms of costs and risk management. Some of the direct costs that we see arising from this MOG change — for example, in IT and records management — involve some upfront costs. Will they lead to some long-run savings potentially?

**Dr PHILIP** — Over time you might expect that we will get some efficiencies out of this. Certainly bringing in Sport and Recreation Victoria was an opportunity to refresh, for example, on their IT offering, and that will last us a good 7, 8 or 10 years, so we would expect some benefits out of that. By and large the machinery of government changes were made for a whole range of other significant reasons, particularly around policy and service integration, but to the extent that we can drive further synergies by having more consistent platforms for all our staff, then, yes, to that extent we expect to see some benefits.

**Mr MULINO** — And in this case is it fair to say that the MOG changes have to some degree at least reinforced sharing of resources and attempts to align between the departments that had already existed, so this is really moving further in a direction the departments had already thought was a good idea?

**Dr PHILIP** — Yes.

**Mrs PEULICH** — Just a quick question: remind me what is the size of your annual budget?

**Dr PHILIP** — About 20 million.

**Mrs PEULICH** — You inherited some decisions, or it was close after, on the change of government, including of course the Ambulance Victoria situation. Could you explain what transitional arrangements were put in place or that you were given in terms of the plans of taking Ambulance Victoria forward to develop a comprehensive plan to save lives, and have we done so?

**Dr PHILIP** — We have gone about implementing the government's election commitments in this area. I am not sure I know what — —

**Mrs PEULICH** — With the sacking of the board and the departure of the chief executive officer, were there transitional arrangements, and how effective were they that were handed over to you as your remit, or was it something that you had to deal with? So what were the transitional arrangements, and are we making progress to develop a comprehensive plan that saves lives? How far are we there?

**Dr PHILIP** — The government had a commitment around Ambulance Victoria, particularly around the board. They were implemented consistently with all other election commitments. Transitional arrangements? Arrangements were put in place to deal with that situation — with an administrator and acting CEO — as we would for any other organisational change or issue that came up. In terms of implementing the election commitment, I can report that all our election commitments are well under way in terms of being implemented.

**Mrs PEULICH** — Are the response times improving?

**Dr PHILIP** — Are response times improving? We are early into this government, and we are in the process of implementing those changes. The government has objectives in budget paper 3, and they will be reported accordingly.

**Mr MELHEM** — I am not sure of the relevance of the question by Mrs Peulich relating to response times in relation to the reference of the committee.

**The CHAIR** — Dr Philip has answered the question.

**Mr RICH-PHILLIPS** — Dr Philip, can I assume from your previous answer around the structural changes you have made that that concludes any planned structural changes within the department now, or do you have further plans around internal structural changes?

**Dr PHILIP** — I do not think any CEO would ever say they have made changes and that is the end of it. I think there will be, as always is the case, more structural changes taking place as required.

**Mr RICH-PHILLIPS** — Do you envisage any currently?

**Dr PHILIP** — There are things that I would like to see done differently, but all done in stages and all through consulting with staff. There are different schools of thought about whether you make big bang changes or you make them in stages. I subscribe to the latter. That is the way I operated in the previous Department of Health and will continue to do as long as I stay in this role.

**Mr RICH-PHILLIPS** — In that sense, do you have a plan for some progressive changes?

**Dr PHILIP** — Always. I think modern-day organisations are always driven by performance. You take feedback as you go about running a business and make changes accordingly, which is why I do not subscribe to a view that says you do not ever make changes on an ongoing basis. I always leave it open.

**Mr RICH-PHILLIPS** — I guess what I am trying to get to is: are those changes imminent? Are you ready to push the button on further structural changes, or are these things you would like to see two years, three years hence? Is it something you are progressing as an agenda currently on the back of the changes you have already made?

**Dr PHILIP** — There are a lot of changes I have been making pretty much every month, and I will continue to do so.

**Mr RICH-PHILLIPS** — What is next in the pipeline?

**Dr PHILIP** — I would rather talk to my staff who are affected first rather than communicating them publicly. It is an ongoing task, and I think CEOs always have to be concerned about that.

**Mr RICH-PHILLIPS** — With respect to that, how are you evaluating the success, firstly, of the integration of the chunks of Health and Human Services and the subsequent internal changes that you are making? You said you had consulted with the staff through the process.

**Dr PHILIP** — Ultimately it will be for ministers to judge how effective we have been in aligning the structure of the organisation and delivery of their priorities, as is always the case. I think that will be the number one test, and then internally the wellbeing of staff is always forefront of my mind, and the extent to which we make changes and improve their wellbeing and delivery will matter. That is measured through lots of different ways, as it always has been.

**Mr RICH-PHILLIPS** — Is that something you have measured in the last six months, since the main integration of the two departments?

**Dr PHILIP** — Not specifically on integration.

**Mr RICH-PHILLIPS** — Was that included in assessments you have done in the last six months of staff morale or similar?

**Dr PHILIP** — No. Health and wellbeing of staff is a general measure that we measure on a regular basis. One ought not, I think, link that to any structural changes in a specific way. I think it is important to have an ongoing dialogue with your staff and measurement of how staff are feeling and operating.

**Mr RICH-PHILLIPS** — Have any trends emerged since the integration of departments on 1 July?

**Dr PHILIP** — I get very positive feedback by and large, and where people have had any specific issues they have always been resolved. I can generally report that I think the integration or the creation of a new department has gone incredibly well.

**Mr MULINO** — We have been talking about ongoing internal change within the department. Is it fair to say that whether or not there had been any machinery of government changes, your philosophy would be that it is healthy for an organisation to think about ongoing internal change?

**Dr PHILIP** — Yes.

**Mr MULINO** — So in a sense this is something that any large public sector organisation should have on its agenda regardless?

**Dr PHILIP** — Yes. I would agree with that proposition.

**Mr MULINO** — Just in terms of evaluating success, it sounds like you are quite happy with the way the two departments have come together in terms of the administrative cohesion, in terms of processes, in terms of systems, in terms of beginnings of culture change. Is it also fair to say that the evaluation of its impact on policy would probably take a bit longer to evaluate in a sensible way?

**Dr PHILIP** — I think that is true. Our test will be whether we deliver on the government's commitments and if ministers see that there is greater alignment between the structure of the department, the processes of the department and delivery of their commitments.

**Mr MULINO** — In terms of the former set of changes — the administrative, the systems — you are pretty happy with how things have gone so far?

**Dr PHILIP** — Yes. The changes are being made and continue to be refined, and I do not have any cause for major concern.

**Mrs PEULICH** — I note your comments in relation to ongoing improvement of the performance of the department. One of my roles has been to attend all of the Auditor-General briefings. The consistent theme that has been made by the Auditor-General across all of the departments — yours of course being the biggest one — is the lack of direct linkage between funding and outcomes rather than just funding and activities, which tend to be a focus of much of the budgets, and that one of the constraints on that is the gathering of data and the management of that data, especially between delivery agencies and the departments. Given that you have now grown bigger with the merging of the two departments, is this going to be made easier or more challenging, and what are your plans for responding to the need to gather and manage that empirical data so that you can make more informed decisions?

**Dr PHILIP** — I think all public service organisations — indeed all organisations — recognise increasingly the power of data in making decisions. Does the machinery of government change make it any better or worse? I do not think it makes it any better or worse, but the challenges that we face can be better addressed through the creation of the new department, bringing together functions that were previously fragmented. I think you will probably get a better perspective on the data needs and the questions that need to be answered when you have previously fragmented groups now sitting together. So I think we will ask better questions and as a result ask different things or have different data needs, and I think we will address those accordingly.

**Mrs PEULICH** — So you are optimistic about that?

**Dr PHILIP** — I am generally an optimistic person about most things. It is a prerequisite, I think, of being a public servant.

**Mrs PEULICH** — If I may, I have one more question, Chair. Having been briefed only yesterday on the plans for the establishment of Infrastructure Victoria and noting that it has quite a broad remit, which includes social capital infrastructure, could you explain what consultations occurred between your department and the government in relation to any changes on the way that this will impact on you, and how do you envisage the two interfacing?

**Dr PHILIP** — We have had a lot of discussions across the public service about the establishment of that organisation and its function. In the new department we have a pretty good approach to infrastructure and capital, so we do not see this as having any major impact on our department. We will fit in very well with the structures that have been put in place.

**Mrs PEULICH** — So do you anticipate that the strategic plans that Infrastructure Victoria is required to develop will be simply uploading your own strategic plans, or do you see those roles duplicating, overlapping or perhaps trumping yours?

**Dr PHILIP** — We see this as a good vehicle for a much better integration of health and human services capital within the broader infrastructure debate within government, and I am confident that we have very, very good people to develop very, very good plans in health and human services, so I am very confident about good outcomes.

**Mr RICH-PHILLIPS** — Dr Philip, I would like to ask about some of the logistics of integration and the costs associated with that, and Mr Wallace might provide some detail there. Did you use any third-party providers, consultants et cetera in working through the integration exercise?

**Dr PHILIP** — We did use a third-party provider to assist on some of our integration. As you would expect, it is a large endeavour that we had.

**Mr RICH-PHILLIPS** — Who was that that you used?

**Dr PHILIP** — I can get that detail for you, unless Mr Wallace knows.

**Mr WALLACE** — It was Cube Consulting.

**Mr RICH-PHILLIPS** — And that was the \$90 000 engagement?

**Mr WALLACE** — It was part of that; we also sought some external legal advice in relation to some matters, so there was a small amount of external legal consulting, and the balance was Cube Consulting, which was for project management support.

**Mr RICH-PHILLIPS** — In terms of physical relocation, was it necessary to relocate — I am talking CBD — any of your staff in the integration from the two departments?

**Dr PHILIP** — We brought in Sport and Recreation Victoria.

**Mr RICH-PHILLIPS** — None of the health or human services people needed to be relocated from Lonsdale Street?

**Dr PHILIP** — We are in the same building, but Sport and Recreation Victoria were outside, and we felt it was really important to make them feel part of this new department, so they were brought in.

**Mr RICH-PHILLIPS** — So the costs that have been reported with respect to relocation costs — furniture and fit-out, 60 000; relocation, 11 000 et cetera — relate to those 60-odd SRV staff?

**Dr PHILIP** — Pretty much.

**Mr RICH-PHILLIPS** — With respect to — I think Mr Mulino referred to it before — efficiencies through integration of back of house, you indicated earlier, though, if I understood correctly, that human services and health had been using common systems anyway. Would that suggest that we cannot expect any significant savings from integration of those back-of-house corporate functions?

**Dr PHILIP** — The reason for this machinery of government change was not to drive all those sorts of things. What has minimised disruption, minimised costs associated with the creation of a new department, was the fact that we had a lot of common systems, but you would expect over time as we do more work together that we will certainly see some benefits by having everyone on more common systems. That is the best I can answer.

**Mr RICH-PHILLIPS** — Is there much scope for the use of common systems?

**Dr PHILIP** — The use of systems is one thing, and starting to use common practice is another. I think our approach to budget, our approach to briefings and all those things can start to generate some benefits for us by being on a more consistent basis, and they use a lot of these backup office functions.

**Mr RICH-PHILLIPS** — In that regard will your department continue to use CenITex as a core service provider — a desktop services provider?

**Dr PHILIP** — We have been, and we are currently still doing so.

**Mr RICH-PHILLIPS** — Is it your intention to remain with CenITex?

**Dr PHILIP** — I have no intention to change at this stage.

**Mr MULINO** — Very briefly, we have had a bit of a discussion around direct costs and potential long-run savings, which should not be huge given that you have already achieved a lot of integration beforehand. I want to very briefly return to the broader context. I think you said your budget is around 20 billion.

**Dr PHILIP** — Yes.

**Mr MULINO** — What is really driving this — and this is the first discussion we had — is to try to get better outcomes in service delivery and more integrated service delivery, lowering whole-of-government costs but at the same time perhaps getting better outcomes and perhaps getting better outcomes in prevention. The savings we are talking about here potentially are many, many orders of magnitude greater than the kinds of amounts of money we are talking about if we can get that right. I just want to put this in context. We are talking hundreds of millions — billions — over the long run in one of the real pressure points on government spending.

**Dr PHILIP** — To the extent that you improve wellbeing of people, particularly earlier than you otherwise would, then there are significant benefits not only for individuals but also for governments.

**The CHAIR** — Perhaps I could ask the final question, Dr Philip. Just noting the furniture and fit-out costs of \$60 000, as provided by the whole-of-government submission, does that relate to departmental expenditure? Does that relate to the department itself, or does that relate to ministerial offices as well?

**Dr PHILIP** — It is mainly, as we answered earlier, Sport and Recreation Victoria coming in.

**The CHAIR** — Dr Philip and Mr Wallace, thank you both very much for your presentation this morning and for your preparedness to answer questions from the committee. Thank you very much.

**Witnesses withdrew.**