



## CSC Annual Member Meeting 2022: CEO Presentation, Damian Hill

Good evening and thank you for your attendance at the 2022 Annual Member Meeting. It's excellent to see our CSC customers both in person and that's been a bit of a struggle over the last few years and, as Peter said, for the first time right here in the room and many of you online as well.

As we reflect on another year, I think we would all agree that while the external influences have continued to challenge us in many different ways, life has also started to resemble some kind of normality. I don't know what normality is yet going forward but we're sort of getting closer to our expectations. In line with the new virtual world we now live in, we're pleased to be holding the 2022 meeting in a hybrid format and allowing you to join us in person or from wherever you may be in the world and that's part of the unique customer base that we have in that they can be located at all places of the globe.

This year has been especially significant for CSC as Garry has mentioned as we have celebrated our hundred years of service. We have a proud long heritage and tonight, and this is where this comes in, I'm holding our first annual report. It actually is our first annual report. It opens with the Commonwealth of Australia Superannuation Act commencing on 20 November 1922, only a few weeks away from actually the hundredth birthday.

Contributions by employees started on 5 January of 1923 and the total amount received by the close of the financial year was \$129,137. Okay, we're going to get back to the pounds. There's not many in the room that I think would come from that era but maybe a few of our customer base. It's noted here in the annual report that that was highly satisfactory. So, we're also looking forward to formally marking this milestone in December at an afternoon tea at Parliament House where we will be joined by the Minister for Finance, Senator the Hon Katy Gallagher.

Now when I commenced in CSC in July 2020, the Board and I determined that, in order to deliver the best results for our customers over the long term, CSC would need to undergo a transformation of our business. This is particularly in regards to how we use your information to provide more personalised guidance and solutions, how we enable our team to support you. We simplify the work we do to make it easier for you and also to update and rationalise the technology we use to ensure that you have what you need when you need it.

We are nearing the end of Year 2 of our five year transformation program, the result of which will be a more connected and customer centric organisation. Two years into the program, while you as customers might only be seeing small changes as yet, I can assure you that the CSC team is working hard across multiple areas. As many of you would know, delivering large scale projects is complex with the initial foundation work required not immediately showing up in changes to your experience. However, this foundational work is critical to ensure that we can make significant improvements over time.

Having said that, I'm delighted to announce that one of our program's first major customer facing initiatives was delivered in June this year and that was with a complete redesign of insurance claims at CSC. Claims can be stressful, probably more stronger than that. They are stressful. Whether you are claiming because you no longer are able to work or because a loved one has passed away. The experience you have with us at that time will be





instrumental in your ability to grieve, to process and to move forward. So now, if you ever need to claim, and we don't wish that on anyone, but if you do need to claim, your claim will be handled by one person from start to finish. They will bring in other experts as needed but you will always have a single point of contact. Plus your CSC claims consultant will also coordinate any other agencies and there can be many involved, as well as follow up after your claim to make sure that you are doing well and haven't fallen through the cracks. In the background we are also updating all the claims forms to make them as helpful as possible as well as reflecting the updates on our website. To move forward further, this change follows significant improvements in our annual statements, digital statements etc. over the last two years.

But looking forward, the next major difference that you will see is our new online services. One very clear piece of feedback, it's probably the clearest piece of feedback we ever, ever get, is over many years is how frustrating it is not to be able to see all your CSC super accounts in one place. We have tens of thousands of customers who have multiple memberships of our different schemes. In addition though, feedback has also highlighted the difficulties in logging in and indeed, these have been a key topic seen in our net promoter scores. So, our new online services will deliver on this feedback. So, you will be able to see your entire CSC retirement savings via one single login.

In terms of progress, our new online services have been built and we are now integrating it with our backend systems as well as doing extensive testing including with some of our customers to ensure that you have a great experience when it goes live. At this stage we're expecting our new online services to be available early next year, fingers crossed, we might be able to bring it in late this year. But I'll only commit to early next year at this stage.

Another major initiative for us this year has been the development of our retirement income strategy, otherwise known as our RIS and you'll probably be aware that both superannuation and government like acronyms, so RIS is a new one for you. This framework has been designed to govern and drive an expanded range of product and service offerings for those of you who are retired, about to retire or looking for a different way to manage your retirement benefit. Now that our strategy is in place, the next step is implementation.

In the coming year we will release a number of enhancements to the existing support and guidance we already offer to customers who are in or nearing the retirement phase of their life. These enhancements will feature a more tailored approach to our diverse customer base, be easy to understand and guide you to make an informed choice. It will help you to balance the three competing priorities you have as you plan for retirement.

Firstly, the stability and surety of income in retirement. So many of our customers tell us that just tell me what I'm going to get after tax in the hand and I'll work with that. The second one is people still want to maximise investment returns because you're going to be retired for a long time, even if that means that your income could fluctuate. Finally and thirdly, the need for access in case of planned or perhaps unplanned capital outlays.

I'm pleased to say that our RIS has already drawn a favourable response externally. Earlier this year the investment magazine reviewed responses to the RIS from a number of different funds singling CSC out as having provided an in depth statement of what we offered and what was to come. Our aim here as always is to guide all customers to achieve comfort in retirement and our RIS is another exciting new example of this.





Turning now to our potential merger with AvSuper. While this proposed merger is still under negotiations, we are delighted at the prospect of welcoming AvSuper members into the CSC fold. AvSuper, like ourselves, is a profit to members superannuation fund. It is dedicated to the aviation and aviation safety industries and I believe there are strong similarities between us. Most significantly, we are both committed to serving those who serve. AvSuper have approximately 6,000 members and like CSC, a significant proportion of the fund is defined benefit. Timing wise, due diligence is currently underway and notwithstanding any issues, we expect the merger to complete in the next 12 to 18 months.

Now whilst presentations such as this are always the opportunity to present a highlights reel of the year gone by, it would be remiss of me to paint an unrealistic picture of perfection. There is much work still to do. We have been measuring our Net Promoter Score or NPS since 2017 through our Voice of Customer program called the Compass. Over this period we saw some common customer feedback to improve access to clear information about how superannuation and CSC schemes work because we do run 11 schemes. Tailored information about the relevant consideration for different life stages from career starters to pre-retirees to pensioners. How benefits are calculated and whether and how they fluctuate with investment markets or inflation and clearer information about fees, investment choice and insurance. We have been diligently addressing these across the business and our transformation program is vital in delivering the improvements that you, our customers, expect to see. To start with, we're improving the navigation of our website and have a renewed focus on producing valuable information that meets your needs wherever you are in your journey to retirement.

We're also improving the support we provide you in making decisions about your retirement. This includes both new and some enhanced education seminars making our financial planning services more accessible and better supporting the broader financial planning community who we know is so important for our customers. We are already starting to see results from these improvements. Our overall NPS for the 2021/2022 financial year was minus 7, an improvement of 5 points from the 2020/2021 financial year.

Now among all the achievements, challenges, reflections and visions for the future, I want to wrap up by going back to the people at the core of everything we do - you, our customers. I want to reaffirm our commitment to you and the pride that I and all of the people - all of our people take in serving those who serve our country through the Australian public service and the defence force. We know our customer base is unique and indeed, that's what makes it so special and allows us to tailor our services to you. Rest assured we continue to do everything we can to help you to get to a comfortable retirement.

Again, I would like to thank you all for your attendance this evening and I look forward to taking part in the Q&A session later on this evening. Thank you.

