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Melissa R.: Good afternoon everyone and welcome back. For those of you I haven't met, I'm [Melissa Reynolds 00:00:05] and, as Andy introduced before, the Chief Customer Officer. It is a great pleasure and privilege to be here, to be advocating for our customers and to be serving them. Since I've joined AGL, I've often been asked the question how are energy customers different and how is AGL different. [inaudible 00:00:26] acknowledge that certainly the issues in energy are in many ways unique, what I have discovered as I've moved across industries is that in every company, in every sector, and whether that's in banking or insurance or telco or retail, that customers' needs are changing. For us as organisations to respond to that, it is only those companies like AGL who are investing in data, technology, capability, insights, that can really personalize our offerings to customers, and to deliver better experiences for them, and to build our brands that will really create sustainable customer value over the long term.

What I'd like to share with you today is the customer market strategy and how we are responding to both the needs of customers today and building the foundations for the future. To provide and update on the market content, the political and the regulatory scene, what we are doing to address affordability, to empower our customers, and I'll touch briefly on pricing more broadly. Finally, I'd like to share with you an update on our customer experience transformation and how we are delivering results for our customers today, but also ensuring once again that we are setting up the foundations for the longer term.

Before I go into that, Andy talked about some of the symbols that organisations have and how safety has become part of our DNA. Once of the things that we're doing in customer markets as a symbol of change, and our custom centricity, is to bring the voice of the customer into the room. In a moment, I'm going to share with you an audio that captures just some of the things that our customers are saying about energy. We invest heavily in trying to understand our customer needs. We do this through ethnographic research, interviews, we bring them into our customer experience labs, we focus group with them, we've got sentiment tracking, and we work very closely with other organizations who also have customers' interests at their heart, including various consumer groups.

What I'd like to do is really just turn to this. If I click again.

Customer 1: It's important that I am dealing with a bigger company providing the utilities than I'm relying on the smaller company to do other things. It's just because it gives me a piece of mind that if something goes wrong tomorrow they will have the strength to back me up, and I've always felt that. A bigger company for utilities, smaller companies for smaller job.

Customer 2: I guess the longstanding ones have a certain level of trustworthiness because they've been around and know the industry.

Customer 3: You want a company that is looking into the present and into the future. You want a company that is thinking about what's next, in terms of technology, renewable energy, all those sorts of things. It's not forever, we've gotta keep reinventing, doing things better.

Customer 4: I'm more sort of for renewables, I'm pro renewables, solar, wind, wave, geothermal. Let's go that way rather than dig out more coal.

Customer 5: Sometimes you want something resolved then and there.

Customer 6: Sometimes it's just easier to go online and do things, and it's really straightforward. Then again, I guess it's always nicer to speak to another human. I love the motto, I heard this years and years ago when I was much younger, "There are no jobs on a dead planet". Hopefully, AGL's part of the solution and not part of the present.

Melissa R.: Okay, great. A few themes that arise out of that, that I just want to debrief on. First of all, this notion of wanting to deal with a leading and trusted company that they can count on if things go wrong. A brand that they see is forward looking, investing in the future, in renewables, in low-carbon energy sources, as well as new products and services that help them manage their energy efficiently. They want the convenience of apps and mobile technology, but when it comes to conflicts, problems, they want the flexibility to talk with somebody over the phone. Interestingly, one of the customers mentioned that sometimes they do want to talk to a human, and the reason why this becomes important for us is to recognize that as we digitize our business this does not mean that we become robotic or aloof, it actually means that we can digitize our business and still be human through personalization to them individually.

All of these customer sentiments and desires are reflected in the customer market strategy, which is to drive long-term sustainable value by guiding our customers through an increasingly complex energy market. We've touched on the strategic imperatives for AGL to prosper in a carbon-constrained future and to build customer advocacy. Andy shared with us his great model around staff, which I think is a terrific way to be thinking about customer advocacy. These strategic imperatives are not new to you, but what probably is new is the description of how customer markets fits into that. Our strategy has four key pillars to it. The first of those is to deliver digital-led customer experiences that are personalised based on a customer's context, their history, and their relationship with us.

We are progressing well in our customer transformation, and I'll talk a little bit more on that later, but this is about investing in our digital business model to create digital experiences, which not only reduce costly wasted calls to our contact centre, but overall deliver our customers a better experience. The second part of our strategy is eliminating unproductive and costly processes and driving efficiency in everything that we do. We know that roughly 60% of our calls that come in are driven by the complexity for our customers in things that should otherwise be simple. These include things like billing inquiries, moving house, making a payment, inquiries about their usage.

Our focus is on increasing self-service for these everyday transactions and freeing up our contact centre staff to focus on more value-creating activities like sales and retention. The sorts of self-service initiatives we have on the go include being able to reset your My Account password, concession card validation, adding a contact person to your account, updating a phone number, these simple sorts of things. In becoming more efficient, we've also introduced dynamic call routing in our contact centres, so that based on a customer need that call can be transferred to a more experienced agent for more complex issues. We're also transforming our call traffic management system, which enables us to balance demand using web chat deflection, virtual hold, and call-back technology to balance our call volumes.

The third part of our strategy is around innovation of products and our services. Everything from the energy plants that we have today to the connected home of tomorrow and beyond. These plans and these products and services, once again, being tailored and personalized to their customer's unique needs. Our goal is to move away from what a relatively hard to understand pricing and products, to products and services that are transparent, that are simple, and that are best for our customers. We have a number of new products in development right now and ready to launch in the new year, but I will not be revealing those, so you'll need to wait until January and February. I'm excited about the new product development that we have going on, which are designed really to give our customers more control over their energy plans.

Also, unique to AGL is our loyalty program and over 1.1 million customers now enjoying the benefits of loyalty with us. Finally, a core part of our strategy is to continue to grow the AGL brand as distinctive [inaudible 00:09:50] in our field. We have constantly maintained a number one position in attributes like being seen as a leading generator of renewable energy, pioneering new technology, providing sustainable and alternative energy solutions. In fact, independent tracking we got in just yesterday shows that AGL has the best reputation score of the three major retailers. AGL's strong reputation shows that the consistency and the clarity of our position regarding the direction of the company away from carbon-based fuels has improved the level of trust, admiration, and respect towards our company.

Perhaps, most pleasingly for me is the perceptions of AGL are highest among our peers for things like meeting customer needs and standing behind our products. We have demonstrated our ability to build a strong brand from nothing. Our entry into Western Australia we were absolutely unknown. In just a few short months we have built our brand awareness to almost 70% and, in doing so, we have acquired customers ahead of our business case plans. Let me talk a little bit about affordability, which is an issue for all of us, for our customers, for us, and obviously very topical to politicians and to regulators. We recognize that the cost of living pressure is the number one concern on the minds of customers. Contributing to that, energy as a part of the overall concern around cost of living has risen.

Affordability remains an issue even though if you have a look at ABS data, in real terms, fuel and power costs as a percentage of household expenditure has not changed that much over a decade. We all know the reasons they are well documented behind rising retail prices, to do with wholesale prices changing, supply constraints, and so forth. In addressing the issue in affordability, and Richard has well covered the issues of supply, I'm not going to go into those, but in addressing the issues of affordability it goes deeper than the size of the bill. Andy talked about giving customers certainty, giving them control, and giving them autonomy. If I compare the cost of your mortgage or paying your rent to the price that you pay for your energy there are a couple of key differences. Your mortgage and your rent will be higher than your energy bill for the year, but customers feel more in control of their mortgage or their rent because they know with certainty when it is due and how much it is going to be.

If you contrast that with energy where you consume on the go, you don't really know what you're paying for, you get a bill which is often estimate, inaccurate, and most of the time unexpected. Now this is not new, but naturally it has more flavour today simply because the retail prices have risen. Therefore, the solution to affordability I think lies in a number of parts and I want to build on that a little bit. The first of those is ensuring that we treat customers who need it most fairly, so fairness for hardship and vulnerable customers. We started this journey way back in 2014 with our affordability initiative, and I think we are well known for being a leader in this area. More than 95% of our hardship customers are on a competitive market contract with exclusive guaranteed discounts. They're not charged retail fees. We do not recontract customers back to zero. We put them on a similar discount.

We have more concession customers today benefiting from discounting plans. We were already writing to all of our concession customers before the prime minister commitments and we have written to them all again since. In terms of simplicity, products and services that help customers understand what they're getting and understand how to interpret their bill, so things like a self-service meter read, ensuring that customers can get an alert when their bill is due, giving customers information that helps them understand their usage better like energy insights, giving them an energy health check, payment and bill flexible options, bill smoothing, the ability to pay monthly, flexible payment options, direct debits. All of these things give customers control over their energy.

We have a range of products already existing to suit lots of different types of customers, including an AGL everyday plan that gives a guaranteed discount off usage and supply, specifically targeting those customers with low usage. The third part of addressing affordability is this notion of fairness and transparency in price, the ability for customers to be able to compare and contrast not only within a retailer's offerings, but across the industry, and we know that this is very challenging for customers today. Discounts are often not well understood and they can go so far as to be misleading, which is why we continue to advocate strongly for a comparator rate, which needs to be addressed at an industry level. Nationally, we are working with the AER on this and we are helping them with the consumer testing on fact sheets and the presentation of those offers.

For our own customers, we've been trialling our products presented in dollar terms. This has received excellent feedback and we plan to go live with this for all of our customers early in the new year. For our own part, we've also simplified pricing tariffs in New South Wales, South Australia, and Queensland mid year. We removed a whole bunch of complicated blocks and seasonality that we knew was confusing for customers in understanding their bills. We are writing to all of our customers on standing offers as part of our prime minister commitments. We've just about completed that.

I just want to talk on transparency of pricing and recap on the announcements made last week, with respect to pricing in Victoria. We announced an average standing offer increase of 9.5% for electricity, which is significantly lower than other major retailers. In doing so, we passed on the decreasing network's cost and the movements in the wholesale curve. For our most loyal non-concession standing offer customers, those who've been with AGL on the standing offers for two years or more, we announced that their rates would not go up and that they would get an additional 10% discount off their electricity for 12 months. For those customers who are concession customers on standing offers they already enjoy a 15% discount off electricity, and so we have continued that, but also offset their price increase for an additional 12 months.

The consequence of all this means that in Victoria we will have an additional 45,000 customers who will receive a discount off their standing offer. Let me talk a little bit about the market activity, which I think everyone has been very mindful of. It is fair to say the market is very, very competitive and it is very challenging. There is a lot of choice out there. I think in one document I read there was about 11,000 different plans across 28 different retailers. Consumer activity is absolutely up. Customers are shopping around. Our own customers are calling us to ensure that we're giving them the best deal. We have been very, very focused on proactive retention and, as you can see reflected in this chart, our acquisitions and retention numbers are up 32% year on year. Now, to put this in context, this means there's around about 200,000 extra customer product swaps year on year.

Despite the competitive nature of the market, our churn is well below the rest of the market. It has improved since last year and we now have a 7-point spread in our churn between us and the rest of the market. We've achieved this by being very proactive in our retention strategy, specifically to high-value customers. We are very much focused on driving these proactive retentions through our internal channels. Therefore, optimizing our cost of grow and cost of serve. We're also very, very committed to ensuring that customers are accessing the benefits of competition with now 86% of our customers are accessing a discounted product, which is up from last year. There are others that are also on some form of loyalty discount.

Now this market activity, whilst fairly unprecedented, was foreseen. We recognized that with retail prices as they are that it would create noise in the market and consumer activity, so we've planned for it. We're proactively addressing it. We're optimizing our channels to the best we can and we are engaging proactively with our customers. I'd now like to touch on our customer experience transformation. As this is not new to you, in terms of you've heard about customer experience transformation before, it is a significant investment in our systems and our technology, designed to drive productivity through increasing self-service and delivering better customer experiences that will drive brand loyalty and engagement.

As I mentioned earlier, around about 60% of our call volumes relate to managing their accounts, payments, moving home, billing, and usage inquiries. Therefore, it's no surprise that our transformation is set up to digitize and to simplify these experiences for our customers and, therefore, to increase their self-service. This will reduce transaction volumes over time and drive sustainable margins for our business. Quickly recapping, customer experience transformation has three core elements. The first of those is building foundational capability, which is both system technology and execution capability in terms of changing our cultural DNA and the way in which we work. Delivering signature moments to specifically address customer pain points and finally to drive digital adoption.

Let me quickly give an update on how we're going on how we're going on building our foundational capability and our cultural DNA. We are moving applications and infrastructure to the cloud, we're building new APIs, which mean we can deliver new features to market a lot faster. Once upon a time, it used to be a quick product delivery if you could get something to market in 12 to 18 months. Through our customer experience transformation and agile ways of working, the way in which we're working with technology, we can now deliver a new product or a new solution to market in less than 12 weeks. We've invested in our content management system and our digital assets like our website. We have halved the time that it takes for the pages on our website to load. As a result of that, not only have we had greater NPS in our website, but the number of visits coming to our website has increased by almost 70% in the last six months.

We've upgraded, and continued to do so, our call systems. This has meant that the number of data errors that affect a customer has decreased by close to 90%. To kind of give you a flavour of what that's about, if you log onto the website and you also have an app you might get information served up to you because it's served up at different times. Reducing replication errors means you'll get the same information presented at the same time. New software for personalization and decisioning, [inaudible 00:23:36] and Adobe tools, for example, mean that we can know the history of our customers, we can know their context, and we can automatically personalize offers to them. We're very excited by this. This is new technology that we've invested in over the last few months, and our first test case went live this week. We'll be looking very forward to seeing the results of that.

As importantly, it's about transforming the way in which we work. We have brought in new skills in human-centreed design. We are organizing ourselves around customer journeys, and this is a significant step forward because it means that we have permanently based cross-functional teams who are solely dedicated to improving productivity and solving customer problems. On our signature moments these are the five, easy move, self-service meter read, energy insights, one-touch pay, simple sign on. For those of you who've not yet been to the booth to take a look at them please do. There's still time at the end, but I do want to just give you a quick snapshot of how these are improving productivity by just touching on a few. Self-service meter reads, the number of customers who call us because they don't understand their bill and often that's because it's been estimated, but with self-service meter reads you can do an accurate meter reading on your own, you can submit it and you'll know live how much you have consumed and, therefore, how much your bill will be.

We've had more than 135,000 customer reads on that and an NPS on that signature moment is +12. Our easy move, around about 500,000 customers move every year. That used to be a 15-minute phone call into the contact centre. By introducing a self-service digital easy move this now takes a customer three minutes and they have more control over understanding where that move is up in the process through our tracking system.

Secure payments, this is the ability for a customer to store their payment details in an AGL wallet, which means that they can pay on the go. Once upon a time, if you wanted to make a specific payment on your bill you had to ring the contact centre. Now, by accessing that in your digital wallet you can pay at any time. You can pay with a whole bunch more flexibility. It means both the consumer and AGL can avoid credit card merchant services fees. More importantly for us, in terms of a customer experience, it enables us to be able to provide alerts to our customers via SMS when their bills are due. We're very excited about this. The digital payments, we've had more than 26,000 transactions, almost $6 million dollars worth of customer payments processed and an NPS of +40.

I hope by just illustrating a couple of these you can see the connection with our customer experience is creating not only new digital experiences, it means that they are taking wastage out of the contact centre and also driving NPS. [inaudible 00:27:13] is key to realizing benefits for the customer experience transformation. We know that this is challenging and we know that it takes time; however, we are confident that as we are building great new experiences with positive NPS that customers will increasingly engage with us in a self-service capacity.

What's new to you will be some of the ambitious targets that we set ourselves around digital adoption. My Account, we currently have about 34% of our customer base who are logged on or registered for My Account. It's a positive NPS. It continues to trend upwards, but we've set ourselves an ambitious goal to be at 50% of our customer base by FY 20. We've seen significant growth in our mobile app downloads, 366,000 active users. We've seen 100% growth of this in the last 12 months. In the next 12 months we'll be continuing to upgrade that app and we're very confident that the natural adoption will occur, and we've got a target of a million downloads of the app by FY 20. Digital interactions is a measure of the frequency of interaction. We recognize that in building digital capability customers will engage with us more. We've seen that through the app today. Some of our customers will go into the app and monitor their usage, it may sound surprising, up to multiple times a day because they're heavily engaged. They want to know whether the solar system's working, etc.

I know, I'm seeing people raise their eyebrows, but it does give us an opportunity because the more that customers engage with us and the more that they engage with the energy that we are providing that service for the more we can build over the long term. We've set ourselves an ambitious target for 2.5 million monthly digital interactions. On digital billing or e-billing, we currently have about 40% of our customers on e-bill and we've got a plan to get this to 60% by FY 20. All of these digital experiences are reflected in our digital NPS, which is +39, but we're not going to settle there. We feel that there's more work to be done and we have set ourselves a goal of +45 by FY 20. We've also recently introduced transactional NPS in our contact centres and this is now implemented across all of our call agents. Currently, that is at 31 points, so positive.

Reflecting this increased focus we have on our customers you can see that the number of customer complaints continues to decline. What has also been of interest over time has been the CXT benefits. This slide gives us a breakdown of where we see the opportunities. This is primarily a system transformation, so there isn't actually a large upfront investment. This chart shows the cost stack of the net operating costs in customer markets and the ones that we think can be compressed through self-service. These include labour costs and sales and marketing costs in particular. The benefits are realized from FY 20 and with further additional benefits being achieved from them also with respect to reduced churn and increased sales.

Before finishing on the customer experience transformation, I wanted to talk a little bit about how this transformation sets us up not only to digitize our current business and drive self-service adoption, but how it sets us up into the future and, therefore, how retailing will change over time. Let me build on our customer market strategy, which I said was to build long-term sustainable value by helping customers through an increasingly complex energy market. I saw a lot of attention, quite rightly, at Elizabeth and [Narelle's 00:31:44] booth there in the new energy space because there's a lot of interest in new technologies and the way in which consumers will engage with energy in the future. If you think about our business today it's a fairly straightforward business. We make it very complicated for our customers, but it's literally about selling gas and electricity mainly through our contact centres and some third-party distributors.

Our focus today is very much around simple propositions and energy plans, and CXT is designed to digitize those customer experiences, remove wastage, driving cost out, but it's about digitizing the here and now. The investments that we're making, particularly in technology around personalization, digitization, and automation are building blocks for the future. Technology is changing the way that our customers interact with energy in the future and increasingly. As I said, there are many more ways for a customer to engage with their energy. They'll be able to produce their own, they'll trade it, if it's left over they'll want to store it. Customers will operate at all ends of this spectrum. Some will continue to engage with their energy as they do today, very simple, automated, digitized.

Others will have more complex solutions. Our role as a retailer in that is to help customers navigate according to their engagement desire and where they play, in terms of simple or complex propositions. Our customers today are not all the same, they're not homogenous, and they certainly won't be in the future as more technologies become available to them. As we help our customers navigate this space, it's really important to not underestimate the power and the role that a strong and leading brand plays. Customers will continue to turn to a brand that they trust, like AGL, who is renowned for being a leader in our field. It's our role to help them understand what's best for them.

In closing, despite us being in rather unprecedented times, we are firmly focused on the initiatives that deliver for today and set us up well for the future. We recognize that affordability is a key issue and we are addressing this on multiple fronts. We are defending our market share through proactive retention and focusing on our customers. We believe that our investments in technology, in automation, and personalization will drive productivity and create value for our customers. Our customer transformation program is well under way. It is delivering digital adoption. It is delivering improved NPS, and we have set ourselves some clear targets to achieve.

Finally, by seeing ourselves or for our customers in the market to continue to see us as a leader in our field we will continue to build and grow a strong and distinctive brand. In doing all of these things, we will create value for our customers and through our customers, therefore, for our shareholders. Thank you. I'll now open to questions.

James Burn: Hi, Melissa. James Burn from [inaudible 00:35:33]. Thanks for your presentation. Looks like you've got some exciting things coming up, great to see. I guess what I really wanted to hear articulated though was how you intend to position competitively when there's a new entrant into the market that is vertically integrating, right, and is going to aggressively take share? I guess you alluded to retention, at the start of your presentation. I mean is it [inaudible 00:36:01] spend more to retain share? I mean what do you do here to protect gross margin?

Melissa R.: Yeah, it's a great question. I mean in the spirit of competition this is not something foreign to us. We're an organization 180 years old, and so competition is something that we are very familiar with and, in fact, invite. I think in terms of the new entrant to the market that you're talking about, yes, there are certainly signs of activity and we are holding our own on that front. Proactive retention, ensuring that we are giving our customers the best service, these are the ingredients that keep customers with us, ensuring we've got pricing that is affordable and reasonable, that we're giving customers the information that they need to be in control, these are the sorts of things that we are doing and we will continue to do to defend our market share.

James Burn: Does the cost of retention offset, or partially offset, the cost savings of CXT though?

Melissa R.: CXT is about doing lots of things, and the cost of retention will be more effective under CXT than if you didn't have CXT because through [inaudible 00:37:28] and Adobe's infrastructure and technology, for example, we'll be able to automate a lot of that and we will have information and data analytics that will give us an advantage over knowing our customers. CXT gives us an advantage in being able to retain our customers, particularly as we continue to make that more personalized.

Rob: G'day. Rob from Morgan Stanley. Thank you very much, Melissa. I was also going to ask you a question about [inaudible 00:38:09], so we'll take that was as [inaudible 00:38:11]. Thanks for your answer. I'll ask you a question about end-user pricing and I guess Richard may wish to join in as well. I won't ask you to predict the forward curve or to put any numbers on it because I'm the last person to criticize other people's forecasts. If the forward curve and the cap prices and all that were to remain roughly where they are today, should we be thinking that a reasonable retail rate would be a little bit higher next year, a lot higher next year, or should we starting to be thinking about reductions based on today's market prices?

Melissa R.: I won't go so far as to putting a number on it, but I do expect that we should see retail pricing starting to moderate.

Rob: Okay, great. Thank you very much.

Speaker 10: You made a comment about loyalty, and you look through I'll use the name IHE they don't reward loyalty, they charge their customers more. The reality is [inaudible 00:39:24] haven't rewarded loyalty. [inaudible 00:39:28] give market-based customers loyalty rewards. How do you tie that up with your statement that we're looking after customers and we're trying to protect our customers when your [inaudible 00:39:38] when they call up and say "I'm about to move", "I'll give you a bigger discount"?

Melissa R.: I think there's a couple of responses to that. We are rewarding loyalty in a variety of ways. We are being very proactive with our customers, in terms of writing to them, ensuring that we're helping them to understand and work through what is the best offer for there, so there is a pricing element to that. We also are quite unique in our AGL rewards program. We've recently undertaken a review of that and what's really insightful for us is that those customers who are actively participating in that loyalty program tend to have a longer tenure with us, so they are definitely more loyal and, therefore, that loyalty program is unique and part of the broader value proposition that AGL offers. I'm going to take one more question.

Speaker 11: Sorry, I got tired of putting up my hand. Maybe this is a question even for Brett, but I'm just getting a little bit confused around the messaging on costs. Slide 38 you talk about 5% to 10% reduction in the operating costs by FY 20 and more longer term, yet I think on the last metrics we got of the results was a 50% increase in costs FY 17, half of which was increased marketing costs or increased activity costs. Fifty million I think was inexplicably the CXT, some costs from that. Maybe if you just give some clarity around costs and this 5% to 10% you talk about versus what's the base you're talking about.

Melissa R.: Great question. I will let Brett follow, but what I would say in terms of the CXT and that slide that I've given in terms of the net operating costs today that is the baseline of FY 17. That doesn't include growth initiatives and so forth. In the additional op ex that went into the growth budget for this year there were some nuances that were specifically relating to market activity. There was an increase in there for an expected uplift in [inaudible 00:42:05] as a result of price increases. The baseline cost out would be based on reducing calls that come in, in a business-as-usual manner, and replacing those through customers self-serving.

What that doesn't take into consideration is any abnormal activities that happening in the market through increased competition or other market dynamics. The way that we're thinking about it is in terms of what is our baseline BAU cost opportunity versus that we will always need to consider what other activities are going on in the market that we need to respond to. Brett, would you like to elaborate on that?

Brett: That was a good answer, Melissa.

Melissa R.: All right, done.

Brett: I'll build a little bit on it just to tie a couple of threads of what we said before into it. Firstly, what we tried to do is be very transparent in what's going on in our costs. At the beginning of the year we saw a number of things happening this year that related to growth and transformation. Our underlying change in op ex year-on-year is a little bit [inaudible 00:43:11], but we talked about an extra $180 million dollars worth of opex costs coming in this year related to growth and transformation and more than half of that was linked to this step up in pricing. Step up in pricing in a financial sense has many benefits. It did have some drag-along cost, as Melissa was referring to. The biggest part of that, and I think it's probably where the 50 is coming from that you're picking up on, that was [inaudible 00:43:37]. That was simply a case of if your price goes up 15%, revenue goes up 15%, [inaudible 00:43:45] goes up 15%, no change in collection activity.

There are a number of costs linked to that and activity-based costs, as Melissa's been referring to, where in a high-price environment where you've got every politician in the land saying, "Check your price, check your retailer", we expected a lot more activity to be going on. You saw that being presented earlier on, we're seeing that happening. That contrasts with, and somewhat on a different time horizon, the CXT project. The CXT project we talk about that as meeting its basic [inaudible 00:44:16] return, it's basic return as a cost-saving project. The key part of that cost saving is simply if you make yourself much easier to deal with, with customers, if you can move to a much more digitally-focused channel, things like your call centre costs will dramatically reduce because the calls to the call centre will dramatically reduce.

The timing of that is in more further years, so on the slide there it talked about it really kicking in more towards 2020. That's because this project is a long-term project that takes a number of years to get the real foundational stuff working, so that we become a very easy to deal with, digital kind of company. The last comment that I'll say to put a bow on it, Andy said at the very beginning we're going to become even more cost focused going forward, so I tend to regard the numbers that we put out at the beginning of this year for this year as more a high watermark than a new platform for us to keep going. We're internally looking at those numbers very, very closely because while we recognize that there was a step up driven by this extra activity going on we still need to find ways to pull that cost back out again. We're looking at reducing going forward, but we're not quite ready yet to talk about our plans in that sense.

Melissa R.: Which seems like a perfect segue for you to continue standing because I think your ...