10-11
ANNUAL REPORT

straightforward, reliable banking

Macquarie Credit Union
straightforward, reliable banking

ABN 85 087 650 253 | AFSL/ACL 241132 | BSB 802 126

Our mission

To provide friendly, personal and efficient financial services to our members at the lowest possible cost

Providing financial services to our members at the lowest possible cost is something that this Credit Union prides itself in achieving.

Macquarie Credit Union
straightforward, reliable banking

Annual Report 10-11
Table of Contents

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Year in review

The Credit Union difference

There is a real difference that our members enjoy by owning their own financial institution. It starts with the fact that we put the profits back into the organisation. This is why 4 million Australians choose to bank with a Credit Union or Building Society. Here are a few more reasons:

It all comes back to our members

Credit Union and Building Society group

1. **Member ownership -** We are owned and operated by you, our members. This means each of you has a stake in the organisation. Without you, the Credit Union wouldn't be what it is, that's why customer service is so important to us.
2. **Competitive products and services -** We offer a wide range of products and services from home, personal and car loans to savings and investment accounts, insurance and financial planning.
3. **Fairer fees -** No one likes paying fees – this is something we recognise and we try to keep our fees and charges as low as possible.
4. **Customer service -** We are committed to keeping you, our members, satisfied. We provide real and caring personalised service for all our members regardless of your investment.

We were also very excited to hear that over 91% of our members would recommend us to their family and co-workers. These were the results of a quick poll run on our website a few months ago.

So, why not share your banking experience with your family and friends. All you have to do is tell them about our great products and services.

We even help them switch all their banking over. Competitive rates, low or no fees and real, personal service are just some of the benefits. For more information call us on 1300 885 480 or visit macquariecu.com.au.

Thank you for your feedback

Thank you to all our members who took time out to participate in our member survey this year. It's extremely helpful to get feedback from you, our members, whether it is good or bad. Your feedback is how we learn and how we measure our success.

We found that many of you would like to know more about accessing your accounts remotely with the Credit Union. "Explain my options for accessing my several accounts if I don't want to visit a branch."

We have a range of access options to choose from: Internet Banking, Phone Banking, Bank@Post, Redicards, and Visa Debit cards.

In order to satisfy your needs we have just launched our new mobile website to help our members access their funds on the run. This gives you access to many of the things you need when you're out and about including: a link to our Internet Banking System, our contact details, and the location of the nearest branch or ATM. And in the future you'll find access to even more information and tools.

Make sure to fill in our new 2011 member survey, we'd love to hear your feedback!

Mutual Banking Code of Practice

A couple of years ago now we joined 126 other credit unions and building societies in Australia to launch the Mutual Banking Code of practice. The code basically spells out our responsibilities to you, our members, and what you can expect from us. The code is a pretty lengthy document but it can be summed up by 10 key promises.

1. We will be fair and ethical in our dealings with you
2. We will focus on our members
3. We will give you clear information about our products and services
4. We will be responsible lenders
5. We will deliver high customer service and standards
6. We will deal fairly with any complaints
7. We will recognise member rights as owners
8. We will comply with our legal and industry obligations
9. We will recognise our impact on the wider community
10. We will support and promote this Code of Practice.

Vigil 24 hour Card Monitoring Service

The next level of Card Security!

Whilst we have exceptionally low instances of fraud we are always looking to stay ahead of emerging trends and with card fraud on the rise globally, we continually look for new ways to keep all our members cards secure.

Global card fraud trends

Fraud levels in Australia on all cards have increased dramatically over the years and have been primarily driven by card skimming as well as overseas scams. The spread of attacks of this nature and Australia's geographic location means that attacks often take place after hours and over weekends.

Keeping you secure

We have recently introduced a service which provides 24 hour monitoring of all our members' cards 24 hours a day, 7 days a week, 365 days a year. This new service is known as 'Vigil' and is provided by our industry partners CUSCAL. Members can now be even more confident in the safety and security of Macquarie Credit Union.

The service will automatically be applied to members holding a Macquarie Credit Union VISA Credit Card, VISA Debit Card or rediATM Card at no cost. If you are looking at travelling overseas, please advise the Credit Union.

What does this mean for you?

If there is suspicious activity on any of your Credit Union cards you may receive a call from Macquarie Credit Union Fraud Bureau Service (Vigil) on weekdays, weekends or even public holidays, to discuss any transactions or attempted transactions that could be fraudulent. You will then be asked to identify yourself as the account holder. In the mean time the fraud prevention team will already be working to minimise the risk.

If you have any questions about this service give us a call on 1300 885 480 or if you feel you've been the victim of fraud call our 24 hour fraud hotline on 1800 224 004.

3800 rediATMs and still growing!

rediATM has announced the release of around 400 new ATM's around Australia making them one of the nation's largest ATM networks with more than 22% increase from last year. The new ATMs will transition into the network at a rate of about 20 – 30 per week until the end of the calendar year with the goal of growing the total number of ATMs to 3,800.

Members will now be able to enjoy greater access to their money without ATM charges after the new ATM's are installed in various convenient locations including the majority of BP owned and operated service stations.

The new acquisition of ATM's is highly anticipated and will provide members with even better service and accessibility to funds.

5 star value ratings for the Credit Union

As further recognition of our great value First Home Buyer's Home Loan and Visa 55 Credit Card, Macquarie Credit Union has received two 5 star ratings for outstanding value from independent research monitor Canstar Cannex.

The Credit Union is very proud to be recognised in this sense as having one of the most competitive First Home Buyer's Home Loans and Visa Credit Cards in the industry. We are constantly enhancing our products and services to make sure our members are receiving the highest quality possible.

Results of the Past Year

As has become a feature of our annual report our "plain English" accounts appear below. This statement is only intended to provide a snapshot of the credit union's financial performance; it is not a formal part of the annual accounts. Full details of the Credit Union's financial results are contained in the following pages.

Matthew Bow
General Manager

Performance over Time

The following graphs provide a simple picture of how the Credit Union has performed over the past few years.

Assets

Deposits

Loans

Members

Balance Sheet

ASSETS What the Credit Union Owns	2011 $,000	2010 $,000	2009 $,000	LIABILITIES What the Credit Union Owes	2011 $,000	2010 $,000	2009 $,000
Member Loans	69,447	61,317	53,310	Member Deposits	58,624	54,733	53,311
Cash & Investments	10,790	10,444	15,429	Payables & Other Liabilities	12,374	8,400	7,500
Plant & Equipment	110	60	63	Provisions	149	124	107
Other	899	726	713	Other	95	0	0
				Members Reserves/ Equity	10,004	9,290	8,597
Total Assets	**81,246**	**72,547**	**69,515**	**Total Liabilities**	**81,246**	**72,547**	**69,515**

Profit and Loss Account

WHAT WE EARNED	2011 $,000	2010 $,000	2009 $,000
Interest – member loans	5,136	4,090	4,276
Interest – investments	583	534	744
Transfer from provisions	0	0	0
Other income – commissions, fees etc	555	624	475
Total Income	**6,274**	**5,248**	**5,495**

WHAT WE SPENT			
Interest – member deposits	2,379	1,482	2,242
Interest – borrowings	432	393	331
Member service costs (ATMs, Cheques, EFTPOS etc)	450	404	419
Computer costs (data processing etc)	327	267	238
Staff costs	962	917	860
General expenses	739	826	806
Total Operating Costs	5,289	4,289	4,896
Operating Profit Before Tax	985	959	599
Income Tax Expense	270	266	165
Net Profit After Tax	**715**	**693**	**434**

Community news

Our team regularly take part in community events and charitable causes and during the financial year they contributed to:

- Meals on wheels (community)
- Red Nose Day (SIDS)
- Jeans for Genes (Children's Medical Research)
- Daffodil Day, Australia's Biggest Morning Tea (Cancer Council)
- Shave for a Cure (Leukaemia Foundation)
- Dubbo Base Hospital Blood Drive (Red Cross)
- Trek4kidz (Starlight Foundation)
- Loud Shirt Day (The Shepherd Centre for deaf children)

Essential Energy Field Day Wrap Up

The 2011 Electricity Supply Industry Field Days were hosted by Essential Energy this year in Wagga Wagga. There were hands-on activities, team challenges, demonstrations, exhibitions and workshops.

We ran a competition "Kick a Savings Goal" with the prize being a $500 Online Savings account, which was won by a very happy young gentleman Mr Jacob Rippon. We received many enquiries regarding our home loan products, term deposits & online savings account, and were not surprised by how many people are disappointed in their bank.

The field days attracted approx 1,500 people from the electricity, water, mining and rail industries from NSW and interstate.

Annual Members Dinner

Our 2010 Annual Dinner was held at the Old Dubbo Gaol on Friday 5th November. It was set to be a very interesting evening with Gaol tours & a convict themed event. Members and staff alike kicked up their heels and had a fabulous time.

Thank you to all those members who came along. We look forward to seeing you again this year for some Fun at the Zoo on Friday the 11th of November.

Shave for a Cure

Congratulations to a number of our members who shed their locks in support of the Leukaemia Foundation's World's Greatest Shave . Port Macquarie Essential Energy team members Kim Hollis, Michelle Colbert , Linda Goodchild , Ben Castle , Amy Mainwaring and Alister Gunn along with Kim's daughter Rebecca raised in excess of $10,500. Essential Energy Credit Union donated $200 towards a BBQ which raised over $800 to the cause during lunch.

Wayne Amor from Dubbo Essential Energy raised $5853 in just one week for the cause . Wayne's shave took place at the Dubbo Depot with assistance from Peter Halliwell , and Matt Bow donated $500 on behalf of the Credit Union.

Dubbo Base Hospital Blood Drive

The Credit Union recently got involved in sponsoring the Dubbo Base Hospital Blood Drive Challenge . The challenge was won by the Physio Department who took away the $100 prize . Dialysis came in 2nd winning $70 and S Block 3rd Taking away $30. In addition to these prizes and as recognition of the efforts put in by all, the Credit Union gave out some lovely boxes of chocolates and donated a further $420 to the hospital which represented $10 for every blood donation made by the winning teams.

Chairman's report

The past year has been a very productive one for our credit union. The increase in our range of products as well as our attention to member service has allowed our members to take advantage of these improvements to enhance their own financial wellbeing.

Financial Performance

We had a very pleasing financial result with a profit after tax of $714,381, an increase of 3.2% over last year. Assets increased to $81.2 million, an increase of 12% over the previous year.

It is obvious our members are increasingly taking advantage of the better interest rates we offer for both loans and savings products compared to our competitors. This was particularly evident in the 13 % increase in money lent to members during the year compared to the previous year.

On the savings side, the introduction of the bonus interest attached to our online savings account has proved extremely popular with members. This introduces a greater level of flexibility, and also allows members to earn a high interest rate on daily balances that are always at call.

The many members using our Visa 55 credit card would not be surprised to learn that we received a Five Star Award for this product from Canstar during the year. This is further testimony to the competitiveness of this product.

ATM Acccess

During the year, The Bank of Queensland announced that they had joined the Redi ATM network. This means that their 400 odd ATM's across the country totals 3,800 rediATM machines, making it the second largest in Australia, just behind the CBA network. Our members now have more choice than ever in being able to find an ATM to access money without having to pay foreign ATM fees.

Country Energy Name Change

The sale of the retail portion of Country Energy to Origin Energy effective from 1st March 2011 also included the entitlement to the name "Country Energy". As a result, the network portion of Country Energy changed its name to Essential Energy.

To complement this change, our credit union changed the name of the Country Energy Credit Union (a division of Macquarie Credit Union) to Essential Energy Credit Union.

Our members will experience no change whatsoever in their dealings with the credit union as a result of this change. It was purely an administrative requirement.

Deputy Chairman Resigns

During the year, our Deputy Chairman Averil Gillham resigned due to a change of employment and subsequent relocation to Sydney.

Averil had been a Director since 19th December 2005, and Deputy Chairman since March 2007.

Averil had been a great asset to the Board, bringing a wealth of financial knowledge and commonsense to all our Board deliberations. She will be sorely missed, and on behalf of all members I thank her for her valuable contribution to our credit union over many years.

John Moss was elected by the Board as Deputy Chairman following Averil's resignation, and he was re-elected to that position following the annual general meeting in November.

Customer Service

Not just good, but excellent member service is what we continually strive for at our credit union. It is this higher level of member service that helps place us above our competitors, along with the better products and more competitive interest rates.

To achieve this high level of customer service we invest heavily in staff training and culture so that we can be sure our members get the highest level of service available.

I would like to thank all our staff for their continued commitment during the year to providing this superior service to all our members.

Your directors have once again steered our credit union through a successful year with thoughtful and insightful policy deliberations. Current regulations require directors to commit more time and energy to this task, and I thank them for their dedication to this task.

We have an ever increasing number of employer groups, and I sincerely thank the representatives from all those groups for their invaluable liaison efforts throughout the past year. Their work helps keep the information to and from our members flowing smoothly.

We embarked on a campaign to secure more members through our "member get member" promotion during the year. That promotion has had the effect of allowing many more people, both work colleagues and family members of existing members, to enjoy the many benefits of belonging to our great credit union. I would like to welcome all our newer members, and thank all our members for your continued support throughout the year.

Chris Shepherd
Chairman

Financial Report for the year ended 30 June 2011

TABLE OF CONTENTS

Directors' Report

Your Directors present their report on the Credit Union for the financial year ended 30 June 2011.

DIRECTORS

The names of the Directors in office at any time during or since the end of the year are:

TE Bacon	**J Moss**
A Gillham (resigned 20 August 2010)	**PM Nolan**
J Millar	**DAJ Rootes**
RK Mills	**CJ Shepherd**

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year:

Mr Matthew Bow – Mr Bow has worked for Macquarie Credit Union Limited for the past five years and was appointed the General Manager of the Credit Union on 19 November 2007. He was appointed company secretary on 19 November 2007.

PRINCIPAL ACTIVITIES

The principal activities of the Credit Union during the year were the provision of financial services to members in the form of taking deposits and giving financial accommodation as prescribed by the constitution. There were no significant changes in the nature of the Credit Union's activities during the year.

OPERATING RESULTS

The amount of profit of the Credit Union for the financial year after providing for income tax was $714,381 (2010: $692,118).

DIVIDENDS RECOMMENDED

The Credit Union's constitution does allow the payment of a dividend, but the Directors of the Credit Union have elected not to pay a dividend for the year ended 30 June 2011.

REVIEW OF OPERATIONS

The Credit Union recorded a profit of $714,381 compared to $692,118 in the 2010 year. The directors are very pleased with the result after a difficult year last year due to the impact of the global financial crisis.

Interest revenue increased by $1,095,217 (23.7%) to $5,718,884 due to increased borrowings by members and higher rates as the economy recovered from the global financial crisis. In turn, this resulted in interest expense increasing by $936,230 (49.97%) to $2,811,242 as the Credit Union increased interest rates on its term deposits to aid in offsetting the higher loan interest rates.

Other revenue decreased by $69,566 (11.1%) to $554,747, employee benefits expense increased by $44,760 (4.9%) to $961,931, occupancy expenses increased by $6,512 (7.1%) to $98,415, depreciation and amortisation expense decreased by $49,755 (35.7%) to $89,549 and other expenses decreased by $12,845 (1.1%) to $1,203,990.

ENVIRONMENTAL ISSUES

The Credit Union's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or State.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Credit Union during the financial year.

EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Credit Union, the results of those operations, or the state of affairs of the Credit Union in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

During the next financial year the Directors do not expect any significant changes in the operations or services of the Credit Union which will affect the results of the Credit Union.

Further information as to future developments, prospects and business strategies of the Credit Union have not been included in this report as the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the interests of the Credit Union.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments) by reason of a contract made by the Credit Union or a related corporation with a Director or with a firm of which he or she is a member, or with an entity in which he or she has a substantial financial interest.

INDEMNIFYING OFFICERS AND AUDITOR

The Credit Union has a Directors' and Officers' liability insurance policy covering all Directors. The premium paid in respect of this policy in force at the date of this report was $396.

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, for the auditor of the Credit Union.

INFORMATION ON DIRECTORS

The Directors in office at the date of this report are:

Mr C J Shepherd	Chairman
Experience	Appointed Chairman 23/10/86 Board Member since 19/04/71
Interest in Shares	One ordinary share in the Credit Union

Mr T E Bacon	Director
Experience	Board Member since 1/11/03
Interest in Shares	One ordinary share in the Credit Union

Mr J Millar	Director
Experience	Board Member since 25/07/05
Interest in Shares	One ordinary share in the Credit Union

Mr D A J Rootes	Director
Experience	Board Member since 30/08/06
Interest in Shares	One ordinary share in the Credit Union

Mr P M Nolan	Director
Experience	Board Member since 1/11/03
Interest in Shares	One ordinary share in the Credit Union

Mr R K Mills	Director
Experience	Board Member since 22/05/06
Interest in Shares	One ordinary share in the Credit Union

Mr J Moss	Director
Experience	Board Member since 24/02/09
Interest in Shares	One ordinary share in the Credit Union

GENERAL BOARD ATTENDANCE

During the financial year the following meetings of Directors were held. Attendances were:

	Board Meetings Eligible to Attend	Board Meetings Attended	Audit and Risk Committee Meetings Eligible to Attend	Audit and Risk Committee Meetings Attended
TE Bacon	12	8	-	-
A Gillham	1	-	-	-
J Millar	12	11	5	4
RK Mills	12	11	5	5
J Moss	12	11	5	5
PM Nolan	12	10	5	4
DAJ Rootes	12	11	-	-
CJ Shepherd	12	11	-	-

During the year, PM Nolan was granted a leave of absence from attending two (2) board meetings and TE Bacon was granted leave of absence from attending one (1) board meeting.

PROCEEDINGS ON BEHALF OF CREDIT UNION

No person has applied for leave of Court to bring proceedings on behalf of the Credit Union or intervene in any proceedings to which the Credit Union is a party for the purpose of taking responsibility on behalf of the Credit Union for all or any part of those proceedings.

The Credit Union was not a party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 5 of the financial statements.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

•all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the audit; and

• the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethics Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2011:

	$
Taxation services	1,320
Preparation of financial statements	4,955
	$6,275

Signed in accordance with a resolution of the Board of Directors at Dubbo on 6 September 2011 for and on behalf of the Directors by:

Chris Shepherd **Paul Nolan**

Auditor's Declaration

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MACQUARIE CREDIT UNION LIMITED

I declare that to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Morse Group

MORSE GROUP

Leanne Smith

L R SMITH
PARTNER

2 River Street
Dubbo
Dated: 6 September 2011

Directors' Declaration

The Directors of Macquarie Credit Union Limited declare that:

1. The financial statements and notes set out on pages 18 to 58 are in accordance with the Corporations Act 2001; and

   i) comply with Accounting Standards and the Corporations Regulations 2001; and

   ii) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Credit Union.

2. In the Directors' opinion there are reasonable grounds to believe that the Credit Union will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed at Dubbo on 6 September 2011 for and on behalf of the Directors by:

Chris Shepherd

Paul Nolan

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011	2010
		$	$
Interest revenue	3	5,718,884	4,623,667
Interest expense	4	(2,811,242)	(1,875,012)
Net interest revenue		**2,907,642**	**2,748,655**
Other revenue	3	554,747	624,313
Impairment losses on loans and advances	4	(53,933)	(49,316)
Employee benefits expense	4	(961,931)	(917,171)
Occupancy expense	4	(98,415)	(91,903)
Depreciation and amortisation expense	4	(89,549)	(139,304)
Other expenses	4	(1,273,990)	(1,216,835)
Profit before income tax expense		984,571	958,439
Income tax expense	5	(270,190)	(266,321)
Profit for the year		**714,381**	**$692,118**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**$714,381**	**$692,118**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 $	2010 $
ASSETS			
Cash and liquid assets	7	10,790,067	10,443,694
Accrued receivables	8	374,606	196,794
Loans and advances	9	69,446,592	61,317,480
Other investments	10	170,456	187,182
Property, plant and equipment	11	110,320	59,612
Intangibles	12	82,182	70,431
Deferred tax assets	13	237,104	252,797
Other assets	14	34,677	18,866
TOTAL ASSETS		**81,246,004**	**72,546,856**
LIABILITIES			
Deposits and short term borrowings	15	58,623,653	53,733,005
Payables and other liabilities	16	774,017	697,634
Interest bearing liabilities	17	11,600,000	8,600,000
Tax liabilities	18	95,006	103,030
Provisions	19	149,318	123,558
TOTAL LIABILITIES		**71,241,994**	**63,257,227**
NET ASSETS		**10,004,010**	**$9,289,629**
EQUITY			
Reserves	20	811,648	766,468
Retained profits	21	9,192,362	8,523,161
TOTAL EQUITY		**10,004,010**	**$9,289,629**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Profits	Credit Losses Reserve $	Total $
Balance at 1 July 2009	**7,857,511**	**740,000**	**8,597,511**
Profit for the year	692,118	–	692,118
Transfer to reserves for credit loss for the year	(26,468)	26,468	–
Total other comprehensive income for the year	**-**	**-**	**-**
Balance at 30 June 2010	**8,523,161**	**766,468**	**9,289,629**
Profit for the year	714,381	–	714,381
Transfer to reserves for credit loss for the year	(45,180)	45,180	–
Total other comprehensive income for the year	–	–	–
Balance at 30 June 2011	**9,192,362**	**811,648**	**10,004,010**

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011	2010
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest on loans		5,111,703	4,089,508
Interest on investments		583,210	483,820
Other non-interest income		412,042	728,313
Interest paid on members' savings		(2,267,687)	(1,449,107)
Interest paid on other finance		(432,301)	(393,205)
Payments to suppliers and employees		(2,387,203)	(2,305,572)
Income tax paid		(262,521)	(201,414)
Members' loan repayments		14,423,617	18,294,032
Members' loans' disbursed		(22,606,662)	(26,257,778)
Net cash used in operating activities	28.3	**(7,425,802)**	**(7,011,403)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments		23,178	16,500
Sale of property, plant and equipment		24,401	-
Purchase of investments		-	(27,954)
Purchase of property, plant and equipment		(166,052)	(101,304)
Net cash used in investing activities		**(118,473)**	**(112,758)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,000,000	4,000,000
Net movement in member savings		**4,890,648**	**(1,861,308)**
Net cash provided by financing activities		**7,890,648**	**2,138,692**
NET INCREASE/(DECREASE) IN CASH HELD		**346,373**	**(4,985,469)**
Cash at beginning of year		10,443,694	15,429,163
CASH AT END OF YEAR	28.2	**10,790,067**	**10,443,694**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements are for Macquarie Credit Union Limited as an individual entity. Macquarie Credit Union Limited is a financial institution, incorporated and domiciled in Australia.

The financial statements of Macquarie Credit Union Limited comply with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial statements were authorised for issue on 6 September 2011 in accordance with a resolution of the board of directors.

The following is a summary of the material accounting policies adopted by the Credit Union in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

1.1 Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

1.2 Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the statement of financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Credit Union will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1.3 Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Credit Union commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	**Depreciation rate**
Office equipment	33.3% - 50.0%
EDP equipment	33.3%
Office furniture and fittings	33.3%
Motor vehicles	22.0%

Assets with a cost less than $1,000 are not capitalised.

1.4 Intangible Assets

Items of computer software which are not integral to the computer hardware owned by the Credit Union are classified as intangible assets, not as part of property, plant and equipment. Computer software is amortised over the expected useful life of the software at 33.3% per year.

1.5 Loans to Members

(i) Basis of Inclusion

All loans are initially recognised at fair value, net of transaction costs incurred and inclusive of loan origination fees. Loans are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the loans using the effective interest method.

Loans to members are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Credit Union at balance date, less any allowance or provision against debts considered doubtful. A loan is classified as impaired where the recovery of the debt is considered unlikely as determined by the board of directors.

(ii) Interest Earned

Term Loans – The loan interest is calculated on the basis of the daily balance outstanding and is charged in arrears to a member's account on the last day of each month.

Overdraft – The loan interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a member's account on the last day of the month.

Non-Accrual Loan Interest – while still legally recoverable, interest is not brought to account as income where the Credit Union is informed that the member has deceased, or, where a loan is impaired. A loan is classified as impaired where recovery of the debt is considered unlikely as determined by the Board of Directors. Australian Prudential Regulation Authority (APRA) has made it mandatory that interest is not recognised as revenue after the irregularity exceeds 90 days for a loan facility, or 90 days for an overlimit overdraft facility.

(iii) Loan Origination Fees and Discounts

Loan establishment fees and discounts are initially deferred as part of the loan balance, and are brought to account as income over the expected life of the loan. The amounts brought to account are included as part of interest revenue.

1.6 Loan Impairment

(i) Specific and Collective Provision

A provision for losses on impaired loans is recognised when there is objective evidence that the impairment of a loan has occurred. Estimated impairment losses are calculated on either a portfolio basis for loans of similar characteristics, or on an individual basis. The amount provided is determined by management and the board to recognise the probability of loan amounts not being collected in accordance with terms of the loan agreement.

The APRA Prudential Standards requires a minimum provision to be maintained, based on specific percentages on the loan balance which are contingent upon the length of time the repayments are in arrears. This approach is used to assess the collective provisions for impairment.

An assessment is made at each balance sheet date to determine whether there is objective evidence that a specific financial asset or Credit Union of financial assets is impaired. Evidence of impairment may include indications that the borrower has defaulted, is experiencing significant financial difficulty, or where the debt has been restructured to reduce the burden to the borrower.

(ii) Reserve for Credit Losses

In addition to the above specific provision, the Board of Directors has recognised the need to make an allocation from retained earnings to ensure there is adequate protection for members against the prospect that some members will experience loan repayment difficulties. The reserve is based on estimation of potential risk in the loan portfolio.

1.7 Bad Debts Written Off

Bad debts are written off from time to time as determined by management and the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provision for doubtful debts if a provision for impairment had previously been recognised. If no provision had been recognised, the write offs are recognised as expenses in the statement of comprehensive income.

1.8 Equity Investments

Investments in shares are classified as available for sale financial assets where they do not qualify for classification as loans and receivables, or investments held for trading.

Investments in shares, which do not have a ready market and are not capable of being reliably valued, are recorded at the lower of cost or recoverable amount. Investments in shares where no market value is readily available are carried at cost less any provision for impairment.

Realised net gains and losses on available for sale financial assets taken to the profit and loss account comprises only gains and losses on disposal.

All investments are in Australian currency.

1.9 Members' Deposits

(i) Basis for Measurement

Member savings and term investments are quoted at the aggregate amount of money owing to depositors.

(ii) Interest Payable

Interest on savings is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on savings is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each savings and term deposit account as varied from time to time. The amount of the accrual is shown as part of amounts payable.

1.10 Provision for Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within twelve months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within twelve months are measured at the present value of the estimated future cash outflows to be made by the Credit Union in respect of services provided by employees up to the reporting date.

The provision for annual leave was reviewed with entitlements not expected to be used within twelve months being measured at the present value of the estimated future cash outflows.

Contributions are made by the Credit Union to an employee's superannuation fund and are charged as expenses when incurred. The Credit Union has no legal obligation to cover any shortfall in the fund's obligation to provide benefits to employees on retirement.

1.11 Cash and Liquid Assets

Cash and liquid assets comprise cash on hand and at call deposits with banks or financial institutions, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in interest bearing liabilities in the statement of financial position.

1.12 Impairment of Assets

At each reporting date, the Credit Union assesses whether there is an indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate recoverable amount for an individual asset, recoverable amount is determined for the cash generating unit to which the asset belongs.

1.13 Provisions

Provisions are recognised when the Credit Union has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Goods and Services Tax

As a financial institution the Credit Union is input taxed on all income except other income from commissions and some fees. An input taxed supply is not subject to Goods and Services Tax (GST) collection, and similarly the GST paid on purchases cannot be recovered. As some income is charged GST, the GST on purchases are generally recovered on a proportionate basis. In addition, certain prescribed purchases are subject to Reduced Input Tax Credits, of which 75% of the GST paid is recoverable.

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included where applicable GST is collected. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or current liability in the statement of financial position.

Cashflows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

1.15 Comparative Amounts

When the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable.

1.16 Adoption of New and Revised Accounting Standards

During the current year the Board adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions.

2. INTEREST REVENUE AND INTEREST EXPENSE

The following tables show the average balance for each of the major categories of interest bearing assets and liabilities, the amount of interest revenue or expense and the average interest rate. Most averages are monthly averages, and are representative of the Credit Union's operations during the period.

	Average Balance $	Interest $	Average Rate %
Interest revenue - 2011			
Deposits with financial institutions	10,209,513	607,181	5.9%
Loans and advances (other than Commercial loans)	66,471,507	4,985,363	7.5%
Commercial loans	1,272,069	126,340	9.9%
	77,953,089	**5,718,884**	
Interest revenue - 2010			
Deposits with financial institutions	12,637,500	534,159	4.2%
Loans and advances (other than Commercial loans)	56,191,867	3,922,229	7.0%
Commercial loans	1,891,384	167,279	8.8%
	70,720,751	**4,623,667**	
Borrowing costs - 2011			
Customer deposits	67,285,294	2,378,941	3.5%
Short-term borrowings	7,492,218	432,301	5.7%
	74,777,512	**2,811,242**	
Borrowing costs - 2010			
Customer deposits	53,762,770	1,481,807	2.8%
Short-term borrowings	6,898,333	393,205	5.7%
	60,661,103	**1,875,012**	

	2011	2010
	$	$

3. REVENUE FROM ORDINARY ACTIVITIES

Interest revenue	**$5,718,884**	**$4,623,667**
Non-interest revenue		
Dividends received	53,234	122,831
Fees and commissions		
Fees and charges	287,899	227,592
Commissions	170,252	177,683
Bad debts recovered	21,043	23,892
Gain on disposal of assets	16,809	38,408
Other revenue	5,510	33,907
Total non-interest revenue	**$554,747**	**$624,313**

4. PROFIT FROM OPERATIONS

Profit from operations before income tax expense has been determined after recognising the following expenses:

Interest expense		
Deposits from members	2,378,941	1,481,807
Short term borrowings	432,301	393,205
	$2,811,242	**$1,875,012**

Impairment losses		
Bad debts written off directly against profit	$53,933	$49,316

Depreciation and amortisation		
Office equipment	444	5,912
Office furniture	-	9,874
Motor vehicles	24,917	22,651
EDP hardware	18,230	15,136
Amortisation of intangible assets	45,958	85,731
	$89,549	**$139,304**

	2011 $	2010 $
4. PROFIT FROM OPERATIONS (CONTINUED)		
Occupancy expenses	**$98,415**	**$91,903**
Employee benefits expense		
Salaries	740,057	718,420
Superannuation contributions	80,128	70,413
Annual leave	15,109	19,132
Long service leave	14,423	(2,419)
Sick leave	135	37
Other	112,079	111,588
	$961,931	**$917,171**
Other expenses		
Fees and commissions	267,922	234,564
Loans administration	91,670	94,085
Data processing	327,078	267,101
General administration	587,320	621,085
	$1,273,990	**$1,216,835**

5. INCOME TAX EXPENSE

The components of income tax expense comprise:

	2011 $	2010 $
Provision for income tax	254,497	228,198
Decrease in deferred tax assets	15,693	38,123
	$270,190	**$266,321**

The prima facie tax on operating profit before income tax
is reconciled to income tax as follows:

	2011 $	2010 $
Prima facie tax on operating profit @ 30% (2010 – 30%)	295,371	287,531
Add tax effect of non allowable items	8,996	10,749
Less tax effect of:		
Bad debts recovered	(2,945)	(12,989)
Difference in tax depreciation	(15,306)	-
Rebateable fully franked dividends	(15,926)	(18,970)
Income tax expense attributable to operating profit	**$270,190**	**$266,321**

The applicable weighted average effective tax rate is 27% (2010 - 28%)

	2011 $	2010 $
6. AUDITOR'S REMUNERATION		
Amounts received or due and receivable by the auditors of the Credit Union for:		
Audit of the financial statements	29,990	28,060
Audit of the APRA returns	5,350	5,095
Other services	6,275	5,975
	$41,615	**$39,130**

	2011 $	2010 $
7. CASH AND LIQUID ASSETS		
Imprest accounts	296,721	518,015
Deposits at call	3,493,346	925,679
Interest earning deposits	7,000,000	9,000,000
	$10,790,067	**$10,443,694**

	2011 $	2010 $
8. ACCRUED RECEIVABLES		
Members clearing accounts	222,037	68,196
Interest receivable	152,569	128,598
	$374,606	**$196,794**

	2011 $	2010 $
9. LOANS AND ADVANCES		
Overdrafts	481,103	565,880
Visa	718,688	641,779
Term loans	68,253,667	60,126,525
	69,453,458	**61,334,184**
Provision for impaired loans	(6,866)	(16,704)
	$69,446,592	**$61,317,480**

	2011 $	2010 $
9.1 Maturity Analysis		
Overdrafts	481,103	565,880
Visa	718,688	641,779
Not longer than 3 months	722,208	1,300,038
Longer than 3 months but less than 12 months	3,559,710	3,426,270
Longer than 1 year but less than 5 years	14,023,217	14,761,914
Longer than 5 years	49,948,532	40,638,303
	$69,453,458	**$61,334,184**

	2011	2010
	$	$

9.2 Security Dissection

Secured by mortgage over real estate	57,624,383	48,893,286
Partly secured by goods mortgage	8,287,983	8,634,087
Wholly unsecured	3,541,092	3,806,811
	$69,453,458	**$61,334,184**

It is impractical to provide a valuation of the security held against loans due to the large number of assets to be valued to arrive at the amount. A breakdown of the quality of the security on a portfolio basis is as follows:

Security held as mortgages against real estate is on the basis of:		
Loan to valuation ratio of less than 80%	46,134,982	45,462,032
Loan to valuation ratio of greater than 80% and mortgage insured	9,438,797	3,431,254
Loan to valuation ratio of greater than 80% and not mortgage insured	**2,050,604**	-
	$57,624,383	**$48,893,286**

9.3 Concentration of Risk

The Credit Union has an exposure to groupings of individual loans which concentrate risk and create exposure to particular segments as follows:

i) Geographical Area		
New South Wales	67,410,621	60,244,272
Other States and Territories	2,042,837	1,089,912
	$69,453,458	**$61,334,184**

ii) There are no members who individually have a loan and overdraft facility, which represents in total 10% or more of capital (2010– Nil).

9.4 Movement in the Provision

Opening balance	16,704	60,000
Bad debts written off against provision	(63,771)	(92,612)
Loans provided for during the year	53,933	49,316
	$6,866	**$16,704**

9.5 Analysis of Loans that are Impaired or Potential Impaired by Class

	2011 Carrying Value	2011 Impaired Loans	2011 Provision for Impairment
Loans to members			
Residential	57,624,383	-	–
Personal	10,629,284	17,789	649
Overdrafts/Visa	1,199,791	17,330	6,217
Total	**$69,453,458**	**$35,119**	**$6,866**

9.5 Analysis of Loans that are Impaired or Potential Impaired by Class (continued)

	2010 Carrying Value	2010 Impaired Loans	2010 Provision for Impairment
Loans to members			
Residential	48,893,286	-	–
Personal	11,233,239	57,337	16,670
Overdrafts/Visa	1,207,659	13,643	34
Total	$61,334,184	**$70,980**	**$16,704**

It is not practicable to determine the fair value of all collateral as at the balance date due to the variety of asset conditions.

9.6 Analysis of Loans that are Impaired or Potential Impaired Based on Age of Repayments Outstanding

Days in Arrears	2011 Carrying Value	2011 Provision	2010 Carrying Value	2010 Provision
0 -90 days	16,707	–	16,714	–
91 – 182 days	–	–	–	–
183 – 273 days	1,082	649	23,953	–
274 – 365 days	–	–	–	–
Over 365 days	–	–	16,670	16,670
Overlimit facilities over 14 days	17,330	6,217	13,643	34
	35,119	**6,886**	**$70,980**	**$16,704**

The provision based on the age of repayments outstanding has been taken from the June D2A return, and is based on the formula for impairment provided by APRA. The impaired loans are generally not secured against residential property. Some impaired loans are secured by bill of sale over motor vehicles or other assets of varying value. It is not practicable to determine the fair value of all collateral as at the reporting date due to the variety of assets and condition.

9.7 Assets Acquired Via Enforcement of Security

There were no assets acquired via enforcement of security in 2011. (2010 – $Nil)

9.8 Loans with Repayments Past Due but not Regarded as Impaired

There are no loans past due by 90 days or more which are not considered to be impaired. (2010 – Nil)

9.9 Loans restructured

There were no loans restructured during the year. (2010 – Nil)

9.10 Key Assumptions in Determining Impairment

In the course of the preparation of the annual report the Credit Union has determined the likely impairment loss on loans which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as job losses or economic circumstances. In identifying the impairment likely from these events the Credit Union is required to estimate the potential impairment using the length of time the loan is in arrears and the historical losses arising in past years. Given the relatively small number of impaired loans, the circumstances may vary for each loan over time resulting in higher or lower impairment losses.

10. OTHER INVESTMENTS

	2011 $	2010 $
Shares held with Special Service Providers		
Ordinary shares	155,868	155,868
Shares – at cost		
Unlisted	14,588	31,314
	$170,456	**$187,182**

The shareholding in CUSCAL is measured at cost as its fair value could not be measured reliably. This company was created to supply services to the member Credit Unions and does not have an independent business focus. These shares are held to enable the Credit Union to receive essential banking services. The shares are not able to be traded and are not redeemable.

The financial statements of CUSCAL record that the net tangible asset backing of these shares exceeds their cost value. Based on the net assets of CUSCAL, any fair value determination on these shares is likely to be greater than their cost value, but due to the nature of services supplied a market value if not able to be determined readily.

The Credit Union is not intending, nor is it able to dispose of these shares as the services supplied by the company relate to the day to day activities of the Credit Union.

	2011 $	2010 $
11. PROPERTY, PLANT AND EQUIPMENT		
Office furniture - at cost	138,059	138,059
Less: provision for depreciation	(138,059)	(138,059)
	–	–
Office equipment - at cost	92,882	92,882
Less: provision for depreciation	(92,301)	(91,857)
	581	**1,025**
11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Motor vehicles - at cost	131,309	102,955
Less: provision for depreciation	(56,979)	(81,028)
	74,330	**21,927**
EDP hardware - at cost	240,531	223,552
Less: provision for depreciation	(205,122)	(186,892)
	35,409	**36,660**
	$110,320	**$59,612**

Movement in carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

	Office Furniture $	Office Equipment $	Motor Vehicles $	EDP Hardware $	Total $
Balance at 1 July 2009	9,874	5,593	42,099	5,321	62,887
Additions	–	1,344	2,479	46,475	50,298
Disposals	–	–	–	–	–
Depreciation expense	(9,874)	(5,912)	(22,651)	(15,136)	(53,573)
Balance at 30 June 2010	–	1,025	21,927	36,660	59,612
Additions	–	–	91,364	16,979	108,343
Disposals	–	–	(14,044)	–	(14,044)
Depreciation expense	–	(444)	(24,917)	(18,230)	(43,591)
Balance at 30 June 2011	**–**	**581**	**74,330**	**35,409**	**110,320**

12. INTANGIBLES

	2011 $	2010 $
EDP software	574,237	516,528
Accumulated amortisation	(492,055)	(446,097)
	$82,182	**$70,431**

	2011	2010
	$	$

12. INTANGIBLES (continued)

Movement in carrying amounts for each class of intangibles between the beginning and end of the current financial year.

	Beginning balance	Additions	Disposals	Amortisation expense	Carrying amonut at end of year
	$	$	$		$
EDP software	70,431	57,709	–	(45,958)	82,182

13. DEFERRED TAX ASSETS

Deferred tax assets	$237,104	252,797

14. OTHER ASSETS

Prepayments	**$34,677**	**$18,866**

15. DEPOSITS AND SHORT TERM BORROWINGS

Term deposits	25,546,466	28,424,644
Call deposits	33,024,597	25,256,021
Withdrawable shares	52,590	52,340
	$58,623,653	**$53,733,005**

15.1 Maturity Analysis

On call	33,077,187	25,308,361
Not longer than 3 months	12,278,420	12,864,369
Longer than 3 and not longer than 12 months	13,268,046	15,540,275
Longer than 12 months	–	20,000
	$58,623,653	**$53,733,005**

15.2 Concentration of Deposits

i) There are no members who individually have deposits, which represent 10% or more of total liabilities (2010: Nil).

ii) Details of the geographic concentration of the deposits are set out below.

Geographical Area		
New South Wales	56,866,655	52,029,146
Other States and Territories	1,756,998	1,703,859
	$58,623,653	**$53,733,005**

	2011 $	2010 $
16. PAYABLES AND OTHER LIABILITIES		
Payables and accrued expenses	109,697	116,951
Accrued interest payable	597,752	486,498
Members' clearing accounts	66,568	94,185
	$774,017	**$697,634**
17. INTEREST BEARING LIABILITIES		
Deposits from other ADI	6,600,000	4,600,000
TWT short term loan	5,000,000	4,000,000
	$11,600,000	**$8,600,000**

18. TAX LIABILITIES		
Income tax	**$95,006**	**$103,030**

19. PROVISIONS		
Employee leave entitlements	**$149,318**	**$123,558**
Opening balance at 1 July	123,558	106,808
Additional provisions raised during the year	67,244	56,974
Amounts used	(41,484)	(40,224)
Balance at 30 June	**$149,318**	**$123,558**

20. RESERVES		
Reserve for credit losses	**$811,648**	**$766,468**

20.1 Reserve for Credit Losses

This reserve records amounts previously set aside as a General provision on loans and advances and is maintained to comply with the Prudential Standards set down by APRA.

Balance at the beginning of the year	766,468	740,000
Transfer to / from retained profits	45,180	26,468
Balance at end of year	**$811,648**	**$766,468**

21. RETAINED PROFITS		
Retained profits at the beginning of the financial year	8,523,161	7,857,511
Net profit attributable to members	714,381	692,118
Transfer to/from reserves	(45,180)	(26,468)
Retained profits at the end of the financial year	**$9,192,362**	**$8,523,161**

Balance of franking credits held by the Credit Union after adjustments for credits that will arise from the payment of income tax payable as at the end of the financial year is $2,395,452 (2010 - $2,104,452). Franking credits represent reserves upon which income tax has been paid.

22. DIRECTORS AND KEY MANAGEMENT DISCLOSURES

22.1 Names of Directors and other Key Management Personnel

During the course of the financial year the following were the key management persons of the Credit Union:

TE Bacon
A Gillham (resigned 20 August 2010)
J Millar
R Mills
J Moss
PM Nolan
DAJ Rootes
CJ Shepherd
M Bow
L Bourne
S Vanstone

22.2 Key Management Personnel Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Credit Union, directly or indirectly, including any director (whether executive or otherwise) of the Credit Union. *Control* is the power to govern the financial and operating policies of the Credit Union so as to obtain benefits from its activities.

Key Management Persons (KMP) have been taken to comprise the Directors and the three members of the executive management team during the financial year (2010 – three), responsible for the day to day financial and operational management of the Credit Union.

The aggregate compensation of key management persons during the year comprising amounts paid or payable or provided for was as follows:

	2011	**2010**
	$	**$**
Salary and fee	312,368	303,752
Superannuation contributions	25,662	23,710
	$338,030	**$327,462**

22.2 Key Management Personnel Compensation (continued)

Compensation includes all employee benefits (as defined in AASB 119 *Employee Benefits*). Employee benefits are all forms of consideration paid, payable or provided by the Credit Union, or on behalf of the Credit Union, in exchange for services rendered to the Credit Union.

Compensation includes:

(i) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;

(ii) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;

(iii) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;

(iv) termination benefits; and

(v) share-based payment.

22.3 Loans to Key Management Persons

Loans provided to key management persons are on conditions no more favourable than those extended to members. Security has been obtained for these loans in accordance with the Credit Union's lending policy.

There is no provision for impairment in relation to any loan extended to key management persons. No loan impairment expense in relation to these loans has been recognised during the year.

There are no benefits on concessional terms and conditions applicable to the close family members of the key management persons. There are no loans which are impaired in relation to the loan balances with close family relatives of directors and management.

	2011 $	2010 $
Aggregate value of loans and overdrafts to Directors and other Key Management Personnel at balance date	716,061	759,469
Aggregate value of loans disbursed to Directors and Key Management Personnel during the year	-	80,162
Aggregate value of revolving credit facilities limits granted or increased to Directors and Key Management Personnel during the year	-	-
Interest earned on loans and revolving credit facilities to Directors and Key Management Personnel during they year	$50,263	61,424

	2011 $	2010 $

22.4 Savings of Key Management Personnel

Total value of term and savings deposits from Directors and Key Management Personnel at balance date	$517,555	$583,055
Total interest paid on deposits to Directors And Key Management Personnel during the year	$25,187	$18,947

Directors and key management personnel have received interest on deposits with the Credit Union during the financial year. Interest has been paid on terms and conditions no more favourable to those available on similar transactions to members of the Credit Union.

22.5 Other Transactions with Related Parties

Other transactions between related parties include deposits from Directors and their Directors related entities, which are received on the same terms and conditions as applicable to members.

There were no benefits paid or payable to the close family members of the key management personnel.

There are no service contracts to which key management personnel or their close family members are an interested party.

The Credit Union's policy for receiving deposits from other related parties and, in respect of other related party transactions, is that all transactions are approved and deposits accepted on the same terms and conditions which applied to members for each type of deposit.

23. EXPENDITURE AND CREDIT COMMITMENTS

23.1 Future Capital Commitments

At 30 June 2011 the Credit Union has no future capital commitments (2010: Nil).

23.2 Lease Expenditure Commitments

Operating leases

Within 1 year	41,126	41,126

23.3 Outstanding Loan Commitments

Loans approved by the Board but not funded as at 30 June 2011 amounted to $1,248,939 (2010: $3,197,554).

The withdrawal of these funds is at the discretion of the Board subject to available liquid funds. It is anticipated all of the commitment will be paid within 12 months.

23.4 Unfunded Loan Facilities

Loan facilities to members for overdrafts approved but unfunded at 30 June 2011 amounted to $3,418,611 (2010: $3,328,810). Total facilities increased by $89,801 during the year (2010: decrease of $253,750). There are no restrictions to withdrawal of the funds provided normal payments are maintained.

23.5 Other

In the normal course of business the Credit Union enters into various types of contracts that give rise to contingent or future obligations. These contracts generally relate to the financing needs of the members. The Credit Union applies the same credit policies and assessment criteria in making commitments and conditional obligations for off-balance sheet risks as it does for on-balance sheet loan assets. The Credit Union holds collateral supporting these commitments where it is deemed necessary.

24. STANDBY BORROWING FACILITIES

The Credit Union has gross borrowing facilities with CUSCAL of:

	2011	**2010**
	$	**$**
Loan facility		
Gross	1,600,000	1,600,000
Current borrowing	–	–
Net available	**$1,600,000**	**$1,600,000**
Loan facility – TWT Fund		
Gross	5,000,000	4,000,000
Current borrowing	(5,000,000)	(4,000,000)
Net available	**–**	**–**
Overdraft facility		
Gross	300,000	300,000
Current borrowing	–	–
Net available	**$300,000**	**$300,000**

There are no restrictions as to withdrawal of these funds. The borrowing facilities are secured by a fixed and floating charge over the assets of the Credit Union.

25. CONTINGENT LIABILITIES

Credit Union Financial Support System

The Credit Union is a participant in the Credit Union financial support scheme (CUFSS). The purpose of the CUFSS is to protect the interests of Credit Union members, increase stability in the industry and provide liquidity in excess of current borrowing limits in times of need.

An Industry Support Contract made on the 4 March 1999 between Credit Union Services Corporation (Australia) Limited, (CUSCAL), Credit Union Financial Support System Limited and participating Credit Unions required the Credit Union to execute an equitable charge in favour of CUSCAL. The charge is a fixed and floating charge over the assets and undertakings of the Credit Union and secures any advances which may be made to the Credit Union under the scheme. The balance of the debt at 30 June 2011 was Nil (2010: Nil).

There are no other contingent liabilities at balance date or the date of this report.

26. ECONOMIC DEPENDENCY

The Credit Union has an economic dependency on the following suppliers of services:

Credit Union Services Corporation (Australia) Limited - (CUSCAL)

This entity supplies financial banking services to the Credit Union and is an approved Special Service Provider for the provision of financial intermediation services. The Credit Union has invested all of its high quality liquid assets and operating liquid assets with the entity to maximise return on funds and to comply with the Emergency Liquidity Support requirements under the Prudential Standards.

This entity also supplies the Credit Union rights to members' cheques and Visa cards in Australia and provides services in the form of settlement with bankers for members' cheques and Visa card transactions and the production of Visa cards for use by members.

Ultradata Australia Pty Limited

This company provides and maintains the application software utilised by the Credit Union.

TransAction Solutions Pty Ltd (TAS)

This entity provides computing services to the Credit Union.

First Data Resources Limited (FDR)

This company operates the switching computer used to link Redicards and Visa cards operated through Reditellers and other approved EFT suppliers to the Credit Union's EDP systems.

27. SEGMENTAL REPORTING

The Credit Union operates predominantly in the finance industry within New South Wales.

28. CASH FLOW INFORMATION

28.1 Cash flows presented on a net basis

Cash arising from the following activities are presented on a net basis in the Statement of Cash Flows:

i) member deposits to and withdrawals from savings, money market and other deposit accounts;

ii) sales and purchases of maturing certificates of deposit;

28.2 Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call with other financial institutions. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2011	**2010**
	$	**$**
Cash on hand and at SSP's	3,790,067	1,443,694
Interest earning deposits	7,000,000	9,000,000
Cash as per Statement of Cash Flows	**$10,790,067**	**$10,443,694**

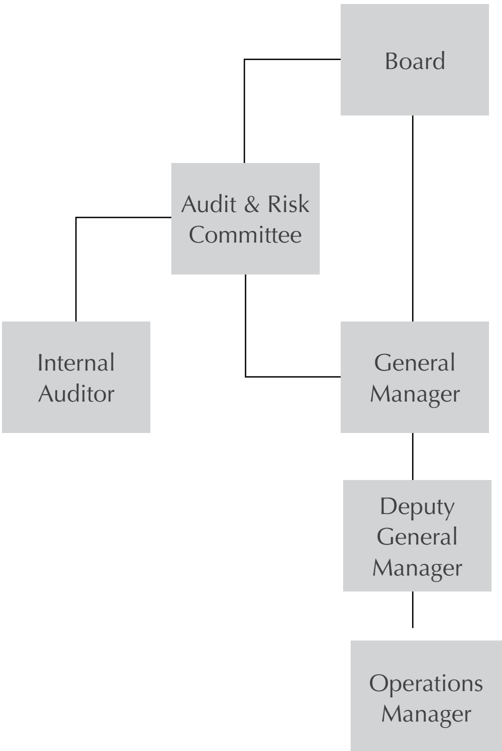
28.3 Reconciliation of Net Cash Provided by Operating Activities to Net Profit Activities after Income Tax

Operating profit after tax	**714,381**	**692,118**
Non cash flow items:		
Employee leave entitlements	25,760	16,750
Depreciation and amortisation	89,549	139,304
Gain on disposal of assets	(16,809)	–
Bad debts written off	53,933	43,296
Diminution of investments	–	(13,900)
Changes in assets and liabilities:		
(Increase)/decrease in deferred tax assets	15,693	(39,162)
(Increase)/decrease in prepayments	(15,811)	3,831
Increase/(decrease) in provision for income tax	(8,024)	104,069
Increase/(decrease) in payables	76,383	80,603
Increase/(decrease) in accrued receivables	(177,812)	12,026
Net cash from revenue activities	**757,243**	**1,038,935**
Non-revenue operations		
Movement in members loans	(8,183,045)	(8,050,338)
	$(7,425,802)	**$(7,011,403)**

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

INTRODUCTION

The Board has endorsed a policy of compliance and risk management to suit the risk profile of the Credit Union. The Credit Union's risk management focuses on the major areas of market risk, credit risk, and operational risk. Authority flows from the Board of Directors to the Audit and Risk Committee which are integral to the management of risk. The following diagram gives an overview of the structure.



The diagram shows the risk management structure. The main elements of risk governance are as follows:

Board: This is the primary governing body. It approves the level of risk which the Credit Union is exposed to and the framework for reporting and mitigating those risks.

Audit and Risk Committee: Its key role in risk management is the assessment of the controls that are in place to mitigate risks. The Audit and Risk Committee considers and confirms that the significant risks and controls are to be assessed within the internal audit plan. The Audit and Risk Committee receives the internal audit reports on assessment and compliance with the controls, and provides feedback to the Board and General Manager.

The Audit and Risk Committee should discharge the following additional responsibilities:

- formulation of the Credit Union's Risk Strategy;
- determining policies to ensure that the Credit Union's Risk Strategy is adhered to; and
- monitoring adherence to those policies.

This requirement is reflected in the Charter of the Audit Committee.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

General Manager: This person has responsibility for both liaising with the operational function to ensure timely production of information for the Audit and Risk Committee and ensuring that instructions passed down from the Board via the Audit and Risk Committee are implemented.

Internal Audit: Internal audit has responsibility for implementing the controls testing and assessment as required by the Audit and Risk Committee.

Key risk management policies encompassed in the overall risk management framework include:

- Interest rate risk;
- Liquidity management;
- Credit risk management; and
- Operations risk management including data risk management.

A. MARKET RISK AND HEDGING POLICY

The objective of the Credit Union's market risk management is to manage and control market risk exposures in order to optimise risk and return.

Market risk is the risk that changes in interest rates, foreign exchange rates or other prices and volatilities will have an adverse effect on the Credit Union's financial condition or results. The Credit Union is not exposed to currency risk, and other significant price risk. The Credit Union does not trade in the financial instruments it holds on its books. The Credit Union is exposed only to interest rate risk arising from changes in market interest rates.

The management of market risk is the responsibility of the Audit and Risk Committee, which reports directly to the Board.

Interest Rate Risk

Interest rate risk is the risk of variability of the fair value or future cash flows arising from financial instruments due to the changes in interest rates.

Most banks are exposed to interest rate risk within its Treasury operations. This Credit Union does not have a treasury operation and does not trade in financial instruments.

Interest Rate Risk in the Banking Book

The Credit Union is exposed to interest rate risk in its banking book due to mismatches between the repricing dates of assets and liabilities.

The interest rate risk on the banking book is measured monthly, and reported to the Board by the General Manager.

In the banking book the most common risk the Credit Union faces arises from fixed rate assets and liabilities. This exposes the Credit Union to risk of sensitivity should interest rates change.

The level of mismatch on the banking book is set out in Note 30 below. The table set out in Note 30 displays the period that each asset and liability will reprice as at the balance date. The risk is not considered significant to warrant the use of derivatives to mitigate this risk.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Method of Managing Risk

The Credit Union manages its interest rate risk by the use of interest rate sensitivity analysis, the detail and assumptions used are set out below.

Interest Rate Sensitivity

The Credit Union's exposure to market risk is measured and monitored using interest rate sensitivity models.

The policy of the Credit Union to manage the risk is to maintain a balanced 'on book' strategy by ensuring the net interest rate gaps between assets and liabilities are not excessive. The gap is measured monthly to identify any large exposures to the interest rate movements and to rectify the excess through targeted fixed rate interest products available through investment assets, and term deposits to rectify the imbalance to within acceptable levels. The policy of the Credit Union is not to undertake derivatives to match the interest rate risks. The Credit Union's exposure to interest rate risk is set out in Note 30 which details the contractual interest change profile.

Based on calculations as at 30 June 2011, the net profit impact for a 1% movement in interest rates would be $97,206.

The Credit Union performs a sensitivity analysis to measure market risk exposures.

The method used in determining the sensitivity was to evaluate the profit based on the timing of the interest repricing on the banking book of the Credit Union for the next 12 months. In doing the calculation the assumptions applied were that:

- the interest rate change would be applied equally over to the loan products and term deposits;
- the rate change would be as at the beginning of the 12 month period and no other rate changes would be effective during the period;
- the term deposits would all reprice to the new interest rate at the term maturity, or be replaced by a deposit with similar terms and rates applicable;
- savings deposits would not reprice in the event of a rate change;
- mortgage loans and personal loans would all reprise to the new interest rate within 28 days;
- all loans would be repaid in accordance with the current average repayment rate (or contractual repayment terms);
- the value and mix of call savings to term deposits will be unchanged; and
- the value and mix of personal loans to mortgage loans will be unchanged.

There as been no change to the Credit Union's exposure to market risk or the way the Credit Union manages and measures market risk in the reporting period.

Price Risk – Equity Investments

The Credit Union is not exposed to price risk on the value of shares.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

B. LIQUIDITY RISK

Liquidity risk is the risk that the Credit Union may encounter difficulties raising funds to meet commitments associated with financial instruments, eg. borrowing repayments or member withdrawal demands. It is the policy of the Board of Directors that treasury maintains adequate cash reserves and committed credit facilities so as to meet the member withdrawal demands when requested.

The Credit Union manages liquidity risk by:

- Continuously monitoring actual daily cash flows and longer term forecasted cash flows;
- Monitoring the maturity profiles of financial assets and liabilities;
- Maintaining adequate reserves, liquidity support facilities and reserve borrowing facilities; and
- Monitoring the prudential liquidity ratio daily.

The Credit Union has a longstanding arrangement with the industry liquidity support service, Credit Union Financial Support Services (CUFSS) which can access industry funds to provide support to the Credit Union should support be necessary at short notice.

The Credit Union is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 24 hours under the APRA Prudential Standards. The Credit Union policy is to apply 15% of funds as liquid assets to maintain adequate funds for meeting member withdrawal requests. The ratio is checked daily. Should the liquidity ratio fall below this level the management and Board are to address the matter and ensure that the liquid funds are obtained from new deposits, or borrowing facilities available. Note 24 describes the borrowing facilities as at the balance date. These facilities are in addition to the support from CUFSS.

The maturity profile of the financial liabilities, based on the contractual repayment terms are set out in the specific note 30. The ratio of liquid funds over the past year is set out below:

APRA	2011 %	2010 %
To total adjusted liabilities		
As at 30 June	14.30	15.32
Minimum during the year	13.20	14.69
To total member deposits		
As at 30 June	18.42	19.44

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

C. CREDIT RISK

Credit risk is the risk that members, financial institutions and other counterparties will be unable to meet their obligations to the Credit Union which may result in financial losses. Credit risk arises principally from the Credit Union's loan book and investment assets.

Credit Risk – Loans

Loans to	2011 Carrying Value $	2011 Off Balance Sheet $	2011 Max Exposure $	2010 Carrying Value $	2010 Off Balance Sheet $	2010 Max Exposure $
Residential	57,624,383	2,095,538	59,719,921	48,893,286	2,425,665	51,318,951
Personal	10,629,284	77,836	10,707,120	11,233,239	589,489	11,822,728
Overdraft/Visa	1,199,791	2,571,096	3,770,887	1,207,659	2,037,276	3,244,935
Total	**$69,453,458**	**$4,744,470**	**$74,197,928**	**$61,334,184**	**$5,052,430**	**$66,386,614**

Carrying value is the value on the statement of financial position. Maximum exposure is the value on the statement of financial position plus the undrawn facilities (Loans approved not advanced, redraw facilities; lines of credit facilities; overdraft facilities; credit card limits).

All loans and facilities are within Australia. Concentrations are described in note 9.

The method of managing credit risk is by way of strict adherence to the credit assessment policies before the loan is approved and close monitoring of defaults in the repayment of loans thereafter on a weekly basis. The credit policy has been endorsed by the Board to ensure that loans are only made to members that are creditworthy (capable of meeting loan repayments).

The Credit Union has established policies over the:

- Credit assessment and approval of loans and facilities covering acceptable risk assessment and security requirements;
- Limits of acceptable exposure over the value to individual borrowers, non mortgage secured loans, commercial lending and concentrations to geographic and industry Credit Unions considered at high risk of default;
- Reassessing and review of the credit exposures on loans and facilities;
- Establishing appropriate provisions to recognise the impairment of loans and facilities;
- Debt recovery procedures;
- Review of compliance with the above policies.

A regular review of compliance is conducted as part of the internal audit scope.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Past due and impaired

A financial asset is past due when the counterparty has failed to make a payment when contractually due. As an example, a member enters into a lending agreement with the Credit Union that requires interest and a portion of the principle to be paid every month. On the first day of the month, if the agreed repayment amount has not been paid, the loan is past due. Past due does not mean that a counterparty will never pay, but it can trigger various actions such as renegotiation, enforcement of covenants, or legal proceedings. Once the past due exceeds 90 days the loans is regarded as impaired, unless other factors indicate the impairment should be recognised sooner.

Daily reports monitor the loan repayments to detect delays in repayments and recovery action is undertaken after 7 days. For loans where repayments are doubtful, external consultants are engaged to conduct recovery action once the loans is over 90 days in arrears. The exposures to losses arise predominately in the personal loans and facilities not secured by registered mortgages over real estate.

If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss. Based on the net present value of future anticipated cash flows, is recognised in the statement of comprehensive income. In estimating these cash flows, management makes judgments about a counterparty's financial situation and the net realisable value of any underlying collateral.

In addition to specific provisions against individually significant assets, the Credit Union makes collective assessments for each financial asset portfolio segmented by similar risk characteristics.

Statement of financial position provisions are maintained at a level that management deems sufficient to absorb probable incurred losses in the Credit Union's portfolio from homogenous portfolios of assets and individually identified loans.

A provision for incurred losses is established on all past due loans after a specified period of repayment default where it is probable that some of the capital will not be repaid or recovered. Specific loans and portfolios of assets are provided against depending on a number of factors including deterioration in country risk, changes in a counterparty's industry, and technological developments, as well as identified structural weaknesses or deterioration in cash flows.

The provisions for impaired and past due exposures relate to the loans to members.

Past due value is the 'on balance sheet' loan balances which are past due by 90 days or more.

Details are as set out in Note 9.

Bad debts

Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case by case basis, taking account of the exposure at the date of the write off.

On secure loans, the write off takes place on ultimate realisation of collateral value, or from claims on any lenders mortgage insurance.

A reconciliation in the movement of both past due and impaired exposure provisions is provided in Note 8.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Collateral Securing Loans

A sizeable portfolio of the loan book is secured on residential property in Australia. Therefore, the Credit Union is exposed to risks in the reduction the Loan to Value (LVR) cover should the property market be subject to a decline.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken.

The Board policy is to maintain at least 65% of the loans in well secured residential mortgages which carry an 80% loan to valuation ratio or less. Note 9 describes the nature and extent of the security held against the loans held as at the balance date.

Concentration risk – Individuals

Concentration risk is a measurement of the Credit Union's exposure to an individual counterparty (or Credit Union of related parties). If prudential limits are exceeded as a proportion of the Credit Union's regulatory capital (10 per cent) a large exposure is considered to exist. No capital is required to be held against these but the APRA must be informed. APRA may impose additional capital requirements if it considers the aggregate exposure to all loans over the 10% capital benchmark, to be higher than acceptable.

The aggregate value of large exposure loans are set out in note. 9. [The Credit Union holds no significant concentrations of exposures to members]. Concentration exposures to counterparties are closely monitored with annual reviews being prepared for all exposures over 5% of the capital base.

The Credit Union's policy on exposures of this size is to insist on an initial Loan to Valuation ratio (LVR) of at least 80% and bi-annual reviews of compliance with this policy are conducted.

Concentration risk – Industry

There is no concentration of credit risk with respect to loans and receivables as the Credit Union has a large number of customers dispersed in areas of employment.

The Credit Union has a concentration in the retail lending for members who comprise employees and family in the electricity industry and all levels of government. This concentration is considered acceptable on the basis that the Credit Union was formed to service these members, and the employment concentration is not exclusive. Should members leave the industry the loans continue and other employment opportunities are available to the members to facilitate the repayment of the loans. The details of the geographical concentrations are set out in Note 9.

Credit Risk – Liquid Investments

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Credit Union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Credit Union.

There is a concentration of credit risk with respect to investment receivables with the placement of investments in CUSCAL. The credit policy is that investments are only made to institutions that are credit worthy. Exposures to other Credit Unions and building societies are limited to $5,000,000 collectively and $1,000,000 to any one Credit Union or Building Society. In respect of other counterparties, the Credit Union limits its exposure to any individual or associated Credit Union (excluding CUSCAL) to 5% of net liabilities.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

External Credit Assessment for Institution Investments

The exposure values associated with each credit quality step are as follows:

Investments with	2011 Carrying value $	2011 Past due value $	2011 Provision $	2010 Carrying value $	2010 Past due value $	2010 Provision $
Cuscal	3,000,000	–	–	2,500,000	–	–
Banks	4,000,000	–	–	6,500,000	–	–
Total	**7,000,000**	–	–	**9,000,000**	–	–

D. OPERATIONAL RISK

Operational risk is the risk of loss to the Credit Union resulting from deficiencies in process, personnel, technology, infrastructure, and from external factors other than credit, market and liquidity risks. Operational risks in the Credit Union relate mainly to those risks arising from a number of sources including legal compliance, business continuity, data infrastructure, outsourced services failures, fraud, and employee errors.

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses through the implementation of controls, whilst avoiding procedures which inhibit innovation and creativity. These risks are managed through the implementation of policies and systems to monitor the likelihood of the events and minimise the impact. Systems of internal control are enhanced through:

- the segregation of duties between employee duties and functions, including approval and processing duties;
- documentation of the policies and procedures, employee job descriptions and responsibilities, to reduce the incidence of error and inappropriate behaviour;
- implementation of the whistleblowing policies to promote a complaint cultures and awareness of the duty to report exceptions by staff;
- education of members to review their account statements and report exceptions to the Credit Union promptly;
- effective dispute resolution procedures to respond to member complaints;
- effective insurance arrangements to reduce the impact of losses;
- contingency plans for dealing with the loss of functionality of systems or premises or staff.

Fraud

Fraud can arise from member card PINS, and internet passwords being compromised where not protected adequately by the member. It can also arise from other systems failures. The Credit Union has systems in place which are considered to be robust enough to prevent any material fraud. However, in common with all retail banks, fraud are potentially a real cost to the Credit Union. Fraud losses have been from card skimming and internet password theft.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

IT Systems

The worst case scenario would be the failure of the Credit Union's core banking system and IT network suppliers, to meet customer obligations and service requirements. The Credit Union has outsourced the IT systems management to an Independent Data Processing Centre (IDPC) which is owned by a collection of Credit Unions. This organisation has the experience in–house to manage any short-term problems and has a contingency plan to manage any related power or systems failures. Other network suppliers are engaged on behalf of the Credit Union by the industry body CUSCAL to service the settlements with other financial institutions for direct entry, ATM and Visa cards, and BPay etc.

A full disaster recovery plan is in place to cover medium to long-term problems which is considered to mitigate the risk to an extent such that there is no need for any further capital to be allocated.

E. CAPITAL MANAGEMENT

The capital levels are prescribed by Australian Prudential Regulation Authority (APRA). Under the APRA prudential standards capital is determined in three components:

- Credit risk;
- Market risk (trading book);
- Operations risk.

The market risk component is not required as the Credit Union is not engaged in a trading book for financial instruments.

Capital Resources

Tier 1 Capital

The vast majority of Tier 1 capital comprises:

- Preference share capital;
- Retained profits;
- Realised reserves.

The preference shares issues are approved by APRA and qualify as Tier 1 capital.

Tier 2 Capital

Tier 2 capital consists of capital instruments that combine the features of debt and equity in that they are structured as debt instruments, but exhibit some of the loss absorption and funding flexibility features of equity. There are a number of criteria that capital instruments must meet for inclusion in Tier 2 capital resources as set down by APRA.

Tier 2 capital generally comprises:

- Available for sale reserves which arises from the revaluation of financial instruments categorised as available for sale and reflects the net gains in fair value of those assets in the year. This is included within upper Tier 2 capital.
- A subordinated loan, which is not applicable to the Credit Union.
- A general reserve for credit losses.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

At 30 June 2011, the Credit Union's capital comprises:

	June 2011
Tier 1 Capital	
Fundamental Tier 1 Capital:	
Retained earnings	8,523,161
Transfer to general reserve	(45,180)
Current year earnings net of expected dividends and tax expenses	714,381
Gross Tier 1 Capital	**9,192,362**
Deductions from Tier 1 Capital	
Deferred tax assets	15,693
Equity in other ADI's (50%)	77,927
	93,620
Net Tier 1 Capital	**9,098,742**
Tier 2 Capital	
Upper Tier 2 Capital	
General reserve for credit losses	584,155
Deductions from Tier 2 Capital	
Equity in other ADI's (50%)	77,927
Net Tier 2 Capital	**506,228**
Capital Base	**$9,604,970**

At 30 June 2011, the credit union's risk weighted assets are as follows:

Credit Risk Items	
Credit Risk Items – Standardised Approach	
On Balance Sheet	42,024,085
Operational Risk	
Standardised Approach	4,708,324
Market Risk	**–**
Total Risk Weighted Assets	**$46,732,409**
Capital Adequacy Ratio	**20.55%**

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

To manage the Credit Union's capital the Credit Union reviews the ratio monthly and monitors major movements in the asset levels. If the capital adequacy ratio declines by more than 0.5% for 3 consecutive quarters or reaches 17%, Management advises the Board. Management's advice will show how growth, profit levels, mix of loan products and the acquisition of other assets has affected the capital adequacy ratio.

Pillar 2 Capital on Operational Risk

This capital component was introduced as from 1 January 2009 and coincided with changes in the asset risk weightings for specified loans and liquid investments. Previously no operational charge was prescribed.

The Credit Union uses the Standardised approach which is considered to be the most suitable for its business given the small number of distinct transaction streams. The operational risk capital requirement is calculated by mapping the Credit Union's three year average net interest and net non-interest income to the Credit Union's various business lines.

Based on this approach, the Credit Union's operational risk requirement is $4,708,324.

Internal Capital Adequacy Management

The Credit Union manages its internal capital levels for both current and future activities through the Audit and Risk Committee. The output of the Audit and Risk Committee is reviewed by the Board in its capacity as the primary governing body. The capital required for any change in the Credit Union's forecasts for asset growth, or unforeseen circumstances are assessed by the Board.

30. FINANCIAL INSTRUMENTS

30.1 Terms, Conditions and Accounting Policies

The Credit Union's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	**Statement of Financial Position Notes**	**Accounting Policies**	**Terms and Conditions**
(i) Financial assets			
Loans and advances	9	The loan interest is calculated on the daily balance outstanding and is charged in arrears to a member's account on the last day of each month, and on the 3rd day for overdrafts.	All housing loans are secured by registered mortgages. The remaining loans are assessed on an individual basis.
Short-term deposits	7	Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised in the profit and loss when earned.	Short-term deposits have an average maturity of 30 days and effective interest rates of 5.0% to 6.0%.
Unlisted shares	10	Unlisted shares are carried at the lower of cost or recoverable amount. Dividend income is recognised when the dividends are received.	
Listed Shares	10	Listed shares are valued at market value. Dividend income is recognised when the dividends are received.	
Accrued Receivables	8	The carrying value of receivables is at their nominal amounts due.	
ii) Financial liabilities			
Bank overdrafts	15	The bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate.
Payables and other liabilities	16	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Credit Union.	Trade liabilities are normally settled on 30 day terms.
Deposits and short term borrowings	15	Deposits are recorded at the principal amount.	Details of maturity terms are set out in Note 15.

30.2 Net Fair Values

Net fair value has been determined on the basis of the present value of expected future cash flows under the terms and conditions of each financial asset and financial liability.

Significant assumptions used in the determining the cash flows are that the cash flows will be consistent with the contracted cash flows under the respective contracts.

The information is only relevant to circumstances at balance date and will vary depending on the contractual rates applied to each asset and liability, relative to market rates and conditions at the time. No assets held are regularly traded by the Credit Union, and there is no active market to assess the value of the financial assets and liabilities.

	Total carrying amount in the statement of financialposition		**Aggregate net fair value**	
	2011 $	**2010 $**	**2011 $**	**2010 $**
Financial assets				
Cash and liquid assets	10,790,067	10,443,694	10,790,067	10,443,694
Accrued receivables	374,606	196,794	374,606	196,794
Other investments	170,456	187,182	170,456	187,182
Loans and advances	69,446,592	61,317,480	69,411,473	61,246,500
Total financial assets	**80,781,721**	**72,145,150**	**80,746,602**	**72,074,170**
Financial liabilities				
Deposits and short term borrowings	58,623,653	53,733,005	58,623,653	53,733,005
Payables and other liabilities	774,017	697,634	774,017	697,634
Interest bearing liabilities	11,600,000	8,600,000	11,600,000	8,600,000
Total financial liabilities	**70,997,670**	**63,030,639**	**70,997,670**	**63,030,639**

The net fair value estimates were determined by the following methodologies and assumptions:

Cash and liquid assets

The carrying values of cash and liquid assets approximate their net fair value as they are short term in nature or are receivable on demand.

Accrued receivables

The carrying amounts approximate fair value because they are short term in nature.

Loan and other advances

For variable rate loans (excluding impaired loans) the amount shown in the balance sheet is considered to be a reasonable estimate of net fair value.

30.2 Net Fair Values (continued)

Other Investments

For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset or offer price for a liability, adjusted for transaction costs necessary to realise the asset or settle the liability. For investments where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows or the underlying net asset base of the investment/security.

Other financial liabilities

This includes interest payable and unrealised expenses payable for which the carrying amount is considered to be a reasonable estimate of net fair value. For liabilities which are long term, net fair values have been estimated using the rates currently offered for similar liabilities with remaining maturities.

Receivables

The carrying amounts approximate fair value because they are short term in nature.

Payables and other liabilities

The carrying amounts approximate fair value as they are short term in nature.

Members deposits

This includes interest and unrealised expenses payable for which the carrying amount is considered to be reasonable estimate of net fair value. For liabilities, which are long term, net fair values have been estimated using the rates currently offered for similar liabilities with remaining maturities. The fair value of deposits at call is the amount payable on demand at the reporting date.

30.3 Credit Risk Exposures

The Credit Union's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position. The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

30.4 Concentrations of Credit Risk

The Credit Union minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of members.

30.5 Interest rate risk

The Credit Union's exposure to interest rate risks which is the risk that a financial instruments value will fluctuate as a result of changes in market rates and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:-

	Floating interest rate		1 year or less		Non-interest bearing		Total carrying amount as per the the statement of financial position		Weighted average effective interest rate	
Financial Instruments	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
(i) Financial assets										
Cash and liquid assets	3,493,346	925,679	7,000,000	9,000,000	296,721	518,015	10,790,067	10,443,694	5.9	4.2
Accruedreceivables	–	–	–	–	374,606	196,794	374,606	196,794	–	–
Other investments	–	–	–	–	170,456	187,182	170,456	187,182	–	–
Loansandadvances	69,446,592	61,317,480	–	–	–	–	69,446,592	61,317,480	7.6	7.0
Total financial assets	**72,939,938**	**62,243,159**	**7,000,000**	**9,000,000**	**841,783**	**901,991**	**80,781,721**	**72,145,150**		
(ii) Financial liabilities										
Deposits and short term borrowings	33,024,597	25,256,021	25,546,466	28,424,644	52,590	52,340	58,623,653	53,733,005	3.9	2.8
Payables and other liabilities	–	–		–	774,017	697,634	774,017	697,634	–	–
Interest bearing liabilities	5,000,000	4,000,000	6,600,000	4,600,000	–	–	11,600,000	8,600,000	6.6	5.7
Total financial liabilities	**38,024,597**	**29,256,021**	**32,146,466**	**33,024,644**	**826,607**	**749,974**	**70,997,670**	**63,030,639**		

30.6 Maturity profile of financial instruments

Monetary liabilities have differing maturity profiles depending on the contractual term. The table below shows the period in which different financial instruments will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding and interest will be repaid based on the remaining period to the repayment date assuming contractual repayments are maintained, and is subject to change in the event that current repayment conditions are varied. Financial assets and liabilities are at the undiscounted values including future interest expected to be earned or paid). Accordingly these values will not agree to the statement of financial position.

Financial Instruments	Within 3 months		3-12 months		1-5 years		>5 years		At Call		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	$	$	$	$	$	$	$	$	$	$	$	$
(i) Financial assets												
Cash and liquid assets	5,649,108	7,263,139	1,558,461	2,003,736			–	–	3,790,067	1,443,694	10,997,636	10.710,569
Accrued receivables	–	–	–	–			–	–	222,037	68,196	222,037	68,196
Loans to members	2,457,242	2,169,985	7,303,176	6,449,417	30,548,807	26,977,579	94,029,020	83,036,805	–	–	134,338,245	118,633,786
Other investments	–	–	–	–	–	–	–	–	170,456	187,182	170,456	187,182
Total financial assets	**8,106,350**	**9,433,124**	**8,861,637**	**8,453,153**	**30,548,807**	**26,977,579**	**94,029,020**	**83,036,805**	**4,182,560**	**1,699,072**	**145,728,374**	**129,599,732**
(ii) Financial liabilities												
Deposits	12,601,140	14,131,418	13,676,309	15,337,155	–	–	–	–	33,077,187	25,308,361	59,354,636	54,776,934
Interest bearing liabilities	10,285,267	7,625,284	1,528,967	1,133,544	–	–	–	–	–	–	11,814,234	8,758,828
Payables and other liabilities	–	–	–	–	–	–	–	–	176,265	211,136	176,265	211,136
Total financial liabilities	**22,886,407**	**21,756,702**	**15,205,276**	**16,470,699**	**–**	**–**	**–**	**–**	**33,253,452**	**25,519,497**	**71,345,135**	**63,746,898**

31. CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards have been issued or amended and are applicable to the Credit Union but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The Credit Union has not yet determined any potential impact on the financial statements.

  The key changes made to accounting requirements include:

  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

  - clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
  - adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
  - amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
  - adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
  - making sundry editorial amendments to various Standards and Interpretations.

No changes are expected to materially affect the Credit Union.

31. CHANGE IN ACCOUNTING POLICY (continued)

- AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

  This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

  This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets. This Standard is not expected to impact the Credit Union.

- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

  This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the Credit Union adopts AASB 9.

As noted above, the Credit Union has not yet determined any potential impact on the financial statements from adopting AASB 9.

The Credit Union does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the Credit Union's financial statements.

32. COMPANY DETAILS

The registered office of the Credit Union is:-

Macquarie Credit Union Limited
23 Hawthorn Street
Dubbo NSW 2830

(End of Audited Financial Statements)

Independent Audit Report to the Members of Macquarie Credit Union Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Macquarie Credit Union Limited, which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Credit Union at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The directors of the Credit Union are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (AIFRS) ensures that the financial statements, comprising the financial statements and notes, complies with AIFRS.

Audit Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Credit Union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act, provided to the directors of Macquarie Credit Union Limited on 6 September 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial statements of Macquarie Credit Union Limited (the Credit Union) for the year ended 30 June 2011 included on the Credit Union's web site. The Credit Union's directors are responsible for the integrity of the Credit Union's web site. The audit report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Auditor's Opinion

In our opinion:

(a) the financial statements of Macquarie Credit Union is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Credit Union's financial position as at 30 June 2010 and of their performance for the year ended on that date; and
- ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

MORSE GROUP

L R SMITH
PARTNER

2 River Street
Dubbo
Dated: 31 August 2010

Credit Union Representatives

Auscott Warren	A. McMillan
Bathurst Essential Energy	A. Walker
Bogan Shire Council	C. Ellison
Bourke Essential Energy	C. Brown
Brewarrina Essential Energy	C. Brown
Bulahdelah Essential Energy	M Cook
Central Darling Shire	V. Pearson
Cobar Essential Energy	R. De Jong
Cobar District Hospital	B. Izzard, K. Howell
Cobar DIPNR	R. Goonrey
Coolah Shire Council	V. Kearnes
Coonabarabran Shire Council	C. Kennedy
Coonabarabran Hospital	D. Healey
Coonamble Essential Energy	D. Boreham
Coonamble Hospital	L. Kenny
Coonamble Shire Council	V. Fulmer
Dubbo Base Hospital	P. Woodward
Dubbo City Council	V. Dawson
Dubbo Essential Energy	J. Morrison
Dubbo C/E FSC	R. Howell
Dunedoo Essential Energy	S. Curtis
Dunedoo MPHS	J. Curtis
Gilgandra District Hospital	K. McWhirter
Gilgandra Essential Energy	M.Colwell
Gilgandra Shire Council	J. Henry
Gulgong Essential Energy	R. Lockyear
Gulgong Wenonah Lodge	D. Rayner

Mudgee Essential Energy	G. Holland
Mudgee District Hospital	J. Adams
Mudgee Kanandah	A. Warman
Mudgee Pioneer House	D. Newman
Nambucca Heads Essential Energy	D. Maloney
Narromine Base Hospital	L. McLelland
Narromine Shire Council	S. Everett, V. Roberts
Narromine Essential Energy	A. Smith
Nyngan Essential Energy	D. Smith
Nyngan District Hospital	J. Hawley
Orange Essential Energy	A. Goodacre
Port Macquarie Essential Energy	C. Adams
Taree Essential Energy	T. Collier/T. Wells
Walgett Essential Energy	P. Clarke
Walgett MPHS	K. Patmore
Warren Essential Energy	M. Oriel
Warren State	M. Patterson
Warren MPHS	J. George, D. George, L. Clark
Warren Shire Council	J.Murray
Wellington Essential	G. McQuillan
Wellington Shire Council	A. Cullen

Staff

Matthew Bow	General Manager
Leanne Bourne	Deputy General Manager
Scott Vanstone	Operations Manager
Kathryn Webber	Senior Loans Officer
Jennifer Humphries	Loans Officer
Anne Howey	Loans Officer
Emma Piper	Loans Officer
Cheriee Edwards	Loans Administration
Michele Baker	Collections Officer
Geoffrey Morrison	Business Development Officer (Central Western Region)
Maree Wilson	Business Development Officer (Mid North Coast Region)
Jill Graham	Member Service Officer
Lisa Northill	Member Services Officer
Kylie Andrews	Member Services Officer
Georgie-Anne Pomfret	Member Services Officer
Greg Wheatley	Member Services Officer

Directors

TE BACON	J MILLAR	RK MILLS
J MOSS	DAJ ROOTES	CJ SHEPHERD
PM NOLAN		

Registered Office

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Auditors

MORSE GROUP
2 River Street, Dubbo NSW 2830

Solicitor

Nelson, Keane & Hemingway
Church Street, Dubbo NSW 2830

Banker

Cuscal Ltd.
National Australia Bank, Sydney

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