

2015

The Year in Review

**MUTUAL  
SUCCESS**

Your Success is our Success





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# mutual SUCCESS

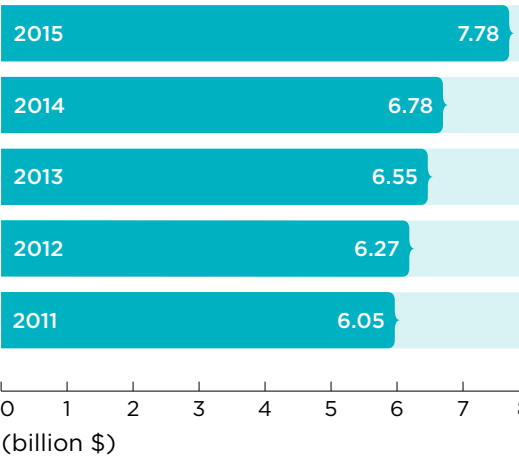
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# Financial Highlights

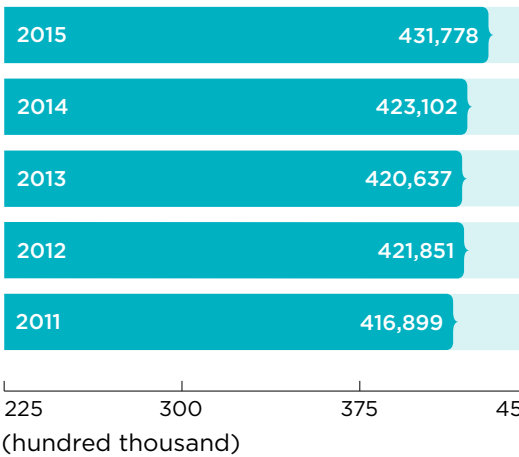
## DEPOSITS

Deposits increased by 14.6% to \$7.78 billion



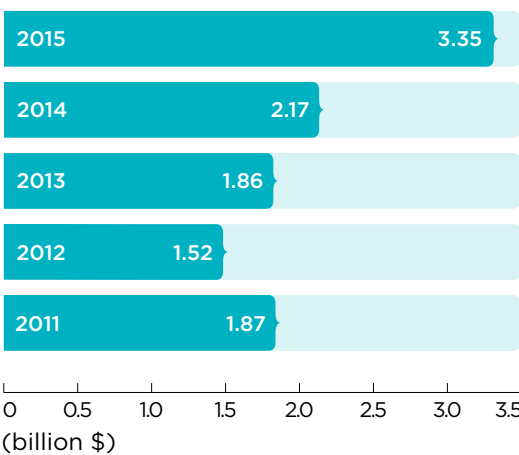
## CUSTOMER NUMBERS

Customer numbers increased by 2.0% to 431,778



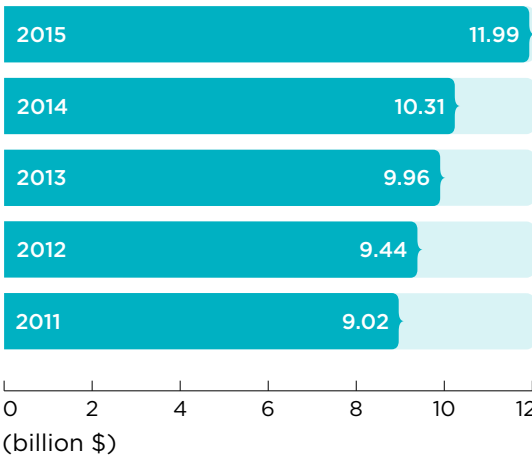
## LOANS SETTLED

Loans settled increased by 54.9% to \$3.35 billion



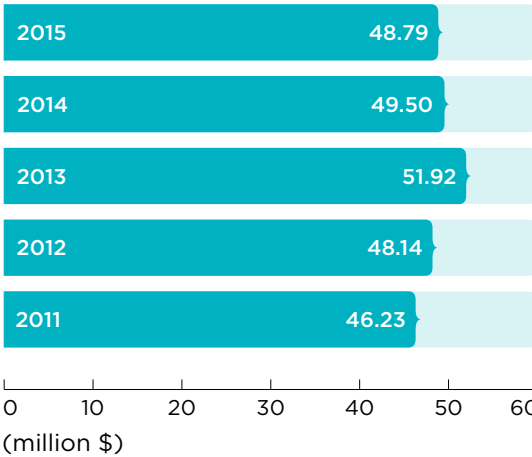
## CONSOLIDATED ASSETS

Consolidated assets increased by 16.3% to \$11.99 billion



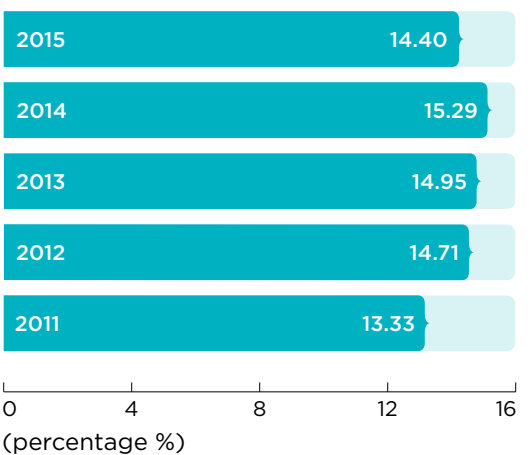
## UNDERLYING NET PROFIT AFTER TAX

Underlying net profit after tax decreased by 1.4% to \$48.79 million



## CAPITAL ADEQUACY

Capital adequacy reduced to 14.40%



# Key Initiatives & Achievements



## AWARDS

- Australian Banking and Finance Awards 2015:**  
'Australian Financial Institution of the Year - Non Big Four' and 'Mutual of the Year'

**Mozo Experts Choice 2015:** 'Best Value Full Feature Home Loan' and 'Best Value Variable Home Loan' for CUA Fresh Start Variable Home Loan

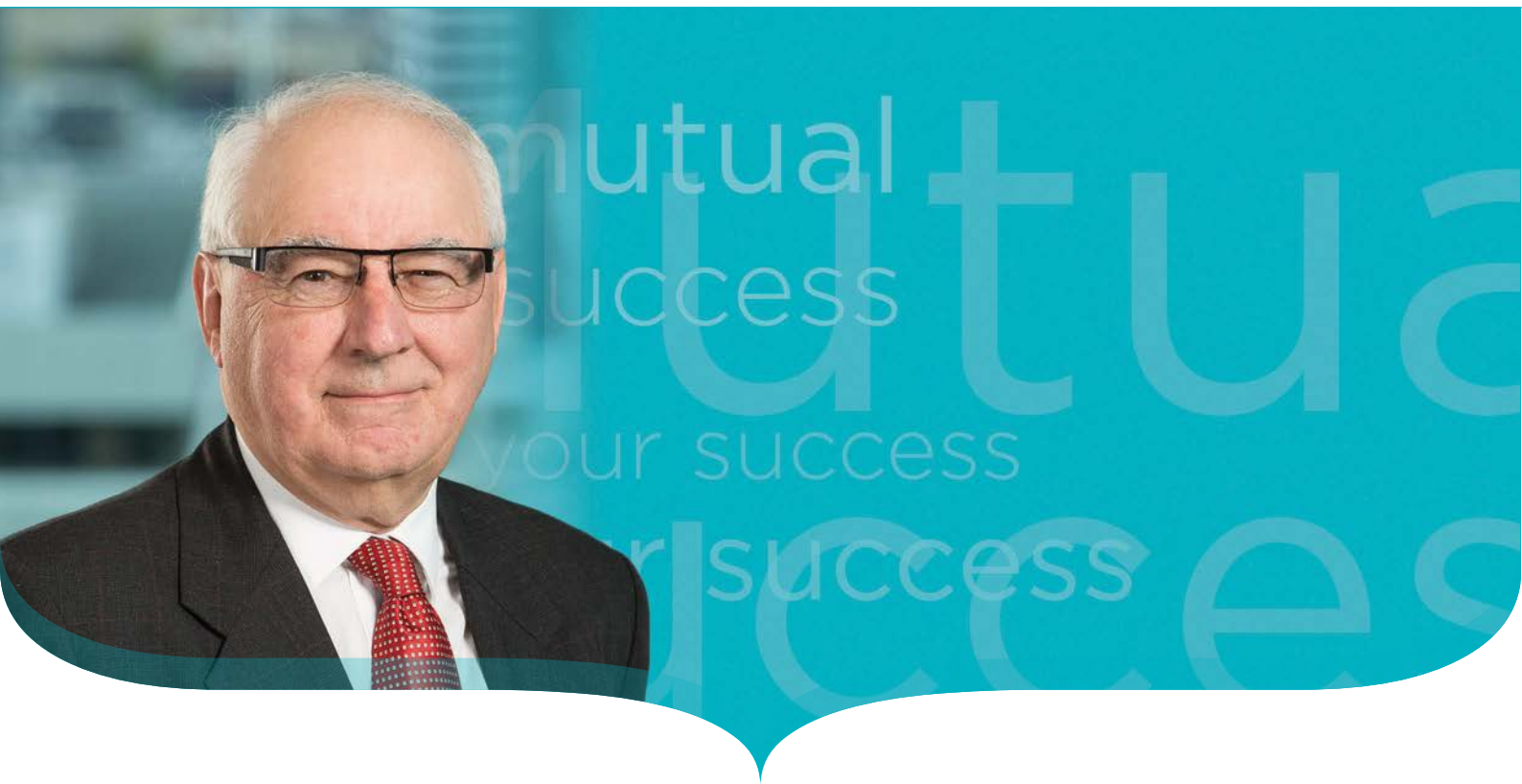
**Australian Lending Awards 2015:**  
'Best Non-Bank' and 'Best Mutual'
- Money Magazine Consumer Finance Awards 2015:**  
'Credit Union of the Year'

**CANSTAR Awards 2015:** CANSTAR five star rating for outstanding value for CUA Fresh Start Variable Home Loan, CUA eSaver Plus, CUA Youth eSaver

- Record home loans issued, balancing strong growth while significantly reducing the Loan to Value Ratio
- Removing the CUA membership payment, modernising the Constitution and opening up opportunities for future growth
- Implementation of a simpler and faster personal loan application system
- Responding to customer feedback by continually enhancing Online Banking during the year
- Continued investment in Life rich banking branding throughout the branch network, with 10 branches given a brand refit
- First financial institution in Australia to launch a mobile payment app for Android phones - CUA redi2PAY
- Rated A3/P-2 by Moody's, the highest rating available to a mutual
- CUA Health continued its growth trend with sales of \$24.1 million and policy holder growth of 14.1 per cent, making it the fourth fastest growing health fund in Australia
- Allianz Australia chosen as General Insurance partner from 1 December 2014
- 2014 Employer of Choice for Gender Equality (one of 76 employers nationally)
- CUA Community Care delivered \$75,000 in prizes to school projects, with winners determined by community voting
- Disaster relief packages made available to customers affected by cyclones Marcia and Lam

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# Chairman's Report



ALAN BEANLAND

It is always a pleasure to contribute to CUA's Annual Report which is the premier conversation we have with members each year. The theme for this year, 'Mutual Success', is not directed at highlighting our successes but rather that we view our achievements as a mutual, as worthy only to the extent that they enrich the lives of our customers. Our growth benefits members.

In the conclusion to my report last year I mentioned that, going forward, there would be a focus on competitiveness and that CUA undertook to be even more responsive to the needs of its customers by embracing new channels of distribution and a continuing commitment to innovation. I believe that the 'Key Initiatives & Achievements' section of this report demonstrates that we have delivered on these themes – product and corporate awards validate how we deliver value to customers, and our technological innovations directly impact our competitiveness as well as address the changing access requirements of customers.

This year's report is the first to include a contribution from our new CEO, Rob Goudswaard. Rob has taken the reins at a crucial time for CUA, when the technological revolution in banking is fundamentally altering the

financial services sector. Rob has already had an impact on CUA, and the Board looks forward to working closely with Rob as CUA continues its journey.

## THE YEAR IN REVIEW

The financial results for FY15 certainly support the Board's contention that CUA is in a relatively strong space. Significant uplifts in consolidated assets (up 16.3% to \$11.99 billion), loans settled (up 54.9% to \$3.35 billion) and deposits (up 14.6% to \$7.78 billion) are indicative of a financial institution which is having a market impact. The small fall in Underlying Net Profit After Tax (1.4%) to \$48.79 million reflects the continuing depreciation of the investment in the core banking system, the squeeze on margins from record low interest rates and the necessity for continuing keen pricing on home loans.

CUA's home loan performance has been a stand-out, with award winning products backed by an impressive sales performance, through both organic and broker channels. The end result has been a growth rate of 2.45 times the market average. It may be difficult to maintain this growth into FY16 given the anticipated

slowdown in the national housing market, possibly excepting Sydney.

To summarise, CUA continues to quietly but firmly build its positioning as a competitor in financial services. Recently becoming a \$12 billion company, CUA is also maintaining its loan book growth at the expense of competitors. Additionally, at a time of considerable publicity of regulatory pressures on the major banks to raise additional capital, CUA's capital adequacy ratio sits at a comfortable 14.40%.

In the context of reviewing the year it would be remiss of me not to mention that CUA proudly continued its investment of considerable funding into community focus areas we know to be important to our customers and staff. This year the investment was directed into support for family health issues, schools and childhood health. This investment is outlined in more detail in the 'CUA & Communities' section of this report.

## MODERN MUTUAL

The Board was pleased to see the overwhelming support of our members at the 2014 Extraordinary General Meeting (EGM) for our proposals for modernising CUA's Constitution. CUA is seeking to become a more relevant and sustainable financial service provider and having members endorse the Board's strategy was vital. To reiterate my advice at the EGM, by 'modern mutual' I mean that your company would be owned by its active members and freed to compete for business in the digital age, including having access to competitive funding sources in order to grow. The specific changes endorsed represent incremental competitive steps which lay the foundations for CUA to continue its growth but in no way weaken your Board's commitment to maintain CUA as a mutual.

I am pleased that a significant number of members have already had their membership payment reimbursed, with many also donating the pay-out to CUA's premier charitable partner, SIDS and Kids.

## GOVERNANCE

CUA's Board is elected by and is accountable to our members. It is responsible for the overall governance and strategic direction of our business. Our Board comprises directors with a diverse range of backgrounds and appropriate governance and financial skills. I have consistently mentioned that your Board continually adapts to a rapidly changing environment in financial services by seeking a balance between Board terms and the need for new skills. In line with this, a long serving director, Peter Dowling, left the Board during the year. Peter's enthusiasm for the mutual industry and knowledge of financial services will be greatly missed.

The Board also demonstrated its commitment to innovation in CUA by reflecting this theme in the renamed Strategy and Innovation Committee.

## LOOKING FORWARD

I am conscious, as the year ends, that forecasting is even more difficult than usual due to world events outside our control but which may have an impact on economic conditions in Australia, including the housing market. The Eurozone's difficulties involving Greece and the fall in the Chinese equities market are impacting our sharemarket with no firm conclusion yet in sight. Nevertheless, even with these headwinds, the Board considers CUA to be well placed to continue its steady growth of recent years.

The maturing of CUA's customer focus will see further refinement of our award-winning product suite in line with a changing competitive environment. A first truly CUA credit card will be delivered in 2016 as part of this process. Until now all credit cards have featured third party providers. This is a significant development for CUA and indicative of its progress. Pricing across the product suite will continue to reflect our need to balance CUA's continuing sustainability with our commitment to providing our customers with value for money. We would

“CUA continues to quietly but firmly build its positioning as a competitor in financial services.”

expect that our increased focus on the customer will lead to increased retention, always a significant concern in financial services. This was bolstered by a dedicated team in CUA demonstrating that we do go the extra mile to meet customer expectations. Experience with our straight-through personal loan approval process reinforces that an online home loan application process is critical and we expect this to also be introduced in FY16.

I have previously commented that to be static in financial services is, effectively, to fall behind. The Board has no intention of letting CUA fall behind. CUA's customer-led strategy, including a focus on the segment with a natural affinity to mutuals, and an organisational-wide commitment to innovation should ensure a further set of highlights in next year's Annual Report. Achieving this each year will secure CUA's future.

Finally, I would like to record my appreciation of the efforts during the year of your Board, of the management team and of all staff.

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ROB GOUDSWAARD

It is a privilege to have been appointed as CUA's CEO in February 2015. Integral to the role of CEO of Australia's largest financial services mutual is the responsibility to contribute to the health of the wider sector as well as to the membership of CUA. I am looking forward to the challenges. My career has significantly embraced mainstream banking at ANZ and I believe CUA's size and market position warrants such experience. I have had responsibility for a defined consumer segment as CEO of the now privatised Rural Finance Corporation of Victoria.

For me, a major attraction of CUA was its mutual structure and the responsibility this carries towards you as both our customers and shareholders. Additionally, I value CUA's efforts in supporting the communities that support it. Looking out for communities and the disadvantaged are second nature for me. As a Director of World Vision, an international aid and development agency that works with children, families and communities to overcome poverty and injustice, I am acutely aware of disadvantage and believe that society, including corporations, must do more to assist.

MUTUAL SUCCESS

To continue the theme from the Chairman's report, as a mutual we judge our success through the value we have contributed to our customers. CUA experienced a stellar lending year in FY15 leading to a strong result with another \$48.79 million in Underlying Net Profit After Tax boosting reserves and representing a positive investment in the sustainability of CUA and our ability to continue to provide our customers with value for money.

The lending result for the year was particularly pleasing and a great example of an organisation wide effort. Nationally, loan growth in housing for the year was nearly 7%, driven by the booming markets in Sydney and Melbourne. By comparison, CUA's housing loan growth for the year was 16.85%, indicating that we are taking market share from other lenders. Importantly, this result saw above average growth for each of the twelve months, demonstrating that our offer consistently resonated with customers. This also translates to a growing reputation and proof of our relevance to the needs of both existing customers and those looking for an alternative to mainstream banks.

The other result I particularly wish to emphasise is the very significant growth of CUA Health which now sees it positioned to be a competitive force in this important segment of the insurance market. After transitioning to a 'for profit' health fund in FY15, CUA Health was the fourth fastest growing private health insurance fund during the year with over 9000 new customers. It grew at a rate of 6.5 times the industry average, powered by a 43% increase in sales. Apart from a competitive,

“CUA's investment in digital capability has been significant and will remain high for the foreseeable future.”

simple product suite and attractive pricing, particular selling points have been the third largest private health insurance fund by branch network, complemented by a digital customer contact and service strategy and a newly launched mobile claims app.

While the mutual model and its community focus brings a strong emphasis on the customer, this alone will not ensure the success or survival of the mutual sector. High customer satisfaction ratings, capitalisation and community engagement do not necessarily translate into customer relevance in today's world. Technology has changed what was a traditionally conservative sector and all banking institutions must keep up, regardless of their business model. CUA's investment in its digital capability has been significant and will remain high for the foreseeable future. The new and future consumers we need to attract expect contemporary digital based access to products and services - CUA is determined to meet these expectations.

On-line access to our lending products is an obvious area for investment and innovation. CUA has risen to the challenge here through our web and mobile-based Online Banking apps and changes made to our personal loan approval processes. This latter improvement has led to a significant uplift in personal loan applications during the year. As a further example, improvements made to our digital capabilities in FY15 enabled almost 60,000 home loan redraws, representing approximately \$126 million of lending, to be completed via our on-line banking service - with little or no staff intervention. We will start delivering similar improvements to our home loan processes during FY16.

REGULATORY ENVIRONMENT

Although a complex area the regulatory environment defines how and what changes to CUA's prudential operating regime are being made or anticipated by the government or our regulators.

There has been much publicity around the Murray Financial System Inquiry's (FSI) recommendations and the still awaited responses from the Government and APRA. Recommendations that the major banks be required to hold more capital in relation both to their total operations and specifically for the risk weights they apply to home loans will assist the mutual sector by making this critical capital area more competitively neutral. While these changes will not make CUA's capital go further, they will reduce particular disadvantages, predominantly affecting risk weighting. A related move by the Government to confirm a tax on deposits has also attracted a great deal of opposition from the mutual sector. We are hopeful that the Government will acknowledge the negative impact on competition of such a tax and respond accordingly.

CUA has participated vigorously in the dialogue regarding the FSI and will continue to do so as the Government's response becomes clearer. This advocacy applies to other issues surrounding CUA's business and it is my intention to use every opportunity to carry CUA's message, and that of the wider mutual sector, to government, regulators and other external stakeholders.

CUA'S PATH

CUA has a long and successful history and can be traced back to several small Queensland credit unions in the 1940s. The CUA we see today is the result of many mergers and the vision of our founders. In this regard, we were sad to see the death of CUA's founder, Jack Harvey, earlier this year. CUA will remain faithful to Jack's belief that customers should get an honest and fair deal.

I am optimistic about CUA's future. While the challengers are many I believe CUA is a real competitor in financial services. We are determined to deliver to our customers through award winning products, high quality service, keen pricing, and our technological investment. Our belief in mutuality and the power of the community remain as the foundations for both our present endeavours and a sustainable future.

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# Corporate Governance

The Board of Credit Union Australia Ltd (CUA) is responsible for the corporate governance of CUA and its controlled entities (the CUA Group).

CUA is an Authorised Deposit-taking Institution (ADI) supervised by the Australian Prudential Regulation Authority (APRA) under the Banking Act 1959. CUA is also supervised by the Australian Securities & Investments Commission (ASIC) under the Corporations Act 2001 and has been granted an Australian Financial Services Licence and an Australian Credit Licence.

## ROLE OF THE BOARD

The Board is responsible for developing and guiding a viable, mutually owned business that will fulfil CUA’s mission, to “help our customers enrich their lives through delivering consistently better-value banking... because profits go back to customers.”

The Board of CUA is ultimately responsible for the execution of this mission by providing oversight and guidance to the management of the CUA Group.

The Board has adopted a formal Board Charter setting out in further detail its role, responsibilities and structure within CUA’s overarching corporate governance framework.

Annually the Board undertakes a formal, external performance review. The evaluation process aids the Board in ensuring it maintains an appropriate mix of skills to enable CUA to meet its strategic objectives.

## CONFLICT OF INTEREST

Directors must keep the Board advised of any interest that could potentially conflict with the interests of CUA. The Board has developed guidelines to assist directors in annually disclosing potential conflicts of interest.

## MEMBER PARTICIPATION

Members have two relationships with CUA. As customers, members exercise choice through their selection of the products and services they believe are best suited to their individual needs. As owners/shareholders, members have the right, and are encouraged, to participate in the governance of their credit union.

## ETHICS

To maintain member confidence in the integrity of CUA, directors have adopted and adhere to a Directors’ Code of Conduct, which is based on the code developed by the Australian Institute of Company Directors. At CUA great importance is placed on the confidentiality of personal information. CUA complies with the Australian

Privacy Principles and takes steps to ensure that customer information is not disclosed to, or accessed by, unauthorised persons.

## RISK MANAGEMENT

Risk management is an essential component of CUA’s ability to fulfil its mission.

The Board-approved Risk Appetite Statement clearly defines and articulates the amount of risk that the Board is prepared to accept in conducting business. CUA’s Risk Management Framework is based on a ‘three lines of defence’ model. This framework encourages risk ownership by all employees and fosters an inclusive risk culture.



CUA is focused on managing risk for members and having a proactive risk culture that is constantly evolving.

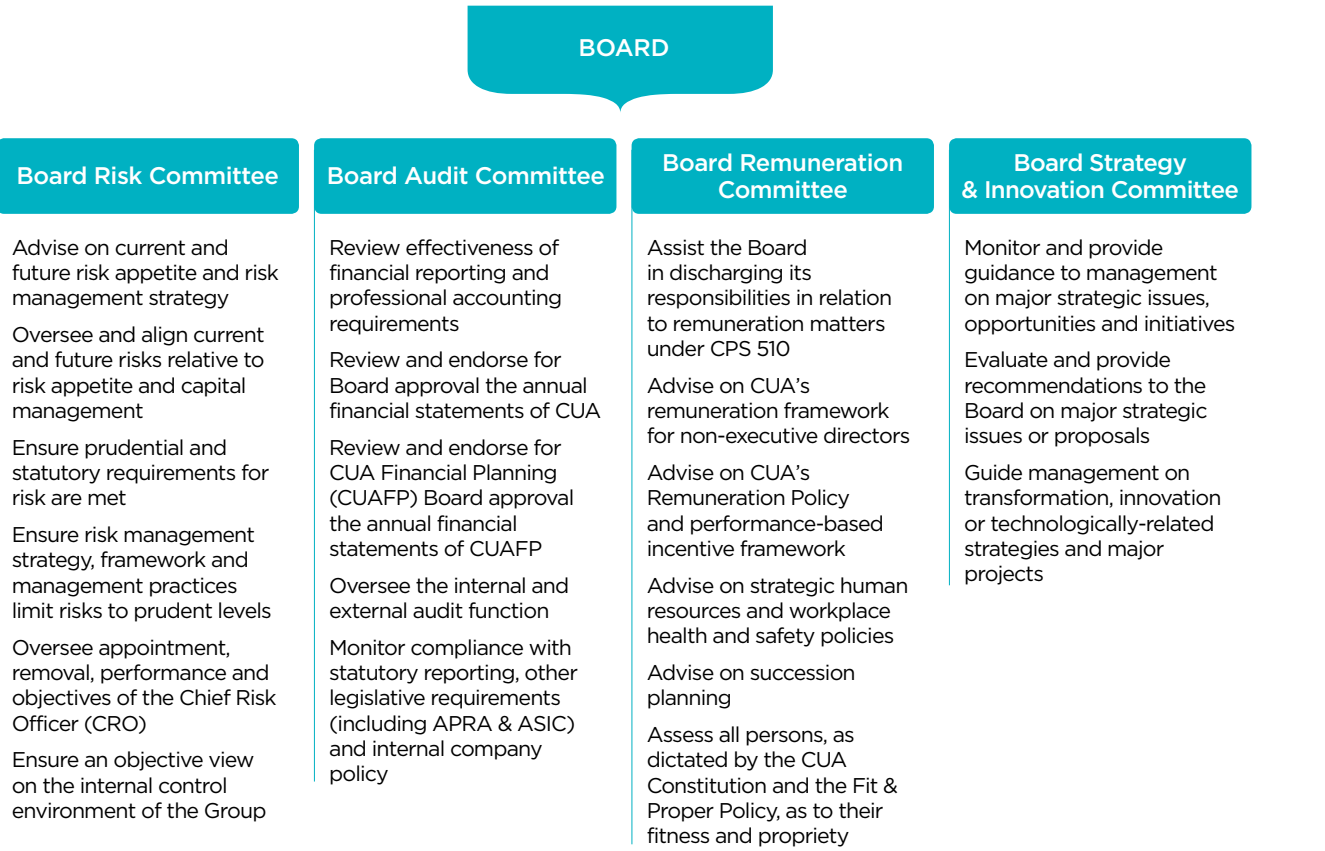
## REMUNERATION POLICIES FOR DIRECTORS

Remuneration levels are designed to attract and retain appropriately qualified and experienced non-executive directors. The Board obtains independent advice on the appropriateness of remuneration given trends in comparative companies. Non-executive directors do not receive performance-related remuneration. CUA Group products or services provided to directors must be on the same terms and conditions that apply or are available to members/customers/staff generally. Subject to meeting specific criteria, including serving a minimum of six years on the Board, a director retiring from the Board may receive a lump sum retirement benefit equivalent to the director’s average annual board fee for the previous three years.

CUA’s mission, to  
“help our customers enrich their lives through delivering consistently better-value banking... because profits go back to customers.”

## BOARD COMMITTEES

To assist in the execution of its responsibilities the Board has established a number of committees. All directors serve on Board Committees and/or on the Boards and Committees of the subsidiaries.



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# CUA & Communities

## ENGAGING WITH COMMUNITIES

Community as a concept means different things to different audiences. To CUA, it is not a narrow concept based on proximity or similarity of interest but rather it encompasses the diversity of customers that choose to support us - their families and extended families, and the wider touch points of their lives, such as the schools their children attend, the charities and causes they support, and their sporting interests.

It is a clear expectation of customers that corporates should support the communities that support them. CUA has always advocated this view but takes it further, believing that a community program should form a virtuous circle with customers. As our financial performance improves CUA will increase its investment in communities via support for the charitable and community needs that our research shows are important to them. This support is demonstrated through the community partnerships and programs CUA operates.

## SIDS AND KIDS

Now in the second year of the partnership, SIDS and Kids (SnK) is CUA's largest single community partner. SnK needs little introduction as it is an iconic charity in Australia, with three threads to its core business:

- Providing dedicated grief and bereavement support to families who have experienced perinatal, neonatal or baby/infant loss
- Ongoing education, preventative action and representation through support, training, leadership and promotion, and
- Advocacy and research for SIDS and stillbirth.

As part of the partnership, CUA provides financial support for the vital research SnK undertakes around stillbirth, SIDS and safe sleeping practices. CUA staff have enthusiastically embraced this partnership with diverse fund-raising and volunteering activities occurring during the year.

## SCHOOL FUN RUN PROGRAM

Child obesity is increasingly seen as a major health issue confronting Australia. Upwards of one in four children are overweight or obese, putting them at greater risk of developing chronic conditions such as diabetes and heart disease. The School Fun Run program was initiated 28 years ago as a way of providing a healthy alternative to chocolate drives for schools around the country. Promoting fun, fitness and nutrition, over 800 schools participate in a fun run each year. For many schools, this has become an annual event that represents the majority

of their fundraising for the year as it is combined with the annual cross-country or other school event. Over the last six years the program has helped schools to raise more than \$16 million to purchase computers, books, sporting equipment and other vital resources.

CUA believes that helping schools find wealth in health accords strongly with the values of our customers and their families.

## COMMUNITY CARE

For the last four years CUA has been providing schools participating in the School Fun Run program with the added bonus of applying for a \$5,000 grant through CUA's Community Care program. The Community Care concept is relatively simple: School Fun Run participating schools within a set radius of selected CUA branches are given the opportunity of nominating projects for community voting. The community voting period is set at four weeks and a pro-rata voting system ensures a level playing field given the disparate sizes of the schools involved.

Community encompasses the diversity of customers that choose to support us.

Over the last four years, CUA has shared nearly \$300,000 in Community Care grants with schools and communities, as a reward for choosing health-based fundraising and to promote the importance of childhood health. This program continues in FY16.

## VOLUNTEERING

Community support extends beyond financial assistance as CUA encourages staff to actively assist communities through volunteering for charity or similar work. This policy recognises that many staff want to assist directly in charitable work and that encouraging this assists in staff engagement. To this end, CUA provides a full day's leave each year to enable staff to volunteer for a worthwhile community assistance opportunity, not necessarily restricted to the charities CUA directly assists.

## FINANCIAL LITERACY

CUA is also seeking to extend its commitment to schools by examining the issues connected with the development of a financial literacy program. Financial literacy is a key strategy of the Government and financial services providers have been urged to contribute their expertise in this crucial area of education.





# CUA Board



## ALAN BEANLAND

B.Sc., FAICD  
Chairman and Independent  
Non-Executive Director

Alan joined the Board in September 2009 and was elected Chairman in November 2009. In addition to his role as Chairman of the Board, Alan is Chairman of the Board Remuneration and Board Strategy & Innovation Committees. He is a member of the Board Risk Committee and a Director of Credicorp Insurance Pty Ltd.

Alan's business experience spans four continents and exceeds four decades with wide experience as a Director on diverse boards. Alan held senior executive positions with Colonial Mutual for 16 years. He has extensive experience in a number of industry sectors including financial services, superannuation, life insurance, property and technology. He served as the Chairman of Superpartners (2006-2012) and as a Director of Spotless Group Limited (ASX Listed) (2008-2012).

Alan is currently a Director of Colonial Foundation and, in August 2014, was appointed to the Board of Orygen, The National Centre of Excellence in Youth Mental Health.



## NIGEL AMPHERLAW

B.Com., FCA, MAICD  
Independent Non-Executive  
Director

Nigel joined the Board in March 2011. He is Chairman of the Board Audit Committee and member of the Board Risk and Board Remuneration Committees.

Nigel has extensive experience in risk management, technology, consulting and auditing for financial services institutions in Australia and the Asia-Pacific region. He is a chartered accountant by profession. He was a Partner of PricewaterhouseCoopers for 22 years where he held a number of leadership positions, including heading the financial services audit, business advisory services and consulting businesses. He also held a number of senior client Lead Partner roles.

Nigel is a Director of the Australian Red Cross Blood Service, Grameen Foundation Australia, Quickstep Holdings Limited and Elanor Funds Management Limited.



## PAUL BEDBROOK

B.Sc., FFIN, FAICD  
Independent Non-Executive  
Director

Paul joined the Board in July 2011. He is a member of the Board Strategy & Innovation Committee, Chairman of Credicorp Insurance Pty Ltd and a Director of CUA Health Ltd.

Paul has over 30 years' experience in financial services, specifically across the areas of banking, insurance and investment management. He is a former executive with ING (the Dutch global banking, insurance and investment group) and held CEO positions at INGDIRECT, ING Canada, ING Australia and ING Asia Pacific.

Paul is Chairman of Zürich Financial Services Australia, Elanor Investors Group and Disability Sports Australia. He is also a Director of the National Blood Authority.



## DEBORAH O'TOOLE

LLB, MAICD  
Independent Non-Executive  
Director

Deb joined the Board in March 2014. She is a Director of CUA Health Ltd and Credicorp Insurance Pty Ltd.

Deb is a qualified lawyer and has more than 30 years' experience in mining, resources and rail freight industries, 25 of which have been focused in the finance function including as CFO at Aurizon, Qld Cotton and MIM Holdings. She served as Chairman of the Audit Committee for CSIRO and the Norfolk Group and also on Boards of the MIM Group and the QR National/Aurizon Group. In 2013 she served as an Advisory Board Member at Pacific Aluminium. Deb was also a member of the former Workers' Compensation Board of Queensland and a former member of the Queensland Country Health Society.

Deb is a Director of the Wesley Research Institute, Sims Metal and is a member of the Queensland University of Technology Banking & Finance School Advisory Board.



## MICHAEL PRATT

SF Fin, GradDip (Org Beh),  
FAICD, FAIM, FAHRI, AMP  
(Harvard)  
Independent Non-Executive  
Director

Mike joined the Board in January 2013. He is Chairman of the Board Risk Committee and is a member of the Board Audit and Board Strategy & Innovation Committees.

Mike has had an extensive career in banking and wealth management throughout Australia, New Zealand and Asia. He has held very senior positions at Standard Chartered Bank, Westpac, National Australia Bank and Bank of New Zealand. In all these roles he has driven major change, delivering strong financial results and much improved customer service across multiple channels. Mike is a former President of the Australian Institute of Banking & Finance and was the Inaugural Joint President of Finsia.

Mike is Commissioner for Service in the NSW Government and Deputy Chancellor at the University of Western Sydney. He is also Chairman of Bennelong Funds Management, a Non-Executive Director of TAL Life Insurance and Chairman of TAL's Risk Committee.



## WAYNE STEVENSON

B.Com, CA, FAICD  
Independent Non-Executive  
Director

Wayne joined the Board in February 2014. He is a member of the Board Audit, Board Risk and Board Remuneration Committees.

Wayne's executive background is largely in banking and financial services where he has held several senior positions across Australia, New Zealand and Asia. Wayne brings strong expertise of the financial services industry including 15 years in CFO roles involving significant acquisitions, restructures and divestments. Most recently he was Group General Manager, Group Strategy, ANZ and prior to that held the role of CFO Asia Pacific, ANZ.

Wayne is a Director at Onepath General Insurance, Onepath Life Insurance, ANZ Lenders Mortgage Insurance and is Chairman of QMS Media Ltd.



## PETER DOWLING

AM, BA(Acc), FCPA, FAICD  
Independent Non-Executive  
Director  
Resigned 31 December 2014

Peter joined the Board in March 2003. He was a member of the Board Strategy Consultative Committee and, until July 2014, a Director of CUA Health Ltd.

Peter was a Partner of international accounting firm Ernst & Young, a Fellow of CPA Australia, The Institute of Chartered Accountants in Australia and The Australian Institute of Company Directors. Peter received the Centenary of Federation Medal in 2001 and was made a Member of the Order of Australia in 2007 for services to the accounting profession, business, education and the arts.

At the time of his resignation, Peter held a number of Directorships including non-executive roles at Credit Union Foundation Australia, TAFE Qld and Workcover Qld.



## ELIZABETH FOSTER

B.Bus.(Accounting), FCPA,  
GAICD, MAMI  
Independent Non-Executive  
Director  
Resigned 31 July 2014

Elizabeth joined the Board in January 2006 and while a Director she was a member of the Board Audit, Board Risk and Board Remuneration Committees. She was also a Director of Credicorp Insurance Pty Ltd.

At the time of her resignation, Elizabeth was a self-employed accountant who had extensive experience in finance. She previously worked for Telstra in senior management positions. She was CFO at CPA Australia, a finance consultant at the Catholic Education Office and CEO of RACV Credit Union.

She served on the Board of Credit Union Foundation Australia from 2003 to 2008.



## CHRISTOPHER WHITEHEAD

B.Sc (Hons), FAICD  
Chief Executive Officer and  
Executive Director  
Resigned 30 January 2015

Chris joined the Board in September 2011. He was a Director of Credicorp Insurance Pty Ltd, CUA Health Ltd and CUA Financial Planning Pty Ltd. He was also a member of the Board Strategy Consultative Committee.

Chris has over 25 years of experience across a broad range of organisations and roles. He commenced his career in the IT industry before moving into general management roles, including establishing the Australian subsidiary for an international IT services provider. Chris held executive level roles at a number of financial services institutions including Advance Bank, Bankwest and Bank of Scotland.

Chris was a Director with Cuscal Limited and was also a Director of a number of community and charitable organisations.



# Executive Committee



**ROB GOUDSWAARD**  
B.Ec, GradDip CorpFin, FFIN,  
FAICD  
Chief Executive Officer

Rob joined CUA in February 2015 and attends all CUA Board and Committee meetings. He is an Executive Director of Credicorp Insurance Pty Ltd, CUA Health Ltd and is Chairman of Credicorp Finance Pty Ltd.

Rob has over 30 years' experience in the banking and financial sector. Most recently he was CEO and Director of the Rural Finance Corporation of Victoria, and Chairman of the Young Farmer's Finance Council. He held a variety of senior positions at ANZ including CRO, Institutional Global; Managing Director, Regional, Rural & Small Business Banking; General Manager, Pacific & Personal Banking Asia and COO, Small to Medium Business Australia & New Zealand.

Rob is a Director of World Vision Australia and Chairman of its Audit Committee. He is also a Director of Cuscal Ltd and Places Victoria.



**STEVE CHUGG**  
MBA, B.Bus, MAICD  
Chief Operating Officer

Steve joined CUA in April 2015. He is responsible for enabling a range of customer-centred support services including banking operations, lending operations and credit decisions. He is also responsible for leading and embedding CUA's digital strategy and sales effectiveness to meet changing customer needs.

Steve has more than 20 years' experience in banking operations in Australia. He has extensive experience in building teams and working with them to deliver positive customer outcomes and strong returns. He has held a variety of executive and management roles with ANZ across multiple customer segments including General Manager, Esanda & ANZ Direct Sales, and Queensland State Manager of Regional Business Banking.

Steve's previous roles have involved understanding and meeting the needs of a diverse range of customers such as third party dealers, agricultural and commercial clients, corporate and retail customers.



**SUE COULTER**  
MAICD  
General Manager, Business Transformation & Technology

Sue joined CUA in May 2010 and is responsible for IT and business transformation which includes delivery of the CUA portfolio of strategic projects. With the new core banking platform in place and performing well, Sue is now focussed on leveraging this investment through the delivery of a continuous program of customer service and product enhancements. She is responsible for replacing the remaining legacy systems and enhancing CUA's digital and data solutions.

Sue brings over 30 years' experience in financial services across a broad range of senior management and executive positions within Australia and the UK. During this time Sue successfully delivered a number of transformational change programs for HBOS, BankWest and more recently CUA.

Sue has also previously managed large-scale back-office processing areas as well as digital, products and strategy development teams.



**PHILIP FRASER**  
CIMA, CPA, MAICD  
Chief Executive Officer, CUA Health Ltd

Philip joined CUA in March 2011 and prior to becoming CEO of CUA Health Ltd (CHL), he was the Head of Finance, responsible for board, regulatory and business performance.

He is responsible for developing and delivering CHL's future strategic direction, with a clear belief that customer experience is central to success. CHL places a significant focus on optimising customer experience, through simple-to-understand products, which are competitively priced and meet expectations through exceptional delivery.

Philip developed his experience and career as Group Financial Controller and Head of Finance in some of the UK's leading asset managers and general insurance providers. Moving to Australia in 2008, he spent time as CFO for a private equity-owned entity, before moving to a major Queensland superannuation provider as Head of Finance, assuming responsibility for corporate finance and corporate services.



**DAWN LINAKER**  
FAHRI, MAITD, MHRM, MAICD  
General Manager, Human Resources  
Resigned 11 September 2015

Dawn joined CUA in October 2010. As GM HR, her focus was on supporting the business through its transformational change journey with a specific focus on culture change, talent attraction and retention, learning and development and increasing leadership capability.

Prior to CUA she headed the HR function at a leading superannuation company, where she supported the organisation through a significant business transformation. She also spent an extensive and varied career in one of Australia's Tier 1 financial services organisations. Dawn has more than 22 years' experience in financial service change leadership and HR management.

Dawn's experience includes consulting and developing HR and learning strategy, design and development, organisation design and change management.



**MATTHEW LOBDELL**  
B.Sc, MAICD  
Head of Strategy

Matt joined CUA in February 2013 and is responsible for overseeing the development of organisational strategy and alliance opportunities, as well as the advancement of CUA's innovation capabilities and solutions.

Matt has over 20 years' experience in the Australian financial services industry, including executive roles with some of Australia's leading banking, superannuation and wealth management companies. Immediately prior to joining CUA, Matt led the redesign of the personal insurance product and service model at one of Australia's leading superannuation funds.

He has facilitated a number of merger and acquisition transactions with ANZ, Suncorp and Norwich Union Australia.



**JASON MURRAY**  
B.Bus, PGDip Mgt, GAICD  
General Manager, Products & Marketing

Jason joined CUA in June 2010 and as GM Products & Marketing he is responsible for shaping and executing the customer strategy through his ownership of the products, marketing, corporate affairs and customer insights functions. He is also a Director of Credicorp Insurance Pty Ltd.

Jason has developed his financial services experience through a career working in product, marketing and innovation roles in retail and corporate banks and health insurance companies. Prior to joining CUA he spent seven years in the UK where he worked for a number of leading banks shaping and managing award-winning products and solutions built to address specific customer needs.

Jason also engages in influencing the policy, credentials and standards of future finance sector professionals via his representation on the Finsia Retail & Business Banking Industry Council.



**SCOTT NORTH**  
B.Com, MBIT, FCA, MAICD  
Chief Risk Officer

Scott joined CUA in July 2013. Scott is responsible for leading the strategic development, implementation, challenge and assurance of CUA's risk management strategy and risk frameworks. The risk functions work to proactively drive a culture of best practice risk management with focus on execution to risk appetite, corporate governance and regulatory requirements.

Scott has over 20 years' experience in risk management, audit, technology and accounting, with the last 13 years being in the financial services industry. He has extensive experience in enterprise risk management in financial services, with a strong focus on digital innovation in retail banking. His previous roles include Head of Risk Digital and Head of Enterprise Operational Risk Australia and New Zealand for GE Capital as well as senior roles driving the evolution of enterprise risk management for NAB Group's digital banking businesses, Ubank and Direct Banking.

Scott is a Fellow of the Institute of Chartered Accountants, a Fellow of the University of Melbourne and a Director of Australian Retail Credit Association.



**ANDY RIGG**  
MAICD  
General Manager, Sales

Andy joined CUA in July 2013 and was appointed GM Sales in March 2015. He is responsible for CUA's product sales and distribution channels including branches, lending, broker and CUA Direct call centres in Melbourne and Sydney.

Andy has 30 years' experience in retail financial services with the last 20 years in sales and service leadership roles. His career began at a large UK mutual which became Halifax PLC, before establishing third party lending for Barclays UK. He led the transformation of Barclays Bank Retail African operations and the purchase and integration of South Africa's largest retail bank ABSA.

In Australia, Andy headed Branch Performance at a major Australian Bank with accountability for 150 branches and a mortgage sales team of 50.

Andy has management and leadership qualifications at Warwick Business School and completed the Executive Leadership Program at Harvard Business School.



**ANTHONY TAYLOR**  
CPA, F.Fin, MAICD  
Chief Financial Officer

Tony joined CUA in October 2011 and as CFO, his major areas of responsibility include finance, treasury, legal, board and governance. He attends all CUA Board meetings together with the Board Audit, Board Risk and Board Strategy & Innovation Committees. He is also a Director of CUA Health Ltd, Credicorp Finance Pty Ltd and Chairman of CUA Financial Planning Pty Ltd.

Tony has more than 30 years' experience in financial and management accounting, with the last 13 in CFO roles within the financial services industry. He was previously CFO Retail, Bankwest where he spent six years improving the financial management of the Retail Division and supporting the east coast expansion program. He played a leading role through the challenges of the GFC and the Commonwealth Bank acquisition.

Prior to that, as CFO of the Papua New Guinea Banking Corporation, Tony led the vendor due diligence team in its privatisation and post-sale took over the role of CFO Bank South Pacific. This role expanded to encompass shared services, IT and marketing.

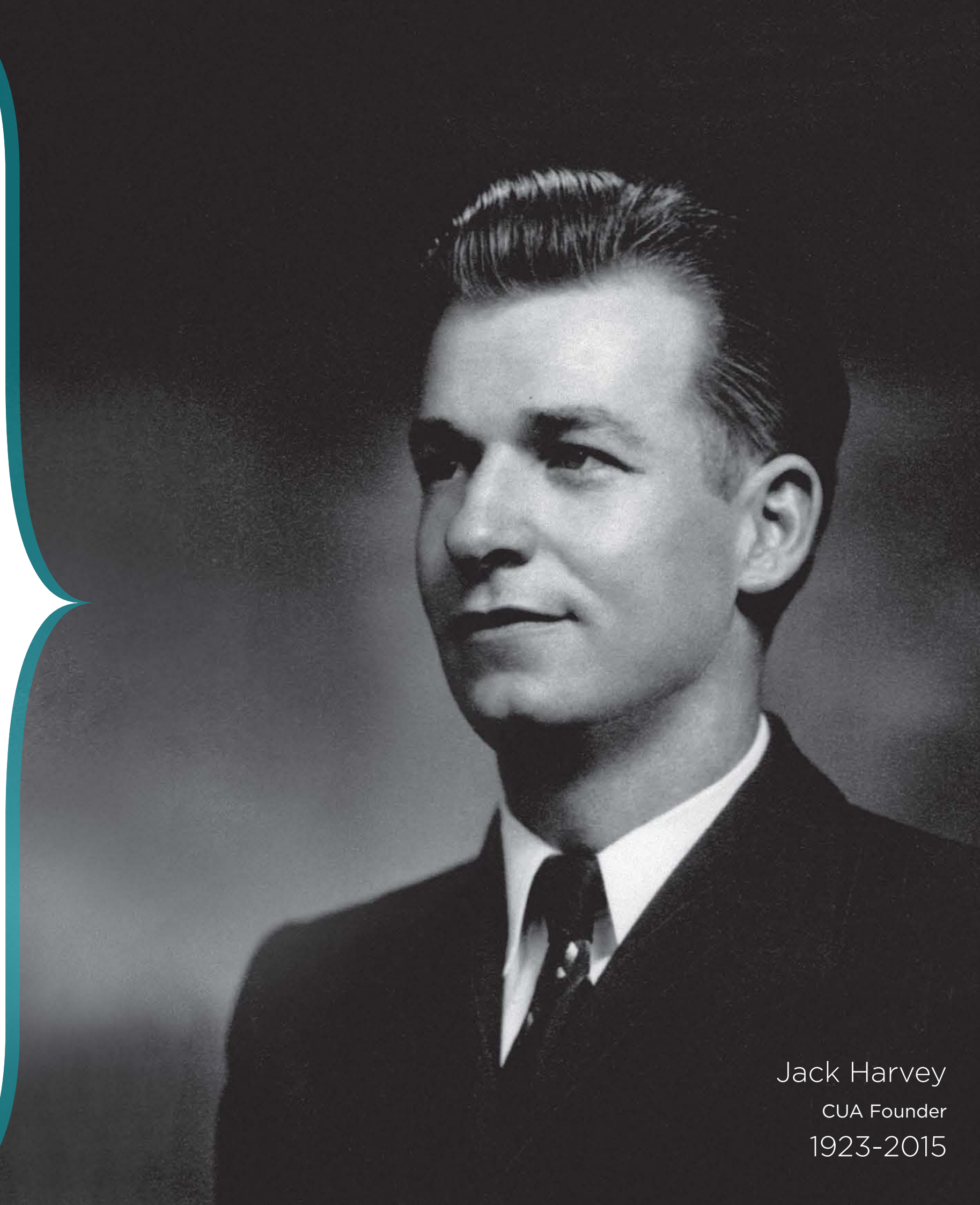
your success  
is our success



## In memory of Jack Harvey

*“The CUA we see today is the result of many mergers and the vision of our founders. In this regard, we were sad to see the death of CUA’s founder, Jack Harvey, earlier this year. CUA will remain faithful to Jack’s belief that customers should get an honest and fair deal.”*

**- Rob Goudswaard**  
CUA CEO



Jack Harvey  
CUA Founder  
1923-2015





## Annual Report

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# MUTUAL SUCCESS

Your Success is our Success

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Annual Report for the year ending 30 June 2015