Annual report

2008-2009

TEACHERS CREDIT UNION

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Our **new vision** and fresh approach

We're an Employer of **Choice**

Find out the **key issues** that are our focus

Invested over **$496,000** in the education community

Front cover: Members of Teachers Credit Union from Plumpton Primary School, NSW

vision into action statement

Vision

To be the leading financial institution for teachers and their families

Governing objective

To balance prudent financial management with superior member benefit

Priorities

Financial performance Growth Member relationships

Risk management Motivated staff Efficient technology

Sustainability commitments

Employer of choice Invest in education community Reduce environmental impact

Financial literacy Responsible lending

Values

Trust, cooperation, financial prudence, social responsibility

Culture

Members come first Service is paramount Commitment to staff

Purpose

To provide a financial institution that assists members

Chairperson's and Chief Executive's report

The past year has been one of many challenges to the financial industry, due to the global financial crisis and prevailing economic climate. These effects have narrowed our policy options and necessitated more frequent policy changes. We have also had to accommodate the Reserve Bank of Australia's reforms to ATM direct charging and the consequent significant loss of revenue from accepted and established fees charged to members.

In spite of the less favourable conditions, we have continued to grow our asset base to $2.9 billion, attract new members and return a profit of $17.5 million. Though less than last year, this is a satisfactory result and builds our capital reserves to $234 million. We now operate in NSW, ACT, NT and WA, and are the second largest credit union in Australia as measured by on-balance sheet assets.

Our priority is to retain this strong financial position, and continue a prudent attitude to financial management. This is necessary if we are to continue to provide competitive products and maintain the level of service our members expect. The priority given to maintaining our

> "Our members have always, and will always remain, centre of what we do"

financial strength has unfortunately involved the introduction of a fee on our Everyday account in order to recoup some of the lost revenue mentioned above. However, we remain a low fee charging credit union - and in 2009-10 our fee revenue from member access and transactions is forecast to be $2.5 million less than if the fee remained unchanged in 2008-09.

To further reflect our focus on prudence and minimising risk, we have expanded our teams in Internal Audit and Risk Management. The Board also continues to build its skills in order to fulfil its governance and oversight responsibilities.

In a recent development, the Board of the Credit Union has entered into a Memorandum of Understanding with mecu Limited, Victoria's largest credit union, to investigate the benefits of merging. Both credit unions see great advantage for their members in combining our respective resources and strength to create a national credit union with an education focus.

You will be requested to vote on this proposal early in 2010. Naturally we will be communicating regularly with members throughout this process.

Our members have always, and will always, remain centre of what we do, including the central issue of continuously improving member value. Being a mutual, our very culture dictates this. Our values always remain at centre stage, reflected in this report in our Sustainability update.

We highly value the continued positive relationship with our major stakeholders in the education community - the NSW, ACT, WA and NT Departments of Education and Training, NSW Teachers Federation, Australian Education Union ACT, State School Teachers' Union of Western Australia and Teachers Federation Health.

Finally, any success that has been achieved is ultimately due to the loyalty and support of our members, which we never take for granted. We trust that our endeavours will continue to honour that loyalty and support in the future.

John Kouimanos
Chairperson

Steve James
Chief Executive

From left to right, John Kouimanos, Brian Carlin, Connuil McEvedy, Jennifer Leete, Richard McCauley, Linda Green, Michelene Collopy, Stuart Jacob, Graeme Lockwood, Steve James.

our performance summary

Key highlights

We opened two **new offices** - Perth in October 2008 and Newcastle in June 2009

We launched a **new website** in October 2008

We merged with The TAFE and Community Credit Union in December 2008

Awards received

2009 Employer of Choice for Women

Winner of Employer of Choice (fewer than 1,000 employees) at the 2008 Australian Human Resources Awards

High Commendation in the 2008 Hewitt Best Employers in Australia and New Zealand Study

Membership

2005	129,617
2006	137,328
2007	147,019
2008	155,314
2009	157,589

Member deposits ($)

2005	1,310,577,755
2006	1,485,355,073
2007	1,648,142,080
2008	1,960,757,245
2009	2,474,949,302

Loan balances ($)

2005	1,230,025,425
2006	1,399,644,997
2007	1,621,510,646
2008	2,029,522,844
2009	2,194,521,508

Assets ($)

2005	1,497,771,301
2006	1,712,808,782
2007	1,933,635,684
2008	2,408,985,873
2009	2,892,928,815

Reserves ($)

2005	154,336,118
2006	172,312,396
2007	196,261,129
2008	216,275,154
2009	236,339,918

Profit after tax ($)

2005	16,989,466
2006	17,976,278
2007	23,948,733
2008	20,014,025
2009	17,557,829

Capital adequacy ratio

2005	14.96%
2006	14.59%
2007	14.82%
2008	15.80%
2009	15.50%

Profit after income tax - The amount of money we generate from operating our products and services minus the cost of providing those products and services, including all taxes.
Loan balances - Total amount of money owed to us by our members as at 30th June 2009, from personal loans, secured loans, credit or debit cards.
Capital adequacy - An industry ratio which measures the strengths of a lending institution. We are well above APRA's minimum requirement of 8%.
*The figure for 2008 and 2009 has been calculated under Basel II.
Member deposits - Deposits are made up of savings, investments and shares, excluding interest accrued.
Assets - The total of all Teachers Credit Union assets.
Reserves - Accumulated profits held by us to ensure our ability to safely grow.

Sustainability update

Issues that are defined as part of corporate social responsibility (CSR) continue to be not just a priority for us, but part of our everyday decision making. Credit unions are mutual organisations and our members are not just customers; they are co-owners (shareholders) of a democratic financial institution. We are always putting them first. In addition, social responsibility is one of the core values of the credit union movement.

We have identified particular CSR issues that affect us as a credit union in the education community, which are our focus:

- Member service and inclusion
- Promoting financial literacy
- Responsible lending
- Supporting the education community
- Minimising our environmental impact, particularly resource consumption - energy, paper and water.

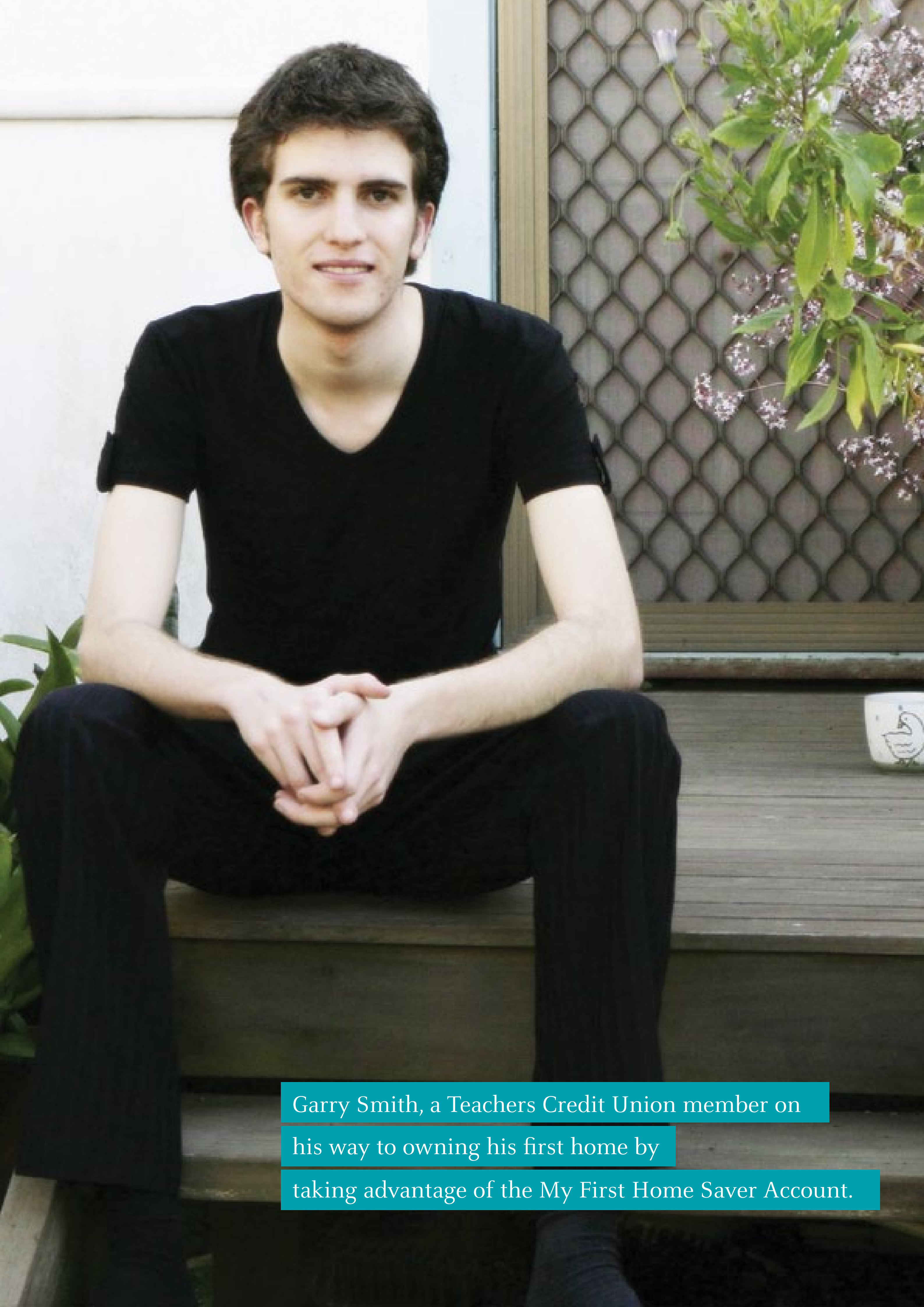
These key issues are regularly reviewed by our CSR Committee, which our Chief Executive chairs, and are integrated in the annual strategic planning process undertaken by the Board of Directors and management. Key CSR issues are also integrated throughout our risk management process.

We recently reviewed our Vision Statement - we wanted to make it clearer to our members, employees and other key stakeholders what drives us as an organisation. Fundamentally, we're focused on our members as we move assertively into the future, and adapt to the changing market environment. See this new statement on page 3.

In addition we became a signatory to the Mutual Banking Code of Practice- a public statement of the value we place on improving the financial wellbeing of our members. It reinforces our commitment to the benefits of mutuality, community involvement, fairer fees and member service.

We participated in the Corporate Responsibility Index (CRI) for the second consecutive year in 2008. Organisations elect to voluntarily participate in the CRI and have to demonstrate that they manage, measure and report the various impacts they have on society and the environment and in the marketplace. The CRI has provided us with a framework to determine areas of improvement and ensure we keep working towards best practice.

Students from Arbor Grove Primary School in WA getting hands on with their project funded by the Teachers Environment Fund.



Garry Smith, a Teachers Credit Union member on his way to owning his first home by taking advantage of the My First Home Saver Account.

members

Continuing to innovate

Despite a tough year where we had to introduce new fees, we continued working toward enhancing member value and offering competitive, accessible and secure products and services. Over the reporting period we:

- Launched a new website to ensure we continue to evolve our electronic methods of service delivery
- Updated our newsletters and range of brochures to ensure our material is continually reflecting member needs
- Were the first Australian credit union to trial and roll out EMV Chip Cards, which integrate the latest microchip technology into credit and debit cards
- Developed new loans products, including our Rewards Package, Smart Home Loan and Secured Car Loan
- Received a 5 star rating by CANSTAR CANNEX for our Online Savings Account
- Enhanced our credit card to enable automatic repayment
- Were finalists in the 2009 Money Magazine 'Best of the Best' Awards for our Term Deposit
- Won the CANSTAR CANNEX First Home Buyers Award for NSW.

My First Home Saver Account

In October 2008 Teachers Credit Union was one of the first financial institutions to make the First Home Saver Account available. We had the honour of hosting the launch of this Government initiative by Tanya Plibersek MP, Minister for Housing, at our Homebush office. To date, 515 members have invested in a My First Home Saver Account with us.

Assisting members in financial difficulty

The global financial crisis and the subsequent economic impact led us to consolidate our long standing commitment to responsible lending and established practice of member support. Our Credit Assistance service is available for members who are suffering financial hardship through unemployment or other reasonable causes. We take the time to assess each member's situation and find the best possible way to help them manage their financial obligations with us, through offering short or longer-term solutions. This could include relief from mortgage or personal loan repayments for a period of up to 12 months, waiver of fees and charges during the period payments are stopped and offering flexible payment arrangements.

Our promotion of this existing service enhanced accessibility and transparency, aligned with best-practice guidelines determined by ASIC. Since the launch in April, 39 members have been assisted through the service and we have seen a definite improvement to relationships managed through the service.

$229

What our members save on average p.a just by choosing to bank with us compared to the four major banks, according to our latest Member Valuation Study undertaken by CANSTAR CANNEX.

86%

Our employee engagement score, according to the 2008 Hewitt Best Employers in Australia and New Zealand Study. This is 32% higher than average.

Developing employee potential

In 2009 our new Learning Management System, "learnSmart" was introduced. This new system provides a platform for online training and allows staff to view and print all of their personal training records. Current online training courses include Products and Services, Mutual Banking Code of Practice, Microsoft Office 2007 and various compliance courses. The learnSmart system has the added convenience of enabling staff to complete their training courses online and from any location.

Our annual Traineeship Program has been extremely successful once again this year including two trainees choosing to specialise in Information Technology and Marketing. These students study at Certificate IV level through a registered training organisation and are given time both on and off the job to complete their studies each year.

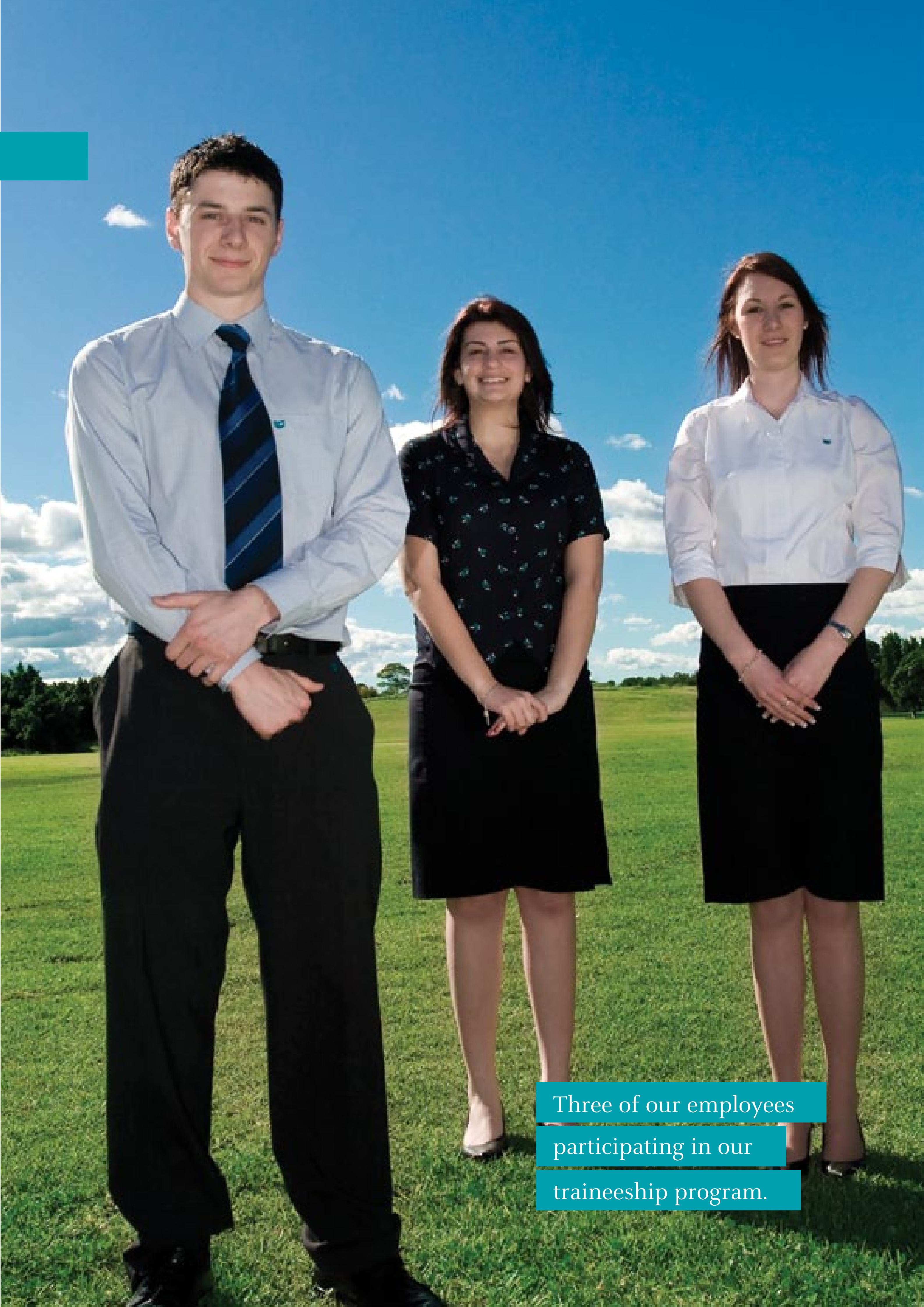
In addition we have been promoting our Study Assistance Policy more than ever before with an aim to encourage and support staff wishing to complete study relevant to their employment and unlock their full potential. Employees are offered financial support as well as study leave and in 2008-09 over 20% of staff were undertaking tertiary studies in a range of courses through to Postgraduate level.

Recognised as an Employer of Choice

Teachers Credit Union was a joint winner of the Frontier Software Award for Employer of Choice (fewer than 1,000 employees) at the 2008 Australian Human Resources Awards. We were recognised for a unique people focused culture that emphasises personal growth, learning and caring for others. These prestigious awards showcase and commend the outstanding work of organisations across Australia who lead the way in terms of best practice Human Resources programs and initiatives for their staff. In March 2009 we were also named an Employer of Choice for Women by the Equal Opportunity for Women in the Workplace Agency (EOWA) for the second year running.

Making health and wellbeing a priority

We are proud to be a company that has a reputation for caring for its employees, and supporting our employees with their health and wellbeing is an essential element of this. In addition to ongoing initiatives such as workplace fruit, flu shots, Health Works newsletters and ergonomic assessments, some of the other health and wellbeing initiatives implemented over the reporting period have included providing all staff with a 'Well Being Calender', running Boxercise Classes, sponsoring staff sporting teams and establishing Pilates Classes for July 2009. In September 2008 an OH&S Awareness Day was held for all staff, the aim of which was to inform and motivate staff about health and their broader wellbeing. On the day there were healthy giveaways, nutritional advice and health tips from various practitioners. This included free massages, iridology, free back and posture analysis as well as healthy heart and cholesterol checks. Staff raised $3,122 which was donated to the Heart Foundation and Diabetes Australia.



Three of our employees participating in our traineeship program.

Kids at play during their 12 day stay at Stewart House. We've been a major supporter of Stewart House for over 25 years.

community

We have a long history of supporting the education and teaching community. We continue to support our community partners and have also developed our own community programs.

Expanding our investment

As we have recently expanded into other states - WA and ACT - we have also recognised the responsibility and opportunity for us to support the local communities there.

Replicating our long-standing support of the NSW Primary Schools and High Schools Sporting Associations, we now support sporting and health initiatives in the ACT.

In WA we have become a partner of the WA Education Awards which recognise and reward the skills, creativity, dedication and passion of the many people who work in public schools and TAFEWA colleges. We specifically support the WA Numeracy School of the Year, which for 2008 was won by Parkfield Primary School (Australind WA) for their threefold approach to numeracy and significantly lifting their students' maths performance.

Promoting financial literacy

Our Rooty Hill office has been assisting to improve the financial literacy of the community through their relationship with Halinda School (SSP). Halinda is a School for Special Needs Education in Whalan NSW, catering for students with an intellectual disability from K-12.

We recently ran a program where 8 students from Halinda aged 16 and 17 visited the office once a fortnight for 6 months, assisting them to learn practical money skills. This included using ATMs, interacting with the cashiers and depositing money, being aware of different denominations and understanding receipts. Part of this program was to assist the students in using public transport to and from the Credit Union, an invaluable learning experience. The students, who will soon be leaving school, progressed well over the program, becoming more confident in performing these essential everyday tasks.

We are expanding our engagement in financial literacy over 2009-10, by launching a community program in WA, to assist schools' with their initiatives in teaching financial literacy. We plan to roll this out to all States the following year.

future teacher Scholarship

Investing in our future teachers

We introduced a new community program in 2008, providing 4 scholarships of $5,000 per year to Future Teachers, to cover studying related expenses such as course fees or board and lodging. In February we awarded the 2009 Future Teacher Scholarships to:

- Jenna Domoney, studying a Bachelor of Education (Early Childhood) at the University of Notre Dame in WA
- Tara Anne McRae, studying a Bachelor of Physical Education at the University of Canberra
- Emily Hamilton, studying a Bachelor of Education (Primary) at the University of Technology in Sydney
- Rebecca Fairall Lee, studying Bachelor of Education/Arts (Secondary) at the University of Sydney.

Following analysis of the first year's program we have included an additional scholarship for 2010 for a post-graduate education student.

Jenna Domoney, a 2009 Future Teacher Scholarship recipient.

$496,789 The total value of our community investment.

teachers **environment** fund

A student from Eden Hill Primary School.

From little things, bigger things grow!

We awarded a grant from the Teachers Environment Fund to Eden Hill Primary School, located near Perth in Western Australia, for their native tree planting project. The project involved the school purchasing seeds to propagate native trees, managed by two Year 4 classes and their teachers. The seeds, including Marri, Common Sheoak and Prickly Bark, were sourced from local suppliers and are not only native to Australia, but native to the local area.

Students observe the seedlings' progress and record information such as drawings, height and photographs in a diary. To date the seeds have grown into small plants of up to 53cm.

The school has been working in collaboration with a local environmental group and the Town of Bassendean on this project. An area is to be allocated for planting which will be located close to the school so the children will be able to regularly monitor their progress.

Online statements

In March 2008 we began to offer online statements as an important initiative to reduce our environmental impact. 25,000 members have now chosen to stop their paper statements, reducing our paper consumption by 514,633 sheets, which is equivalent to 4.4 tonnes of CO^2, 8749 kwH of energy, and just over 6 trees.

Supporting our public schools' environmental efforts

Not only have we reduced our environmental impact through online statements, but we have also contributed to the sustainability of our public schools. Through the support of our members switching to online statements we have now donated $42,236 ($1 per member plus an additional contribution from the Credit Union) to the Teachers Environment Fund, our ongoing community program. This has funded environmental projects at 15 schools across NSW, WA, NT and the ACT. Amongst these projects were worm farms, sustainable gardens, habitat projects and native tree planting.

Paper consumption

We undertook a supply chain analysis to determine the environmental credentials of the paper we use for printing, both for internal use and for marketing purposes. We subsequently took the steps to eliminate unaccredited stocks and now use only best practice accredited paper stocks, including environmentally certified printers where feasible.

Reducing waste

Over the reporting period we implemented an internal 'print on demand' project to improve efficiency and reduce paper wastage. Previously, when forms were updated the old stock was sent for secure recycling, and this accumulated to approximately 55,519 sheets of paper per year. Now, forms can be easily updated and staff can print them as required, assisting to reduce wastage and resource consumption.

34%

What we have reduced our waste to landfill since the adoption of our recycling program.

A lush garden at Tennant Creek High School in NT assisted by the Teachers Environment Fund.

the year ahead

integrity

strength

equality

Member of

Teachers Credit Union from

Plumpton Primary School, NSW.

We will:

continue to expand our office network to enhance accessibility for our members

expand our rediATM network through strategic relationships and general expansion

expand our delivery of EMV chip card technology

implement a best-practice phone network platform to deliver state-of-the-art services by video, voice and Web 2.0 technology

launch a **financial literacy initiative** to assist the education community

key results

Find out our key results and how we have progressed on our targets.

Key Performance Indicator	2008-09	2007-08	2006-07
Overall			
Corporate Responsibility Index (CRI) overall score	69%	52%	n/a
Members			
Member satisfaction rating	n/a[1]	93%	96%[2]
CANSTAR CANNEX member valuation	$229.80	$530	$198.38
Mobile offices and business centres held	54	71	48
Home loan and investment seminars held	40	51	n/a
Formal complaints received by external bodies	12	8	11
Community			
Total community investment	$496,787	$465,225	$297,000
Conferences supported	94	92	70
Employee fundraising	$24,765	$21,759	$9,000
Environment			
Paper recycled	63 tonnes	42 tonnes	38 tonnes
Waste generated	54.4 tonnes, 154 kg per FTE	82.7 tonnes, 240kg per FTE	77.16 tonnes, 278 kg per FTE
Paper consumed	4,616 sheets per FTE[3]	10,106 sheets per FTE	13,500 sheets per FTE
GHG emissions generated	1975 tonnes, 5.6 tonnes per FTE	1854 tonnes, 5.4 tonnes per FTE	1583 tonnes, 5.7 tonnes per FTE
Toner cartridges recycled	323 kg	358 kg	212 kg
Water consumed	17,663 litres per FTE	11,781 litres per FTE	5,525 litres per FTE
Employees			
% of females in management	41%	37%	45%
Employee satisfaction	n/a[4]	90%	86%
Staff engagement rating	86% (32% above the average)	n/a[5]	n/a[5]
Employee turnover rate	7.97%	8.02%	8.33%
Employees currently studying	20%	22%	19%
Study leave days granted	185	109	62
Number of workers compensation claims	5	7	4
Number of accident statistics reported	38	37	32
Number of new OH&S Programs	3	n/a[6]	n/a[6]
Staff satisfaction with OH&S	n/a	99%	97%
Average lost time incident rate (in days)	4.6	n/a[6]	n/a[6]

[1]We undertake a member satisfaction survey every 2 years. [2]This survey was undertaken in 2005. [3]Statistic not audited and thus tentative. [4]We did not undertake a staff satisfaction survey over this calendar year, instead participating in the 2008 Hewitt Best Employers in Australia and New Zealand Study, which measured our staff engagement rating. [5]2008 was the first year we participated in the study to determine our engagement score. [6]Statistics not available.

Targets	Progress	Comments
Overall		
Achieve at least a bronze rating in the 2010 CRI	In progress	
Members		
Achieve member satisfaction ratings at or above 90%	In progress	Our next member satisfaction survey is in March 2010
Maintain member retention ratings at or above 95% after the first 12 months of membership	✗	Our member retention rating for 08-09 was 90%
Continue to implement technology for the benefit of members	✓	We integrated EMV Chip Card technology
We will increase our presence in regional areas	In progress	We have expanded our operations in the Newcastle/Hunter region and are planning expansion in the Mid-North Coast
We will introduce a set of responsible lending principles to formalise our existing approach and make our policy accessible to our members	New	
We will enhance the process and reporting around complaints	New	
Community		
Continue to foster effective relationships with our community	✓	Half yearly or quarterly meetings are held with each major community stakeholder
Continue to support the professional development of teachers through support of teacher conferences	✓	94 conferences supported in 08-09
Deliver the Teachers Environment Fund, funding at least 6 projects per year, and Future Teacher Scholarships, at least 4 per year, for the benefit of the education community	✓	We exceeded the target for the Teachers Environment Fund, funding 15 projects and 4 scholarships funded
Maintain our minimum commitment of 3% NPAT on corporate responsibility initiatives	✓	We spent 3.03% in 2008-09
Engage in a financial literacy initiative in 2009	In progress	Will be launched in January 2010 in WA
We will investigate implementing a Reconciliation Action Plan	New	
Employees		
Maintain employee satisfaction rating at or above 85%	In progress	Next survey to be completed in early 2010
Maintain employee engagement at or above 80%	✓	Our current employee engagement rating is 86%
Be recognised as an Employer of Choice including receiving the Employer of Choice for Women citation	✓	Winner of 2008 Australian HR Awards for Employer of Choice
Maintain staff turnover at least 5% below the industry average	✓	We were approx 14% below industry average
Have at least 10% of employees undertaking tertiary study	✓	Currently 20%
Have at least 90% of employees undertaking a training course, info session or conference	✓	Our learning management system will assist in increasing this figure in the year ahead
We will continue to develop policy and procedures that reflect best practice	✓	Our OH&S Committee implemented KPIs for enhanced reporting
Increase opportunities for work/life balance	✓	Staff have the option to request flexible working arrangements such as part-time, job share and work from home on a temporary or permanent basis
Meet KPIs in OH&S	New	
Environment		
Maintain the green energy component of our energy supply and embed this provision in our Rooty Hill contract	✓	We will embed this provision in our other offices over 09-10
Introduce new technology and processes to reduce paper wastage and improve efficiency, as well as continue to educate staff on paper reduction	✓	Print on demand project implemented
Reduce energy consumption by 5% per FTE employee	✗	Our energy consumption per FTE increased by 3.7%
For all IT equipment replaced, an item of greater energy efficiency to be purchased	✓	
For every new car purchased for our fleet it must achieve at least a 3 star rating in the Green Vehicle Guide	✓	
Reduce waste to landfill by at least 20%. Continue to promote recycling to employees	✓	We reduced our waste to landfill by 34%. Amended target is to reduce waste to landfill by 40% on 2007-08 statistics
Maintain relationship with Neco and investigate other third parties who can provide a similar incentive	✗	Our relationship with Neco dissolved for reasons outside our control. We are currently investigating other options

Directors report

Your directors present their report on the credit union for the financial year ended 30th June 2009.

The credit union is a company registered under the Corporations Act 2001.

Information on directors

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

John Kouimanos (Chairperson)

BA, Dip. Ed, Fellow of Australasian Mutuals Institute

John Kouimanos commenced teaching in 1967 and retired as Head Teacher Social Sciences at Greystanes High School in February 2004. He was a member of the Supervisory Committee for six months and has served as a director since 1974. Mr. Kouimanos is Chairperson of the Risk and CEO Remuneration and Performance Committee and a member of the Audit Committee.

Richard McCauley (Deputy Chairperson)

Teachers Certificate, Associate Fellow of Australasian Mutuals Institute

Richard McCauley commenced teaching in 1957, served as school Principal for 20 years and retired in 1997 from Clovelly Public School. He has been a director since 1974 and was appointed Deputy Chairperson in 2004. He is currently a director of Q T Travel Pty Ltd and a member of the Marketing, Media and Member Relations and the CEO Remuneration and Performance Committees.

Brian Carlin (Director)

BA, Teachers Certificate, Member of Australasian Mutuals Institute

Brian Carlin commenced teaching in 1951 as a Primary Teacher and retired in 1989 as Secondary Head of Department. He continues to work regularly as a casual relief teacher. He was a member of the Supervisory Committee from 1976 to 1985 and has served as a director since 1985. Mr. Carlin is Chairman of the Marketing, Media and Member Relations Committee and a member of the Development and Education Committee.

Michelene Collopy (Director)

B.Ec, CA (FPS)

Michelene Collopy has over 20 years experience in financial markets and has held senior roles in compliance, funds management, treasury and financial reporting. Michelene is currently a director of Perpetual Superannuation Limited and is on the Compliance Committee of Antares Investment Ltd (a NabCapital subsidiary). Michelene is a qualified chartered accountant and financial planning specialist, a registered company auditor, licensed operator on the Australian Stock Exchange, and Justice of the Peace. She is Chairperson of the Board Reporting Committee and a member of the Risk and Audit Committees.

Linda Green (Director)

Dip. Teach, B.Ed (Primary Education), Member of Australasian Mutuals Institute

Linda Green commenced teaching in 1979 and is currently Principal of Robert Townson Primary School. She served as a member of the Supervisory Committee for two years and was elected to the board in 1997. Mrs. Green is Chairperson of the Development and Education Committee and a member of Marketing, Media and Member Relations Committee.

Stuart Jacob (Director)

B.Ec, Dip. Ed. Member of Australasian Mutuals Institute

Stuart Jacob commenced teaching in 1966 and retired in 2005 following 18 years as Deputy Principal of East Hills Boys Technology High. He has served 6 years as director from 1991-1997 and rejoined the board in 2008. He is a member of the Board Reporting Committee.

Jennifer Leete (Director)

BA, Dip. Ed. Member of Australasian Mutuals Institute

Jennifer Leete commenced teaching in 1977. Her last teaching position was as Head Teacher Social Sciences at Narrabeen High School. She became an organiser for the NSW Teachers Federation in 1989 and was the Deputy President of the Federation from 1998 to 2005. Ms Leete was elected as a director in October 2005 and is currently employed as a Chief Education Officer in the Professional Learning and Leadership Development Directorate of the DET. She is a member of the Marketing, Media and Member Relations and the Development and Education Committees.

Graeme Lockwood (Director)

Dip. Tech, Grad Dip C.Ed. Member of Australasian Mutuals Institute

Graeme Lockwood commenced teaching in 1974 and is currently Head Teacher (Administration) at Normanhurst Boys High School. He served on the Supervisory Committee and Members Committee for many years and was elected to the board in 2004. He is Chairperson of the Audit Committee and a member of the Risk and CEO Remuneration and Performance Committees.

Connuil McEvedy (Director)

MBT. Grad Cert Engineering (Risk), Grad Dip Science (Security),Certified Compliance Professional, a Certified Business Continuity Professional and JP. Member of Australasian Compliance Institute, Australian Institute of Management, Risk Management Institute of Australia and Australian Institute of Company Directors

Connuil McEvedy has over twenty years experience in audit, risk management and compliance and is currently the Executive Manager, Risk & Compliance at Colonial First State Global Asset Management, the consolidated asset management division of the Commonwealth Bank of Australia group. Connuil has worked for state and federal public-sector agencies as well as listed and unlisted private-sector organisations across Australia and around the world in financial services, law, information technology, gaming and telecommunications. He is a member of the Audit, Risk and Board Reporting Committees.

Company secretaries

The names of the Company Secretaries in office at the end of the year are:

Steve James (Chief Executive)

Master of Business Administration (UWS), Diploma in Company Directors Course (AICD), Advanced Accounting Certificate(TAFE). Fellow of Australasian Mutuals Institute, Graduate Member of Australian Institute of Company Directors, Associate Fellow of Australian Institute of Management.

Commenced working for Teachers Credit Union in 1979. Has filled a variety of senior management roles in finance, operations and executive management. He became Chief Executive in 2005 and has been an active participant on national credit union committees.

Brad Hedgman (Deputy Chief Executive)

Master of Business (UTS), Graduate Certificate in Business and Technology (UNSW), Advanced Accounting Certificate (TAFE). Member of Australasian Mutuals Institute and a Fellow of Finsa.

Commenced working for Teachers Credit Union in 1982. Has filled various accounting and management roles including Finance Manager, Corporate Information Manager, General Manager – Finance and Administration. Is a member of the ALCO and the Products and Services Group. Attends Board Meetings and Audit and Risk Committee Meetings. Is a director of Q T Travel Pty Ltd (Diploma Travel).

Directors' board meetings

The number of meetings of directors held during the year and the number of meetings attended by each director was as follows:

		Total board meetings: 22
Board meetings attended by:	John Kouimanos	22
	Richard McCauley	21
	Brian Carlin	22
	Michelene Collopy[1]	15
	Linda Green	22
	Stuart Jacob	20
	Jennifer Leete	21
	Graeme Lockwood	22
	Connuil McEvedy[1]	14

[1]Michelene Collopy and Connuil McEvedy were appointed to the Board in October 2008.
Leave of absence was granted where directors were unable to attend any of the above meetings.

Committees of directors' meetings

The number of meetings held for the committees of directors during the year and the number of meetings attended by each director was as follows:

	Audit	Risk	Marketing Media and Member Relations	Development and Education	Board Reporting
Total meetings	6	5	2	2	2
John Kouimanos	6	5			2
Richard McCauley			1		
Brian Carlin			2	2	
Michelene Collopy	4[1]	4[2]			2
Linda Green	2	1	2	2	
Stuart Jacob					1
Jennifer Leete			2	2	
Graeme Lockwood	6	5		1	
Connuil McEvedy	3[1]	3[2]			2

[1]Michelene Collopy and Connuil McEvedy were appointed to the Audit Committee in October 2008.
[2]Michelene Collopy and Connuil McEvedy were appointed to the Risk Committee in October 2008.
Leave of absence was granted where directors were unable to attend any of the above meetings.

Directors' benefits

No director has received or become entitled to receive during, or since the financial year, a benefit because of a contract made by the credit union, controlled entity, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest, other than that disclosed in Note 29 of the financial report.

Indemnifying officers or auditors

Insurance premiums have been paid to insure each of the directors and officers of the credit union, against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as an officer of the credit union. In accordance with normal commercial practice disclosure of the premium amount and the nature of the insured liabilities is prohibited by a confidentiality clause in the contract.

No insurance cover has been provided for the benefit of the auditors of the credit union.

Financial performance disclosures

Principal activities

The principal activities of the credit union during the year were the provision of retail financial services to members in the form of taking deposits and giving financial accommodation as prescribed by the Constitution.

No significant changes in the nature of these activities occurred during the year.

Operating results

The net profit of the credit union for the year after providing for income tax was $17.6 million (2008 $20.0 million). A transfer of business from The TAFE & Community Credit Union Ltd contributed a further $2.5 million to the total increase in member equity.

Dividends

No dividends have been paid or declared since the end of the financial year and no dividends have been recommended or provided for by the directors of the credit union.

Review of operations

The results of the credit union's operations from its activities of providing financial services to its members did not change significantly from those of the previous year.

Significant changes in state of affairs

There were no significant changes in the state of the affairs of the credit union during the year.

Events occurring after balance date

On 31 August 2009 the credit union has entered into a Memorandum of Understanding with mecu Limited to investigate the commercial and member benefits to be derived from consolidating their assets, liabilities and undertakings into a single legal entity.

Likely developments and results

No other matter, circumstance or likely development in the operations has arisen since the end of the financial year that has significantly affected or may significantly affect:

(i) The operations of the credit union;

(ii) The results of those operations; or

(iii) The state of affairs of the credit union

in the financial years subsequent to this financial year.

Auditors' independence declaration

The auditors have provided the declaration of independence to the board as prescribed by the Corporations Act 2001 as set out below.

Rounding

The amounts contained in the financial statements have been rounded to the nearest one thousand dollars in accordance with ASIC Class Order 98/100 (as amended by 06/51). The credit union is permitted to round to the nearest one thousand ($'000) for all amounts except prescribed disclosures which are shown in whole dollars.

This report is made in accordance with a resolution of the Board of Directors. Signed on behalf of the Board by:

J M Kouimanos, Chairman

Graeme Lockwood, Chairman of the Audit Committee

Signed and dated this 31st August 2009

Declaration of independence

To the best of my knowledge and belief, for the year ended 30 June 2009 there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and

(ii) any applicable code of professional conduct in relation to the audit.

Wayne Basford, Partner
Dated 31st August 2009

BDO Kendalls
Chartered Accountants
Level 19, 2 Market Street
Sydney NSW 2000

Directors' declaration

The directors of NSW Teachers Credit Union Ltd. declare that:

The financial report comprising balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes and notes related thereto, are in accordance with the Corporations Act 2001, and -

(a) comply with Accounting Standards; and

(b) give a true and fair view of the financial position of the credit union as at 30th June 2009 and performance for the year ended on that date.

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.

Signed on behalf of the board by:

J M Kouimanos, Chairman
Signed and dated this 31st August 2009

Independent auditor's report

To the members of NSW Teachers Credit Union Ltd.

Report on the financial report

We have audited the accompanying financial report of NSW Teachers Credit Union Ltd., which comprises the balance sheet as at 30th June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the credit union are responsible for the preparation and fair presentation of the financial report 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 the financial report that is 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 ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity'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 report.

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 2001, provided to the directors of NSW Teachers Credit Union Ltd., would be in the same terms if provided to the directors at the time that this auditor's report was made.

Auditor's opinion

In our opinion:

a. the financial report of NSW Teachers Credit Union Ltd. is in accordance with the Corporations Act 2001, including:

    i. giving a true and fair view of the company's financial position as at 30th June 2009 and of its 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 report also complies with International Financial Reporting Standards as disclosed.

Wayne Basford, Partner
Dated 31st August 2009

BDO Kendalls
Chartered Accountants
Level 19, 2 Market Street
Sydney NSW 2000

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Income Statement

For the year ended 30th June 2009

	Note	2009 $'000	2008 $'000
Interest revenue	2.a	196,581	170,833
Interest expense	2.c	(131,969)	(100,436)
Net interest income		64,612	70,397
Fee, commission and other income	2.b	25,233	16,658
Sub total		89,845	87,055
Less: Non interest expenses			
- Impairment losses on loans and advances	2.d	(3,924)	(1,992)
General administration	2.f		
- Employees compensation and benefits		(29,759)	(26,410)
- Depreciation and amortisation		(3,999)	(3,389)
- Transaction expenses		(11,876)	(12,726)
- Information technology		(3,449)	(2,967)
- Office occupancy		(1,943)	(1,490)
- Other administration		(11,122)	(9,659)
Total general administration		(62,148)	(56,641)
Total non interest expenses		(66,072)	(58,633)
Profit before income tax		23,773	28,422
Income tax expense	3	(6,215)	(8,408)
Profit after income tax		17,558	20,014
Other increases in member equity			
Non-operating income received on transfer of engagement			
- The TAFE & Community Credit Union Ltd		2,507	0
Total increase in member equity		20,065	20,014

Statement of changes in member equity

For the year ended 30th June 2009

	Capital reserve $'000	General reserve for credit losses $'000	Retained earnings $'000	Total members' equity $'000
Total at 1st July 2007	130	10,924	185,207	196,261
Movement in value on available for sale assets	0	0	0	0
Sub total	130	10,924	185,207	196,261
Income and expense recognised directly in equity	0	0	0	0
Profit for the year	0	0	20,014	20,014
Total income and expense for year	0	0	20,014	20,014
Receipts from transfer of engagement	0	0	0	0
Transfers to (from) reserves	18	2,567	(2,585)	0
Total at 30th June 2008	148	13,491	202,636	216,275
Total at 1st July 2008	148	13,491	202,636	216,275
Movement in value on available for sale assets	0	0	0	0
Sub total	148	13,491	202,636	216,275
Income and expense recognised directly in equity	0	0	0	0
Profit for the year	0	0	17,558	17,558
Total income and expense for year	0	0	17,558	17,558
Receipts from transfer of engagement	0	0	2,507	2,507
Transfers to (from) reserves	93	1,078	(1,171)	0
Total at 30th June 2009	241	14,569	221,530	236,340

Balance sheet

For the year ended 30th June 2009

	Note	2009 $'000	2008 $'000
Assets			
Cash	4	14,720	4,925
Receivables from financial institutions	5	635,220	333,039
Receivables	6	14,224	10,416
Prepayments		1,295	1,269
Loans and advances to members	7 & 8	2,193,395	2,026,781
Available for sale investments	9	4,383	4,296
Property, plant and equipment	10	23,948	22,929
Taxation assets	11	3,889	4,095
Intangible assets	12	1,855	1,236
Total assets		2,892,929	2,408,986
Liabilities			
Borrowings	13	0	43,664
Financial institution deposits		0	105,883
Wholesale deposits		24,630	46,568
Retail deposits	14	2,608,349	1,979,352
Creditor accruals and settlement accounts	15	11,643	7,922
Taxation liabilities	16	1,923	395
Provisions	17	9,910	8,801
Deferred tax liability	18	134	126
Total liabilities		2,656,589	2,192,711
Net assets		**236,340**	**216,275**
Members' equity			
Capital reserve account	19	241	148
General reserve for credit losses	20	14,569	13,491
Retained earnings		221,530	202,636
Total members' equity		236,340	216,275

Cash flow statement

For the year ended 30th June 2009

	Note	2009 $'000	2008 $'000
Cash flows from operating activities			
Interest received		194,793	169,734
Fees and commissions		19,307	15,171
Dividends received		2,554	543
Other non interest income received		2,770	751
Interest paid on deposits		(125,478)	(92,557)
Borrowing costs		(663)	(1,149)
Expenses paid to suppliers and staff		(58,901)	(52,435)
Income tax paid		(4,551)	(11,935)
Net increase in loans and advances to members		(155,233)	(409,896)
Net increase in retail deposits		609,051	306,769
Net cash flows from operating activities	34.b	483,649	(75,004)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,836)	(4,101)
Acquisition of intangible assets		(1,487)	(691)
Sale of property, plant and equipment		293	210
Increase in deposits with other financial institutions		(298,896)	(63,039)
Net cash received on transfer of engagement		1,016	0
Net cash flows used in investing activities		(302,910)	(67,621)
Cash flows from financing activities			
Increase/(decrease) in borrowings		(38,000)	38,000
Increase/(decrease) in financial institution deposits		(104,374)	57,331
Increase/(decrease) in wholesale deposits		(22,906)	44,098
Net cash flows from (used in) financing activities		(165,280)	139,429
Net increase/(decrease) in cash held		15,459	(3,196)
Add opening cash brought forward		(739)	2,457
Closing cash carried forward	34.a	14,720	(739)

Notes to the financial statements

1. Statement of accounting policies

This financial report is prepared for NSW Teachers Credit Union Ltd. as a single entity, for the year ended the 30th June 2009. The report was authorised for issue on 31st August 2009, in accordance with a resolution of the Board of Directors. The financial report is presented in Australian dollars. The financial report is a general purpose financial report which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), Interpretations of the Australian Accounting Standards Board, and the Corporations Act 2001. Compliance with Australian equivalents to International Financial Reporting Standards (AIFRS) ensures the financial statements and notes comply with the International Financial Reporting Standards (IFRS).

a. Basis of measurement

The financial statements have been prepared on an accruals basis, and are based on historical costs, which do not take into account changing money values or current values of non current assets, except for the treatment of Employee Entitlements stated in Note 1m. and Leasehold make good stated in Note 1n. The accounting policies are consistent with the prior year unless otherwise stated.

b. Loans to members

Basis of recognition

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 income statement 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.

Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

Bad debts are written off when identified and are recognised as expenses in the income statement.

All loans and advances are reviewed and graded according to the anticipated level of credit risk. The classification adopted is described below:

Non-accrual loans are loans and advances, including savings accounts drawn past their approved credit limit, where the recovery of all interest and principal is considered to be reasonably doubtful. Interest charged and not received on this class of loan is not recognised as revenue. APRA has made it mandatory that interest is not recognised as revenue after irregularity exceeds 90 days for a loan facility, or 14 days for an over limit overdraft and credit card facility, or 14 days for overdrawn savings account.

Restructured loans arise when the borrower is granted a concession due to continuing difficulties in meeting the original terms, and the revised terms are not comparable to new facilities of comparable risk. Loans, where interest has been stopped or is less than the credit union's average cost of funds, are included in non-accrual loans.

Assets acquired through the enforcement of security are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

Past-due loans are loans where payments of principal and/or interest are at least 30 days in arrears that are not non-accrual loans or restructured loans. Full recovery of both principal and interest is expected.

Interest earned

Variable and fixed rate loans Loan interest is calculated on the daily balance outstanding and is charged in arrears on the last day of each month. All home loans are secured by registered mortgages. The remaining loans are assessed on an individual basis.

Fixed interest loans Loan interest is calculated at a fixed rate on the daily balance and is charged in arrears on the last day of each month.

Overdrafts Loan interest is calculated on the daily balance outstanding and is charged in arrears on the last day of each month.

Overdrawn savings Loan interest is calculated on the daily balance outstanding and is charged in arrears on the last day of each month.

Credit cards Loan interest is calculated on the outstanding balance, after any interest free period applicable, that has not been paid for by the due date. Interest is charged in arrears on the last day of the statement period.

Balance offset loans Loan interest is calculated on the same basis as variable rate loans but with the daily balance outstanding reduced by 65% of the balance held in the Balance Offset Savings Account for that day.

Loan origination fees

Loan establishment fees 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.

Transaction costs

Transaction costs are expenses, which are direct and incremental to the establishment of the loan. These costs are initially deferred as part of the loan balance, and are brought to account as a reduction to income over the expected life of the loan. The amounts brought to account are included as part of interest revenue.

Fees on loans

The fees charged on loans after origination of the loan are recognised as income when the service is provided or costs are incurred.

c. Loan impairment

Specific 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 critical assumptions used in the calculation are as set out in Note 8.

The APRA Prudential Standards require 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 a group 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.

Reserve for credit losses

In addition to the above specific provision, the board 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 in the future. The reserve is based on estimation of risks inherent in the business of the credit union but which are not capable of being specifically identified. It is determined at the rate of 0.60% of the aggregate of all drawn on-balance sheet loans, redraw rights attaching to loans paid in advance and irrevocable credit commitments.

d. Bad debts written off

Loan balances 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 recognised as expenses in the income statement.

e. Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation, less impairment losses.

Property, plant and equipment with the exception of freehold land, are depreciated on a straight line basis to write off the net cost of each asset over its expected useful life to the credit union. The useful lives are adjusted if appropriate at each reporting date. Estimated useful lives as at the balance date are as follows:

- Buildings-40 years
- Leasehold improvements-up to 5 years (term of lease)
- Plant and equipment-2.5 to 7 years.

f. Intangible assets

Under IFRS, 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 plant, property and equipment.

Computer software held as intangible assets is amortised over the expected useful life of the software (2.5 years).

g. Receivables from financial institutions

Term deposits, Bank Bills and Negotiable Certificates of Deposit (NCDs) are unsecured and have a carrying amount equal to their purchase price. Interest is paid on the daily balance at maturity. All deposits are in Australian currency. The accrual for interest receivable is calculated on a proportional basis of the expired period of the term of the investment. Interest receivable is included in the amount of receivables in the balance sheet.

h. Equity investments and other securities

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 amortisation. All investments are in Australian currency.

i. Retail deposits

Basis for determination

Retail savings and term deposits are quoted at the aggregate amount of money owing to depositors.

Interest payable

Savings Savings account interest is calculated on the daily balance and credited monthly.

S14 and S29 Mortgage Breaker accounts Savings balance is offset against the loan account as described in Balance Offset Loans in Note 1b.

Fixed term deposits Interest on fixed term deposit accounts is calculated on a daily basis at the agreed rate and is paid in accordance with the terms of the deposit. Interest payable is included in the amount of retail deposits in the balance sheet.

j. Wholesale deposits

Basis for determination

Term deposits are quoted at the aggregate amount of money owing to depositors.

Interest payable

Interest on fixed term deposit accounts is calculated on a daily basis at the agreed rate and is paid in accordance with the terms of the deposit. Interest payable is included in the amount of wholesale deposits in the balance sheet.

k. Financial institution deposits

Basis for determination

Term deposits are quoted at the aggregate amount of money owing to depositors.

Interest payable

Interest on fixed term deposit accounts is calculated on a daily basis at the agreed rate and is paid in accordance with the terms of the deposit. Interest payable is included in the amount of financial institution deposits in the balance sheet.

l. Borrowings

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

m. Provision for employee benefits

Provision is made for the company's liability for employee entitlements arising from service rendered by employees to balance date. Employee entitlements expected to be settled within one year, liability for termination of employment contracts and entitlements arising from wages, salaries and annual leave including annual leave loading have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities, which have terms to maturity approximating the terms of the related liability, are used.

Employee entitlements expenses and revenues arising in respect of the following categories:

- Wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements; and
- Other types of employee entitlements are charged against profits on a net basis in their respective categories.

n. Leasehold on premises

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

A provision is recognised for the estimated make good costs on the operating leases, based on the net present value of the future expenditure at the conclusion of the lease term discounted at the interest rates attaching to government guaranteed securities, which have terms to maturity approximating the terms of the related liability. Increases in the provision in future years shall be recognised as part of the interest expense.

o. Income tax

The income tax expense shown in the income statement is based on the operating profit before income tax adjusted for any non tax deductible, or non assessable items between accounting profit and taxable income. Deferred tax assets and liabilities are recognised using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets or liabilities and their carrying amounts in the financial statements. Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are recognised for all temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. These differences are presently assessed at 30%.

Deferred tax assets are only brought to account if it is probable that future taxable amounts will be available to utilise those temporary differences. The recognition of these benefits is based on the assumption that no adverse change will occur in income tax legislation; and the anticipation that the credit union will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a future income tax benefit to be obtained.

p. Goods and services tax (GST)

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 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 (RITC), of which 75% of the GST paid is recoverable.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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, unless specifically stated otherwise.

Receivables and payables are stated with the amount of GST included where applicable GST is collected. The net amount of GST recoverable from and payable to the ATO is included as a current asset or current liability in the balance sheet. Cash flows are included in the cash flow statement 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.

q. Impairment of assets

At each reporting date the credit union assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the income statement 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.

r. Accounting estimates and judgements

Management have made judgements when applying the credit union's accounting policies with respect to the classification of assets as available for sale.

The detail of the critical accounting estimates and assumptions are set out in Note 8 for the impairment provisions for loans.

s. New or emerging standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30th June 2009 reporting periods. The credit union's assessment of the impact of these new standards and interpretations is set out below.

AASB reference	Nature of change	Application date	Impact on initial application
AASB 101	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on or after 1st January 2009.	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and various changes to names of individual financial statements.
AASB 3 Business Combinations	Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.	Business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1st July 2009 or later.	As there is no requirement to retrospectively restate comparative amounts for business combinations undertaken before this date, there is unlikely to be any impact on the financial statements when this revised standard is first adopted. However, due to the nature of some of the changes in the revised standard, business combinations that the entity undertakes after this date may in future impact negatively on the results of the entity. For example, • Mutual organisations such as credit unions will be required to comply with the standard. • Acquisition costs will have to be expensed instead of being recognised as part of goodwill. • The net assets acquired will be taken to equity not revenue. • Deferred tax assets that do not satisfy recognition criteria when a business combination is initially accounted for, but do subsequently qualify for recognition post acquisition date, will be recognised as a credit to the income statement and there will be no consequential write-down of goodwill for a similar amount, provided that the deferred tax assets are recognised outside the initial measurement period of 12 months from acquisition date.
AASB 136 Impairment of Assets	Additional disclosure requirements about discounted cash flow assumptions used for the fair value less costs to sell method.	Periods commencing on or after 1st January 2009.	There will be no financial impact when these amendments are first adopted because these amendments relate only to additional disclosure requirements.

2. Income statement

a. Analysis of interest revenue

	2009 $'000	2008 $'000
Interest revenue on assets carried at amortised cost		
Cash - deposits at call	449	372
Receivables from financial institutions	29,981	22,113
Loans and advances to members	166,143	148,348
Other	8	0
Total interest revenue	196,581	170,833

b. Non-interest revenue comprises

Fee and commission revenue		
Loan fee income - other than loan origination fees	2,234	1,246
Other fee income	9,918	7,128
Insurance commissions	2,788	2,431
Other commissions	4,396	4,324
Total fee and commission revenue	19,336	15,129
Other income		
Dividends received on available for sale assets	2,554	543
Bad debts recovered	730	404
Gain on disposal of assets:		
- Property, plant and equipment	322	232
Transfers from provisions:		
- Impairment losses on loans and advances (see also Note 2d)	1,633	0
- Environment fund (see also Note 2f)	5	0
- Director development (see also Note 2f)	0	18
Miscellaneous revenue	653	332
Total non interest revenue	25,233	16,658

c. Interest expenses

Interest expense on liabilities carried at amortised cost		
Overdraft	209	335
Short term borrowing	424	877
Financial institution deposits	3,708	5,843
Wholesale deposits	3,032	1,807
Retail deposits	124,596	91,573
Other	0	1
Total interest expenses	131,969	100,436

d. Impairment losses

	2009 $'000	2008 $'000
Loans and advances carried at amortised cost		
Increase in provision for impairment (see also Note 2b)	0	74
Bad debts written off directly against profit	3,924	1,918
Total impairment losses	3,924	1,992

e. Individually significant items of expenditure (detail)

There are no items of revenue and expense considered to be significant to the understanding of the credit union's financial performance.

f. Prescribed expense disclosures

	2009 $'000	2008 $'000
Employees costs include		
Personnel costs	26,443	23,169
Superannuation contributions	2,296	1,917
Net movement in provisions for employee annual leave	256	352
Net movement in provisions for employee long service leave	758	923
Net movement in provisions for employee sick leave	6	49
Sub total	29,759	26,410
Depreciation expense comprises		
Buildings	535	534
Plant and equipment	2,867	2,542
Leasehold improvements (incl. Lease make good prov.)	119	52
Written down value of assets disposed	478	261
Sub total	3,999	3,389
Auditor's remuneration (excluding GST)		
Audit fees	127	125
Other services: - taxation	7	10
- compliance	0	2
- other	3	0
Sub total	137	137
Other operating expenses include		
Transaction expenses	11,876	12,726
Information technology	3,449	2,967
Office occupancy	1,943	1,490
Net movement in provisions for director development (see also Note 2b)	91	0
Net movement in provisions for environment fund (see also Note 2b)	0	10
Other administration	10,894	9,512
Sub total	28,253	26,705
Total general administration expenses	62,148	56,641

3. Income tax expense

a. The income tax expense comprises amounts set aside as

	2009 $'000	2008 $'000
Provision for income tax-current year	6,091	8,618
Under (over) provision in prior years	18	(16)
Increase (decrease) in the deferred tax liability	8	55
Decrease (increase) in the deferred tax asset	98	(249)
Income tax expense attributable to profit	6,215	8,408

b. The prima facie tax payable on profit is reconciled to the income tax expense in the accounts as follows

Profit		24,867	28,655
Prima facie tax payable on operating profit before income tax at 30%		7,460	8,597
Add: - tax effect of expenses not deductible			
Other non-deductible expenses		42	59
Subtotal		7,502	8,656
Add (less):	- Adjustment to recognise Deferred Tax Assets at 30%	(309)	251
Less:	- Adjustment to recognise Deferred Tax Liability at 30%	(8)	(56)
	- Franking rebate	(1,094)	(233)
Current Income tax provision attributable to profit		6,091	8,618

c. Franking credits

Franking credits held by the credit union after adjusting for franking credits that will arise from the payment of income tax payable as at the end of the financial year	83,893	79,341

4. Cash

	2009 $'000	2008 $'000
Cash on hand and deposits at call	14,720	4,925

5. Receivables from financial institutions

	2009 $'000	2008 $'000
Deposits with industry bodies - Cuscal *(refer Note 29)*	517,220	279,939
Deposits with banks	118,000	53,100
Receivables from financial institutions	635,220	333,039

6. Receivables

	2009 $'000	2008 $'000
Interest receivable on deposits with other financial institutions	4,146	2,446
Sundry debtors and settlement accounts	10,078	7,970
Total receivables	14,224	10,416

7. Loans and advances

a. Amount due comprises

	2009 $'000	2008 $'000
Overdrafts and credit cards	81,234	85,342
Term loans	2,112,845	1,943,725
Overdrawn savings	443	456
Sub total	2,194,522	2,029,523
Add: - Amortised loan origination fees	447	420
Subtotal	2,194,969	2,029,943
Less: - Provision for impaired loans (Note 8)	(1,574)	(3,162)
Total loans and advances to members	2,193,395	2,026,781

b. Credit quality - security held against loans

Secured by mortgage over business assets	0	0
Secured by mortgage over real estate	1,858,019	1,664,059
Partly secured by goods mortgage	41,444	36,823
Wholly unsecured	295,059	328,641
Total	2,194,522	2,029,523

It is not practicable to value all collateral as at the balance date due to the variety of assets and condition.
A breakdown of the quality of the residential mortgage security on a portfolio basis is as follows:

Security held as mortgage against real estate is on the basis of:		
- Loan to valuation ratio of less than 80%	1,257,889	1,217,909
- Loan to valuation ratio of more than 80% but mortgage insured	260,013	168,268
- Loan to valuation ratio of more than 80% and not mortgage insured	340,117	277,882
Total	1,858,019	1,664,059

c. Concentration of loans

The values discussed below include on balance sheet values and off balance sheet undrawn facilities as described in Note 26.

i) There are no members who individually or collectively have loans, which represent 10% or more of members' equity.

ii) Details of classes of loans, which represent in aggregate, 10% or more of members' equity, are set out below.

This information was derived from the credit union's records of direct entry receipts.

	2009 $'000	2008 $'000
Balance of loans held by memberships who are receiving payments from		
NSW Department of Education and Training	1,131,014	1,098,335
State Super Financial Services	56,974	49,242
ACT Department of Treasury	35,303	25,101
Catholic Education Office	32,475	23,426
NSW Teachers Credit Union staff	22,432	22,104
Total	1,278,198	1,218,208

	2009 Number	2008 Number
Number of memberships with loans who are receiving payments from		
NSW Department of Education and Training	17,989	18,532
State Super Financial Services	1,457	1,623
ACT Department of Treasury	483	473
Catholic Education Office	405	300
NSW Teachers Credit Union staff	216	215
Total	20,550	21,143

For the purposes of this note, membership includes both shareholding and non-shareholding.

iii) Geographical concentrations - includes loan balances and loan financial commitments in Notes 26a, b and c.

				2009 $'000				2008 $'000
	Housing	Personal	Business	Total	Housing	Personal	Business	Total
NSW	1,802,125	659,423	79	2,461,627	1,488,742	808,868	42	2,297,652
Victoria	15,102	7,145	0	22,247	11,441	7,868	0	19,309
Queensland	37,064	15,527	0	52,591	32,348	18,527	0	50,875
South Australia	3,522	1,379	0	4,901	2,918	1,863	0	4,781
Western Australia	7,676	3,904	0	11,580	1,382	2,787	0	4,169
Tasmania	3,633	1,128	0	4,761	3,431	1,003	0	4,434
Northern Territory	6,443	2,984	0	9,427	6,252	3,540	0	9,792
ACT	65,322	18,808	0	84,130	44,853	21,053	0	65,906
Other	0	3,606	3	3,609	2,476	5,494	3	7,973
Total	1,940,887	713,904	82	2,654,873	1,593,843	871,003	45	2,464,891

Loans to natural persons	2009 $'000	2008 $'000
Home loans and facilities	1,940,887	1,593,843
Personal loans and facilities	713,904	871,003
Business loans and facilities	82	45
Total	2,654,873	2,464,891

8. Provision on impaired loans

a. Total provision comprises

	2009 $'000	2008 $'000
Collective provision	1,528	2,974
Individual specific provision	46	188
Total provision	1,574	3,162

b. Movement in the provision for impairment

Balance at the beginning of year	3,162	3,087
Add (deduct) - Transfers from (to) income statement	(1,588)	75
Balance at end of year	1,574	3,162

c. Impaired loans written off

Amounts written off directly to expense	3,924	1,948
Total bad debts	3,924	1,948
Bad debts recovered in the period	730	404

d. Analysis of loans that are impaired or potentially impaired by class

In the Note below

- Carrying value is the amount of the balance sheet
- Impaired loans value is the 'on balance sheet' loan balances and includes non-accrual loans and restructured loans stated in Note 1b.
- Provision for impairment is the amount of the impairment provision allocated to the class of impaired loans.

	2009 $'000			2008 $'000		
Loans to members	Carrying value	Value of impaired loans	Provision for impairment	Carrying value	Value of impaired loans	Provision for impairment
Housing	1,748,030	4,973	160	1,420,526	1,489	100
Personal	365,254	2,316	649	523,647	4,497	1,838
Credit cards	50,166	1,613	537	49,882	1,645	595
RediCredit	31,029	649	226	35,455	1,180	626
Total-natural persons	2,194,479	9,551	1,572	2,029,510	8,811	3,159
Corporate borrowers	43	3	2	13	5	3
Total	2,194,522	9,554	1,574	2,029,523	8,816	3,162

It is not practicable to determine the fair value of all collateral as at the balance date due to the variety of assets and condition.

e. Analysis of loans that are impaired or potentially impaired based on age of repayments outstanding

	2009 $'000		2008 $'000	
	Carrying value	Provision	Carrying value	Provision
Less than 30 days	2,892	46	1,816	78
30 to less than 90 days in arrears	2,497	0	965	98
90 to less than 182 days in arrears	1,424	297	2,314	514
182 to less than 273 days in arrears	214	128	608	253
273 to less than 365 days in arrears	388	40	293	235
365 days and over in arrears	321	136	859	601
Overdrawn savings/overlimit facilities over 14 days	1,818	927	1,961	1,383
Total	9,554	1,574	8,816	3,162

Impaired loans are generally not secured against residential property. Some impaired loans are secured by mortgage over motor vehicles or other assets of varying value. It is not practicable to determine the fair value of all collateral as at the balance date due to the variety of assets and condition.

f. Assets acquired via enforcement of security

	2009 $'000	2008 $'000
Real estate	0	0
Other	0	0
Total	0	0

There are no assets acquired by the credit union. The policy is to sell the assets via auction at the earliest opportunity after measures to assist the members to repay the debts have been exhausted.

g. Loans with repayments past due but not regarded as impaired

There are loans with a value of $1.7 million past due which are not considered to be impaired as the value of related security over residential property is in excess of the loan due. It is not practicable to determine the fair value of all collateral as at the balance date due to the variety of assets and condition.

Loans with repayments past due but not impaired are in arrears as follows:

	2009 $'000				2008 $'000			
	>1 to 2 months	>2 to 3 months	>3 to 6 months	Total	>1 to 2 months	>2 to 3 months	>3 to 6 months	Total
Housing	852	0	0	852	1,467	279	0	1,746
Personal	387	172	0	559	1,999	842	0	2,841
Credit Card	111	31	0	142	91	36	0	127
RediCredit	141	6	0	147	118	65	0	183
Total	1,491	209	0	1,700	3,675	1,222	0	4,897

h. Loans renegotiated

Some loans that were previously past due or impaired, have been renegotiated by the credit union and are no longer regarded as impaired. Details of these loans are:

	2009 $'000	2008 $'000
Value of renegotiated loans renegotiated during the year and not now regarded as impaired		
Book value of these loans which are well secured	952	1,284
Book value of these loans which are not well secured	500	609
Book value of the renegotiated loans at balance date	1,452	1,893

Well secured loans are secured by registered mortgage over real estate.

i. Key assumptions in determining the provision for 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 industrial restructuring, 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. An estimate is based on the period of impairment as per APRA Guidance Note AGN 220.3 Prescribed Provisioning.

9. Available for sale investments

	2009 $'000	2008 $'000
Shares in unlisted companies, at cost		
- Credit Union Services Corporation (Aust) Limited	4,382	4,295
- Q.T. Travel Pty. Ltd.	52	52
Total value of investments	4,434	4,347
Less: provisions for amortisation - Q.T. Travel Pty. Ltd.	(51)	(51)
Total available for sale investments	4,383	4,296

Disclosures on shares held at cost

a. Cuscal Limited (Cuscal)

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 readily tradeable and are not redeemable.

The financial reports of Cuscal record net tangible asset backing of these shares exceeding 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 absence of a ready market and restrictions on the type of entities able to own the shares, a market value is not able to be determined readily.

The credit union is not intending to dispose of these shares.

b. Q.T. Travel Pty. Ltd. trading as Diploma World Travel Service

The shareholding in Diploma World Travel Service is measured at cost as its fair value could not be measured reliably. Diploma Travel is operated for credit union members and their families. The original purchase price has been amortised to $1,001 to recognise the shares are held not for their investment value but for the ongoing service to members. The shares are not able to be traded and are not redeemable.

10. Property, plant and equipment

		2009 $'000	2008 $'000
Fixed assets:	- Land, at cost	6,322	5,969
	- Buildings, at cost	21,527	21,498
Less:	- provision for depreciation	(10,136)	(9,706)
Sub total		11,391	11,792
Total land and buildings		17,713	17,761
Plant and equipment, at cost		19,493	17,167
Less:	- provision for depreciation	(13,701)	(12,129)
Sub total		5,792	5,038
Capitalised leasehold improvements, at cost		634	206
Less:	- provision for amortisation	(191)	(76)
Sub total		443	130
Total property, plant and equipment		23,948	22,929

Movement in the assets balances during the year

2009 $'000		Property	Plant & equipment	Leasehold improvement	Total
Opening balance		17,761	5,038	130	22,929
Purchases		381	3,206	438	4,025
Transfer of engagement		257	15	0	272
Less:	- Assets disposed	(151)	(478)	0	(629)
	- Depreciation charge	(535)	(1,989)	(125)	(2,649)
Closing balance		17,713	5,792	443	23,948

2008 $'000					
Opening balance		16,944	4,497	41	21,482
Purchases		1,351	2,533	141	4,025
Transfer of engagement		0	0	0	0
Less:	- Assets disposed	0	(247)	0	(247)
	- Depreciation charge	(534)	(1,745)	(52)	(2,331)
Closing balance		17,761	5,038	130	22,929

11. Taxation assets

Deferred tax assets comprise	2009 $'000	2008 $'000
Accrued expenses not deductible until incurred	118	102
Provisions for impairment on loans	508	1,033
Provisions for employee benefits	2,909	2,603
Provisions for other liabilities	97	39
Depreciation on fixed assets	151	146
Amortisation of intangible assets	42	0
Deferred tax assets	3,825	3,923
GST debtor	64	172
Total taxation assets	3,889	4,095

12. Intangible assets

	2009 $'000	2008 $'000
Computer software, at cost	4,056	2,569
Less: - provision for amortisation	(2,201)	(1,333)
Total intangible assets	1,855	1,236
Movement in the assets balances during the year were		
Opening balance	1,236	1,269
Purchases	1,489	682
Transfer of engagement	3	0
Less: - amortisation charge	(873)	(715)
Balance at the end of the year	1,855	1,236

13. Borrowings

	2009 $'000	2008 $'000
Loan	0	38,000
Overdraft	0	5,664
Total borrowings	0	43,664

There were no defaults on interest and capital payments on these liabilities in the current or prior year.

14. Retail deposits

a. Retail deposits

Retail deposits	2009 $'000	2008 $'000
At call	1,152,217	899,769
Term	1,454,556	1,078,030
Member withdrawable shares	1,576	1,553
Total retail deposits	2,608,349	1,979,352

b. Concentration of liabilities

i) There are no depositors who, individually or collectively, have deposits which represent 10% or more of total liabilities.

ii) Details of classes of deposits, which represent in aggregate, 10% or more of total liabilities are set out below. This information was derived from the credit union's records of direct entry receipts.

Balance of accounts held by depositors who are receiving payments from	2009 $'000	2008 $'000
NSW Department of Education and Training	657,152	543,255
State Super Financial Services	432,140	327,413
Total	1,089,292	870,668

Number of depositors who are receiving payments from	2009 Number	2008 Number
NSW Department of Education and Training	43,871	44,996
State Super Financial Services	8,049	7,463
Total	51,920	52,459

iii)

Geographical concentrations:	2009 $'000	2008 $'000
NSW	2,444,841	1,859,289
Victoria	23,509	19,938
Queensland	46,346	35,098
South Australia	6,319	2,677
Western Australia	11,014	3,644
Tasmania	6,224	5,136
Northern Territory	4,654	3,266
ACT	42,896	28,040
Other	20,970	20,711
Total	2,606,773	1,977,799

15. Creditors, accruals and settlement accounts

	2009 $'000	2008 $'000
Creditors and accruals	4,202	5,012
Interest payable on borrowings	0	40
Interest payable on deposits	462	506
Settlement accounts	6,979	2,364
Total creditor accruals and settlement accounts	11,643	7,922

16. Taxation liabilities

	2009 $'000	2008 $'000
Current income tax liability	1,732	174
Accrual for other tax liabilities	191	221
Total taxation liabilities	1,923	395
Current income tax liability comprises:		
- Balance, previous year	174	3,507
Less: paid	(192)	(3,492)
Over (under) statement in prior year	(18)	15
Liability for income tax in current year	6,091	8,618
Less: instalments paid in current year	(4,359)	(8,444)
Current income tax liability	1,732	174

17. Provisions

	2009 $'000	2008 $'000
Annual leave	2,685	2,429
Long service leave	6,913	6,156
Sick leave	104	98
Lease make good of premises	36	33
Provisions - other	172	85
Total provisions	9,910	8,801

Movement in other provisions during the year were:	2009 $'000		2008 $'000	
	Environment fund	Director development	Environment fund	Director development
Opening balance	10	75	0	93
Less: paid	(48)	(18)	0	(36)
Liability increase	43	110	10	18
Closing balance	5	167	10	75

18. Deferred tax liabilities

	2009 $'000	2008 $'000
Deferred tax liabilities	134	126
Effective interest rate component		
Deferred fees and transaction costs on loan origination	134	126
Net effective interest rate component	134	126

19. Capital reserve account

	2009 $'000	2008 $'000
Opening balance	148	130
Transfer from retained earnings on share redemptions	93	18
Total capital reserve account	241	148

Share redemption

The accounts represent the amount of redeemable preference shares redeemed by the credit union since 1 July 1999. The Law requires that the redemption of the shares be made out of profits. Since the value of the shares has been paid to members in accordance with the terms and conditions of the share issue, the account represents the amount of profits appropriated to the account.

20. General reserve for credit losses

	2009 $'000	2008 $'000
General reserve for credit losses	14,569	13,491

General reserve for credit losses

This reserve is maintained to comply with the Prudential Standards set down by APRA.

Balance at beginning of year	13,491	10,924
Add: increase (decrease) transferred from retained earnings	1,078	2,567
Balance at end of year	14,569	13,491

21. Financial risk management objectives and policies

The board has endorsed a policy of compliance and risk management to suit the risk profile of the credit union.

Objectives of our risk management framework The objectives of the risk management framework at Teachers Credit Union are:

- To develop and maintain a strong system of corporate governance and internal controls as the basis for a robust and secure business and operating environment
- To minimise losses suffered by Teachers Credit Union
- To ensure that all internal policies, procedures, standards and controls are complied with
- To provide a greater level of transparency to the Board of Directors and management
- To ensure Teachers Credit Union follows best practice in risk management
- To increase member confidence in the integrity of Teachers Credit Union
- To meet prudential requirements
- To ensure Teachers Credit Union has adequate capital to provide a buffer against its key risks (credit, operational and financial).

The Board The prime responsibility for the risk management framework rests with the Board of Directors. Operational responsibility is delegated to the relevant board sub-committee and management. The board is responsible for approving the risk management framework and risk policies, and setting the risk appetite. The board receives relevant, timely and accurate reporting to ensure that the risk management framework is being adhered to.

Operational risk management structure

Board Audit Committee The committee is responsible for the oversight of APRA statutory reporting requirements, as well as other reporting requirements, the compliance program, professional accounting requirements, internal and external audit, and recommending to the board the appointment of the external auditor. The Audit Committee plays a key role in establishing, maintaining and developing the control systems and compliance culture, and maintaining a risk-based methodology for the Internal Audit function for the organisation as a credit union, public company and ADI.

The committee assists the board in providing an objective non-executive review of the effectiveness of our financial reporting and prudential controls.

Board Risk Committee The Risk Committee is responsible for the oversight of identifying, managing and monitoring risks faced by the credit union and for ensuring that the credit union maintains a culture of risk awareness, identification and management which is embedded at every level of the organisation. It is also responsible for oversight of the compliance program.

The Risk Committee has at least three members drawn from the directors of the credit union. All members of the committee must be non-executive directors of the credit union and a majority of the members must be independent.

Internal audit The internal audit function evaluates the adequacy, independence and effectiveness of the risk management framework of the credit union.

Executive management team At least one executive manager sits on each of the management risk committees being Credit Risk Committee, Assets and Liabilities Committee & Operational Risk Committee. The executive team overviews various reports from each of the risk committees and provides support in implementing recommendations across Teachers Credit Union.

Assets and Liabilities Committee (ALCO) Teachers Credit Union has a management committee to oversee the financial operations of the organisation. The committee recommends policy, sets strategy and monitors compliance regarding:

- Interest rate risk
- Liquidity management and funding
- Investment management
- Profitability and capital management
- Growth.

Operational Risk Committee This committee is responsible for reviewing risk and control self-assessment, key risk indicators, loss incident reports in accordance with the Operational Risk Committee Charter.

Credit Risk Committee This committee is responsible for reviewing, monitoring and managing risks associated with the credit unions lending functions.

Risk and Compliance Manager The Risk and Compliance Manager is responsible for the overall development and implementation of the operational risk management framework and policies at Teachers Credit Union and providing assistance to board, management and staff in all aspects of risk management. The manager develops and administers an annual compliance plan consistent with AS3806.

Fraud Control Manager The Fraud Control Manager is responsible for the appropriate management of fraud investigations and prevention through awareness, education, controls and monitoring to reduce the external and internal fraud risk in the organisation by developing, implementing and when necessary activating appropriate Incident Management and Response Plans.

Project Management Office The Project Management Office applies a formalised project framework that recognises the size and complexity of the organisation and projects themselves. This framework is built upon foundations of strategy, structure, methodology and governance.

The strategy seeks to evaluate and assess all projects identified as strategic in nature at the executive level. These projects are assessed according to how well they align to the strategic goals of the credit union.

The project framework is supported by a formal project management office or PMO. The PMO leads all compliance and strategic projects after a project charter has been submitted for approval to the governance body. All projects identified as tactical in nature are managed outside the PMO by project co-ordinators who receive specialised training in project management. The PMO also provides consultation services for these projects where a need is identified.

The methodology used at Teachers Credit Union incorporates and builds upon the project management body of knowledge or PMBOK. PRINCE2 and Six Sigma are also employed depending on the nature and requirements of a project.

A governance body made up from the executive management team formally approves, defers or rejects all projects identified as compliance, strategic or tactical in nature.

Information Technology Advisory Committee Teachers Credit Union is highly dependant upon information technology (IT) in achieving our organisational objectives. Given that IT is such an important strategic tool we have established an Information Technology Advisory Committee (ITAC) to ensure that we minimise the risks associated with our investment in information technology and that it contributes to the achievement of our organisational goals.

Business Continuity Management In accordance with APRA Prudential Standard APS 232 and good management principles, the credit union has developed a Business Continuity Management plan. Business Continuity Management is defined as a whole of business approach to minimising the downtime and impact on critical business functions of a business interruption event. The objective of Business Continuity Management is to minimise the financial, legal, reputational and other material consequences of a disruption.

The credit union meets the APRA Prudential Standard 232 which requires the credit union to:

- Conduct a risk assessment to identify plausible disruption scenarios
- Conduct a Business Impact Analysis (BIA) to determine financial, legal, reputational and other consequences of a disruption and identify critical business functions, resources and infrastructure
- Consider appropriate recovery strategies based on results of the Business Impact Analysis
- Maintain a written Business Continuity Plan approved by the board or delegated representatives
- Identify Business Continuity and/or Crisis Management Teams.

Business Continuity Management will be part of the planning phase for new business acquisitions, joint ventures, material outsourcing arrangements and major projects involving the introduction of new business processes and systems.

Occupational, Health and Safety (OH&S) The nature of the finance industry is such that the risk of injury to staff and the public is less apparent than in high-risk industries. Nevertheless our two most valuable assets are our staff and members. Steps need to be taken to maintain the security and safety when circumstances warrant.

OH&S policies have been established for the protection of members and staff and are reviewed annually for relevance and effectiveness.

Staff are trained in robbery procedures and offices are designed to detract from such acts by:

- Little or no cash being held in accessible areas
- Use of teller dispensing machines to avoid access to cash
- Cameras in all offices to allow detection of persons
- Security guards and electronically locked doors at all offices.

Office premises are examined regularly to ensure that the electrical safety and physical safety measures are appropriate to the needs of the public and staff. Independent security consultants report annually on the areas of improvement, which may be considered.

We have established an OH&S committee which is represented by employees and management. This committee meets every two months to consider concerns for security or safety raised by employees or the public. All matters of concern are reported to the Chief Executive for actioning. Secure cash handling policies and procedures are in place and injury from lifting heavy weights and RSI are minimised through ongoing education and early instigation of effective rehabilitation plans.

All staff have access to trauma counsellors where required, following an incident which may impair their feeling of safety in the workplace.

Management Management are responsible for implementing the operational risk management framework as determined by the Board of Directors and meeting any KPIs set by the Chief Executive with regards to operational risk.

Staff Every staff member of Teachers Credit Union is responsible for risk management.

Market risk and hedging policy

The credit union is not exposed to currency risk and other price risk. The credit union does not trade in the financial instruments it holds on its books. The credit union is exposed to interest rate risk in the banking book arising from changes in market interest rates.

The policy of the credit union is to maintain a balanced "on book" hedging strategy by ensuring the net interest rate gaps between assets and liabilities are not excessive. However, acknowledging that member demand and competition in the different products may not always allow the credit union to achieve a balanced "on book" position, the credit union has a hedging policy in place to ensure appropriate use of derivatives such as interest rate swaps.

The credit union uses a number of techniques to measure and monitor the interest rate risk, these include:

- Short, medium and long term forecasts that are regularly updated
- Monitoring of product totals to targets and the impact on current and future profitability, from likely rate changes
- Monthly Gap analysis
- Monthly Sensitivity analysis (Present Value of a Basis Point or Sensitivity is a measure of the change in the current value of the cash positions on the yield curve by shifting the yield across the curve down 1 basis point)
- Monthly 200 Basis Point Sensitivity as a percentage of Capital
- Monthly Value at Risk analysis (VaR is a statistical measure of the maximum loss expected to be incurred due to a change in market conditions, arising from the currently held positions, given a certain confidence level [99%], observation period [250 working days] and holding period [20 working days] expressed in dollars and as a percentage of capital
- Monthly Value at Risk analysis based on a confidence level [99%], observation period [1500 working days] and holding period [250 working days] expressed in dollars and as a percentage of capital
- Quarterly Accrued Income Simulations including projections based on flat rates, yield curve, and upward and downward shock rates
- Annual benchmarking against industry.

The credit union groups cash flows into buckets based on the likely repricing periods given consideration for both operational and competitive restraints which may differ from the contractual dates as this better reflects the risk in the portfolio. The credit union has set a limit for our Value at Risk as a percentage of Capital. This limit is set with reference to industry benchmarks. The credit union has kept within those limits throughout the entire year.

The above reports are sourced internally and by contracted consultants and are subject to scrutiny by our Internal Audit Department, who also have used independent consultants to review the accuracy and adequacy of the reporting and controls.

The level of mismatch on the banking book is set out in Note 24. The table set out at Note 24 displays the period that each asset and liability will reprice as at the balance date.

Liquidity risk

Liquidity risk is the risk that a Financial Institution may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. 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 and other creditor commitments when requested.

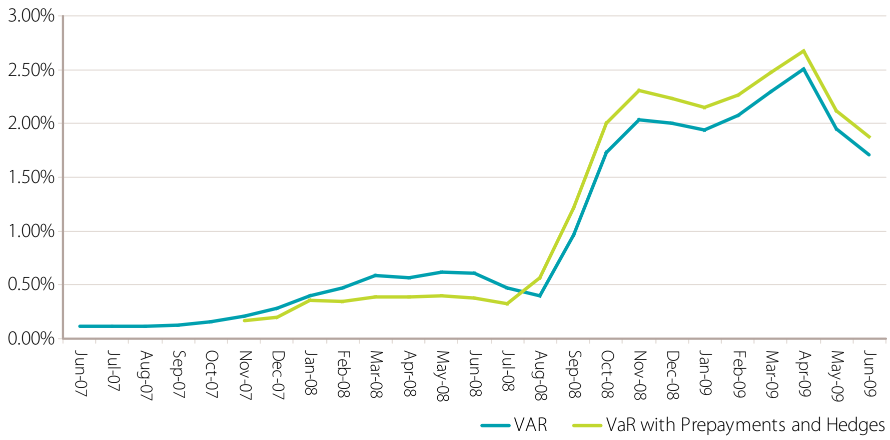
The credit union manages liquidity risk by:

- 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
- Monitoring the prudential liquidity ratio daily.

The credit union has set out in Note 23 the maturity profile of the financial liabilities, based on the contractual repayment terms.

The credit union is required to maintain at least 9% of total adjusted liabilities as liquid assets capable of being converted to cash within 48 hours under the APRA Prudential Standards. The credit union policy is to apply 13% of funds as liquid assets to maintain adequate funds for

Value at Risk (VaR) as a % of capital
99% confidence interval, 20-day holding period, 250-day observation period



	2009 $'000	2008 $'000
Total adjusted liabilities	2,978,309,647	2,484,793,428
As at 30th June	21.82%	13.60%
Average for the year	20.23%	14.05%
Minimum during the year	13.44%	12.84%

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 (either from ADIs, retail and wholesale depositors), or borrowing facilities available. Note 27 describes the borrowing facilities as at the balance date. The credit union also participates in a loan securitisation scheme. The credit union has a longstanding arrangement under an approved industry support contract with Credit Union Financial Support Scheme Limited (CUFSS) which can access industry funds to provide support to the credit union should it be necessary at short notice.

"Total Adjusted Liabilities", for the purpose of this Liquidity measurement, is defined as total on-balance sheet liabilities (including equity) and irrevocable commitments, less the capital base defined in accordance with Prudential Standard APS 111 Capital Adequacy: Measurement of Capital.

Credit risk

The credit risk of a financial institution is the risk that customers (members), financial institutions and other counterparties will be unable to meet their obligations to the institution which may result in financial losses. Credit risk arises principally from the credit union's loan book and investment assets.

Credit risk - loans

Carrying value is the value on the balance sheet. Maximum exposure is the value on the balance sheet plus the undrawn facilities (loans approved not advanced, redraw facilities; overdraft facilities; credit cards limits). The details are shown in Note 26.

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. Note 7b describes the nature of the security held against the loans as at the balance date.

All loans and facilities are within Australia. The geographic distribution is detailed in Note 7c.

Concentrations are described in Note 7c. The credit union has a concentration in the retail lending for members who comprise employees and family in the education industry. This concentration is considered acceptable on the basis that the credit union was formed to service these members, the industry is an essential and stable industry 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 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, maximum loan to valuation ratios with/without lenders mortgage insurance dependant on the type and location of the security
- 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.

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 principal to be paid every month. On the first day of the next 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 loan is regarded as impaired, unless other factors indicate the impairment should be recognised sooner.

Daily monitoring of the loan repayments to detect delays in repayments and recovery action is undertaken. For loans where repayments are doubtful, the exposures to losses arise predominantly in personal loans and revolving credit where facilities are 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 income statement. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral.

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

Balance sheet provisions are maintained at a level that the board deems sufficient to absorb probable incurred losses in the credit union's loan 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 capital will not be repaid or recovered.

The provision on impaired loans relate to the loans to members. Past due value is the "on balance sheet" loan balances which are past due by 30 days or more.

Definition provided in Note 1b.

Details set out in Note 8.

Bad debts

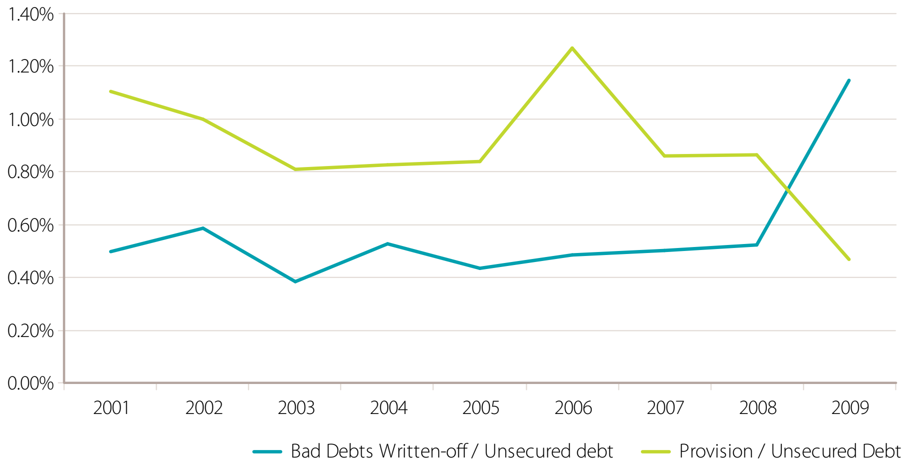
Amounts are written off when collection of the loan or advance is considered to be remote. All write offs are on a case by case basis, taking account of the exposure at the date of the write off.

On secured loans, the write off takes place after considering 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.

As the credit union has experienced little loss from mortgage secured debt, we monitor losses as a portion of unsecured debt. The loss ratio remains relatively low.

Provision/unsecured debt and Bad debts written off/unsecured debt

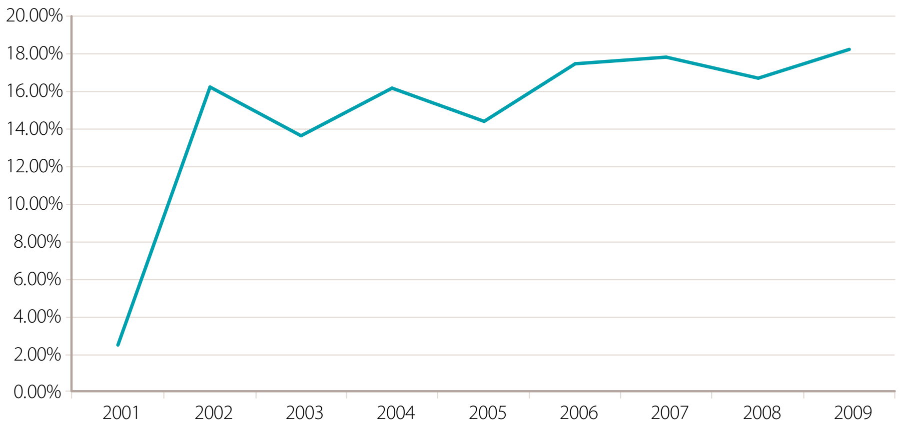


Collateral securing loans

The risk of losses from the loans undertaken is primarily reduced by the nature and quality of the security taken. Note 7b describes the nature and extent of the security held against the loans held as at the balance date.

A sizeable portion of the loan book is secured on residential property in Australia. Therefore, we are exposed to risks of the reduction the Loan to Value Ratio (LVR) should the property market be subject to a decline. The board monitors the portion of loans that are secured by residential mortgages which carry a loan to valuation ratio of more than 80% without Lenders Mortgage Insurance.

Loan to Valuation Ratio of more than 80% without Lenders Mortgage Insurance as a percentage of Mortgage Loans



Performance of the Mortgage Secured portfolio is managed by monitoring the proportion of loan balances in arrears. These ratios remain low compared to published industry benchmarks.

Credit risk - liquid investments

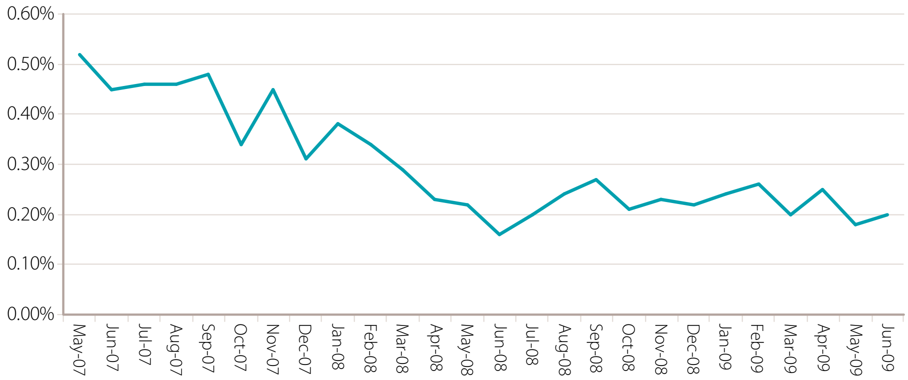
The risk of losses on liquid investments is mitigated through the application of investment limits per counterparty based upon independent ratings of counterparties and by limiting exposure to groups of counterparties within a rating band. All investment must be with financial institutions with a rating in excess of BBB.

The board's policy is to maintain at least 60% of the investments in Cuscal Limited (Cuscal), a company set up to support their member credit unions and which has an A -1+ rating (short-term debt <= 12 months), AA- rating (long-term debt > 12 months).

Credit risk - equity investments

All investments in the equity instruments are solely for the benefit of service to the credit union. The credit union invests in entities set up for the provision of services such as treasury, transactions processing and settlement, and travel services etc where specialisation demands quality staff and systems which is best secured by one entity. Further details of the investments are set out in Note 9.

Percentage of mortgage portfolio in arrears



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

2009

Investments with:	No of Institutions	Carrying value	Past due value	Provision
Cuscal-rated A-1+ (short-term)	1	401,753,256	0	0
Cuscal-rated AA- (long-term)		120,000,000	0	0
Banks-rated A-1+ or A-1 (short-term)	5	86,626,000	0	0
Banks-rated AA (long-term)		10,000,000	0	0
Banks-rated A-2 (short-term)	2	30,000,000	0	0
Total	8	648,379,256	0	0

2008

Investments with:	No of Institutions	Carrying value	Past due value	Provision
Cuscal-rated A-1+ (short-term)	1	279,939,157	0	0
Banks-rated A-1+ or A-1 (short-term)	2	35,100,000	0	0
Banks-rated A-2 (short-term)	2	22,000,000	0	0
Total	5	337,039,157	0	0

Operational risk

Operational risk is the risk of loss to the financial institution resulting from deficiencies in processes, personnel, technology and 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 polices 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 errors and inappropriate behavior
- Implementation of the whistleblowing policies to promote a compliant culture 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 loss of functionality of systems or premises or staff.

Operations risk management The credit union has implemented a risk assessment and monitoring system where the board and senior management identify key risks in a "top down" approach and business units identify risks in a "bottom up" approach. These risks are then ranked by loss effect and likelihood after considering risk mitigators such as controls and insurances. Action plans for control improvements are developed for processes with unacceptable risk levels. Key risk indicators are assigned and monitored. A loss register has also been established to compare experience with the original assessments. Projects are also subject to risk analysis.

Compliance The credit union has implemented a compliance program, requiring regular review of policy, procedures and reporting to ensure compliance with legal requirements, code of ethics and prudential standards.

Fraud Fraud in Financial Institutions can arise from customer (member) card PINS, and phone and internet passwords being compromised where not protected adequately by the customer (member). It can also arise from other systems failures. In common with all retail Financial Institutions, fraud is potentially a real cost to the credit union. Fraud losses can arise from card skimming, internet password theft, and false loan applications.

The credit union has systems in place which are considered to be robust enough to prevent any material fraud. The credit union is committed to the control of fraud and has implemented 7 day a week transaction monitoring, and strengthened internet banking security by the implementation of CAPTCHA, token and SMS multifactor authentication. The credit union is also the first credit union to trial EMV chip technology to reduce credit card fraud. The fraud initiatives also include fraud response plans and continual staff and Member awareness education.

IT systems The worst case scenario would be the failure of a Financial Institutions core banking and IT network system to meet customer obligations and service requirements for an extended period.

The credit union has a business continuity plan to manage software, hardware, network, power and telecommunications systems failures. The plans extend to loss of premises and staff with the objective of recovering systems within predetermined acceptable timeframes. The plans are regularly reviewed and rigorously tested. Stand in arrangements are in place for transaction processing such as ATM, EFTPOS and Visa.

A further risk is a breach of security of a Financial Institutions IT system.

Protecting Teachers Credit Union's computer systems is critical. We have implemented leading firewall technology to protect all our computer systems and Members' information against intrusion from the internet. A firewall controls what information passes between our systems and the internet.

These systems are monitored for suspicious activity by a major security consultancy group. The group we use has considerable experience implementing and designing secure systems for many organisations, including financial institutions and defence organisations. We also subscribe to services that advise on new "threats" and provide patches and upgrades to keep the systems as secure and current as is possible. We employ a technology called Secure Sockets Layer (SSL) to establish a secure connection between members' browsers and our internet banking system. We conduct regular penetration testing. We continue to review our security policies and practices to ensure that systems security management remains aligned with world's best practice.

Capital management

Capital levels are managed to ensure compliance with Australian Prudential Regulation Authority (APRA) requirements. Those requirements encompass a framework of three pillars.

- Pillar 1 - Minimum capital requirements, including a specific capital charge for operational risk.
- Pillar 2 – Enhanced supervision of capital management including the application of an internal capital adequacy assessment process.
- Pillar 3 – More extensive disclosure requirements.

Pillar 1

Capital is measured as prescribed by Australian Prudential Regulation Authority (APRA) prudential standards. These standards act to deliver capital requirements in respect of Credit risk, Market risk and Operational risk.

Credit risk

Credit risk is measured using the Standardised Approach defined in prudential standard APS112. The capital charge attached to each asset is based on weightings prescribed by APRA as detailed in the table below.

On balance sheet exposures	Risk weighting	Carrying value	Risk weighted value
Cash	0%	1,559,874	0
Deposits in highly rated ADIs	20%	638,379,256	127,675,851
Deposits in less highly rated ADIs	50%	10,000,000	5,000,000
Standard Loans secured against eligible residential mortgages up to 80% LVR (up to 90% with Lenders Mortgage Insurance)	35%	1,319,705,740	461,897,009
Standard Loans secured against eligible residential mortgages over 80% LVR	50-75%	505,176,821	256,515,974
Other standard mortgage loans	100%	9,279,198	9,279,198
Non standard mortgage loans	35-100%	23,696,775	18,590,677
Other loans	100%	335,088,881	335,088,881
Other assets	100%	39,532,473	39,532,473
Total		2,882,419,018	1,253,580,063

Off balance sheet exposures	Off balance sheet exposure	Credit conversion factor	On balance sheet equivalent	Risk weighting	Risk weighted value
Loans approved and not advanced	49,693,416	100%	49,693,416	35% -100%	27,954,373
Redraws available	184,028,553	50%	92,014,277	35% -100%	39,238,868
Guarantees	100	100%	100	100%	100
Unused revolving credit limits	226,629,109	0%	0		
Possible contribution to CUFSS	92,058,345	0%	0		
Total	552,409,523		141,707,793		67,193,341
Total weighted credit risk exposures					$1,320,773,404

Market risk

The credit union is not required to allocate capital against market risk as no trading activity is undertaken and the standardised approach does not result in any allocation against interest rate risk in the banking book.

Operational risk

Operational risk is measured using the Standardised Approach defined in prudential standard APS114. The capital charge is based upon portfolio balances and revenue streams with scaling and risk factors applied to reflect APRA's assessment of the particular risk profiles.

Operational risk capital requirement for retail banking

	31-Dec-06	30-Jun-07	31-Dec-07	30-Jun-08	31-Dec-08	30-Jun-09
Total gross outstanding loans and advances for retail banking	1,501,975,313	1,622,485,960	1,806,909,058	2,030,435,538	2,147,790,127	2,196,038,725
- multiplied by 3.5% scaling factor	52,569,136	56,787,009	63,241,817	71,065,244	75,172,654	76,861,355
- multiplied by 12% risk factor	6,308,296	6,814,441	7,589,018	8,527,829	9,020,719	9,223,363
Average of the 6 half year results = Total operational risk capital requirement for retail banking						7,913,944

Operational risk capital requirement for commercial banking

Total gross outstanding loans and advances for commercial banking	295,145,988	273,508,037	324,702,391	337,051,878	664,669,204	648,421,913
- multiplied by 3.5% scaling factor	10,330,110	9,572,781	11,364,584	11,796,816	23,263,422	22,694,767
- multiplied by 15% risk factor	1,549,516	1,435,917	1,704,688	1,769,522	3,489,513	3,404,215
Average of the 6 half year results = Total operational risk capital requirement for commercial banking						2,225,562

Operational risk capital requirement for all other activity

Adjusted gross income	1,819,076	2,498,472	1,960,939	2,093,369	1,667,570	2,398,969
- multiplied by 18% risk factor	327,434	449,725	352,969	376,806	300,163	431,814
Average of the 3 annual results =Total operational risk capital requirement for all other activity						746,304

Total operational risk capital requirement	10,885,810
RWA equivalent amount for operational risk capital requirement = Operational risk capital * 12.50	136,072,626
Total credit and operational risk weighted	1,456,846,030

Capital resources

Tier 1 capital The majority of Tier 1 capital comprises of retained profits.

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 a reserve for credit losses.

A minimum capital ratio of 8% is required to be maintained at all times. Our policy requires reporting to the board and the regulator if the capital ratio falls below 13.1%.

The capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets. The credit union manages capital through reviewing the ratio monthly and monitoring major movements in asset levels. Further, a 3 year capital projection is maintained to assess how strategic decisions or trends may impact on the level of capital. A stress test based on various asset growth and profitability assumptions is conducted annually.

Pillar 2 risk capital

Pillar 2 of the Prudential Framework relates to any risk factor to which an ADI might be exposed that is not included in Pillar 1. These can be broken into 3 broad categories

- Pillar 1 inherent risks not fully captured by the Pillar 1 process, for example credit concentration risk.
- Inherent risks not covered by Pillar 1, including:
  - interest rate risk on the banking book
  - liquidity risk
  - strategic risk
  - reputation risk
- Risks arising from external factors such as business cycles effects and the macroeconomic environment.

The credit union documents, analyses and sets its own internal capital requirements to meet Pillar 2 risks. It is considered that the standardised approach accurately reflects the credit union's operational risk other than for the specific items set out below.

Capital in the credit union is made up as follows:

	2009	2008
Tier 1 Retained earnings	221,770,457	202,783,654
Less - prescribed deductions	8,318,631	7,726,724
Net tier 1 capital	213,451,826	195,056,930
Tier 2 Reserve for credit losses	14,569,461	13,491,500
Less - prescribed deductions	2,191,166	2,147,634
Net tier 2 capital	12,378,295	11,343,866
Total capital	225,830,121	206,400,796

The capital ratio as at the end of the financial year over the past 5 years is as follows:

	2009	2008	2007	2006	2005
Basel I			14.82%	14.59%	14.96
Basel II	15.50%	15.80%			

Risks requiring uplift

The following risks were assessed as being of sufficient significance to require additional capital support over and above the Pillar 1 capital requirement (uplift):

- Counterparty default risk
- Business environment risk
- Economic environment risk
- Lack of diversification of funding sources
- Interest rate risk
- Technology risk.

An additional 4% capital was determined to be adequate to cover these risks. The methodologies used to assess the required capital are a combination of quantitative and qualitative assessment and by their nature are based on a degree of collective subjective judgement of senior management and the board.

Internal capital adequacy management

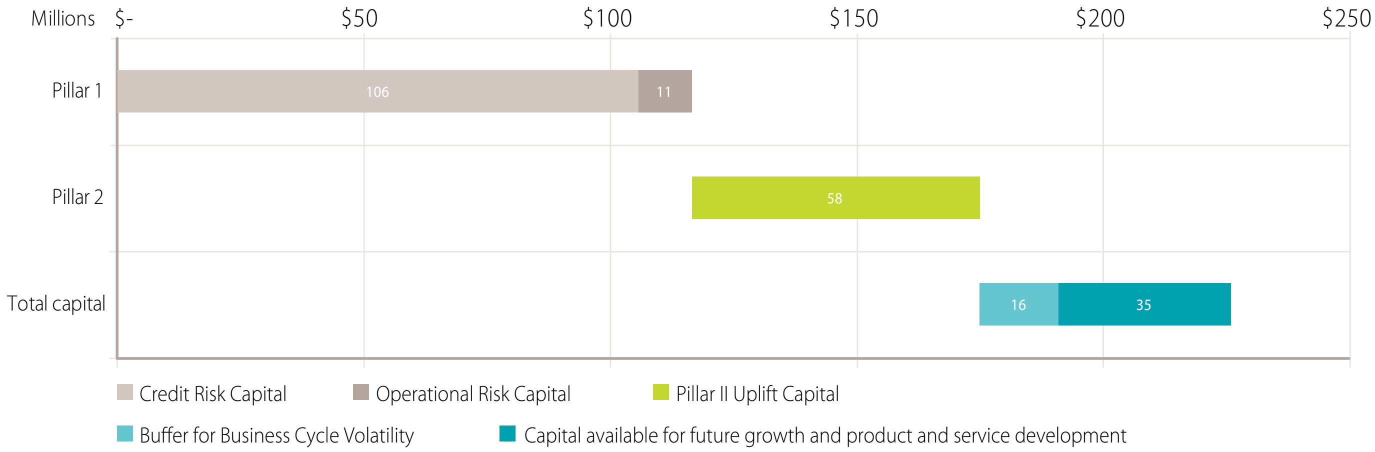
The credit union manages its internal capital levels for both current and future activities through a combination of committees. The outputs of the individual committees are reviewed by the board in its capacity as the primary governing body. The capital required for any change in the credit union's forecasts for asset growth, or unforeseen circumstances, are assessed by the board. The finance department then updates the forecast capital resources models produced and the impact upon the overall capital position of the credit union is reassessed.

Contingency buffer

Based on historical fluctuations in capital the credit union incorporates a contingency buffer of 1.1% when targeting minimum levels of capital and when preparing its Capital Management Plan to cover volatility in the risks identified above.

	RWA	Minimum capital required	% Equivalent of RWA
Operational risk	136,072,626	10,885,810	8.00%
Credit risk	1,320,773,404	105,661,873	8.00%
Total	1,456,846,030	116,547,683	8.00%
Pillar 2 uplift capital		58,273,841	4.00%
ICAAP capital required		174,821,524	12.00%
Buffer for business cycle volatility		16,025,306	1.10%
Capital available for future growth and product and service development		34,983,291	2.40%
Risk-based capital ratio		225,830,121	15.50%
Tier 1 capital ratio		213,451,826	14.65%
Tier 2 capital ratio		12,378,295	0.85%

Categorisation of capital



22. Categories of financial instruments

The following information classifies the financial instruments into measurement classes.

Financial assets-carried at amortised cost	Note	2009 $'000	2008 $'000
Cash	4	14,720	4,925
Receivables from financial institutions	5	635,220	333,039
Receivables	6	14,224	10,416
Prepayments		1,295	1,269
Loans and advances to members	7 & 8	2,193,395	2,026,781
Total carried at amortised cost		2,858,854	2,376,430
Available for sale investments-carried at cost	9	4,383	4,296
Total financial assets		2,863,237	2,380,726

Financial liabilities-carried at amortised cost			
Borrowings	13	0	43,664
Financial institution deposits		0	105,883
Wholesale deposits		24,630	46,568
Retail deposits	14	2,608,349	1,979,352
Creditor accruals and settlement accounts	15	11,643	7,922
Total carried at amortised cost		2,644,622	2,183,389
Total financial liabilities		2,644,622	2,183,389

23. Maturity profile of financial liabilities

Monetary liabilities have differing maturity profiles depending on the contractual term. The table below shows the period in which different monetary liabilities held will mature and be eligible for renegotiation or withdrawal. At call deposits are payable on demand and included in the earliest time band. Financial liabilities are at the undiscounted values (including future interest expected to be paid). Accordingly these values will not agree to the balance sheet.

2009 Liabilities $'000	Within 1 month	>1 to 3 months	>3 to 12 months	>1 to 5 years	>5 years	No maturity	Total	Balance sheet
Borrowings							0	0
Financial institutions deposits							0	0
Wholesale deposits	12,403	8,602	3,874				24,879	24,630
Retail deposits	1,389,593	551,524	518,430	184,666		1,950	2,646,163	2,608,349
Creditors	11,643						11,643	11,643
Total financial liabilities	1,413,639	560,126	522,304	184,666	0	1,950	2,682,685	2,644,622
2008 Liabilities $'000								
Borrowings	43,664						43,664	43,664
Financial institution deposits	22,501	66,380	18,454				107,335	105,883
Wholesale deposits	23,572	15,397	8,206				47,175	46,568
Retail deposits	1,077,655	344,204	527,414	59,573		1,734	2,010,580	1,979,352
Creditors	7,922						7,922	7,922
Total financial liabilities	1,175,314	425,981	554,074	59,573	0	1,734	2,216,676	2,183,389

24. Interest rate change profile of financial assets and liabilities

Financial assets and liabilities have conditions, which allow interest rates to be amended either on maturity (term deposits and term investments) or after adequate notice is given (loans and savings). The table below shows the respective value of funds where interest rates are capable of being altered within the prescribed time bands, being the earlier of the contractual repricing date, or maturity date.

2009 Assets $'000	Weighted average interest	Within 1 month	>1 to 3 months	>3 to 12 months	>1 to 5 years	>5 years	Non interest bearing	Total
Cash	3.42%	13,160					1,560	14,720
Receivables from financial institutions	5.29%	397,475	101,745	6,000	130,000			635,220
Receivables	N/A						14,224	14,224
Prepayments	N/A						1,295	1,295
Loans and advances	7.82%	1,792,711	30,286	103,501	266,315		582	2,193,395
Investments	N/A						4,383	4,383
On balance sheet		2,203,346	132,031	109,501	396,315	0	22,044	2,863,237
Undrawn loan commitments *Note 26a, b, c*		460,351						460,351
Total financial assets		2,663,697	132,031	109,501	396,315	0	22,044	3,323,588
2009 Liabilities $'000								
Borrowings	9.05%							0
Financial institution deposits	8.05%							0
Wholesale deposits	8.07%	12,333	8,491	3,806				24,630
Retail deposits	5.22%	842,982	612,044	638,418	512,955		1,950	2,608,349
Creditors	N/A						11,643	11,643
Total financial liabilities		855,315	620,535	642,224	512,955	0	13,593	2,644,622
2008 Assets $'000								
Cash	4.86%	4,000					925	4,925
Receivables from financial institutions	7.15%	171,920	161,119					333,039
Receivables	N/A						10,416	10,416
Prepayments	N/A						1,269	1,269
Loans and advances	8.21%	1,369,576	36,559	189,326	430,756		564	2,026,781
Investments	N/A						4,296	4,296
On balance sheet		1,545,496	197,678	189,326	430,756	0	17,470	2,380,726
Undrawn loan commitments *Note 26a, b, c*		435,368						435,368
Total financial assets		1,980,864	197,678	189,326	430,756	0	17,470	2,816,094
2008 Liabilities $'000								
Borrowings	9.27%	43,664						43,664
Financial institution deposits	7.69%	22,422	65,551	17,910				105,883
Wholesale deposits	7.77%	23,478	15,178	7,912				46,568
Retail deposits	5.06%	577,478	470,601	638,986	290,553		1,734	1,979,352
Creditors	N/A						7,922	7,922
Total financial liabilities		667,042	551,330	664,808	290,553	0	9,656	2,183,389

25. Fair value of financial assets and liabilities

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 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 are regularly traded by the credit union, and there is no active market to assess the value of the financial assets and liabilities. The values reported have not been adjusted for the changes in credit ratings of the assets.

			2009 $'000			2008 $'000
Assets	Fair value	Book value	Variance	Fair value	Book value	Variance
Cash	14,720	14,720	0	4,925	4,925	0
Receivables from financial institutions	635,876	635,220	656	333,048	333,039	9
Receivables	14,224	14,224	0	10,416	10,416	0
Prepayments	1,295	1,295	0	1,269	1,269	0
Loans and advances	2,201,627	2,193,395	8,232	2,011,443	2,026,781	(15,338)
Investments	4,383	4,383	0	4,296	4,296	0
Total financial assets	2,872,125	2,863,237	8,888	2,365,397	2,380,726	(15,329)
Liabilities						
Borrowings	0	0	0	43,664	43,664	0
Financial institution deposits	0	0	0	105,856	105,883	(27)
Wholesale deposits	24,716	24,630	86	46,560	46,568	(8)
Retail deposits	2,628,321	2,608,349	19,972	1,979,979	1,979,352	627
Creditors	11,643	11,643	0	7,922	7,922	0
Total financial liabilities	2,664,680	2,644,622	20,058	2,183,981	2,183,389	592

Assets where the fair value is lower than the book value have not been written down in the accounts of the credit union on the basis that they are to be held to maturity, or in the case of loans, all amounts due are expected to be recovered in full.

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

Liquid assets and receivables from other financial institutions

The carrying values of cash is the amount shown in the balance sheet. Discounted cash flows are used to calculate the fair value of receivables from other financial institutions. The rates applied to give effect to the discount of cash flows were 2.95%-5.35% (2008 7.61%-8.13%).

Loans and advances

The carrying value of loans and advances is net of unearned income and specific provisions for doubtful debts.

For variable rate loans, (excluding impaired loans) the amount shown in the balance sheet is considered to be a reasonable estimate of fair value. The fair value for fixed rate loans is calculated by utilising discounted cash flow models (i.e. the net present value of the portfolio future principal and interest cash flows), based on the maturity of the loans. The discount rates applied were based on the current applicable rate offered for the average remaining term of the portfolio.

The rates applied to give effect to the discount of cash flows were 5.10%-11.50% (2008 7.90%-11.50%).

The fair value of impaired loans was calculated by discounting expected cash flows using a rate, which includes a premium for the uncertainty of the flows.

Financial institution, wholesale and retail deposits

The fair value of call and variable rate deposits is the amount shown in the balance sheet. Discounted cash flows were used to calculate the fair value of term deposits, based upon the deposit type and the rate applicable to its related period maturity.

Financial institution deposits: The rates applied to give effect to the discount of cash flows were 0% (2008 7.73%-8.53%).

Wholesale deposits: The rates applied to give effect to the discount of cash flows were 3.88%-4.57% (2008 7.72%-8.97%).

Retail deposits: The rates applied to give effect to the discount of cash flows were 1.83%-4.03% (2008 3.43%-8.66%).

Short term borrowings

The carrying value of payables due to other financial institutions approximate their fair value as they are short term in nature and reprice frequently.

26. Financial commitments

a. Outstanding loan commitments

	2009 $'000	2008 $'000
The loans approved but not funded	49,693	75,714

b. Loan redraw facilities

The loan redraw facilities available	184,029	143,346

c. Undrawn loan facilities Loan facilities available to members for overdrafts and credit cards are as follows:

Total value of facilities approved	307,696	301,305
Less: - Amount advanced	(81,067)	(84,997)
Net undrawn valuew	226,629	216,308

d. Future capital commitments

The credit union has entered into a contract to purchase motor vehicles for which the amount is to be paid over the following periods:

Not later than one year	42	0

e. Lease expenditure commitments

Operating leases on property occupied by the credit union		
Not later than one year	535	569
Later than 1 year but not 2 years	450	613
Later than 2 years but not 5 years	816	1,243
Later than 5 years	0	0
Total	1,801	2,425

The operating leases are in respect of property used for providing office space for staff. There are no contingent rentals applicable to leases taken out. The terms of the leases are for between 2 to 5 years and options for renewal are usually obtained for a further 3 years.

There are no restrictions imposed on the credit union so as to limit the ability to undertake further leases or borrow funds.

27. Standby borrowing facilities

The credit union has borrowing facilities with Cuscal Limited (Cuscal) as follows:

2009 $'000	Gross	Current borrowings	Net available
Loan facility	30,000	0	30,000
Overdraft facility	20,000	0	20,000
Total standby borrowing facilities	50,000	0	50,000
2008 $'000			
Loan facility	80,000	38,000	42,000
Overdraft facility	20,000	5,664	14,336
Total standby borrowing facilities	100,000	43,664	56,336

Cuscal holds an equitable mortgage charge over all of the assets of the credit union as security against loan and overdraft amounts drawn under the facility arrangements.

28. Contingent liabilities

Liquidity support scheme

The credit union is a member of the Credit Union Financial Support Scheme Limited (CUFSS), a company limited by guarantee, established to provide financial support to member credit unions in the event of a liquidity or capital problem. As a member, the credit union is committed to maintaining 3.2% of the total assets as deposits with Cuscal Limited (Cuscal).

Under the terms of the Industry Support Contract (ISC), the maximum call for each participating credit union would be 3.2% of the credit union's total assets (3% under loans and facilities and 0.2% under the cap on contributions to permanent loans). This amount represents the participating credit unions' irrevocable commitment under the ISC.

29. Disclosures on directors and other key management persons

a. Remuneration of Key Management Persons (KMP)

Key management persons have 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 that entity. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

KMP have been taken to comprise the directors and the six members of the executive management (2008-2009) responsible for the day to day financial and operational management of the credit union.

The aggregate compensation of directors and other KMP during the year comprising amounts paid or payable or provided for was as follows

	2009 $'000		2008 $'000	
	Directors	Other KMP	Directors	Other KMP
Short-term employee benefits	237	1,589	202	1,707
Post-employment benefits-superannuation contributions	118	214	58	209
Other long-term benefits-net increases in long service leave provision	0	79	0	59
Total	355	1,882	260	1,975

In the above table, remuneration shown as short term benefits means (where applicable) wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses, value of fringe benefits received, but excludes out of pocket expense reimbursements.

All remuneration to directors was approved by members at the previous Annual General Meeting of the credit union.

b. Other transactions with related parties

The disclosures are made in accordance with AASB 124 and include disclosures relating to a financial institution policy for lending to related parties and, in respect of related party transactions, the amount included in:

- Each of loans and advances, deposits and acceptances and promissory notes
- Each of the principal types of income, interest expense and commissions paid
- The amount of the expense recognised in the period for impairment losses on loans and advances and the amount of any allowance at the reporting date
- Irrevocable commitments and contingencies and commitments arising from off balance sheet items

c. Loans to directors and other Key Management Persons (KMP)

		2009 $'000	2008 $'000
i)	**The aggregate value of loans to directors and other KMP as at balance date amounted to**	3,684	3,030
ii)	**The total value of revolving credit facilities to directors and other KMP, as at balance date amounted to**	289	263
	Less: amounts drawn down and included in (i)	(62)	(52)
	Net balance available	227	211
iii)	**During the year the aggregate value of loans disbursed to directors and other KMP amounted to:**		
	- Revolving credit facilities	888	719
	- Personal loans	103	15
	- Term loans	1,203	1,850
	Total	2,194	2,584
iv)	**During the year the aggregate value of revolving credit facility limits granted or increased to directors and other KMP amounted to**	21	36
v)	**Interest and other revenue earned on loans and revolving credit facilities to directors and other KMP**	255	237

The credit union's policy for lending to directors and management is that all loans are approved and deposits accepted on the same terms and conditions, which applied to members for each class of loan or deposit. There are no loans, which are impaired in relation to the loan balances with directors or other KMP.

There are no benefits or concessional terms and conditions applicable to the close family members of the KMP. There are no loans, which are impaired in relation to the loan balances with close family relatives of directors and other KMP.

Other transactions between related parties include deposits from directors, and other KMP are:

Total value term and savings deposits from directors and KMP	956	715
Total interest paid on deposits to directors and KMP	34	33

The credit union's policy for receiving deposits from directors and KMP is that all transactions are approved and deposits accepted on the same terms and conditions, which applied to members for each type of deposit.

d. Transactions with other related parties

Other transactions between related parties include deposits from director related entities or close family members of directors, and other KMP.

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

There are no benefits paid or payable to the close family members of the directors and KMP.

There are no service contracts to which directors and KMP or their close family members are an interested party.

30. Economic dependency

The credit union has an economic dependency on the following suppliers of services.

Cuscal Limited (Cuscal) Cuscal is the national services company for the affiliated Credit Union Movement within Australia.

It provides central banking facilities to the credit union.

It supplies to the credit union rights to offer/or issue member cheques, Redicards and Visa cards in Australia and provides services in the form of settlement with banks of member cheques, Electronic Funds Transfer (EFT), Direct entry, BPAY and Visa card transactions along with the supply of Visa cards and Redicards for use by members.

First Data Resources Australia Limited This company operates the switching computer used to link Redicards and Visa cards through Reditellers and other ATMS, other approved EFT suppliers and Visa acquirers and merchants to the credit union computer systems.

Ultradata Australia Pty Ltd This company provides and maintains software utilised by the credit union.

31. Segmental reporting

The credit union operates exclusively in the retail financial services industry within Australia.

32. Superannuation liabilities

The credit union contributes to the CUE Super Plan for the purpose of the Superannuation Guarantee and other superannuation benefits provided on behalf of employees.

A corporate trustee is responsible for CUE Super Plan with three directors appointed by the principal employer (Cuscal) and three directors elected by members.

The credit union has no interest in the Superannuation Plan (other than as a contributor) and the only possible liability that could arise in respect of those staff where a minimum defined benefit guarantee applies. The minimum benefit guarantee applies to those staff who were members of CUE Super Plan at 30th June 1992, being the date the plan restructured from a defined benefit basis to a defined contribution (accumulation) basis, and who have not elected to transfer to the accumulation basis.

Following the last valuation dated 30th June 2008, the actuary, Julian Hotz of Mercer (Australia) Pty Ltd, confirmed that CUE Super Plan remained in a satisfactory financial position.

33. Securitisation

The credit union has an arrangement with Integris Securitisation Services Pty Limited whereby it acts as an independent contractor to promote and complete loans on their behalf, for on sale to an investment trust. The credit union also manages the loans portfolio on behalf of the trust. The credit union bears no risk exposure in respect of these loans. The credit union receives a management fee to recover the costs of on-going administration of the processing of the loan repayments and the issue of statements to the members.

In addition the credit union is able to assign mortgage secured loans to Integris at the book value of the loans, subject to acceptable documentation criteria. During the year the credit union assigned no loans (2008 $nil) to Integris. These loans qualify for de-recognition on the basis that the assignment transfers all the risks and rewards to Integris and there is no residual benefits to the credit union. The credit union receives a management fee to recover the costs of on-going administration of the processing of the loan repayments and the issue of statements to members.

	2009 $'000	2008 $'000
The amount of securitised loans under management	2,712	3,002

34. Notes to cash flow statement

a. Reconciliation of cash

	2009 $'000	2008 $'000
Cash includes cash on hand, and deposits at call with other financial institutions and comprises		
Cash on hand and deposits at call	14,720	4,925
Bank overdraft	0	(5,664)
Total cash	14,720	(739)

b. Reconciliation of cash from operations to accounting profit

	2009 $'000	2008 $'000
The net cash increase/(decrease) from operating activities is reconciled to the profit after tax		
Profit after income tax	17,558	20,014
Add (deduct):		
- Provision for impairment and bad debts written off (net)	3,924	1,948
- Depreciation of property, plant and equipment	3,521	3,128
- Provision for employee entitlements	1,020	1,324
- Other provisions	(1,589)	90
- Loss on disposal of plant and equipment (net)	156	30
- Bad debts recovered	(730)	(247)
Changes in assets and liabilities:		
- Prepaid expenses and sundry debtors	(12)	(178)
- Accrued expenses and sundry creditors	270	(68)
- Interest receivable	(1,679)	(1,151)
- Interest payable	5,859	6,666
- Other income receivable	(86)	(7)
- Unearned income	(45)	101
- Increases in loans and advances to members	(155,233)	(409,896)
- Increase in retail deposits	609,051	306,769
- Provision for income tax	1,566	(3,278)
- Deferred tax assets	98	(249)
Net cash from operating activities	483,649	(75,004)

35. Transfer of business

The NSW Teachers Credit Union Ltd. accepted a transfer of engagements from The TAFE & Community Credit Union Ltd as at 1st December 2008. The effect of the transfer of engagements was that all members of The TAFE & Community Credit Union exchange shares in The TAFE & Community Credit Union for shares in Teachers Credit Union. All assets and liabilities of The TAFE & Community Credit Union were absorbed into Teachers Credit Union.

Both credit unions shared a similar bond and focus on providing exceptional products and services. The continuing pressure of regulatory change and increasing competition in the marketplace had placed enormous pressures on the limited financial and human resources of The TAFE & Community Credit Union.

The TAFE & Community Credit Union Board of Directors identified an opportunity to merge with Teachers Credit Union so that they could continue to offer their members quality member service, together with a broader range of excellent products and services, and a strong value proposition. The two organisations had a similar cultural fit with aligned values and ethics. Both were firmly dedicated to supplying a competitive and co-operative banking option.

There was no goodwill which arose in the transfer as The TAFE & Community Credit Union had surplus net assets in excess of the value of the shares issued by the credit union.

The costs of the Teachers Credit Union was represented by the issue of 2,915 shares to the members of The TAFE & Community Credit Union. While the fair value of the shares on a winding up may exceed the withdrawable value, the members of The TAFE & Community Credit Union are only entitled to the withdrawable value of the shares. The value of the shares issued was the withdrawable value of $10 per share.

Other prescribed disclosures are as follows

a. There are no contingent consideration or indemnification of assets.

b. The costs of the merger have been expensed. These costs amounted to $88,360.

c. The amounts recognised as of the acquisition date 1st December 2008 for each major class of assets acquired and liabilities assumed.

Balance sheet	Gross contractual amounts receivable 2009 $'000	Fair value 2009 $'000
Assets		
Cash	1,016	1,016
Receivables from financial institutions	3,285	3,285
Receivables	29	29
Prepayments	14	14
Loans and advances to members	12,943	12,943
Available for sale investments	86	86
Property, plant and equipment	272	272
Intangible assets	3	3
Total assets	17,648	17,648
Liabilities		
Retail deposits	14,986	14,986
Creditor accruals and settlement accounts	109	109
Provisions	46	46
Total liabilities	15,141	15,141
Net assets	**2,507**	**2,507**
Members' equity		
Capital reserve account	14	14
General reserve for credit losses	88	88
Retained earnings	2,405	2,405
Total members' equity	2,507	2,507

36. Corporate information

The credit union is a company limited by shares, and is registered under the Corporations Act 2001. The address of the registered office and principal place of business is 28-38 Powell Street, Homebush NSW 2140. The nature of the operations and its principal activities are the provision of deposit taking facilities and loan facilities to the members of the credit union.

Teachers Credit Union Annual report 2008/2009

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Asian Confederation of Credit Unions
Credit Union Financial Support Scheme
Credit Union Foundation Australia
Cuscal Ltd.
World Council of Credit Unions

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