2023/2024

Annual Report
and Year in Review

credit unionsa

The Journey, Monica Turner Collins

Credit Union SA acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

Contents

To improve your experience, this report is interactive!

Viewing our digital version? Links to documents, articles or media are clickable.

Readers enjoying our print version are encouraged to scan the QR codes placed throughout.

Foreword

From the Chair

I am pleased to present this year's annual report, my first as Chair of Credit Union South Australia. It has been a privilege to take on this responsibility, following in the footsteps of Carolyn Mitchell, whose dedication and leadership have been instrumental in our success to date. I look forward to building on her legacy.

It has been another busy year with many purpose-led business activities taking shape for our members and our community. We've seen our brand on television screens and we've launched an innovative Foodbank SA home loan initiative. The results of our Community work prove that together, we're making a real impact for South Australians.

On a personal note, I have been inspired by the dedication and passion of our team. Their commitment to our members has been the driving forces behind our success.

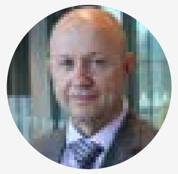
On behalf of the Board, we are pleased to present our 2023/24 report highlighting our achievements this year and the progress we're making toward our goals. We look forward to building on the strong foundation we've established as we maintain our focus on our purpose to help South Australians thrive.

Thank you for your continued support of Credit Union SA.

Julie Cooper
Chair, Credit Union SA

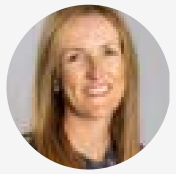
Our Board of Directors

Nicholas Anderson

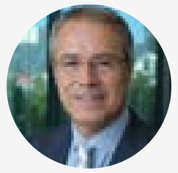


Paul Dewsnap

Philip Riquier



Louise Small



Matthew Walsh

Kathryn Hawkins

From the CEO

Our vision is a South Australia where everybody thrives and I'm proud of the progress we've made towards this. Throughout this report you will see the results of our teams dedication, commitment and unwavering desire to do things better for our community.

This last year we have had a focus on amplifying our brand presence in the market which has been vital in communicating our identity and values to South Australians. We have enhanced our capabilities, diversified our product offerings, and forged strategic partnerships to reach new audiences and meet their changing needs. I am excited to continue these efforts in 2024/25 and beyond.

Our refined goal 'to be the financial institution that more South Australians choose' is a simple yet powerful guiding light for us and our decision making - we're committed to providing exceptional member experience and a culture of excellence for our team. I would also like to say a big thankyou to our members and how proud we are of all the achievements that you share with us as we collaborate in partnership.

As we enter the next year, I am confident in our team's ability and our strategy to embrace transformation and achieve our aspirations. I also thank our board, our members, and our stakeholders for their ongoing trust and support. Together, we can make a difference for South Australia and its future.

Todd Roberts
CEO, Credit Union SA

After nearly two decades of shaping our organisation, Carolyn Mitchell retired from our board.

Thank you for your outstanding contribution, Carolyn!

The year at a glance

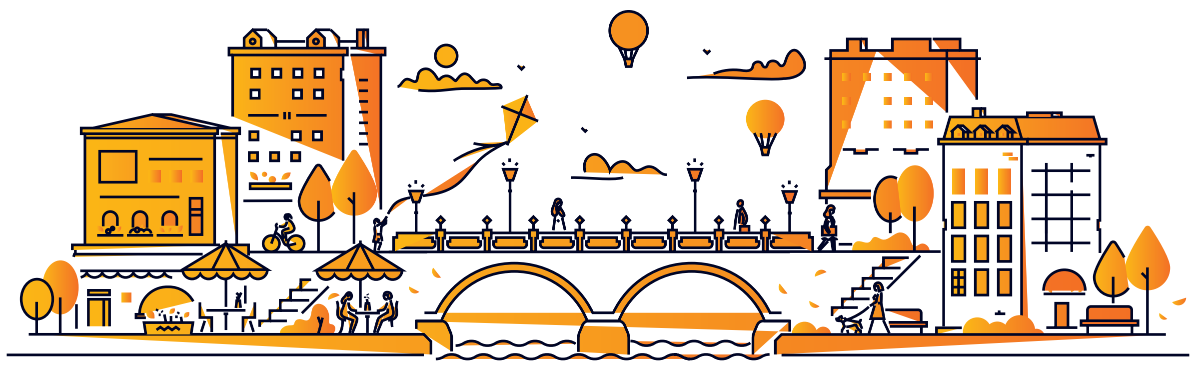
Financial Results

$5.211m
Net Profit after Tax

$1.85b
Total Asset Position

We Welcomed

3,800+	New Credit Union SA members
600+	New members from within the education community



We helped...

89	Members start building a new home
201	Members purchase or build their first home
457	Members find and finance their next home
305	Members drive away in a new car
363	Home owners refinance their home

Together, we...

Refreshed our website to make it easier to find what you need, when you need it

Renewed our focus on performance and internal capabilities

Welcomed new staff across the organisation, expanding our diversity and experience

Expanded our support of existing partners and built new relationships to continue our positive impact on the South Australian community

Progressed towards our new lending technology and member experience initiatives

Launched our Thriving Orange broker program

Supported more residential construction with local developers

Continued our partnership with the Australian Cyber Security Centre to enhance our security posture

Refined our brand identity and launched it to the market and our community

Strengthened our partnerships with our broker channel

Celebrating progression of our lending technology

Strategic focus

We exist to deliver on our purpose which applies to our members, our staff and the broader South Australian community. If we all thrive, we all benefit.

We use our profit for purpose and our focus is on our ability to consistently achieve sustainable results over the long term.

Helping South Australians THRIVE

Our Purpose is helping South Australians Thrive

Our goal is to be the financial institution that more South Australians choose.

Our Strategic Themes

- Support our members' aspirations
- Inspire and grow our people
- Enhance member experiences
- Strengthen the Organisation

Our Values

- People First
- Strive to Achieve
- Be Our Best

Amplifying our brand

To help us reach more South Australians, this year we invested in our brand amplification strategy.

We C U SA

Working with a local creative agency, KWPX, we developed a campaign not based on our products or service but purely on us: Credit Union SA. It captures who we are, what we stand for and why South Australians should care.

While we're no stranger to campaign planning, this was the first large-scale brand-only campaign for Credit Union SA in a number of years.

The premise was simple: launch a campaign that highlights Credit Union SA's local connection and love for our great state.
At every stage of life, ***we see South Australians, because we're here too.***

We used real South Aussie locations and local talent in our brand imagery and TV ad to meaningfully bring our new campaign to life in a meaningful and recognisable way for our members.

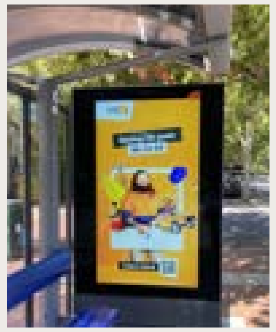
Our brand has been shown across South Australian billboards, radio, cinema, television and more!

"Credit Union SA doesn't just observe South Australian life; they live it alongside their members.

'We C U SA' is the brand platform – it's a pledge to be the financial partner that truly understands and reflects the values, aspirations, and distinctive lifestyle of South Australians, and the start of our journey with a terrific home grown brand."

David O'Loughlin, CEO and chair, kwpx

Scan the QR code to watch our new TV advert and see if you can spot some South Aussie locations



Upgrading our systems and service

As part of our continued commitment to improve our member experience, we have invested in upgrading our contact centre system. The new system will enhance the support experience for our members by bringing together our call, email and web chat channels to create more seamless interactions.

What is a contact centre system?

When we say contact centre system, we're talking about the software that helps us answer your calls. It makes it easier for us to answer questions, direct your calls and connect with you through web chat and email so you can receive the support you need however you choose to interact with us.

What are the benefits of the new system?

Thanks to your valuable feedback, we know that our old system wasn't offering the support our members need. We're excited that our new system will help change that by:

- Providing options to direct your call to the appropriate team and offering a better call-back option, making it quicker and more convenient to get the help you need, when you need it.
- Improving the experience during wait times with refreshed on-hold music and queue position announcements.
- Offering a new webchat functionality on our website for when phone calls don't fit with you or your lifestyle.
- Improving our ability to collect feedback from you calls will mean we can continue to improve on the performance and effectiveness.

Celebrating the project team behind our Contact Centre upgrade

Finance Team TechOne launch celebration

We delivered multiple projects with digital and member experience in mind

Launched TechOne, a new accounting software, allowing us to support our team and partners with a simpler payment solution

Invested in website user interface and feature updates to make it easier to get answers and find what you need, when you need it

Supported our members through Cheque and Redicard changes. Providing alternatives, education and guidance for a better experience

Our phone number changed

From 1 July you can reach us on 13 8777.

Supporting Education

Our commitment to shaping our state started over 65 years ago, when we were founded by teachers, for teachers. It's a big part of our DNA, and something that we continue to do every day!

Peter with Angela Falkenberg, National President, Primary Principals Association.

This year we focused heavily on our education strategy to further support and engage the SA education community.

Our refreshed Education Banking Benefits package offers special rates, exclusive products and a number of fee free waivers for eligble South Australian education community members and their immediate family.

It's our way of saying thank you for the work they do.

Knowledge Counts

Did you know that Knowledge Counts used to be the Credit Union SA tag line? Using it as our 2024 refreshed education package name is a new and meaningful way to celebrate our heritage and continue the brand connection.

Connecting with the Education community at conferences

Education Association's Sponsorship Program

We offer South Australian education associations registered with Educators SA a chance to receive funding for professional development.

This year, sponsorships of up to $2,000 were awarded to fund a range of association activities such as workshops, conferences, and events.

This years stats

- 43 applications received
- Supporting over 6,000 educators
- 13 awards granted for educator wellbeing
- 30 awards granted for professional development events

Awarding and celebrating excellence in Education

We know that an educator's influence is vital for South Australian children and it continues beyond the classroom. It's why we're so proud to support the education community and sponsor a number of events, gatherings and awards that recognise educators across their careers.

We were Platinum Sponsor for the 2023 Public Education Awards event as well as individual award sponsor of the Credit Union SA Excellence and Equity in Education Award.

Credit Union SA team at education community events throughout the year

Making an impact on SA schools

School Impact Program official launch

We believe that thriving schools are the future of our state. That's why we've launched our School Impact Program – providing up to 50 schools per year across metro and regional SA the opportunity to access up to $20,000 in funding for vital projects.

The School Impact Program replaces our previous School Community Rewards (SCR) program that saw us support 26 schools across it's nine years. The SCR program showed us how important the funds were for our school communities and this year, we wanted to make that support even easier to access.

The funding provided to schools across the state can be used for student enrichment and allows schools to invest in things like improved playgrounds, learning facilities, equipment, libraries and so much more.

> *Teachers and leaders do an amazing job of fundraising for school projects and using it as an opportunity to teach students about community spirit – this initiative will help them realise their fundraising goals faster to ensure these school projects make a difference to the school community.*
>
> **Blair Boyer MP**
> **Minister for Education, Training and Skills**

> *Our School Impact Program is committed to giving school communities over $1 million in vital funds across the next 10 years.*
>
> **Todd Roberts**
> **Credit Union SA CEO**

In 2024, the School Impact Program opened for all Department of Education schools and in 2025 it will be extended to include every single school in South Australia.

creditunionsa.com.au/SIP

Key facts

- $71,000 awarded in Round 1 funding
- Over 300 applications received
- 15 schools awarded in Round 1
- Majority of Round 1 funding awarded to Country SA schools

15 South Australian schools have been awarded a share of more than $70,000 in funding through the first round of the School Impact Program.

A panel, made up of four Credit Union SA team members and one Department for Education representative, reviewed each application to consider and award the funds.

"You have no idea what this means for us," said Wendy Williams, Assistant Principal Moonta Area School.

Her school had just received quotes for a kids' camp, and due to cost-of-living pressures, they could no longer afford to send the children on the trip without requesting a significant financial contribution from their families, which they knew would be unaffordable. The funds will assist students in experiencing the joy and crucial developmental experience that school camp brings.

Filming for an episode of South Aussie with Cosi

Back to School Fridays with Mix102.3

To celebrate the launch of our School Impact Program, we partnered with Mix102.3 to bring some fun to school drop off and early mornings with Back to School Fridays!

Max & Ali in the Morning for Mix102.3 and Credit Union SA will visit eight schools in 2024 for mornings full of fun and activities.

Mix102.3 Content Director Stephen Werner said, "We are so excited to collaborate with Credit Union SA. Together, we will be visiting eight South Australian schools across 2024 and bring the joy and fun of Max and Ali in the Morning to communities across Adelaide!"

"Back to School Fridays will enable students and families to discover the big stories in the local school community, and it's great to see that Credit Union SA has similar values which is what makes this partnership such a good fit," Stephen explained.

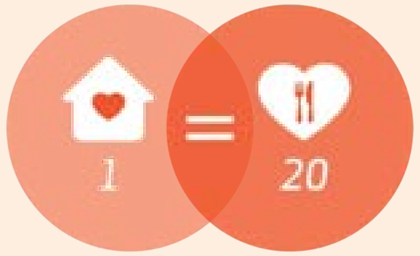
Furthering our commitment to Foodbank

Since January 2024, for every home loan settled with Credit Union SA, we donate 20 meals to Foodbank SA.

Your home loan matters. For you and for our community.

At Credit Union SA, we know that a home loan means something different for everyone. Whether it's the first step in your journey or the next step for your future, there's one thing that's shared - each Credit Union SA home loan makes a difference to South Australians in need.

Thanks to our members, we've donated over 11,540 meals to Foodbank SA since 1 January 2024.



Volunteering at Foodbank SA HQ

We continued our staff volunteer program this year, working for and with Foodbank to help source and deliver food for Australians in need.

The Foodbank team is small and relies heavily on volunteers to help them get food to the people that need it. That's why we really wanted to roll up our sleeves and get involved. We put a call out to our amazing team and were overwhelmed by the positive response.

Since the volunteering began, our nominated staff have been volunteering at the Edwardstown Foodbank Food Hub across the year to help pack hampers, sort products and bag fruit and vegetables.

With more than 135,000 South Australians relying on Foodbank's services every month, we hope to continue supporting the incredible team at Foodbank to help meet this demand.

Volunteering at Foodbank SA HQ

Volunteering at the show

Support at the show

Our team volunteered to represent Foodbank SA across different shifts during the 2023 Adelaide Royal Show.

Showing up when it counts

We were honoured to support Foodbank by purchasing a table and attending the Foodbank SA & NT Women of Influence Luncheon to hear from an incredible panel of speakers as they discussed their journeys and experience through the lens of resilience.

Such an inspiring event!

Attending the Women of Influence Luncheon

Powering up our commitment through community sports

We know that footy is much more than just a game, a scarf or even a result. It's about coming together - through cheers or tears - to be part of something bigger. Part of a community.

That's why we're proud to be Port Adelaide Football Club's Premier Partner for Home Loans and Personal Banking and continuing that feeling of community.

This marks the largest sporting partnership in Credit Union SA's history and has seen both brands align to offer exclusive deals and prize opportunities to Credit Union SA members, Port Adelaide Football Club members, and the South Australian community.

Our partnership will support the club's Women's AFL, Men's AFL and community education programs.

Jason Horne-Francis video shoot

Game-changing community partnership

Two iconic South Aussie brands aligning to celebrate footy and the impact sport has on local communities.

More important than Port Adelaide's sporting achievements on the field, is the community engagement that the club has shown off the field - that commitment is one of the biggest reasons we started this partnership.

Supporting the Multicultural Power Cup

Attending the Port Adelaide Football Club career expo

> *We share the values of giving back to the people who support us most, and who drive our core businesses – our members.*
>
> *This partnership is designed to do exactly that, and it's something the club is proud of.*
>
> Matthew Richardson
>
> CEO, Port Adelaide Football Club

Walking hand in hand with Zahra Foundation

The Zahra Foundation is an incredible local not-for-profit who help women and non-binary people who have experienced domestic and family violence. It's a cause that our organisation has become deeply connected with and we're so proud of the impact we have been able to make together. From fundraising walks to strategy support - it's a partnership that continues to grow and we continue to learn.

The Zahra Foundation was established by the children of Zahra Abrahimzadeh, after she was killed by her estranged husband at the Adelaide Convention Centre in 2010. We are honoured to work alongside the Zahra Foundation, helping wherever we can to bring awareness to their important message.

Women on the Run event

We were **major sponsors of the Women on the Run fundraising event for the ninth year**, supporting Zahra Foundation with funds, advertising support and volunteers on the day. Over the last nine years we've donated over $100,000 towards the running of the event. Our team, led by CEO Todd, then walk or run the 4km together. This year the heart-warming community event raised over $33,000 for the Foundation's life changing programs and financial counselling services.

"Women on the Run has become an important date in our organisations calendar, as it is not only a fantastic way to raise much needed funds and awareness for Zahra Foundation, but it is also a poignant reminder of the power we have as a collective community."

Todd Roberts, CEO

Give a helping handbag

We've donated over 500 bags to Zahra Foundation 'Pathways to Empowerment' program graduates through the years.

During Domestic Violence Awarness Month this May, our amazing team came together to **donate bags through out 'Give a Helping Handbag' initiative**, the bags are then gifted to graduates of the Zahra Foundation's life-changing Pathways to Empowerment program.

Gift wrapping station in Myer to raise funds for Zahra Foundation

Christmas gift wrapping

Staff have also volunteered with Christmas gift wrapping at Myer during the festive season, with all proceeds donated to the Pathways program, further demonstrating Credit Union SA's strong connection and commitment to serving the South Australian community.

Building awareness through story-telling

We were proud to help finance the production of Zahra Foundation's Financial Abuse video assets, which will help women recognise that they may be experiencing domestic and family violence and where they can go for help.

These financial abuse educational videos depict real-life stories of women from different demographic backgrounds performed by actors to protect the identities of the financial abuse survivors.

Scan the QR code to access video resources

To find 24/7 support contact
1800RESPECT

Supporting the St John's Youth Services Community

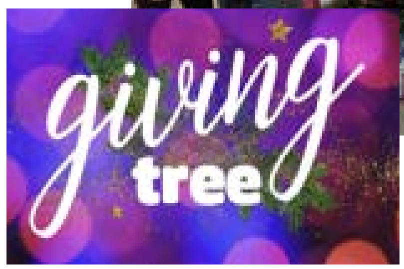
We are a proud supporter of St John's Youth Services, a not-for-profit organisation that strives to improve the lives of the most disadvantaged young people in our community through the provision of emergency accommodation, child support services and transition-to-independent-living programs.

Every time someone takes out a car loan with us, we make a donation to St John's Youth Services Driving Program. Each donation helps at risk young people get their driver's licence – giving them opportunities to find work, access education and gain independence.

This financial year we donated over $14,000 St John's Youth Services to support the young people in their care and to help fund driving lessons.

Our team and members also rallied together once again to donate a range of special gifts and vouchers as part of our Giving Tree initiative.

These presents make a big difference to the young people staying at St John's Youth Services crisis accommodation over the Christmas period.



We also worked together to:

Plant over
50
Native trees
in South Australia
One for every new starter, including our interns.

Raise over
$18,000
For Soup & Sleep

Raise funds and awareness for period poverty and supply sanitary products in staff bathrooms

Save 4,255
paper cups from landfill using our dedicated paper cup collector

Spend
155.5 hours
volunteering
with our partners including Foodbank, Lifeblood and gift wrapping for Zahra Foundation

Continue our commitment to
reconciliation in SA
Through our membership of Reconciliation SA, our Reflect RAP and ongoing partnerships

Fraud and scams: Keeping members informed

We strive to support our members and to help protect them from fraud and scams.

We provide training on scam and cyber security for all our staff. Our member-facing team receive regular awareness training, education and guidance from our Financial Crimes team.

By leveraging our real member case studies, as well as the knowledge of our Financial Crimes team, our team are taught how to spot red flags and be aware of security risks.

It's why we ask our members some questions when they're raising a payment limit or withdrawing funds.

We've bolstered our cyber security focus by expanding our team with more cyber security experts to help us continue safeguarding Credit Union SA, our team and our members.

We use the latest technology, run by our highly experienced Financial Crimes team and our 24/7 365 Fraud Bureau Service to keep our members' identity, information, and money protected.

Throughout the year our Fraud, Financial Crimes & Cyber Security teams work closely with industry leaders and other financial institutions to better understand the evolving challenges and risks.

We share regular updates on emerging scam risks through our social media channels, website, email and hold messaging to help us educate our members and our community.

- The total value of attempted fraud against our members reduced by 35% last year
- Last year our team prevented $0.231M in loss for our members
- We helped recover $0.108M from scams - an increase of 30%

- 100% of our staff complete phishing and ransomware training
- Our Financial Crimes Team work closely with our member-facing teams to provide education and support
- All of our staff go through annual Anti-Money Laundering training

Scan to access security resources

International Women's Day Celebration

Thriving People

For us, a thriving South Australia starts with our team. More than just specialists in their fields, our people are dedicated to our community and they care as much about our state as we do.

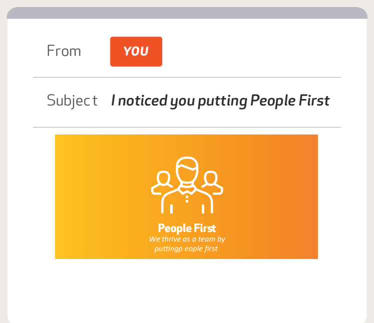
We know it's important to support our people inside and outside of the office. It's why we continue to focus on learning, development, wellness, diversity and our culture.

This year, our people...

Completed over 3,500 hours of training

2,700 of those hours were facilitated internally across 57 development workshops

Utilised our newly launched Wellness Hub



Sent over 915 eCards to each other

Rated these development workshop topics the highest:

- wellbeing
- creative problem solving
- communication

Emerging leaders

Emerging leaders sessions

Our Emerging Leaders Program is designed to develop the skills required to be a leader in our organisation through in-person training that supports career aspirations and growth.

Our first cohort graduated at the end of 2023 after presenting their final projects to the Executive team. In 2024, we have 17 team members taking part.

An Emerging Leaders project to simplify internal communications turned into a fortnightly newsletter. The 'Thrive Hive' is now a key space to share information and connect with team mates.

Internal development

Our First Work Force Development Plan was delivered and completed to 100% of our ambition - it's an important step in ensuring our team are supported to be their best.

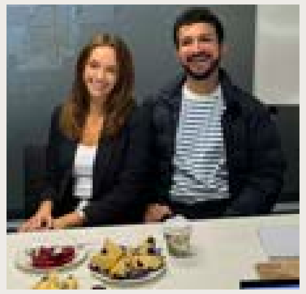
We provide access and opportunities for our team to learn through free training, including leveraging the expertise in our business to run internally developed and led sessions across a range of topics.

While we develop our Emerging Leaders, we also support the existing leadership teams through our Thriving Leaders and Connecting Leaders programs. Offering regular training sessions, learning opportunities and spaces to connect.

Our internal experts for 'Banking Bootcamp Panel'

Recognising & celebrating together


Birthday celebrations across the organisation





971

Hours taken as Birthday Leave

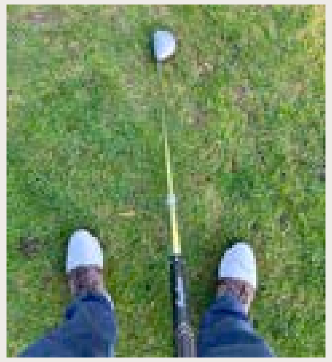
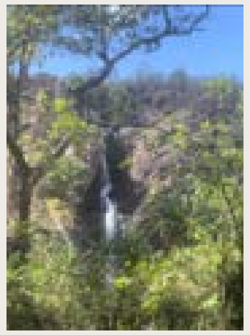
Our gift to employees is Birthday Leave, a paid day off to celebrate however they choose!

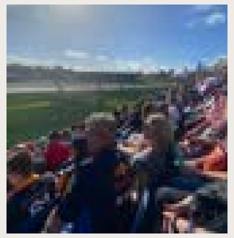
3,770

Hours taken as Thrive Days

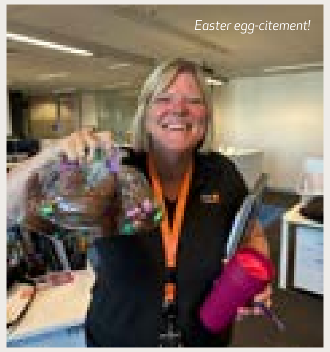
One extra day of leave every quarter for our team to do whatever makes them thrive - from golfing to hiking, relaxing time with the family or pampering ourselves at a spa.

Our Thrive Days encourage disconnecting and recharging.


Time off to Thrive

Our CFO Simone was recognised as a Fellow of the Institute of Chartered Accountants in Australia and NZ



Easter egg-citement!

Acknowledging important days and events for our team

Whether it's carving out time to talk on R U OK? Day, hand-delivering chocolate for Easter or prioritising celebrating achievements and milestones together, our focus is on supporting our people at every turn.


R U OK? DAY: making time to connect

Thanks for 25 years of service, Steve!



Celebrating 30 years of combined service, thank you Sharon!


International Women's Day event

Celebrating the outstanding contributions of our CEO Award winners

Each year we recognise our teams achievements through our peer-nominated CEO Awards and Annual Celebration Evening





Annual winners
From L to R: Sahel - Member Experience, Vero - Purpose, Julie - Purpose, Cos - Inclusion, Sue - Community


Chris - Annual Risk & Overall Winner

OVER

1,060

Years of total service across our staff and board of directors

Service Milestones 2023/2024

17 staff celebrated significant service milestones

44 years longest tenure

6½ year average tenure

2

Engagements


A Thrive Day and marriage Proposal all rolled Into one!

21

Significant birthdays

Ranging in milestone ages from 21 to 70!

2

Weddings

Congratulations everyone!

3

Graduations


Muhammad celebrated his graduation with family and the Credit Union SA team

2

Babies Born

Our diversity & inclusion journey

Our new starters joining CEO, Todd, for lunch

53% of our leaders are female

11% of our staff are over 60

30% of our staff are under 30

Celebrating International Women's Day

Find out more about our committment to closing the gender pay gap:

creditunionsa.com.au/gender-pay-gap-statement

We represent **30** Nationalities

We can speak **33** languages

Our team exchanged 7 public holidays

The option to exchange a public holiday for an alternative date to provide greater flexibility to celebrate the dates that matter to everyone's individual preferences, cultures and beliefs.

Some 2023/24 highlights

July

- We had a company wide office desk move for better collaboration between departments
- We hosted a workshop with Jacqui Parker and Nicole Laupepa on understanding the journey to reconciliation
- DocuSign went live to help enhance our digital experience and increase home lending efficencies

August

- We laced up our shoes and starting tracking KMs for Corporate Cup - a fun way to explore SA
- Our new internally developed 'Wellbeing Hub' officially launched to our team
- We celebrated a combined 30 years of service this month!

September

- Some of our team volunteered for Foodbank SA at the Adelaide Show
- There were birthday celebrations and engagement joy!

October

- Mental Health Awareness Month saw our team taking part in a Food & Mood series, learning how the two are connected
- The School Impact Program officially launched at Reynella East primary
- Another big month for years of service - this time we celebrated 50 years combined!

November

- Feast Festival was so much fun, our family friendly activation had games, glitter and community.
- The inaugural Emerging Leaders co-hort graduated after presenting their projects to Exec
- What's better than going to the Pageant? Watching it from the comfort of our office! We invited families to get festive and enjoy our amazing view of the city

December

- We had a great time celebrating at our end of year get-together
- Tech One, a strategic technological investment, went live spear headed by our Finance team

January

- We streamlined internal communications by creating a fun space to connect - our fortnightly newsletter, Thrive Hive
- The Foodbank home loan initiative kicked off - for every home loan settled with Credit Union SA, we donate 20 meals to South Aussies in need
- Our game-changing Port Adelaide Football Club partnership was officially announced

February

- We welcomed a new Director to the board, Matthew Walsh
- The School Impact Program featured on the TV show South Aussie with Cosi
- We celebrated and acknowledged International Women's Day and the impact women have in our organisation and community
- How good was our special quiz night with Triple M? Heaps Good!

March

- We walked and ran together as part of the Zahra on the Run walk
- Mix102.3 and Credit Union SA brought the Back to School Fridays fun back
- Harmony Week is always a great opportunity to connect with each other, learn more about our different heritages and share delicious cultural dishes

April

- We filmed with Power star Jason Horne-Francis to create content that showcases our Port Adelaide member offers
- Fundraising kicked off for Soup & Sleep and our team learned more about the impact the event can have on vulnerable South Australians
- The School Impact Program judging process began

May

- Domestic Violence Awareness month is a time of reflection, education and giving for our team
- Our team donated over 100 handbags to Zahra Foundation to be gifted to users of their service
- We farewelled long standing Board member and Chair, Carolyn Mitchell, a pivotal influence on our success
- Julie Cooper was appointed Chair of Credit Union SA's board

June

- The Soup & Sleep participants from our leadership team raised over $18,000 in funds for vulnerable South Australians by sleeping outside for the night
- Our education banking benefits package - Knowledge Counts - officially relaunched with a new look, updated products and refined focus
- We took our 'Win an MG' Port Adelaide offer on the road, activating it in front of Adelaide Oval to thousands of fans

Looking forward

Over the next 12 months we will see the benefits of our investments in systems come to life through the transformation of our lending journey.

We will further embed our relationships with our partners and the education sector while improving our efficency and strengthening our financial and risk foundations, to prepare us for the next stage of growth.

Some of our key focus areas

- Create a ***more seamless experience*** for our members
- Positively impact the South Australian community through our ***partnerships and relationships***
- ***Provide a foundation for automation*** by supporting our staff the systems and tools
- Embrace our heritage with the Education sector through ***continued engagement and compelling offers***
- Deliver ***consistently high levels of service*** and member experience

Directors' Report

The Directors present their report together with the financial report of Credit Union SA Ltd (the "Credit Union") and of the Group, being the Credit Union and its controlled entities, for the financial year ended 30 June 2024 and the Auditor's report thereon.

Directors

The Directors at any time during or since the end of the financial year, including details of their qualifications, experience and special responsibilities are:

Name, qualifications and special responsibilities	Experience
Carolyn Anne MITCHELL LLB, GDLP, FAICD Chair of the Board from 1 December 2017 - 29 May 2024 retired as chair and director. Independent Non-Executive Director since 2009 to 29 May 2024 (and previously Independent Non-Executive Director of PowerState Credit Union Limited) Member, Board Risk Committee (until 29 May 2024) Member, Board Governance Committee (until 29 May 2024)	Company Director/Consultant *Other Board Memberships:* Agrisano Holdings Pty Ltd (Chair); NetballSA (Chair); Risk Management and Audit Committee, Department of Human Services (Chair); Tonkin Consulting Pty Ltd (Chair); Lawguard Management Pty Ltd (Director); Townsend House Incorporated (Chair); The Royal South Australian Deaf Society Incorporated (Chair); Adelaide Symphony Orchestra (Director); Member of Audit, Finance and Risk Committee, Transition Council Member, UniSA; Haighs Pty Ltd (Chair); Haighs Manufacturing Pty Ltd (Chair); AE Haigh Pty Ltd; Haigh Manufacturing (No2) Pty Ltd as trustee for the Haigh Manufacturing Trust; Haigh Retail Pty Ltd as trustee for the Haigh Retail Trust (Chair); Health Services Charitable Gifts Board (Director); South Australian Motorsport Board (Deputy Presiding Officer)
Julie Anne COOPER GD.Mgt, BA, FAICD Chair of the Board from 29 May 2024 Independent Non-Executive Director since February 2019 Member, Board Risk Committee Member, Board Governance Committee	Company Director *Previous Board Memberships:* Nova Systems Pty Ltd (Chair); South Australian Film Corporation (Chair); ASC Pty Ltd (Director); AICD National Board (Director); Risk and Audit Committee, Adelaide Crows Foundation (Director and Chair of Risk and Audit Committee); Sarah Group (Board Advisor); Helping Hand, Member of Finance and Property Committee (Director); Member Finance and Audit Committee, Adelaide Football Club *Other Board Memberships:* Shearn and Co Pty Ltd (Director)
Paul Carl DEWSNAP PGDDigBus, DipElecEng, MAICD Independent Non-Executive Director since February 2019 Member, Board Risk Committee Member, Board Governance Committee (until 27 February 2024)	Company Director/Consultant *Other Board Memberships:* Data Action Pty Ltd (Director); Digital Resilience Pty Ltd (Director); My Security Adviser Pty Ltd (from March 2021) (Director); Buzz ER Pty Ltd (Advisory Board); Advisory Board of Affiniti Solutions (Chair); Australia India Chamber of Commerce – South Australian Chapter (Committee Member); J2P2 Pty Ltd (Director); Origin8 Enterprises (Director); PV Enterprises (Director); PV Super (Director); VEP Enterprises (Director)
Philip Leon Fernand RIQUIER MBA, B Bus, FAICD, FCPA, FFIN, Chartered Banker Independent Non-Executive Director since 2018 Chair, Board Risk Committee Member, Board Audit Committee	Company Director *Other Board Memberships:* Lutheran Homes Group Incorporated (Director); Capital Prudential Pty Ltd (Director); My Venue Pty Ltd (Director); Guava Lime Capital Pty Ltd (Director); Oz Premium Finance Pty Ltd
Nicholas Chapman ANDERSON BAcc, FCA, GAICD Independent Non-Executive Director since February 2021 Chair, Board Audit Committee Member, Board Risk Committee	Company Director *Other Board Memberships:* Director, Capital Family Office Pty Ltd (Director); Capital Strategies Pty Ltd (Director); Multiple Officer and Trustee positions with private companies and trusts

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Name, qualifications and special responsibilities	Experience
Louise Helen SMALL GAICD, Australian Coaching Accreditation (Intermediate), CertIV in Finance Broking Independent Non-Executive Director since 1 October 2021 Chair, Board Governance Committee	Company Director *Other Board Memberships:* South Australia National Football League (SANFL) (Director); South Australian Housing Authority/Trust (Director)
Matthew Peter WALSH MBA, BAppSc, GAICD Independent Non-Executive Director since 27 February 2024 Member, Board Governance Committee	Company Director *Other Board Memberships:* Defence Health Limited (Director); Xframe Limited (Chair); Matt Walsh Consulting Pty Ltd (Director); Recovr Pty Ltd (Member of Advisory Board); Trustee position with private trust
Kathryn HAWKINS Traineeship in Computer Operations and Application Programming, MAICD Independent Non-Executive Director since 1 July 2024 Member, Board Audit Committee	Company Director *Other Board Memberships:* Nil *Previous Board Memberships:* Pacific Health Dynamics (Director) *Previous Appointments:* HAMBS – Chief Executive Officer (Sept 2017-Sept 2022)

Directors were in office (including Board Committee membership) from the beginning of the financial year until the date of this report, unless stated otherwise. Board membership information includes any current or previous positions held by the Director across the financial year ended 30 June 2024.

Company Secretary

Ms Nicole Santinon LLB (Hons), BIntSt, GDLP, Prof Cert SMSF, GAICD was appointed Company Secretary effective 13 December 2021. Ms Santinon is a corporate & commercial lawyer and corporate governance professional who formerly practised as a tax and superannuation lawyer both in private legal practice and as in-house senior legal counsel.

Directors' Meetings

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors during the 2024 financial year are:

Director	Director Type	Board		Audit Committee		Risk Committee		Governance Committee	
		A(*)	B	A	B	A	B	A	B
C Mitchell (Chair)**	ME	13	11	4	3			4	4
N Anderson	BA	13	13	4	4	5	5		
J Cooper (Chair)	ME	13	13	1	1	1	1		
P Dewsnap	ME	13	13	1	1	5	5	2	2
L Small	BA	13	13					4	4
P Riquier	ME	13	13	4	4	5	5		
M Walsh	BA	6	6					2	2

(*) Eleven scheduled Board meetings [two (2) Board Strategy Planning meeting]
(**) Retired as both chair and director effective 29 May 2024

A Number of meetings held during the period the Director was a member of the Board or Board Committee.
B Number of meetings attended by the Director

ME Member Elected Directors
BA Board Appointed Director

Directors' Interests

No Director has declared any interest in existing or proposed contracts with the Group during the financial year ended 30 June 2024, and to the date of this report.

Principal Activities

During the financial year ended 30 June 2024, the principal activities of the Group were the provision of financial services to its members, including accepting members' deposits, advancing loans to members and acting as a general insurance agent. There were no significant changes to these activities during the year.

Review of Operations

The Group recorded a profit after tax for the year ended 30 June 2024 of $5.211 million (2023: $6.406 million). Total assets of the Group as at 30 June 2024 were $1.845 billion (2023: $1.647 billion) including members' net loans and advances of $1.539 billion (2023: $1.352 billion).

Change in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends

The Constitution of the Group prevents the distribution of dividend payments on member shares.

Events Subsequent to the Reporting Date

Other than the current disclosures, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Group, the results, or the state of affairs of the Group in future financial years.

Likely Developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

The Group has considered the impact of rapidly increasing interest rates from last financial year and the continuously high interest rates remained in current financial year on future financial performance and has incorporated the impact in its future operating plans. In particular, the Group has heightened monitoring of its exposure to credit losses.

Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, Directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those requirements as they apply to the Group.

Indemnification and Insurance of Directors and Officers

During the period, the Group paid a premium in relation to Directors and officers liability insurance policy, indemnifying the Directors and its Executives against certain liabilities. The Directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contract, as such disclosure is prohibited under the terms of the contract.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act

The Lead Auditor's Independence Declaration is set out on page 8 and forms part of the Directors' Report for the year ended 30 June 2024.

Rounding Off

The Credit Union is a registered company of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 dated 24 March 2016', relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

Signed at Adelaide this 25th day of September 2024 in accordance with a resolution of the Board of Directors of Credit Union SA Ltd.

J. L. Cooper

Julie Cooper
Chair of the Board

Nicholas Anderson
Chair of the Audit Committee

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Lead Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Credit Union SA Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Credit Union SA Ltd for the financial year ended 30 June 2024 there have been:

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

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

KPMG

Darren Ball
Partner
Adelaide
25 September 2024

Independent Auditor's Report

To the Members of Credit Union SA Ltd

Opinion

We have audited the consolidated Financial Report of Credit Union SA Ltd (the Group Financial Report). We have also audited the Financial Report of Credit Union SA Ltd (the Credit Union Financial Report).

In our opinion, the accompanying Group Financial Report and the Credit Union Financial Report give a true and fair view, including of the Group's and Credit Union's financial position as at 30 June 2024 and of their financial performance for the year then ended, in accordance with the Corporations Act 2001, in compliance with Australian Accounting Standards and the Corporations Regulations 2001.

The respective Financial Reports of the Group and the Credit Union comprise:

- Statements of Financial Position as at 30 June 2024;
- Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows for the year then ended;
- Consolidated Entity Disclosure Statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The Group consists of Credit Union SA Ltd (the Credit Union) and the entity it controlled at the year-end or from time to time during the financial year.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audits of the Financial Reports section of our report.

We are independent of the Group and the Credit Union in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Credit Union SA Ltd's annual report which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Reports in accordance with the Corporations Act, including giving a true and fair view of the financial position and performance of the Credit Union and the Group, and in compliance with Australian Accounting Standards and the Corporations Regulations 2001;
- implementing necessary internal control to enable the preparation of Financial Reports in accordance with the Corporations Act, including giving a true and fair view of the financial position and performance of the Credit Union and the Group, and that is free from material misstatement, whether due to fraud or error; and
- assessing the Group and the Credit Union's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Credit Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinions.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Darren Ball
Partner
Adelaide
25 September 2024

Directors' Declaration

For the year ended 30 June 2024

In the opinion of the Directors of Credit Union SA Ltd ("the Credit Union"):

a) the financial statements and notes set out on pages 46 to 103 are in accordance with the *Corporations Act 2001* including:

i. giving a true and fair view of the Credit Union's and the Group's financial position as at 30 June 2024 and of their performance, for the financial year ended on that date;

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

b) the Consolidated Entity Disclosure Statement as at 30 June 2024 set out in page 104 is true and correct;

c) the financial statements also comply with the International Financial Reporting Standards as disclosed in Note 2; and;

d) 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

Signed at Adelaide this 25th day of September 2024, in accordance with a resolution of the Board of Directors of the Credit Union.

Julie Cooper
Chair of the Board

Nicholas Anderson
Chair of the Audit Committee

Statements of Financial Position

As at 30 June

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000	Credit Union 2024 $'000	Credit Union 2023 $'000
Assets					
Cash and cash equivalents	8	60,975	91,372	48,617	72,548
Investment in debt securities	9	224,096	185,171	224,096	185,171
Trade and other receivables	10	2,127	2,144	2,642	2,618
Net loans and advances	11, 12	1,539,342	1,351,553	1,539,342	1,351,553
Other investments	27	-	-	283,500	293,500
Other financial assets	13	9,012	8,201	9,012	8,201
Property, plant and equipment	14	987	2,003	987	2,003
Derivative assets	26	-	834	-	834
Net deferred tax assets	7	1,346	1,228	1,346	1,228
Intangible assets	15	4,430	1,935	4,430	1,935
Other assets	16	2,813	2,977	2,800	2,959
Total assets		**1,845,128**	**1,647,418**	**2,116,772**	**1,922,550**
Liabilities					
Members' deposits	17	1,592,592	1,410,197	1,592,592	1,410,197
Interest-bearing liabilities	18	111,101	104,622	111,101	104,622
Borrowings	27	-	-	266,510	271,600
Derivative liabilities	26	227	304	227	304
Trade and other payables	19	12,887	9,989	18,021	13,521
Income received in advance		46	70	46	70
Income tax payable	7	529	724	529	724
Provisions	20	3,127	2,903	3,127	2,903
Total liabilities		**1,720,509**	**1,528,809**	**1,992,153**	**1,803,941**
Net assets		**124,619**	**118,609**	**124,619**	**118,609**
Equity					
Retained earnings	21	122,111	116,901	122,111	116,901
Fair value reserves	21	2,671	1,116	2,671	1,116
Cash flow hedge reserve	21	(227)	529	(227)	529
Redeemed member shares	21	64	63	64	63
Total equity		**124,619**	**118,609**	**124,619**	**118,609**

The above statements of financial position should be read in conjunction with the accompanying notes.

Credit Union SA 2023/2024 Annual Report and Year In Review Page 46

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000	Credit Union 2024 $'000	Credit Union 2023 $'000
Income					
Interest revenue	4	88,410	59,477	102,447	69,548
Interest expense	4	(51,174)	(23,781)	(66,757)	(36,156)
Net interest revenue		37,236	35,696	35,690	33,392
Non-interest revenue	5	5,092	4,826	6,556	7,099
Total income		**42,328**	**40,522**	**42,246**	**40,491**
Expenses					
Impairment losses on loans and advances	12	(49)	(271)	(49)	(271)
Other expenses	6	(35,103)	(31,362)	(35,021)	(31,331)
Total expenses		**(35,152)**	**(31,633)**	**(35,070)**	**(31,602)**
Profit before tax		7,176	8,889	7,176	8,889
Income tax expense	7	(1,965)	(2,483)	(1,965)	(2,483)
Profit for the year		**5,211**	**6,406**	**5,211**	**6,406**
Other comprehensive income					
Items that are or may be reclassified to profit or loss					
Cash flow hedge reserve		(756)	455	(756)	455
Changes in the fair value of investment in debt securities at fair value through other comprehensive income (FVOCI)		811	713	811	713
Items that will not be reclassified to profit or loss					
Changes in the fair value of other financial assets at FVOCI		744	(629)	744	(629)
Other comprehensive income for the year, net of tax		**799**	**539**	**799**	**539**
Total comprehensive income for the year		**6,010**	**6,945**	**6,010**	**6,945**

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

As at 30 June

Consolidated	Notes	Retained earnings $'000	Fair value reserves $'000	General reserve for credit losses $'000	Cash flow hedge reserve $'000	Redeemed member shares $'000	Total $'000
2024							
Opening equity		**116,901**	**1,116**	**-**	**529**	**63**	**118,609**
Profit for the year		5,211	-	-	-	-	5,211
Changes to the fair value of cash flow hedges		-	-	-	(756)	-	(756)
Other comprehensive income for the year		-	1,555	-	-	-	1,555
Redeemed member shares		(1)	-	-	-	1	-
Closing equity	21	**122,111**	**2,671**	**-**	**(227)**	**64**	**124,619**
2023							
Opening equity		**109,767**	**1,032**	**729**	**74**	**62**	**111,664**
Profit for the year		6,406	-	-	-	-	6,406
Changes to the fair value of cash flow hedges		-	-	-	455	-	455
Other comprehensive income for the year		-	84	-	-	-	84
General reserve for credit losses	12	729	-	(729)	-	-	-
Redeemed member shares		(1)	-	-	-	1	-
Closing equity	21	**116,901**	**1,116**	**-**	**529**	**63**	**118,609**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

As at 30 June

Credit Union	Notes	Retained earnings $'000	Fair value reserves $'000	General reserve for credit losses $'000	Cash flow hedge reserve $'000	Redeemed member shares $'000	Total $'000
2024							
Opening equity		**116,901**	**1,116**	**-**	**529**	**63**	**118,609**
Profit for the year		5,211	-	-	-	-	5,211
Changes to the fair value of cash flow hedges		-	-	-	(756)	-	(756)
Other comprehensive income for the year		-	1,555	-	-	-	1,555
Redeemed member shares		(1)	-	-	-	1	-
Closing equity	21	**122,111**	**2,671**	**-**	**(227)**	**64**	**124,619**
2023							
Opening equity		**109,767**	**1,032**	**729**	**74**	**62**	**111,664**
Profit for the year		6,406	-	-	-	-	6,406
Changes to the fair value of cash flow hedges		-	-	-	455	-	455
Other comprehensive income for the year		-	84	-	-	-	84
General reserve for credit losses	12	729	-	(729)	-	-	-
Redeemed member shares		(1)	-	-	-	1	-
Closing equity	21	**116,901**	**1,116**	**-**	**529**	**63**	**118,609**

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

For the year ended 30 June

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000	Credit Union 2024 $'000	Credit Union 2023 $'000
Cash flows from operating activities					
Interest received		88,106	58,460	102,102	68,196
Interest paid		(46,909)	(17,845)	(62,491)	(30,220)
Increase in members loans and advances		(187,838)	(185,301)	(187,838)	(185,301)
Increase in member deposits	17	182,394	192,711	182,394	192,711
Non-interest income received		5,205	4,753	6,668	7,026
Non-interest expenses paid		(32,507)	(31,733)	(30,809)	(29,617)
Income tax paid	7(c)	(2,277)	(1,955)	(2,277)	(1,955)
Net cash flow from operating activities	8(b)	**6,174**	**19,090**	**7,749**	**20,840**
Cash flow from investing activities					
Increase in investment in debt securities	9	(38,181)	(15,657)	(38,181)	(15,657)
Decrease/(Increase) in notes receivable		-	-	10,000	(40,000)
Dividends from other financial assets		208	180	208	180
Payments for property, plant, equipment and intangibles	14,15	(3,565)	(1,096)	(3,565)	(1,096)
Net cash flow used in investing activities		**(41,538)**	**(16,573)**	**(31,538)**	**(56,573)**
Cash flow from financing activities					
Payment of lease liabilities	23	(1,511)	(1,392)	(1,511)	(1,392)
Proceeds from interest-bearing liabilities	18	49,086	41,060	49,086	41,060
Proceeds from borrowings		-	-	19,557	141,214
Repayments of borrowings		(42,607)	-	(67,274)	(105,619)
Net cash flow from/(used in) financing activities		**4,968**	**39,668**	**(142)**	**75,263**
Net (decrease)/increase in cash and cash equivalents		**(30,396)**	**42,185**	**(23,931)**	**39,530**
Cash and cash equivalents at beginning of the year		91,371	49,187	72,548	33,018
Cash and cash equivalents at end of the year	8(a)	**60,975**	**91,372**	**48,617**	**72,548**

Cash flows arising from the following activities are presented on a net basis:
i. member deposits to and withdrawals from deposit accounts
ii. borrowings and repayments on loans, advances and other receivables
iii. dealings with other financial institutions

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Notes to the Financial Statements

Note 1. General Information

Reporting Entity

Credit Union SA Ltd (the "Credit Union"), is a company domiciled in Australia. These consolidated financial statements comprise the Credit Union and its controlled entities (together referred to as the "Group").

Credit Union SA Ltd's registered office and its principal place of business is as follows:

400 King William St, Adelaide

South Australia, 5000.

Principal Activities

During the financial year ended 30 June 2024, the principal activities of the Credit Union were the provision of financial services to its members, including accepting members' deposits, advancing loans to members and acting as a general insurance agent. There were no changes to these activities during the year and no changes are anticipated for the coming year.

Note 2. Basis of Preparation

(a) Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board. The Credit Union is a for-profit entity for the purposes of preparing the financial statements.

The financial report was authorised for issue by the Directors on 25 September 2024.

The accounting policies, including changes during the year, are contained within the notes to the financial statements.

(b) Basis of Measurement

The financial report has been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss, or at fair value through other comprehensive income.

(c) Functional and Presentation Currency

The financial report is presented in Australian dollars, which is the Credit Union's functional currency. The Credit Union is a registered company of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191' relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial statements have been rounded to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

(d) Use of Estimates and Judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(e) Basis of Consolidation

The Group operates a securitisation vehicle under its self-securitisation programme. In considering whether it has control the Group considers whether it significantly affects the key decisions that manage the vehicle's returns. As a result, the Group has concluded that it controls the securitisation vehicle.

The Company has determined that each entity included in its Consolidated Entity Disclosure Statement (CEDS) is an Australian tax resident. In determining Australian tax residency, the Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxations public guidance in Tax Ruling TR 2018/5. Australian tax law does not contain specific residency tests for trusts. Generally, those entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treats trusts as residents for certain purposes, but this does not mean the Trust itself is an entity that is subject to tax.

(f) Other Accounting Policies

(i) Impairment of financial assets

Financial assets within the scope of AASB 9 expected credit loss (ECL) requirements comprise all financial debt instruments measured at either amortised cost or FVOCI. These include cash and cash equivalents, investment in debt securities, trade and other receivables, loans and advances, derivative assets, and other financial assets.

The ECL represents the present value of expected cash shortfalls following the default of a financial instrument. A cash shortfall is the difference between the cash flows due in accordance with the contractual terms of the financial instrument and the cash flows the Group expects to receive.

Note 2. Basis of Preparation (continued)

The allowance for ECLs is based on assessment of the probability of default, exposure at default and loss given default, discounted at the effective interest rate to give a net present value. The estimation of ECLs is unbiased and probability weighted, taking into account all reasonable and supportable information, including forward looking economic assumptions and a range or possible outcomes. ECLs are calculated from initial recognition of the financial asset.

For investment in debt securities, the Group has applied the AASB 9 'low credit risk' exemption given their credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For financial assets measured at amortised cost, the allowance for ECLs is offset against the carrying value so that the amount presented in the statements of financial position is net of impairment provisions. Please refer to Note 12 for further details on the impairment of loans and advances.

For financial assets classified as FVOCI, any credit losses are recognised in the fair value reserve.

(ii) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss, unless an asset has previously been revalued, in which case the impairment loss is first recognised as a reversal to the extent of that previous revaluation, with any excess recognised through profit or loss.

(iii) Reversal of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss no longer exists and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

When an impairment loss is reversed, it is reversed through the profit or loss.

(g) Restatement of comparative balances

The comparative balance for the Group and the Credit Union have been reinstated to reflect revised classification of secured and unsecured loans in note 11 Loans and advances. There is no impact on the Group's or the Credit Union's statements of profit or loss and other comprehensive income and statements of financial position as a result of these adjustments.

Note 3. Statement of material accounting policies

New Standards and Interpretations Adopted

The Group adopted AASB2021-2 Amendments to Australian Accounting Standards –Disclosure of Accounting Policies and Definition of Accounting Estimates from 1 July 2023. The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments did not result in any changes to the accounting policies themselves, management also assessed they do not impact the Group's accounting policy information disclosed in below.

The Group has adopted AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the Amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

However, there was no impact on the Statement of Financial Position because the balances qualify for offset under paragraph 74 of AASB 112 Income Taxes. There was also no impact on the opening retained earnings as at 1 July 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised in Note 7d.

A number of new accounting standards, interpretations and amendments are effective from annual periods beginning after 1 July 2024 and early application is permitted. However, the group has not adopted any of these as they are not applicable to the group.

Note 4. Interest Revenue and Interest Expense

Net interest revenue is recognised on the amortised cost basis using the effective interest method.

Loan origination fees and direct costs integral to the establishment of loans and advances are deferred and amortised to interest income over the effective life of the loan using the effective interest method.

The following tables show the amount of interest revenue or expense for each of the major categories of interest-bearing assets and liabilities.

	Consolidated		Credit Union	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Interest revenue				
Cash and cash equivalents	3,765	2,718	3,118	2,138
Investment in debt securities	8,848	5,336	8,848	5,336
Loans and advances	70,428	48,851	70,428	48,851
Notes receivable	-	-	14,684	10,651
Derivatives	5,369	2,572	5,369	2,572
	88,410	**59,477**	**102,447**	**69,548**
Interest expense				
Interest-bearing liabilities	5,595	1,940	5,595	1,940
Member deposits	40,717	19,122	40,717	19,122
Borrowings	-	-	15,583	12,375
Derivatives	4,862	2,719	4,862	2,719
	51,174	**23,781**	**66,757**	**36,156**

Notes to the Financial Statements continued

Note 5. Non-Interest Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Loan fees and other commission revenue include fees other than those that are integral part of the effective interest rate (EIR).

Loan fees revenue relating to deposit or loan accounts is either transaction-based and, therefore, recognised when the performance obligation related to the transaction is fulfilled or is related to performance obligations carried out over a period of time, therefore, recognised on a systematic basis over the life of the agreement as the services are provided. Transaction fees and provision of services are defined within the product terms and conditions.

Other commission revenue, predominantly in relation to insurance protection products, is recognised when the performance obligation is satisfied and only at the point that the income is highly probable and not expected to be reversed in future periods.

Other fee revenue and commission revenue are brought to account in accordance with AASB 15 Revenue from contracts with customers with revenue recognised in alignment with the associated performance obligations. The Group recognises revenue when it transfers control over a service to a customer.

Income from sub-leasing right-of-use assets is recognised in accordance with AASB 16 Leases. Lease payments received under operating leases are recognised as income on a straight-line basis over the lease term.

Dividends from other financial assets are recognised at the date when the right to receive the dividend has been established.

	Consolidated		Credit Union	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Non-interest revenue				
Distribution from MTG CUSA Trust Repo Series No. 1 (Note 28)	-	-	1,197	2,015
Loan fees	1,760	1,597	1,761	1,597
Bad debts recovered	62	75	62	75
Dividends received	208	180	208	180
Income from sub-leasing right-of-use assets	3	9	3	9
Other fee revenue	578	457	578	457
Other commission revenue	2,476	2,502	2,476	2,502
Other revenue	5	6	271	264
Total non-interest revenue	**5,092**	**4,826**	**6,556**	**7,099**

Note 6. Other Expenses

Expenses are recognised when incurred.

Employee benefits

Salaries, annual leave and other employee entitlements expected to be paid or settled within 12 months of employees rendering service are measured at their nominal amounts using remuneration rates that the Group expects to pay when the liabilities are settled.

Refer to Note 20 Provisions for balances of employee benefit related provisions.

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Administration expenses				
Staff				
Employee benefits	15,454	14,734	15,454	14,734
Contributions to defined contribution plans	1,623	1,438	1,623	1,438
Occupancy				
Expenses relating to leases of low-value assets	169	150	169	150
Information technology				
Information technology expenses	4,357	3,305	4,357	3,305
Finance costs				
Interest on lease liabilities	31	75	31	75
Other				
Administrative expenses	2,997	2,705	2,936	2,691
Depreciation of property, plant & equipment and right-of-use assets	1,372	1,409	1,372	1,409
Amortisation of intangibles	704	814	704	814
Distribution channel costs	4,605	4,257	4,605	4,257
Marketing expenses	1,766	1,386	1,766	1,386
Write-off of property, plant & equipment	10	40	10	40
Other	2,015	1,049	1,994	1,032
Total non-interest operating expenses	**35,103**	**31,362**	**35,021**	**31,331**

Notes to the Financial Statements continued

Note 7. Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Consolidated	2024	2024	2023	2023
	%	$'000	%	$'000
(a) Reconciliation between tax expense and pre-tax profit				
Profit before tax		7,176		8,889
Income tax expense	30%	2,153	30%	2,667
Increase/(decrease) in income tax expense due to:				
Non-allowable expenses	0.38%	27	0.06%	5
Non-assessable income	(0.87%)	(62)	(0.61%)	(54)
Over provision from prior years	-	(153)	-	-
Tax expense reflecting change in corporate tax rate	-	-	-	(135)
Income tax expense on pre-tax net profit	**29.51%**	**1,965**	**29.45%**	**2,483**
(b) Tax expense recognised in profit or loss comprises:				
Current tax expense in respect of the current year		2,236		2,784
Adjustments to prior years		(153)		-
		2,083		2,784
Deferred tax expense relating to the origination and reversal of temporary differences		(118)		(166)
Tax expense reflecting change in corporate tax rate		-		(135)
Total tax expense		**1,965**		**2,483**
(c) Income tax payable				
Movements during the year were as follows:				
Balance at beginning of the year		724		67
Income tax paid		(2,277)		(1,955)
Current year income tax liability on operating profit		2,236		2,784
Over provision in prior years		(153)		(172)
Income tax payable		**529**		**724**

Note 7. Income Tax (continued)

Credit Union	2024 %	2024 $'000	2023 %	2023 $'000
(a) Reconciliation between tax expense and pre-tax profit				
Profit before tax		7,176		8,889
Income tax expense	30%	2,153	30%	2,667
Increase/(decrease) in income tax expense due to:				
Non-allowable expenses	0.38%	27	0.06%	5
Non-assessable income	(0.87%)	(62)	(0.61%)	(54)
Over Provision from prior years	-	(153)	-	-
Tax expense reflecting change in corporate tax rate	-	-	-	(135)
Income tax expense on pre-tax net profit	**29.51%**	**1,965**	**29.45%**	**2,483**
(b) Tax expense recognised in profit or loss comprises:				
Current tax expense in respect of the current year		2,236		2,784
Adjustments to prior years		(153)		-
		2,083		2,784
Deferred tax expense relating to the origination and reversal of temporary differences		(118)		(166)
Tax expense reflecting change in corporate tax rate		-		(135)
Total tax expense		**1,965**		**2,483**
(c) Income tax payable				
Movements during the year were as follows:				
Balance at beginning of the year		724		67
Income tax paid		(2,277)		(1,955)
Current year income tax liability on operating profit		2,236		2,784
Over provision in prior years		(153)		(172)
Income tax payable		**529**		**724**

Note 7. Income Tax (continued)

(d) Movement in deferred tax balances

Consolidated

	Opening balance $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Closing balance $'000
2024				
Employee benefits	857	67	-	924
Loans and advances	443	(11)	-	432
Property, plant and equipment	227	157	-	384
Lease liabilities	576	(395)	-	181
Undeducted capital expenditure	10	(1)	-	9
Other	41	6	-	47
Deferred tax assets	**2,154**	**(177)**	**-**	**1,977**
Other financial assets	(508)	-	-	(508)
Right-of-Use	(418)	295	-	(123)
Deferred tax liabilities	**(926)**	**295**	**-**	**(631)**
Net deferred tax assets (liabilities)	**1,228**	**118**	**-**	**1,346**
2023				
Employee benefits	686	171	-	857
Loans and advances	321	122	-	443
Property, plant and equipment	261	(34)	-	227
Lease liabilities	194	(36)	-	158
Undeducted capital expenditure	10	-	-	10
Other	51	(10)	-	41
Deferred tax assets	**1,523**	**213**	**-**	**1,736**
Other financial assets	(424)	-	(84)	(508)
Deferred tax liabilities	**(424)**	**-**	**(84)**	**(508)**
Net deferred tax assets (liabilities)	**1,099**	**213**	**(84)**	**1,228**

Note 7. Income Tax (continued)

Credit Union	Opening balance $'000	Recognised in profit or loss $'000	Recognised in other comprehensive income $'000	Closing balance $'000
2024				
Employee benefits	857	67	-	924
Loans and advances	443	(11)	-	432
Property, plant and equipment	227	157	-	384
Lease liabilities	576	(395)	-	181
Undeducted capital expenditure	10	(1)	-	9
Other	41	6	-	47
Deferred tax assets	**2,154**	**(177)**	**-**	**1,977**
Other financial assets	(508)	-	-	(508)
Right-of-Use	(418)	295	-	(123)
Deferred tax liabilities	**(926)**	**295**	**-**	**(631)**
Net deferred tax assets (liabilities)	**1,228**	**118**	**-**	**1,346**
2023				
Employee benefits	686	171	-	857
Loans and advances	321	122	-	443
Property, plant and equipment	261	(34)	-	227
Lease liabilities	194	(36)	-	158
Undeducted capital expenditure	10	-	-	10
Other	51	(10)	-	41
Deferred tax assets	**1,523**	**213**	**-**	**1,736**
Other financial assets	(424)	-	(84)	(508)
Deferred tax liabilities	**(424)**	**-**	**(84)**	**(508)**
Net deferred tax assets (liabilities)	**1,099**	**213**	**(84)**	**1,228**

(e) Unrecognised deferred tax asset

The Credit Union has carried forward capital losses of $0.930 million (2023: $0.930 million) which have not been recognised as a deferred tax asset because it is uncertain that future capital gains will be available from which the Credit Union can utilise the benefit.

Note 8. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits at call placed with other financial institutions and are initially measured at fair value then subsequently at amortised cost.

For the purposes of the statements of cash flows, cash and cash equivalents include cash and investment with other financial institutions that are highly liquid, readily convertible to known amounts of cash within three months and are subject to an insignificant risk of changes in value. They are held for the purposes of meeting short-term cash commitments rather than for investment or other purposes.

(a) Reconciliation of cash for statements of cash flows

	Consolidated		*Credit Union*	
	2024 $'000	**2023** $'000	**2024** $'000	**2023** $'000
Cash and cash equivalents	20,614	31,788	8,256	12,964
Investments with other financial institutions	40,361	59,584	40,361	59,584
Total cash for statements of cash flows	**60,975**	**91,372**	**48,617**	**72,548**

(b) Reconciliation of profit for the year to net cash flow from operating activities

	2024	2023	2024	2023
Profit for the year	**5,211**	**6,406**	**5,211**	**6,406**
Add/(deduct) non-cash items				
Provisions for impairment	(36)	190	(36)	190
Depreciation of property, plant and equipment	1,372	1,409	1,372	1,409
Amortisation of intangible assets	704	814	704	814
Net loss/(gain) on disposal and write-off of property, plant and equipment	10	40	10	40
Total adjustments for non-cash items	2,050	2,453	2,050	2,453
Add/(deduct) changes in assets or liabilities during the financial year				
Increase in loans and advances	(187,753)	(185,320)	(187,753)	(185,320)
Increase in member deposits	182,394	192,711	182,394	192,711
Increase in accrued interest receivable	(305)	(1,017)	(345)	(1,352)
Decrease in accrued interest payable	4,265	5,936	4,265	5,936
(Increase)/decrease in other assets	279	(2,326)	272	(2,327)
Increase/(decrease) in other liabilities	346	(281)	1,968	1,805
Increase in income tax payable	(195)	657	(195)	657
Increase in deferred tax assets	(118)	(129)	(118)	(129)
Total changes in assets or liabilities	**(1,087)**	**10,231**	**488**	**11,981**
Net cash from/(used in) operating activities	**6,174**	**19,090**	**7,749**	**20,840**

Note 9. Investment in Debt Securities

Investment in debt securities are classified at amortised cost when they are held in a business model with the objective of collecting contractual cash flows or at fair value through other comprehensive income (FVOCI) when they are held in a business model with the objective of collecting cash flows and realising the asset through sale.

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Deposits with Cuscal Ltd	15,250	15,250	15,250	15,250
Deposits with other financial institutions	98,308	46,608	98,308	46,608
Deposits with other financial institutions - FVOCI	110,538	123,313	110,538	123,313
	224,096	**185,171**	**224,096**	**185,171**

Not longer than 3 months until maturity	115,201	75,803	115,201	75,803
Longer than 3 months but not longer than 12 months until maturity	49,035	27,533	49,035	27,533
Longer than 1 year but not longer than 5 years until maturity	59,860	81,835	59,860	81,835
	224,096	**185,171**	**224,096**	**185,171**

No ECL provision has been recognised for the investment in debt securities as at 30 June 2024 (2023: nil).

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed;
  - how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
  - the frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Note 10. Trade and Other Receivables

Trade and other receivables comprise non-interest bearing debtors, and are initially recognised at fair value and subsequently measured at amortised cost. Receivables with a short duration are not discounted.

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Interest receivable	1,813	1,509	2,328	1,983
Finance lease receivable (Note 23)	72	241	72	241
Other	242	394	242	394
	2,127	**2,144**	**2,642**	**2,618**

Note 11. Loans and Advances

Loans and advances comprise term and revolving credit facilities provided to members and member overdrawn savings accounts and are initially recorded at fair value including incremental direct transaction costs. They are subsequently measured at amortised cost, using the effective interest method, less impairment losses (refer to note 12).

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the loan or advance to the net carrying amount of the loan or advance. When estimating the future cash flows, the Group considers all contractual terms of the loan or advance excluding any future credit losses. Included in this calculation are all fees paid or received that are integral to the contract.

	Consolidated		Credit Union	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Loans and advances carried at amortised cost				
Revolving credit facilities	20,096	23,918	20,096	23,918
Term loans - secured	1,520,420	1,328,499	1,520,420	1, 328,499
Term loans - unsecured	265	611	265	611
Gross loans and advances	**1,540,781**	**1,353,028**	**1,540,781**	**1,353,028**
Specific provision for impairment	(216)	(379)	(216)	(379)
Expected credit loss provision for impairment	(1,223)	(1,096)	(1,223)	(1,096)
Net loans and advances	**1,539, 342**	**1,351,553**	**1,539, 342**	**1,351,553**
Loans and advances by maturity				
Lines of credit (including unsecured overdrafts)	20,096	23,918	20,096	23,918
Not longer than 3 months	1,613	2,260	1,613	2,260
Longer than 3 months but not longer than 12 months	11,426	1,254	11,426	1,254
Longer than 1 year but not longer than 5 years	28,236	29,286	28,236	29,286
Longer than 5 years	1,479,410	1,296,310	1,479,410	1,296,310
Gross loans and advances	**1,540,781**	**1,353,028**	**1,540,781**	**1,353,028**
Loans and advances by security				
Secured by mortgage	1,498,344	1,304,699	1,498,344	1,304,699
Secured by other	31,986	37,136	31,986	37,136
Unsecured	10,451	11,193	10,451	11,193
Gross loans and advances	**1,540,781**	**1,353,028**	**1,540,781**	**1,353,028**
Loans and advances by purpose				
Residential	1,479,955	1,296,479	1,479,955	1,296,479
Personal	42,235	48,190	42,235	48,190
Commercial	18,591	8,359	18,591	8,359
Gross loans and advances	**1,540,781**	**1,353,028**	**1,540,781**	**1,353,028**

Concentration of risk

The Credit Union's loans are predominantly concentrated in South Australia. This creates an exposure to a particular segment as follows:

South Australian residents	1,435,868	1,257,325	1,435,868	1,257,325
Other residents	104,913	95,703	104,913	95,703
Gross loans and advances	**1,540,781**	**1,353,028**	**1,540,781**	**1,353,028**

Note 11. Loans and Advances (continued)

The Group has a significant exposure to groupings of individual loans which concentrate risk and create exposure to the employment sector of educators in both the government and non-government South Australian school systems. As at

30 June 2024, loans to members of the education community of South Australia totalled 461.640 million (2023: $412.430 million). This represents approximately 30.0% of the total loan portfolio (2023: 30.65%).

As at 30 June 2024, the Group had no loan facilities with an outstanding balance in excess of 10% of its total capital (2023: nil).

Note 12. Impairment of Loans and Advances

The Group applies a three-stage approach to measuring expected credit losses (ECLs) for loans and advances. Exposures are assessed on a collective basis in each stage unless there is sufficient evidence that one or more events associated with an exposure could have a detrimental impact on estimated future cash flows. Where such evidence exists, the exposure is assessed on an individual basis.

Stage and Measurement basis:

- 12-months ECL – Performing (Stage 1) The portion of lifetime ECL associated with the probability of default events occurring within the next 12 months.
- Lifetime ECL – Underperforming (Stage 2) ECL associated with the probability of default events occurring throughout the life of a loan where the loan has seen a significant increase in credit risk.
- Lifetime ECL – Non-performing (Stage 3) Lifetime ECL where the loan has met the technical definition of default, however, has not been assessed on an individual basis.

Impaired loans assessed on an individual basis are held in a specific provision lifetime ECL.

At each reporting date, the Group assesses the credit risk of exposures in comparison to the risk at initial recognition, to determine the stage that applies to the associated ECL measurement.

When determining whether credit risk has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information based on the Group's historical experience and credit assessment including forward-looking information. Furthermore, when determining whether the risk of default has increased significantly since initial recognition, the Group considers the arrears of each individual loan. The Group does not rebut the presumption that instruments that are 30 days past due have experienced a significant increase in credit risk (SICR) but this is used as a backstop rather than the primary indicator. In addition, the deferral of payments by customer in hardship arrangements is generally treated as an indication of a SICR.

If the credit risk of a loan has increased significantly since initial recognition, the asset will migrate to Stage 2. Should an asset become impaired (90 days past due) it will be transferred to Stage 3. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit exposures will migrate back to Stage 1 and 2 should signs of increased credit risk and impairment be reversed which includes but not limited to consistently good payment behaviour over a period of time.

In the preparation of the ECL provisioning, the Group considered the impact of the rapidly increasing interest rate environment and the general deterioration in the economic environment. The economic uncertainty represents a material downside risk to the economy and the Group incorporated estimates, assumptions and judgments including an event risk overlay to account for forecast changes to account for the significant risk factors in the portfolio.

Modified financial assets

A loan that is restructured or renegotiated is derecognised if the existing agreement is cancelled and a new agreement made on substantially different terms or if the terms of an existing agreement are modified such that the restructured loan is a substantially different instrument. Where such loans are derecognised, the restructured contract is a new loan and is assessed in accordance with the Group's credit policy.

ECL calculation

The ECL is calculated using three main parameters i.e. a probability of default (PD), a loss given default (LGD) and an exposure at default (EAD) combined with historical, current and forward-looking information, including macro-economic data.

- For accounting purposes, the 12-months and lifetime PD represent the expected point-in-time probability of a default over the next 12 months and remaining lifetime of loan.
- The LGD represents expected loss conditional on default, taking into account the mitigating effect of collateral, and its expected value when realised.
- The EAD represents the expected exposure at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdown of a facility.

The 12-months ECL is equal to the discounted sum over the next 12-months of monthly PD multiplied by LGD and EAD. Lifetime ECL is calculated using the discounted sum of monthly PD over the full remaining life multiplied by LGD and EAD.

Note 12. Impairment of Loans and Advances (continued)

The reported ECL is an unbiased and probability weighted amount based on three economic scenarios, a business as usual, economic upturn and economic downturn. The economic scenarios are driven by a single key macroeconomic factor, the South Australian unemployment rate which takes into account the current and forecast economic environment. Given the Group's high geographic concentration to South Australia, the Group's loan performance is highly correlated to this macroeconomic factor.

The Group formulates three economic scenarios: a base case, which is the central scenario, developed internally based on consensus forecasts, and two less likely scenarios, one upside and one downside scenario. The central scenario is aligned with information used by the Group for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Australia.

ECL sensitivity analysis

The uncertainty of the impact of the current economic environment created significant estimation uncertainty in relation to the measurement of the Group's expected credit losses. The rapidly increasing interest rate environment could impact the credit quality of the Group's exposures and has been allowed for in the ECL provision.

The Group's ECL was calculated with a probability weighting of 60% for the base scenario (2023: 60%), 5% for the upside scenario (2023: 5%) and 35% for the downside scenario (2023: 35%).

The table below illustrates the sensitivity of ECL to key factors.

	2024	2024	**2023**	2023
	%	$'000	%	$'000
	Unemployment rate	Increase/ (decrease) in ECL	Unemployment rate	Increase/ (decrease) in ECL
100% upside scenario	3.55% to 3.85%	(106)	3.97% to 3.72%	(74)
100% base scenario	4.25% to 4.25%	(41)	3.97% to 4.25%	(44)
100% downside scenario	4.85% to 6.25%	85	3.97% to 6.29%	85

Write-off policy

The Group writes off a loan balance when it is determined that the loan is uncollectible. This determination is reached after considering information such as occurrence of a significant change in the borrower's financial position such that the borrower can no longer repay the obligation under the terms of the contract, or that the proceeds from collateral will not be sufficient to cover the entire exposure. Any subsequent recoveries of these loan write-offs are recognised through profit or loss.

Note 12. Impairment of Loans and Advances (continued)

		Consolidated		Credit Union	
		2024	**2023**	**2024**	**2023**
	Notes	$'000	$'000	$'000	$'000
(a) Provisions for impairment					
Specific provision	11	216	379	216	379
Expected credit loss provision					
Stage 1: 12-months ECL - not credit impaired	11	308	527	308	527
Stage 2: Lifetime ECL - not credit impaired	11	590	17	590	17
Stage 3: Lifetime ECL - credit impaired	11	325	552	325	552
Total provision for impairment		**1,439**	**1,475**	**1,439**	**1,475**
(b) Impairment losses on loans and advances					
Individually assessed provisions for impairment increase		(163)	174	(163)	174
Expected credit loss provision for impairment increase/(decrease)		127	16	127	16
Bad debts written off directly to profit and loss		85	81	85	81
Charge to profit and loss		**49**	**271**	**49**	**271**
(c) Impaired loans and advances					
Non-accrual loans					
Balance		7,430	8,879	7,430	8,879
Restructured loans					
Balance		9,203	8,917	9,203	8,917
Interest revenue on non-accrual and restructured loans		-	-	-	-
Interest foregone on non-accrual and restructured loans		(118)	(100)	(118)	(100)
Net interest foregone		**(118)**	**(100)**	**(118)**	**(100)**

Note 12. Impairment of Loans and Advances (continued)

The table below represents the reconciliation from the opening balance to the closing balance of the ECL allowance for loans and advances:

Consolidated and Credit Union

	2024				
	Stage 1 12-months ECL not credit impaired collective provision	Stage 2 lifetime ECL not credit impaired collective provision	Stage 3 lifetime ECL credit impaired collective provision	Specific provision lifetime ECL	Total
Balance at 1 July 2023	**527**	**17**	**552**	**379**	**1,475**
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-months ECL	-	-	-	-	-
Transferred to collective provision Stage 2	(202)	253	(51)	-	-
Transferred to collective provision Stage 3	(2)	-	1	1	-
Net remeasurement of loss allowance	(16)	164	(188)	(101)	(141)
New loans and advances originated	71	158	33	19	281
Loans discharged	(70)	(2)	(20)	(54)	(146)
Bad debts written off	-	-	(2)	(28)	(30)
Charge to income statement	**(219)**	**573**	**(227)**	**(163)**	**(36)**
Balance at 30 June 2024	**308**	**590**	**325**	**216**	**1,439**

Note 12. Impairment of Loans and Advances (continued)

Consolidated and Credit Union

	2023				
	Stage 1 12-months ECL not credit impaired collective provision	Stage 2 lifetime ECL not credit impaired collective provision	Stage 3 lifetime ECL credit impaired collective provision	Specific provision lifetime ECL	Total
Balance at 1 July 2022	**520**	**13**	**547**	**205**	**1,285**
Changes due to financial assets recognised in the opening balance that have:					
Transferred to 12-months ECL	29	(2)	(27)	-	-
Transferred to collective provision Stage 2	(1)	2	-	(1)	-
Transferred to collective provision Stage 3	-	-	4	(4)	-
Net remeasurement of loss allowance	(102)	2	29	90	19
New loans and advances originated	110	-	-	132	242
Loans discharged	(39)	2	(1)	(52)	(90)
Bad debts written off	10	-	-	9	19
Charge to income statement	**7**	**4**	**5**	**174**	**190**
Balance at 30 June 2023	**527**	**17**	**552**	**379**	**1,475**

Impact of movements in gross carrying amount on provision for expected credit losses

The impairment provision comprises collective provisions measured using the three-stage approach (12-months ECL and lifetime ECL) and a specific provision (lifetime ECL) held for exposures assessed individually. The following paragraphs describe how significant changes in the gross carrying amount of loans and advances during the financial year have contributed to the changes in the impairment provision for the Group under the expected credit loss model.

Overall, the total impairment provision decreased by $0.036 million (2023: increased by $0.190 million) compared to the balance at the beginning of the year. Specific provisions decreased by $0.163 million to $0.216 million (2023: $0.379 million) primarily due to lower individually assessed impairment in unsecured loans.

Note 13. Other Financial Assets

Equity investments that are not held for sale are classified as other financial assets that are measured at fair value through other comprehensive income (FVOCI) with fair value determined by reference to the fair value hierarchy. The Group's investments in Cuscal Ltd and Data Action Pty Ltd are classified as level 3 in both current and previous financial years. The Group's determines fair value by referencing independent external valuations and considering net tangible assets and net assets.

The Group classifies its equity investment in Cuscal Ltd and Data Action as other financial assets at FVOCI as the assets are not held for trading and it recognises only dividend income in profit and loss. Changes to the fair value of its equity investments are recognised in the other comprehensive income and are never reclassified to profit or loss.

The Group received dividends from Cuscal Ltd of $0.206 million for the year ended 30 June 2024 (2023: $0.180 million).

During the year ended 30 June 2024, Data Action commenced a process of finding a buyer for 100% of the shares in Data Action.

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Unlisted shares at fair value				
Cuscal Ltd	4,821	4,468	4,821	4,468
Data Action	4,191	3,733	4,191	3,733
	9,012	**8,201**	**9,012**	**8,201**

Note 14. Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment (PP&E) are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Where parts of an item of PP&E have different useful lives, they are accounted for as separate items of PP&E.

Gains and losses on disposal of an item of PP&E are determined by comparing the proceeds from disposal with the carrying amount of PP&E and recognised net within other income in the profit or loss.

Depreciation

All PP&E, except land, have limited useful lives and are depreciated using the straight-line method over their estimated useful lives.

The depreciation rates used for each class of assets for the current and comparative period are as follows:

Depreciable Assets	
Building works	2.5%
Right-of-use-assets	18.46%
Plant and equipment	10.0% to 33.3%

Please refer to Note 23(a) for the accounting policy for right-of-use assets.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually and adjusted if appropriate.

Note 14. Property, Plant and Equipment (continued)

Reconciliations of the carrying amounts for property, plant and equipment are set out below:

Consolidated

	Freehold land $'000	Buildings $'000	Right-of-use assets $'000	Plant & equipment $'000	Work in progress $'000	Total $'000
At 1 July 2022						
Cost	162	112	5,331	4,422	-	10,027
Accumulated depreciation	(162)	(112)	(2,952)	(3,557)	-	(6,783)
Net book amount at 1 July 2022	**-**	**-**	**2,379**	**865**	**-**	**3,244**
Additions	-	-	-	208	-	208
Disposals/write-off - cost	-	-	-	(420)	-	(420)
Disposals/write-off - accumulated depreciation	-	-	-	380	-	380
Depreciation	-	-	(984)	(425)	-	(1,409)
Net book amount at 30 June 2023	**-**	**-**	**1,395**	**608**	**-**	**2,003**
Cost	162	112	5,331	4,210	-	9,815
Accumulated depreciation	(162)	(112)	(3,936)	(3,602)	-	(7,812)
Net book amount at 30 June 2023	**-**	**-**	**1,395**	**608**	**-**	**2,003**
At 30 June 2024						
Opening net book amount	-	-	1,395	608	-	2,003
Additions	-	-	-	366	-	366
Disposals/write-off - cost	-	-	-	(88)	-	(88)
Disposals/write-off - accumulated depreciation	-	-	-	78	-	78
Depreciation	-	-	(984)	(388)	-	(1,372)
Net book amount at 30 June 2024	**-**	**-**	**411**	**576**	**-**	**987**
At 30 June 2024						
Cost	162	112	5,331	4,488	-	10,093
Accumulated depreciation	(162)	(112)	(4,920)	(3,912)	-	(9,106)
Net book amount at 30 June 2024	**-**	**-**	**411**	**576**	**-**	**987**

Note 14. Property, Plant and Equipment (continued)

Reconciliations of the carrying amounts for property, plant and equipment are set out below:

Credit Union

	Freehold land $'000	Buildings $'000	Right-of-use assets $'000	Plant & equipment $'000	Work in progress $'000	Total $'000
At 1 July 2022						
Cost	162	112	5,331	4,422	-	10,027
Accumulated depreciation	(162)	(112)	(2,952)	(3,557)	-	(6,783)
Net book amount at 1 July 2022	**-**	**-**	**2,379**	**865**	**-**	**3,244**
Additions	-	-	-	208	-	208
Disposals/write-off - cost	-	-	-	(420)	-	(420)
Disposals/write-off - accumulated depreciation	-	-	-	380	-	380
Depreciation	-	-	(984)	(425)	-	(1,409)
Net book amount at 30 June 2023	**-**	**-**	**1,395**	**608**	**-**	**2,003**
Cost	162	112	5,331	4,210	-	9,815
Accumulated depreciation	(162)	(112)	(3,936)	(3,602)	-	(7,812)
Net book amount at 30 June 2023	**-**	**-**	**1,395**	**608**	**-**	**2,003**
At 30 June 2024						
Opening net book amount	-	-	1,395	608	-	2,003
Additions	-	-	-	366	-	366
Disposals/write-off - cost	-	-	-	(88)	-	(88)
Disposals/write-off - accumulated depreciation	-	-	-	78	-	78
Depreciation	-	-	(984)	(388)	-	(1,372)
Net book amount at 30 June 2024	**-**	**-**	**411**	**576**	**-**	**987**
At 30 June 2024						
Cost	162	112	5,331	4,488	-	10,093
Accumulated depreciation	(162)	(112)	(4,920)	(3,912)	-	(9,106)
Net book amount at 30 June 2024	**-**	**-**	**411**	**576**	**-**	**987**

As at 30 June 2024, property, plant and equipment includes right-of-use assets with a carrying value of $0.411 million (2023: $1.395 million) related to the head office lease.

Note 15. Intangible Assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated from the date the asset becomes operational over the cost of the asset, or any other amount substituted for cost, less its residual value.

Amortisation is recognised in the statements of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software	3-4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Note 15. Intangible assets (continued)

Consolidated

	Software $'000	Work in progress $'000	Total $'000
At 30 June 2022			
Cost	3,113	443	3,556
Accumulated amortisation and impairment	(1,589)	-	(1,589)
Net book amount	**1,524**	**443**	**1,967**
Year ended 30 June 2023			
Opening net book amount	1,524	443	1,967
Additions	39	849	888
Transfers	422	(422)	-
Disposals/derecognition - cost	(1,086)	(103)	(1,189)
Disposals/derecognition - accumulated amortisation	1,083	-	1,083
Amortisation	(814)	-	(814)
Closing net book amount	**1,168**	**767**	**1,935**
At 30 June 2023			
Cost	2,488	767	3,255
Accumulated amortisation and impairment	(1,320)	-	(1,320)
Net book amount	**1,168**	**767**	**1,935**
Year ended 30 June 2024			
Opening book amount	1,168	767	1,935
Additions	344	2,855	3,199
Transfers	-	-	-
Disposals/derecognition - cost	-	-	-
Disposals/derecognition - accumulated amortisation	-	-	-
Amortisation	(704)	-	(704)
Closing net book amount	**808**	**3,622**	**4,430**
At 30 June 2024			
Cost	2,832	3,622	6,454
Accumulated amortisation and impairment	(2,024)	-	(2,024)
Net book amount	**808**	**3,622**	**4,430**

Note 15. Intangible assets (continued)

Credit Union

	Software	Work in progress	Total
	$'000	$'000	$'000
At 30 June 2022			
Cost	3,113	443	3,556
Accumulated amortisation and impairment	(1,589)	-	(1,589)
Net book amount	**1,524**	**443**	**1,967**
Year ended 30 June 2023			
Opening net book amount	1,524	443	1,967
Additions	39	849	888
Transfers	422	(422)	-
Disposals/derecognition - cost	(1,086)	(103)	(1,189)
Disposals/derecognition - accumulated amortisation	1,083	-	1,083
Amortisation	(814)	-	(814)
Closing net book amount	**1,168**	**767**	**1,935**
At 30 June 2023			
Cost	2,488	767	3,255
Accumulated amortisation and impairment	(1,320)	-	(1,320)
Net book amount	**1,168**	**767**	**1,935**
Year ended 30 June 2024			
Opening book amount	1,168	767	1,935
Additions	344	2,855	3,199
Transfers	-	-	-
Disposals/derecognition - cost	-	-	-
Disposals/derecognition - accumulated amortisation	-	-	-
Amortisation	(704)	-	(704)
Closing net book amount	**808**	**3,622**	**4,430**
At 30 June 2024			
Cost	2,832	3,622	6,454
Accumulated amortisation and impairment	(2,024)	-	(2,024)
Net book amount	**808**	**3,622**	**4,430**

Note 16. Other Assets

Other assets are comprised of non-interest bearing receivables and prepayments and are initially recognised at fair value and subsequently measured at amortised cost less impairment losses. Receivables with a short duration are not discounted.

Software as a Service ('SaaS') arrangements are service contracts providing the Group with the right to access a cloud provider's application service software over the contractual period. Fees for the use of application software and customisation costs are recognised as an operating expense over the term of the service contract. Any configuration costs, data conversion and migration costs, testing costs and training costs are recognised as an operating expense as the service is received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to existing on-premise systems and meets the definition and recognition criteria of an asset are recognised as other assets.

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Prepayments	2,593	2,087	2,580	2,069
Software as a Service	220	890	220	890
	2,813	**2,977**	**2,800**	**2,959**

Note 17. Member Deposits

Member deposits are brought to account at fair value less attributable incremental direct transaction costs and subsequently measured at amortised cost. Interest and yield related fees are recognised in profit or loss based on the effective interest rate basis.

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Withdrawable shares	**67**	**69**	**67**	**69**
Deposits carried at amortised cost:				
At call deposits	999,840	901,535	999,840	901,535
Term deposits	592,685	508,593	592,685	508,593
Total member deposits	**1,592,592**	**1,410,197**	**1,592,592**	**1,410,197**

The Group has an exposure to groupings of individual deposits which concentrate risk and create exposure to the employment sector of educators in both the government and non-government school systems. As at 30 June 2024, deposits from members of the education community of South Australia totalled $319.359 million (2023: $278.224 million). This represents approximately 20.05% of total deposits (2023: 19.7%).

As at 30 June 2024, deposits from members currently residing in South Australia totalled $1,408.263 million (2023: $1,298.738 million). This represents approximately 88.4% of total deposits (2023: 92.1%).

As at 30 June 2024, the Group has no individual or group of deposit facilities with an outstanding balance in excess of 10.0% of its total liabilities (2023: nil).

Note 18. Interest-Bearing Liabilities

Interest-bearing liabilities are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Negotiable Certificate of Deposit (NCD) – Wholesale funding	93,601	44,515	93,601	44,515
Subordinated debt – Tier-2 capital instrument	17,500	17,500	17,500	17,500
Term Funding Facility (TFF) (Note 27(b))	-	42,607	-	42,607
	111,101	**104,622**	**111,101**	**104,622**

Note 19. Trade and Other Payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Trade payables are non-interest bearing and are normally settled within 30 days.

The average credit period in relation to trade and other payables is less than 30 days.

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$'000	$'000	$'000	$'000
Trade creditors	913	1,092	913	1,092
Accrued interest payable on member deposits	9,848	5,957	9,848	5,957
Accrued interest payable on interest-bearing liabilities	1,023	657	1,023	657
Derivative interest accrued	8	7	8	7
Lease liability	628	2,116	628	2,116
Other creditors and accruals	467	160	5,601	3,692
	12,887	**9,989**	**18,021**	**13,521**

Notes to the Financial Statements continued

Note 20. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

(a) Employee Entitlements

The provisions for employee entitlements to wages, salaries, annual leave and long service leave represent the amounts which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. The liability for employees' entitlements to annual leave and long service leave has been calculated at nominal amounts based on expected wage and salary rates and includes related on-costs. The liability for employees' entitlements to other long term benefits represents the present value of the estimated future cash outflows to be made by the employer resulting from the employees' services provided up to reporting date. The discount rate is the yield at reporting date on high quality corporate bonds that have a maturity date approximating the Group's obligations.

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The Group contributes to a number of employee superannuation plans for the provision of benefits to employees on retirement, death or disability. Benefits provided under the plans are based on contributions for each employee. Employees contribute various percentages of their gross income to their nominated fund. Further contributions are made by the Group for the benefit of its employees. Other than superannuation guarantee commitments, there is no legally enforceable obligation on the Group to contribute to the superannuation plans.

As the funds are accumulation funds, adequate funds are held to satisfy all benefits payable in the event of termination of the plan and voluntary or compulsory termination or retirement of each employee.

(ii) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(b) Make Good Provision

The Group is required to restore the leased premises of its head office and branch to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements.

Note 20. Provisions (continued)

	Consolidated		Credit Union	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Provision for leases				
Opening balance	46	46	46	46
Provision created	-	-	-	-
Provision utilised	-	-	-	-
Closing balance	**46**	**46**	**46**	**46**
Provision for long service leave				
Opening balance	1,796	1,768	1,796	1,768
Provision created	289	197	289	197
Provision utilised	(237)	(169)	(237)	(169)
Closing balance	**1,848**	**1,796**	**1,848**	**1,796**
Provision for annual leave				
Opening balance	1,061	958	1,061	958
Provision created	464	312	464	312
Provision utilised	(292)	(209)	(292)	(209)
Closing balance	**1,233**	**1,061**	**1,233**	**1,061**
Total provisions	**3,127**	**2,903**	**3,127**	**2,903**
Number of employees				
Number of full-time equivalent employees at year end	151	142	151	142

Note 21. Equity

(a) Retained Earnings

Retained earnings comprise the accumulated profits of the Group net of transfers to the general reserve for credit losses, redeemed member shares and transfers from the fair value reserve. Retained earnings are held in order for the Group to meet its prudential requirements.

(b) Redeemed Member Shares

Under the Corporations Act 2001, redeemed member shares (member's $2 shares) may only be redeemed out of the Group's profit or through a new issue of shares for the purpose of the redemption. The value of member shares for existing members is disclosed as a liability in Note 18.

(c) Cash Flow Hedge Reserve

The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used in cash flow hedges pending subsequent recognition in the profit or loss as the hedged cash flows affect the profit or loss.

(d) Fair Value Reserves

Fair value reserves comprise the revalued component of financial assets that are categorised as FVOCI under AASB 9 *Financial instruments.*

Note 22. Financing Facilities

The Group has access to the following lines of credit:

	Consolidated		Credit Union	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Total facilities available				
Overdraft facilities	5,000	5,000	5,000	5,000
	5,000	**5,000**	**5,000**	**5,000**
Facilities not utilised at balance date				
Overdraft facilities	5,000	5,000	5,000	5,000
	5,000	**5,000**	**5,000**	**5,000**

For the financial year ended 30 June 2024, the above facilities are secured against a security deposit held with Cuscal Ltd. Interest charged on these facilities and received on the security deposit are at prevailing market rates.

Note 23. Commitments, Contingent Liabilities and Contingent Assets

(a) Lease Commitments

Leases as lessee

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group leases its head office and branch. The lease term for the head office building and branch is 6 years. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

The Group's lease of head office and branch contains extension options. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

Information about leases for which the Group is a lessee is presented below.

(a) Right-of-use assets

Right-of-use assets relate to leased branch and office premises that are presented within property, plant and equipment (see Note 14). A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at the amount equal to the lease liability, adjusted by the amount of any direct establishment costs, prepaid or accrued lease payments.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. In addition, the right-of use assets are reviewed for impairment and adjusted for certain remeasurements of the lease liabilities.

	2024	2023
	$'000	$'000
Opening balance as at 1 July	1,395	2,379
Depreciation charge for the year	(984)	(984)
Balance as at 30 June	**411**	**1,395**

See Note 25 for maturity analysis of lease liabilities as at 30 June 2024.

(b) Amounts recognised in profit or loss

	2024	2023
	$'000	$'000
Interest expense on lease liabilities	31	75
Interest income on finance lease receivable	3	9

Note 23. Commitments, Contingent Liabilities and Contingent Assets (continued)

(c) Amounts recognised in statements of cash flows

	2024	2023
	$'000	$'000
Principal portion of lease liability	1,515	1,467
Interest portion of lease liability	(31)	(75)
Total cash outflow for leases	**1,484**	**1,392**

Principal portion of sub-lease	(169)	(167)
Interest portion of sub-lease	3	9
Total cash inflow from sub-lease	**(166)**	**(158)**

Leases as lessor

The Group sub-lets office space relating to the lease it holds as a lessee presented above as right-of-use asset. The Group assessed the classification of the sub-lease contract with reference to the right-of-use asset rather than the underlying assets and concluded that it is a finance lease under AASB 16 Leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

(a) Finance lease under AASB 16 Leases

	2024	2023
	$'000	$'000
Less than one year	73	173
Between one and two years	-	73
Between two and three years	-	-
Between three and four years	-	-
Total undiscounted lease receivables	**73**	**246**
Unearned finance income	(1)	(5)
Net investment in the sub-lease	**(72)**	**241**

(b) Capital Commitments

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Capital expenditure commitments	**1,078**	**1,540**	**1,078**	**1,540**

Note 23. Commitments, Contingent Liabilities and Contingent Assets (continued)

(c) Outstanding Loan Commitments

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Loans approved but not yet funded				
Residential	15,201	32,077	15,201	32,077
Personal	10	112	10	112
	15,211	32,189	15,211	32,189

(d) Members' Unused Credit Facilities

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Revolving credit and redraw facilities	221,974	231,752	221,974	231,752

(e) Contingent Liabilities

At reporting date, the Group had fully secured financial guarantees in place, to the beneficiary of ANZ Banking Group Ltd and Cuscal Ltd that it had provided on behalf of members totalling $nil (2023: $0.025 million). The unsecured balance of these guarantees totals nil (2023: nil). No loss on these guarantees is anticipated as the financial guarantees were terminated on 3 August 2023.

Notes to the Financial Statements continued

Note 24. Key Manangement Personnel

(a) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director of the Group.

The names of persons who were key management personnel of the Group at any time during the financial year are as follows:

Non-executive Directors -

C.A. Mitchell**, J.A. Cooper, P.C. Dewsnap, P.L.F. Riquier, L. Small, N.C. Anderson, M.P. Walsh.
(**) Retired as both chair and director effective 29 May 2024

Executive Management Committee -

T.M. Roberts, C.A. Ryan, T.M.E. Prowse, K.L. Beard, N. Santinon, L. Reinhardt, S.M. Dyda.

The aggregate compensation of the key management personnel of the Group is set out below:

	2024	2023
	$	$
Short-term employee benefits	2,705,829	2,729,852
Payments to defined contribution plans	233,654	234,363
Other long-term benefits	123,333	60,864
Termination benefits	-	73,736
	3,062,816	**3,098,815**

The Group does not pay share-based payments to key management personnel.

Note 24. Key Manangement Personnel (continued)

(c) Loans to Key Management Personnel

	2024 $	2023 $
Aggregate loans to key management personnel outstanding at reporting date:		
Mortgage and personal loans	1,751,82	2,256,121
Lines of credit (including unsecured overdrafts)	-	-
	1,751,882	**2,256,121**
Aggregate amount of loans made during the year to key management personnel:		
Total loans made during the year	746,431	379,550
Aggregate amount of interest charged during the year to key management personnel:		
Mortgage and personal loans	96,858	90,050
Aggregate amount of repayments made during the year from key management personnel:		
Mortgage and personal loans	1,347,527	2,199,868
Net movement in lines of credit (including unsecured overdrafts) including interest charged	-	-

The key management personnel who held loan accounts with the Group during the year were T.M. Roberts, K.L. Beard, T.M.E. Prowse and L. Reinhardt.

Loans to key management personnel may include joint loans with partners where both parties are jointly and severally liable. All loans were subject to normal terms and conditions and there were no breaches of these terms and conditions during the year. All key management personnel hold a withdrawable share as members of the Group.

As at 30 June 2024, the loans to key management personnel are allocated to Stage 1 of the ECL model and have a loss allowance of $362 (2023: $471). No impairment loss was recognised in profit or loss in respect of these balances (2023: nil).

Note 25. Financial Risk Management

(a) Financial Risk Management

This note presents information about the Group's exposure to each of the above risks, the Groups' objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Group has exposure to the following risks arising from financial instruments:

- Liquidity risk
- Credit risk
- Market risk

The Credit Union's Board of Directors is ultimately responsible for the sound and prudent management of the Group. The Board of Directors has established a Risk Committee that is responsible for establishing an effective risk management framework to manage the Group's exposure to risk. It is also responsible for ensuring that risks are managed within approved limits and for overseeing compliance to relevant policies. The Risk Committee reports regularly to the Board of Directors on its activities.

The Group's financial risk management policies are established to identify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Group's activities.

The Credit Union's Board of Directors has established an Audit Committee to assist the Board of Directors in fulfilling its responsibilities relating to internal controls and the accounting and reporting practices of the Credit Union. It serves as an independent and objective party to review the financial information and associated risks presented by management to members, regulators and the general public. The Audit Committee is responsible for reviewing the effectiveness of internal controls and risk management systems established by management to enable compliance with legislation, prudential standards, accounting standards and Board Policies. The Audit Committee is assisted in its oversight role by Internal Audit. The Audit Committee reports to the Board of Directors on its activities.

(b) Liquidity Risk Management

Liquidity risk is the risk that the Group will not be able to meet its payment obligations as they fall due, including repaying member deposits, or that the Group has insufficient capacity to fund increases in assets. The timing mismatch of cash flows and the related liquidity risk is inherent in all banking operations and is closely monitored by the Group.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity available to meet its liabilities and cash flow demands as they fall due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Treasury's risk management function performs a daily cash flow projection to determine future net funding requirements, reflective of expected and alternative market and business conditions.

Treasury maintains a liquidity portfolio which is held in accordance with APRA's Prudential Standard APS210 Liquidity which requires the Group to hold high quality liquid assets (HQLA) to 9% (2023: 9%) of adjusted liabilities as a minimum liquidity holding (MLH). MLH portfolio forms part of the investment in debt securities as disclosed in Note 9. The Group prudently, under its liquidity risk policy, has an MLH of 10% (2023: 10%) which it terms an MLH ratio. The Group's Board liquidity risk policy requires the MLH ratio to be managed between 12% and 15%, allowing for surplus liquidity above the 15% upper limit to be invested in non-MLH investments. The MLH and Total Liquidity ratios are reported to Executive management daily, discussed at Pricing Committee fortnightly as part of overall funding and liquidity management, and reported to the Board of Directors monthly.

The Group relies on deposits from members as its primary source of funding. Members deposits generally have maturities less than one year. A large proportion of member deposits are contractually payable on demand, however most of these display the operational behaviour of more stable longer term funding sources. To manage its funding and liquidity risk profile, the Group pursues through its funding and liquidity management strategy, a well-diversified funding base in terms of products, maturity terms and funding segment (both retail and wholesale). These parameters are set through policy design and are subject to annual review and are monitored daily and reported to Executive management and to the Board of Directors monthly.

Treasury also source funding as required in wholesale markets to meet the daily net funding requirements of the Group and also participated in the Term Funding Facility (TFF) made available from the RBA in response to the COVID-19 pandemic. As at balance date, the entire TFF was repaid (2023: $42.61 million).

Note 25. Financial Risk Management (continued)

In addition to the liquidity portfolio, the Group also has a $5.000 million (2023: $5.000 million) overdraft facility (refer to Note 22) and a self-securitisation programme with which it can access emergency liquidity through an RBA repo facility (refer to Note 27(b)).

A contingency funding plan forms an integral part of the framework that enables the Group to proactively manage its liquidity risk profile under all conditions. All liquidity policies are subject to oversight and approval by the Executive management and ultimately to the Board of Directors.

The Group's MLH liquidity ratio and total liquidity ratio as at the end of the reporting period and comparative period were as follows:

	Consolidated		Credit Union	
	2024	2023	2024	2023
	%	%	%	%
As at 30 June:				
Liquidity holding - MLH	15.85	16.64	15.85	16.64
Liquidity holding - non MLH	0.11	0.16	0.11	0.16
Liquidity holding - Total	**15.96**	**16.80**	**15.96**	**16.80**

The tables below summarise the maturity profile of the Group's financial liabilities as at reporting date based on contractual undiscounted repayment obligations. The Credit Union expects that many members will not request repayment on the earliest date the Credit Union could be required to pay and the tables do not reflect the cash flows indicated by the Credit Union's deposit retention history.

Consolidated	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024							
Financial liabilities							
Member deposits including accrued interest	1,602,440	1,615,873	999,907	212,722	395,292	7,952	-
Interest-bearing liabilities including accrued interest	112,124	126,428	-	85,387	11,161	6,190	23,690
Derivative liabilities including accrued interest	235	110	-	42	68	-	
Lease liabilities	628	745	-	447	298	-	-
Trade and other payables	1,380	1,380	-	1,380	-	-	-
	1,716,807	**1,744,536**	**999,907**	**299,978**	**406,819**	**14,142**	**23,690**
2023							
Financial liabilities							
Member deposits including accrued interest	1,416,154	1,429,499	901,603	176,640	336,153	15,103	-
Interest-bearing liabilities including accrued interest	105,279	121,361	-	61,453	29,131	5,901	24,876
Derivative liabilities including accrued interest	311	424	-	233	191	-	-
Lease liabilities	2,116	2,156	-	379	1,137	640	-
Trade and other payables	1,252	1,252	-	1,252	-	-	-
	1,525,112	**1,554,692**	**901,603**	**239,957**	**366,612**	**21,644**	**24,876**

Note 25. Financial Risk Management (continued)

Credit Union	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2024							
Financial liabilities							
Member deposits including accrued interest	1,602,440	1,615,873	999,907	212,722	395,292	7,952	-
Interest-bearing liabilities including accrued interest	112,124	126,428	-	85,387	11,161	6,190	23,690
Borrowings	266,510	266,510	-	-	-	-	266,510
Derivative liabilities including accrued interest	235	110	-	42	68	-	-
Lease liabilities	628	745	-	447	298	-	-
Trade and other payables	6,514	6,514	-	6,514	-	-	-
	1,988,451	**2,016,180**	**999,907**	**305,112**	**406,819**	**14,142**	**290,200**
2023							
Financial liabilities							
Member deposits including accrued interest	1,416,154	1,429,499	901,603	176,640	336,153	15,103	-
Interest-bearing liabilities including accrued interest	105,279	121,361	-	61,453	29,131	5,901	24,876
Borrowings	271,600	271,600	-	-	-	-	271,600
Derivative liabilities including accrued interest	311	424	-	233	191	-	-
Lease liabilities	2,116	2,156	-	379	1,137	640	-
Trade and other payables	4,784	4,784	-	4,784	-	-	-
	1,800,244	**1,829,824**	**901,603**	**243,489**	**366,612**	**21,644**	**296,476**

(c) Credit Risk Management

Credit risk is the risk of financial loss where a customer or counterparty fails to meet their financial obligation to the Group.

The largest exposure to credit risk is in the area of loans and advances and investment in debt securities.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's credit risk policies which are set by the Risk Committee in accordance with the Risk Appetite Statement and strategic objectives. Formal approval of the credit policy is retained by the Board.

The Board has delegated responsibility for the management of credit risk to the Executive management that includes the following:

- ensuring appropriate policies, systems, people, and controls are in place to manage credit risk in accordance with the Board approved Risk Appetite Statement and strategic objectives;
- actively considering credit risk as part of the decision-making processes and strategic and business planning;
- promoting a compliant culture by encouraging an open and supportive environment in which compliance with approved policy by all staff is recognised;
- reporting of compliance breaches, or possible breaches, and utilising these opportunities to enhance its future overall performance;

Note 25. Financial Risk Management (continued)

The Group holds collateral against loans and advances to members in the form of mortgage interests over real property and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

Details of the Group's impaired loans and advances as at the reporting date are disclosed below and in Note 12.

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Exposure to credit risk				
Individually impaired				
Gross amount	7,430	8,879	7,430	8,879
Less allowance for impairment	(216)	(379)	(216)	(379)
	7,214	**8,500**	**7,214**	**8,500**
Stage 1: 12-months ECL				
Current	1,273,229	1,332,388	1,273,229	1,332,388
1-29 days	7,203	8,507	7,203	8,507
30-59 days	-	1	-	1
60-89 days	-	-	-	-
	1,280,432	**1,340,896**	**1,280,432**	**1,340,896**
Less Stage 1 ECL	(308)	(527)	(308)	(527)
	1,280,123	**1,340,369**	**1,280,123**	**1,340,369**
Stage 2: Lifetime ECL				
Current	245,036	-	245,036	-
1-29 days	4,619	1	4,619	1
30-59 days	749	1,350	749	1,350
60-89 days	-	272	-	272
90 days or greater	1,088	-	1,088	-
	251,492	**1,623**	**251,492**	**1,623**
Less Stage 2 ECL	(590)	(17)	(590)	(17)
	250,902	**1,606**	**250,902**	**1,606**
Stage 3: Lifetime ECL				
1-29 days	62	-	62	-
30-59 days	1,367	-	1,367	-
60-89 days	(2)	-	(2)	-
90 days or greater	-	1,630	-	1,630
	1,428	**1,630**	**1,428**	**1,630**
Less Stage 3 ECL	(325)	(552)	(325)	(552)
	1,103	**1,078**	**1,103**	**1,078**
Net loans and advances	**1,539,342**	**1,351,553**	**1,539,342**	**1,351,553**

The majority of past due loans are mortgage loans secured by property with no loss expected.

The Group's cash and cash equivalents, investment in debt securities, trade and other receivables, derivative assets and notes receivable are neither past due nor impaired.

Notes to the Financial Statements continued

Note 25. Financial Risk Management (continued)

The Group limits its credit exposure to other financial institutions by investing its liquidity portfolio in accordance with APRA's minimum investment grade criteria and limits its counterparties to Australian domiciled ADI's (per the Board liquidity policy requirements). The Group does not expect any counterparty to fail to meet its obligations.

The Group's maximum exposure to credit risk at the reporting date (without taking into account the value of any collateral or other security in the event other parties fail to perform their obligations under financial instruments) in relation to each class of recognised financial asset is the carrying amount of those assets (net of any provision for impairment).

The Group's maximum exposure to credit risk at the reporting date was:

		Consolidated		Credit Union	
		2024	2023	2024	2023
	Notes	$'000	$'000	$'000	$'000
Cash and cash equivalents	8	60,975	91,372	48,617	72,548
Investment in debt securities	9	224,096	185,171	224,096	185,171
Trade and other receivables	10	2,127	2,144	2,642	2,618
Loans and advances	11, 12	1,539,342	1,351,553	1,539,342	1,351,553
Notes receivable	28	-	-	283,500	293,500
Derivative assets	27	-	834	-	834
Total maximum exposure		**1,826,540**	**1,631,074**	**2,098,197**	**1,906,224**

(d) Market Risk Management

Market risk is the risk to the Group's earnings that arise from fluctuations in interest rates and credit spreads (the Group is not exposed to equity, foreign currency or commodity price movements). The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The Group is predominately exposed to interest rate risk. Interest rate risk is managed principally through monitoring the sensitivity of the Group's financial assets and liabilities, measured as discounted cash-flows, against interest rate movement scenarios and the use of derivatives. Derivatives, in the form of interest rate swaps, are utilised to manage the repricing mismatch between assets and liabilities. The Group is exposed to changes in interest rates. An analysis of the Group's sensitivity, both as dollars and as a percentage of capital, to a 100 basis point parallel (increase)/decrease in market rates is as follows:

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Revenue Sensitivity:				
As at 30 June	568	43	568	43
Average for the period	624	465	624	465
Maximum for the period	1,061	1,174	1,061	1,174
Minimum for the period	85	43	85	43

Note 25. Financial Risk Management (continued)

	Consolidated		Credit Union	
	2024	2023	2024	2023
	%	%	%	%
Revenue sensitivity as a percentage of total capital:				
As at 30 June	0.46%	0.04%	0.46%	0.04%
Average for the period	0.50%	0.47%	0.50%	0.47%
Maximum for the period	0.85%	1.20%	0.85%	1.20%
Minimum for the period	0.07%	0.04%	0.07%	0.04%

To manage exposure to interest rate risk, the Group has quantified acceptable risk parameters, and has put in place a third party interest rate risk management system to monitor performance against those parameters. In addition, a risk management framework is periodically reviewed by the Board and Risk Committee, together with reporting of results to the Board and Risk Committee.

The following summarises the Group's interest rate gap position (before discounting cash flows) and the effective interest rates of financial assets and financial liabilities for the Group. Financial instruments are classified by the date at which the applicable rate will next be reset.

Consolidated	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/ bearing	Total carrying value	Weighted average rate
2024	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial assets							
Cash and cash equivalents	40,361	-	-	-	20,614	60,975	3.70%
Investment in debt securities	77,544	146,552	-	-	-	224,096	4.69%
Loans and advances	1,329,945	114,663	84,498	11,593	82	1,540,781	5.06%
Other financial assets	-	-	-	-	9,012	9,012	0.00%
Trade and other receivables	-	-	-	-	2,127	2,127	0.00%
Derivative assets	-	-	-	-	-	-	14.70%
	1,447,850	**261,215**	**84,498**	**11,593**	**31,835**	**1,836,991**	**5.15%**
Financial liabilities							
Member deposits	718,284	534,673	7,240	-	332,394	1,592,591	3.05%
Interest-bearing liabilities	44,418	49,183	-	17,500	-	111,101	5.27%
Trade and other payables	-	-	-	-	12,887	12,887	0.00%
Derivative liabilities	-	227	-	-	-	227	13.31%
	762,702	**584,083**	**7,240**	**17,500**	**345,281**	**1,716,806**	**1.54%**
Interest rate swaps - notional principal	(170,000)	170,000	-	-	-	-	-
	515,148	**(152,868)**	**77,258**	**(5,907)**	**(313,446)**	**120,185**	**-**

Note 25. Financial Risk Management (continued)

Consolidated	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/ bearing	Total carrying value	Weighted average rate
2023	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial assets							
Cash and cash equivalents	59,584	-	-	-	31,788	91,372	2.41%
Investment in debt securities	68,773	116,398	-	-	-	185,171	3.30%
Loans and advances	990,815	149,218	196,338	16,608	49	1,353,028	3.83%
Other financial assets	-	-	-	-	8,201	8,201	-
Trade and other receivables	-	-	-	-	2,144	2,144	-
Derivative assets	-	-	834	-	-	834	1.61%
	1,119,172	**265,616**	**197,172**	**16,608**	**42,182**	**1,640,750**	**3.48%**
Financial liabilities							
Member deposits	644,619	426,075	14,597	-	324,906	1,410,197	1.53%
Interest-bearing liabilities	31,729	55,393	-	17,500	-	104,622	1.07%
Trade and other payables	-	-	-	-	9,989	9,989	-
Derivative liabilities	-	210	94	-	-	304	1.70%
	676,348	**481,678**	**14,691**	**17,500**	**334,895**	**1,525,112**	**1.54%**
Interest rate swaps - notional principal	(62,500)	90,000	(27,500)	-	-	-	-
	380,324	**(126,062)**	**154,981**	**(892)**	**(292,713)**	**115,638**	**-**

Credit Union	< 1 month	1 month to 12 months	1 year to 5 years	6 years to 10 years	Non-interest earning/ earing	Total carrying value	Weighted average rate
2024	$'000	$'000	$'000	$'000	$'000	$'000	%
Financial assets							
Cash and cash equivalents	40,361	-	-	-	8,256	48,617	3.60%
Investment in debt securities	77,544	146,552	-	-	-	224,096	4.69%
Loans and advances	1,329,945	114,663	84,498	11,593	82	1,540,781	5.06%
Other financial assets	-	-	-	-	9,012	9,012	-
Trade and other receivables	-	-	-	-	2,642	2,642	-
Notes receivable	283,500	-	-	-	-	183,500	5.02%
Derivative assets	-	-	-	-	-	-	14.70%
	1,731,350	**261,215**	**84,498**	**11,593**	**19,992**	**2,108,648**	**5.13%**
Financial liabilities							
Member deposits	718,284	534,673	7,240	-	332,395	1,592,592	3.05%
Interest-bearing liabilities	44,418	49,183	-	17,500	-	111,101	5.27%
Borrowings	266,510	-	-	-	-	266,510	5.67%
Trade and other payables	-	-	-	-	18,021	18,021	-
Derivative liabilities	-	227	-	-	-	227	13.31%
	1,029,212	**584,083**	**7,240**	**17,500**	**350,416**	**1,988,451**	**3.67%**
Interest rate swaps - notional principal	(170,000)	170,000	-	-	-	-	-
	532,138	**(152,868)**	**77,258**	**(5,907)**	**(330,425)**	**120,196**	**-**

Note 25. Financial Risk Management (continued)

Credit Union 2023	< 1 month $'000	1 month to 12 months $'000	1 year to 5 years $'000	6 years to 10 years $'000	Non-interest earning/ bearing $'000	Total carrying value $'000	Weighted average rate %
Financial assets							
Cash and cash equivalents	59,584	-	-	-	12,964	72,548	0.06%
Investment in debt securities	68,773	116,398	-	-	-	185,171	0.77%
Loans and advances	990,815	149,218	196,338	16,608	49	1,353,028	2.52%
Other financial assets	-	-	-	-	8,201	8,201	-
Trade and other receivables	-	-	-	-	2,618	2,618	-
Notes receivable	242,540	-	-	-	-	242,540	0.89%
Derivative assets	-	-	834	-	-	834	0.49%
	1,361,712	**265,616**	**197,172**	**16,608**	**23,832**	**1,864,940**	**1.93%**
Financial liabilities							
Member deposits	644,619	426,075	14,597	-	324,906	1,410,197	1.53%
Interest-bearing liabilities	31,729	55,393	-	17,500	-	104,622	1.07%
Borrowings	271,600	-	-	-	-	271,600	4.56%
Trade and other payables	-	-	-	-	13,521	13,521	-
Derivative liabilities	-	210	94	-	-	304	1.70%
	947,948	**481,678**	**14,691**	**17,500**	**338,427**	**1,800,244**	**1.99%**
Interest rate swaps - notional principal	(62,500)	90,000	(27,500)	-	-	-	-
	351,264	**(126,062)**	**154,981**	**(892)**	**(314,595)**	**64,696**	**-**

Note 25. Financial Risk Management (continued)

(e) Capital Management

The Group's capital management approach is designed to best serve the interests of its members and adhere to the minimum capital requirements set by APRA under its capital adequacy standard APS 110. The Group ensures compliance with regulatory capital requirements through its internal capital adequacy assessment process (ICAAP). The ICAAP, which forms a component of the capital management policy and represents an annual review of capital adequacy, considers both current capital levels and future capital requirements.

In accordance with the Basel III capital framework, the Group has adopted a standardised approach to the calculation of credit risk when determining the capital adequacy ratio.

There have been no material changes in the Group's management of capital during the period. Details of the Group's capital adequacy ratio as at the reporting date were as follows:

	Consolidated		Credit Union	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Total qualifying capital	124,733	121,965	124,733	121,965
Risk weighted assets	722,647	659,669	722,647	659,669

	2024	2023	2024	2023
	%	%	%	%
Capital adequacy ratio				
As at 30 June	17.26	18.49	17.26	18.49

(f) Financial Liabilities

Financial instruments are initially recognised at fair value plus any attributable transaction costs. Subsequently financial instruments are required to be classified into measurement categories which determine the accounting treatment of the item. The Group has the following categories:

- derivative liabilities measured at fair value through other comprehensive income (FVOCI)
- other liabilities measured at amortised cost, using the effective interest rate method

The Group derecognises financial instruments when the contractual rights to the cash flows of the financial asset expire, or in the case of financial liabilities when the contractual obligations are discharged, cancelled or expire.

Note 25. Financial Risk Management (continued)

(g) Derivatives held for Risk Management purposes

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statements of financial position.

The Credit Union designates certain derivatives held for risk management as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Credit Union formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Credit Union makes an assessment, both at inception of the hedge relationship and on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated.

The Credit Union only utilises cash flow hedging relationships which are outlined below.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in other comprehensive income is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss. If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, then hedge accounting is discontinued prospectively. However, if the derivative is novated to a central counterparty by both parties as a consequence of laws or regulations without changes in its terms except for those that are necessary for the novation, then the derivative is not considered as expired or terminated.

The Credit Union uses interest rate swaps to hedge its exposure to interest rate risks arising from operational and financing activities. The Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The Group enters into interest rate swap contracts for the sole purpose of managing interest rate exposures in the statements of financial position and not for speculative purposes.

The notional value of the derivatives held as cash flow hedges as at 30 June 2024 is $170.000 million (2023: $157.500 million).

The following table details the Group's fair values and notional principal amounts at the remaining terms of interest rate swap contracts outstanding as at the reporting date:

	Fair value		Notional principal amount	
	2024	2023	2024	2023
	$'000	$'000	$'000	$'000
Less than 1 year	(227)	(53)	170,000	130,000
1 to 2 years	-	582	-	27,500
2 to 5 years	-	-	-	-
Closing balance	**(227)**	**529**	**170,000**	**157,500**

Note 26. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction on the measurement date.

When available, the Group measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incoporates all of the factors that market participants would take into account in pricing a transaction.

The following methods and assumptions were used to determine the fair values of financial assets and financial liabilities:

Cash and cash equivalents:

The carrying amount equates to fair value due to the short-term nature of these financial instruments.

Investment in debt securities:

These financial assets represent the Group's liquidity portfolio and are comprised of minimum liquidity holdings (MLH) investments and term deposits held with Australian domiciled ADIs. Where the MLH investments have an original tenor of greater than 12 months they are reported at fair value through other comprehensive income. The fair value of investment in debt securities held at FVOCI is estimated using discounted cash flow analysis, based on current market rates for similar arrangements. The fair value of all other investments are reported at amortised cost.

Loans and advances:

Fair value has been determined through the discounting of future cash flows which represents a difference between existing loan interest rates and current market interest rates. For fixed rate loans the discount factor is based on the applicable benchmark bank bill swap rate. For variable rate loans, which are repriced at the discretion of the Group, fair value is equivalent to the carrying value.

Derivatives:

Fair value for the Credit Union's interest rate swaps has been determined by discounting future cash flows which are based on current implied forward rates as at the reporting date.

Other financial assets:

Other financial assets are classified as fair value through other comprehensive income. In determining fair value, the Group considers a range of valuation techniques including recent transaction prices (where available), discounted cashflows, comparable multiples, net tangible assets and net assets.

Trade and other receivables:

These financial assets are substantially short-term in nature and predominantly comprise individual assets with variable interest rates, consequently carrying value approximates fair value because of the short-term repricing opportunity. For those financial assets that will be repriced beyond twelve months, the aggregate fair value has been determined by calculating the net present value of future cash flows using market rates as at reporting date.

Accounts payable and other liabilities:

These financial liabilities are substantially short-term in nature and predominantly comprise individual liabilities with variable interest rates, consequently carrying value approximates fair value because of the short-term repricing opportunity. For those financial liabilities that will be repriced beyond twelve months, the aggregate fair value has been determined by calculating the net present value of future cash flows using market rates as at reporting date.

Members' deposits:

Fair value has been determined through the discounting of future cash flows which represents a difference between existing deposit interest rates and current market interest rates. For fixed term deposits the discount factor is based on the applicable benchmark bank bill swap rate. For at-call deposits, which are repriced at the discretion of the Group, fair value is equivalent to the carrying value.

Self-securitisation:

Self-securitisation notes are valued at amortised cost.

(a) Fair Value Hierarchy

The level in the fair value hierarchy within which a fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy is as follows:

- Level 1: Financial instruments that have been valued by reference to unadjusted quoted prices for identical financial assets or financial liabilities in active markets.
- Level 2: Financial instruments that have been valued through valuation techniques incorporating inputs other than quoted prices within Level 1 that are observable for the financial asset or financial liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: Financial instruments that have been valued through valuation techniques incorporating inputs that are not based on observable market data. Unobservable inputs are those not readily available in an active market due to market liquidity or complexity of the product.

Note 26. Fair Value of Financial Instruments (continued)

(b) Fair Values

The aggregate fair value of financial assets and financial liabilities at the reporting date of the Group, are as follows:

	Total carrying amount as per statements of financial position		Aggregate fair value		Fair value hierarchy
	2024	2023	2024	2023	
Consolidated	$'000	$'000	$'000	$'000	
Financial assets					
Cash and cash equivalents	60,975	91,372	60,975	91,372	Level 1
Investment in debt securities	224,096	185,171	224,096	185,171	Level 2
Net loans and advances	1,539,342	1,351,553	1,538,769	1,357,717	Level 3
Other financial assets	9,012	8,201	9,012	8,201	Level 3
Trade and other receivables	2,127	2,144	2,127	2,144	Level 2
Derivative assets	-	834	-	834	Level 2
	1,835,552	**1,639,275**	**1,834,979**	**1,645,439**	
Financial liabilities					
Member deposits	1,592,592	1,410,197	1,594,418	1,409,631	Level 2
Interest-bearing liabilities	111,101	104,622	111,101	104,622	Level 2
Accounts payable and other liabilities	12,887	9,989	12,887	9,989	Level 2
Derivative liabilities	227	304	227	304	Level 2
	1,716,807	**1,525,112**	**1,718,633**	**1,524,546**	
Credit Union					
Financial assets					
Cash and cash equivalents	48,617	72,548	48,617	72,548	Level 1
Investment in debt securities	224,096	185,171	224,096	185,171	Level 2
Net loans and advances	1,539,342	1,351,553	1,538,769	1,357,717	Level 3
Other financial assets	9,012	8,201	9,012	8,201	Level 3
Trade and other receivables	2,642	2,618	2,642	2,618	Level 2
Other investments	283,500	242,540	283,500	242,540	Level 2
Derivative assets	-	834	-	834	Level 2
	2,107,209	**1,863,465**	**2,106,636**	**1,869,629**	
Financial liabilities					
Member deposits	1,592,592	1,410,197	1,594,418	1,409,631	Level 3
Interest-bearing liabilities	111,101	104,622	111,101	104,622	Level 2
Accounts payable and other liabilities	18,023	13,521	18,023	13,521	Level 2
Borrowings	266,510	271,600	266,510	271,600	Level 2
Derivative liabilities	227	304	227	304	Level 2
	1,988,453	**1,800,244**	**1,990,279**	**1,799,678**	

Note 26. Fair Value of Financial Instruments (continued)

The table below analyses the Group's financial instruments carried at fair value.

Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Investment in debt securities - FVOCI	-	110,538	-	110,538
Other financial assets	-	-	9,012	9,012
Derivative assets	-	-	-	-
Derivative liabilities	-	(227)	-	(227)
2023				
Investment in debt securities - FVOCI	-	123,313	-	123,313
Other financial assets	-	-	8,201	8,201
Derivative assets	-	834	-	834
Derivative liabilities	-	(304)	-	(304)

Credit Union	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2024				
Investment in debt securities - FVOCI	-	110,538	-	110,538
Other financial assets	-	-	9,012	9,012
Derivative assets	-	-	-	-
Derivative liabilities	-	(227)	-	(227)
2023				
Investment in debt securities - FVOCI	-	123,313	-	123,313
Other financial assets	-	-	8,201	8,201
Derivative assets	-	834	-	834
Derivative liabilities	-	(304)	-	(304)

Valuation methodology used as the basis for the level 3 allocation of other financial assets is as noted in Note 13.

There have not been any changes in the classification between levels during the year (2023: nil).

Note 27. Securitisation and Repurchase Agreement

(a) Securitisation

In the ordinary course of business, the Credit Union enters into transactions that result in the transfer of financial assets to a special purpose entity that consists of loans and advances to members.

In October 2017, the Credit Union established a residential mortgage-backed securitisation (RMBS) program for the purpose of self-securitisation and established the MTG CUSA Trust Repo Series No. 1 (the "Trust") to purchase mortgage loans it originated.

The Credit Union transferred loans totalling $19.557 million (2023: $141.214 million) during the financial year as part of its ongoing self-securitisation program. In accordance with APRA's requirement, the Credit Union has extended its self-securitisation programme to 17.80% of total deposits. The outstanding balance of the loans transferred as at 30 June 2024 was carried at $266,509 million (2023: $271.600 million), which approximates to its fair values.

The Group has not transferred substantially all of the risks and rewards associated with these loans and accordingly these loans are carried on the Group's balance sheet.

(b) Repurchase Agreement

In March 2020, in response to the COVID-19 pandemic, the Reserve Bank of Australia (RBA) established a term funding facility (TFF) allowing authorised deposit-taking institutions (ADIs) to access fixed rate funding for three (3) years at a weighted fixed interest rate of 0.19%. Securities sold under this agreement to repurchase are retained on the statements of financial position when the majority of the risk and rewards of ownership remain with the Group. The related liability is included within the interest-bearing liabilities on the statements of financial position when cash consideration is received.

The Group participated in the TFF for an amount of $48.610 million (2023: $48.610 million), the balance fully reported during the year and the balance at 30 June 2024 being $nil.

Note 28. Related Party Disclosures

a) The Credit Union engages Data Action Pty Ltd to provide software and technology hosting services. Data Action Pty Ltd provides the software and technology services at arms' length. During the year ended 30 June 2022, the Group derecognised its interest in Data Action Pty Ltd as an investment in associate. An equity investment is subsequently being recognised for the interest retained in Data Action Pty Ltd. Refer to Notes 13.

b) The Credit Union holds a controlling interest in a special purpose vehicle with which securitisation transactions are entered into under normal commercial terms at arm's length (Note 28a). These transactions are eliminated upon consolidation.

Ownership Interest

		2024	2023
	Notes	%	%
Data Action	13	15.90	15.90
MTG CUSA Trust Repo Series No1.	27	100.00	100.00

Aggregate amounts included in profit before income tax expense that resulted from transactions with the non-key management personnel related parties:

	2024	2023
	$	$
Technology services	3,243,465	2,683,551
Management fee	-	-
Interest expense	78,425	29,299

Aggregate amounts payable to non-key management personnel related party:

At call deposits	-	-
Term deposits	2,000,000	2,000,000

Note 29. Auditors' Remuneration

	Consolidated		Credit Union	
	2024	**2023**	**2024**	**2023**
	$	$	$	$
Audit services				
Auditors of the Credit Union				
KPMG Australia:				
- Audit of financial statements	160,996	148,548	160,996	148,548
- Other regulatory audits	37,113	35,695	37,113	35,695
	198,109	**184,243**	**198,109**	**184,243**
Non-audit services				
Auditors of the Credit Union				
KPMG Australia:				
- Tax and other services	31,552	40,533	31,552	40,533
Total auditor remuneration	**229,661**	**224,776**	**229,661**	**224,776**

Fees for non-audit services have been determined on a time and material basis.

Note 30. Franking Account

The Credit Union has generated franking credits through paying income tax since the 1994/95 financial year.

The balance of the consolidated franking account, adjusted for franking credits which will arise from the payment of income tax provided for in the financial statements is $32.775 million (2023: $31.474 million).

Note 31. Segment Information

The Group operates predominately in the retail financial services industry within South Australia.

Specific segmentation of loans and deposits is set out in Notes 11 and 18.

Note 32. Economic Dependency

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

Cuscal Ltd

As a provider and aggregator of financial service products to the financial services industry, this entity supplies the Credit Union with access to payment and settlement facilities in the form of BPay, Direct Entry and Chequing as well as access to acquiring and settlement facilities for electronic fund services via the ATM, EFTPOS and NPP networks. Cuscal Ltd also provides the Credit Union with VISA card services. In addition, Cuscal Ltd supplies transactional banking and money market services to the Credit Union. Cuscal Ltd also provides the electronic link between automatic teller machines, Bank@Post terminals, point of sale terminals and BPay transactions to members' accounts. The Credit Union invests a proportion of its high quality liquid assets with Cuscal Ltd. The Credit Union is a shareholder in Cuscal Ltd (Note 13).

Data Action Pty Ltd

The Credit Union is a shareholder in Data Action Pty Ltd (Note 13), who provides the Credit Union with computer software solutions and hosted technology services.

Note 33. Subsequent Events

Other than the current disclosures, there have been no events subsequent to reporting date which would have a material impact on the Group's 30 June 2024 financial statements.

Consolidated Entity Disclosure Statement

For the year ended 30 June

Investment in controlled entities

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements. All controlled entities are domiciled in Australia. Investment in controlled entities and tax residency comprises:

	Place of Incorporation	Body corporate, partnership, or trust	2024 %	2023 %	Australian or Foreign residency	Jurisdiction for Foreign tax resident
			Directly held			
Credit Union SA Ltd	Australia	Body Corporate	100.00	100.00	Australia	N/A
MTG CUSA Trust Repo Series No1.	Australia	Trust	100.00	100.00	Australia	N/A

credit unionsa

Credit Union SA Ltd

ABN 36 087 651 232
AFSL/Australian Credit Licence Number 241066

Principal registered office in Australia
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400 King William St, Adelaide
South Australia 5000, Australia

Telephone
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Facsimile
08 8410 0812

Annual General Meeting
The Annual General Meeting of Credit Union SA Ltd will be held on Wednesday 13 November 2024 commencing at 5.30pm (ACDT). This year's AGM will again be webcast online.

Members will be able to participate in the meeting, including asking questions and voting online in real time.

Please refer to the Notice of Meeting available on our website at www.creditunionsa.com.au/agm

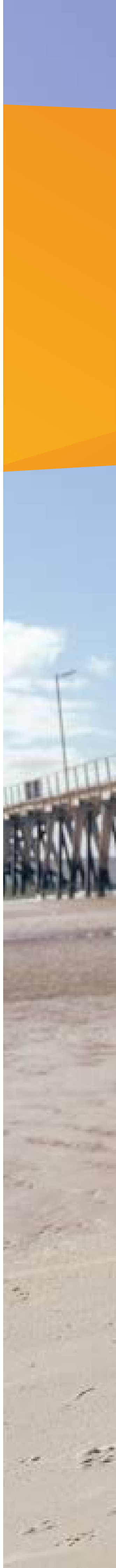
Bankers
Cuscal Limited
ANZ Limited

Auditors
KPMG

Tax Agent
KPMG

Solicitors
Wallmans Lawyers
Fisher Jefferies
Piper Alderman
Jones Harley Toole

CEO
Todd Roberts
FCA, FAICD, FGLF



ABN 36 087 651 232
AFSL/Australian Credit Licence Number 241066