

APS 330 Remuneration Disclosure

as at 30 June 2023



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

This disclosure is prepared pursuant to APS 330 – Public Disclosure and provides an overview of Credit Union SA's remuneration policy, practices and governance.

Overview

APRA Prudential Standard APS 330 'Public Disclosure', requires Authorised Deposit-taking Institutions (ADIs) which are governed under the Banking Act 1959 (Cth) to undertake periodic disclosure of qualitative and quantitative information on their remuneration practices.

Credit Union SA as an ADI is required to make the disclosures described under APS 330. The lodgement date for these annual disclosures is within three months of lodgement of Credit Union SA's annual financial report.

Governance and remuneration

The Board has appointed a Governance Committee which, in addition to its other responsibilities, oversees remuneration practices and performs the functions of the Board Remuneration Committee as required by APRA Prudential Standard CPS510 Governance. This includes:

- making annual recommendations to the Board on the remuneration of the CEO, direct reports of the CEO and any other person specified by APRA;
- conducting regular reviews of and making recommendations to the Board on the Remuneration Policy (including an assessment of the Remuneration Policy's effectiveness and required compliance with Prudential Standards CPS 510 Governance and CPS 511¹).

The Governance Committee operates in accordance with its written charter that outlines the Committee's roles, responsibilities and terms of operation. The Governance Committee comprises three (3) independent non-executive Directors and meets at least quarterly.

Credit Union SA's Remuneration Policy applies to all employees of the Credit Union and is designed to:

- attract and retain individuals and employees who have the necessary skills for the effective and prudent management of the Credit Union
- encourage behaviour that supports the Credit Union's long-term sustainability, financial soundness, risk culture and risk management framework
- structure remuneration of risk and financial control personnel in a way that does not compromise the independence of these personnel in performing their functions
- aligns with the Credit Union's Board-approved 3 year rolling business plan, strategic objectives; and risk management framework as required under Prudential Standard CPS 220 Risk Management
- promotes effective management of both financial and non-financial risks, sustainable performance
- supports the prevention and mitigation of conduct risk.

¹ As a Non-Significant Financial Institution (as defined in Prudential Standard APS 001 Definitions), the Credit Union is required to be fully compliant with the terms of CPS 511 Remuneration on or before 1 January 2024.

APS 330 Remuneration Disclosure

as at 30 June 2023 (continued)



The policy is reviewed annually by the Governance Committee, with the last review in March 2023.

The following employees are identified as Senior Managers in accordance with CPS 510 Governance and the Credit Union's Remuneration Policy for the 2022/2023 financial year:

- Chief Executive Officer
- Chief Member Experience Officer
- Chief Digital & Information Officer
- Chief Financial Officer
- Chief Impact Officer & General Counsel
- Chief Operating Officer
- Chief Risk Officer
- Chief People & Strategy Officer

Credit Union SA has no other employees that it considers as material risk takers or Senior Managers in accordance with CPS 510 Governance.

Fixed Remuneration Component

As captured in Credit Union SA's Board approved Remuneration Policy, the Credit Union's remuneration model is based on the total remuneration concept with employees remunerated with fixed remuneration only which includes some additional annual leave components.

Credit Union SA's remuneration model does not contain any variable (at risk) components aligned to current and future risks. However, all staff are accountable for sound risk management within the Board-approved Risk Management Framework and risk culture is consistently monitored through management reporting provided to the Board, in particular regarding the Board-approved Risk Appetite Statement metrics and The fixed components of remuneration consist of base salary, superannuation and non-cash benefits.

There is no deferred or retained remuneration, including implied or explicit adjustments of deferred remuneration and retained remuneration, for employees.

Remuneration levels for Senior Managers are reviewed annually by the Governance Committee through a process that considers individuals, business units, overall performance of the Credit Union and the markets in which it operates and are approved by the Board. Performance assessments of Senior Managers incorporate financial and non-financial KPIs, including the responsibility for risk management and compliance.

Annual Bonus

All employees undergo an annual performance review which considers the performance of the individual measured against key performance indicators that are derived from the organisational goals. Recommendations for performance-based bonuses (if any) for the Chief Executive Officer are made by the Governance Committee, for approval by the Board, as part of the annual remuneration review.

Recommendations for performance-based bonuses (if any) for Executives are made by the Chief Executive Officer to the Governance Committee, for approval by the Board, as part of the annual remuneration review.

In compliance with the Credit Union's Remuneration Policy, for the 2022/2023 financial year there were no variable (at risk) remuneration awards, guaranteed bonuses or sign-on awards made to Executives.

Risk and Compliance Staff

The performance and remuneration of risk and compliance staff is assessed according to objectives specific to the roles they undertake, which is independent of the business they oversee. Remuneration is reviewed and benchmarked against the market, and internally, to ensure it is set at an appropriate level.

Governance Committee Remuneration

In the 2023 financial year the Governance Committee held four meetings.

The total remuneration paid to Governance Committee members in the 2022/23 financial year was \$205,201.40 (2021/22 financial year: \$203,190). This represents the total fees paid to those directors for their positions on the Board, the Governance Committee and any additional Board Committees.

Other remuneration disclosures

Variable remuneration, guaranteed bonuses, sign-on award and termination payments during the financial year	2023		2022	
	No. of employees	Amount	No. of employees	Amount
Number of variable remuneration awards	-	-	-	-
Number and total guaranteed bonuses awarded	-	-	-	-
Number of sign-on awards	-	-	-	-
Number and total termination payments	1	\$73,735.67	1	\$48,613.21

Deferred remuneration	Total Amount	Total Amount
Outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	-	-
Deferred remuneration paid out in the financial year	-	-

Total value of remuneration awards for senior managers/ material risk takers for the financial year	Unrestricted	Deferred	Unrestricted	Deferred
Fixed Remuneration				
Cash-based	\$2,292,506.40 incl super	-	\$1,974,808.90 incl super	-
Shares and share-linked instruments	-	-	-	-
Other	-	-	-	-
Variable remuneration				
Cash-based	-	-	-	-
Shares and share-linked instruments	-	-	-	-
Other	-	-	-	-