



**cufa sustainability**

report 2008



[www.cufa.com.au](http://www.cufa.com.au)

4-7

Introductions

8-11

Who We Are

12-31

Society

32-35

Environment

36-51

Goals, Objectives &  
Performance Indicators

52-53

Financials

# contents

4-7

Introductions

# Introductions

Introductions	4
Message from Chair	5
Message from the Executive Officer	6
Sustainability Report Introduction	7

## Message from Chair

This report reflects commitment by CUFA to communicating with our stakeholders by mapping our social, environmental and economic performance.

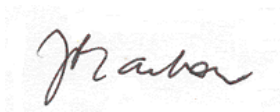
It reflects an ambitious program of domestic and international activities in pursuit of our mission-empowering communities through access to affordable financial services.

Our achievements in promoting financial and social well-being in targeted communities are testimony to the dedicated efforts of our staff and volunteers both in Australia and overseas. They also reflect our co-operative approach in working with partners and sponsors, such as WOCCU, CCA and AusAID, to deliver programs at grass roots level in the Asia/Pacific region.

Our work was also recognised by two awards. The Metropolitan Business/Industry Compliance Award, by Consumer Affairs Victoria in the Industry Compliance category, for the Financial Literacy Initiative in August 2007; and World Council of Credit Unions (WOCCU) Distinguished Service Award, in June 2008.

We are indebted to the generous support of the credit union movement in Australia and to Cuscal and Abacus for their financial support. Our engagement with credit union members in fostering and promoting credit union values in development sustainable communities has been a major focus of activity over the year.

I would also like to record my thanks to the CUFA Board for their enthusiastic support in setting appropriate strategies for delivering financial services to our communities.



John Baistow  
Chair  
Credit Union Foundation Australia

## Message from the Executive Officer

I am proud to present CUFA's third Sustainability Report. The 2007/2008 report sees us continue to deliver on our business objectives while at the same time integrate our desire to improve and develop our social and environmental credentials within the sustainability space.

This year has seen us have a particular focus around our project cycle processes and procedures both from a domestic and international program provision perspective. This has improved our ability to capture not only better quality project data but also map our social and environmental performance better.

This year saw the commencement of a number of new and exciting programs including the Cambodian Study Tour that saw 15 credit union CEOs and Directors travel to Cambodia and visit CUFA's projects. This program was very successful in linking our donor stakeholders to our projects and at the same time gave the participants an ability to reflect on the reasons credit unions exist.

CUFA also undertook a very new project for the organisation, the Solomon Islands Young Women's Leadership Program which benefited over 400 women in 4 islands of the Solomon's. CUFA was able to bring financial literacy training to some of the most remote areas of the Solomon Islands. CUFA was also able to produce a short DVD that told the story of the project. CUFA has also had an unprecedented amount of media coverage this year stemming from some of these new programs.

In the 2007/2008 report we have improved the comparative data and bought a greater deal of visibility to our projects impact on the communities in which we work which will allow all our stakeholders to have a clear understanding of our focus and direction. This will also allow the CUFA Board and management to ensure we stay focused in the way we manage our business operations.

CUFA's 2007/2008 Sustainability Report is presented with the aim of informing our partners, funders, the general public and other stakeholders. I hope you find the report interesting and engaging.



**Peter Mason**

Executive Officer  
Credit Union Foundation Australia

## Sustainability Report Introduction

The purpose of this sustainability report of Credit Union Foundation Australia (CUFA) is to inform interested stakeholders of our purpose, goals, performance and direction, and to highlight our sustainability culture and the achievements this has supported. It is also a frank discussion of areas where improvement is needed and the ways we intend to achieve that.

As a development organisation, it is critical that we act in the best interests of our stakeholders. This involves being constantly aware of our aims and objectives, of our strengths and weaknesses, and to also invite stakeholder conversations, opinions and feedback to keep our focus on needs. We hope that by spending a little or a lot of time with this report you gain insights into the value of our work and assist us to continue doing it.

This report is an expression of non-financial performance from governance, social and environmental perspectives. As a non-profit organisation, our motivation is to provide maximum value for recipient communities, ultimately alleviating poverty and improving lives through access to affordable financial services. We also work to improve the position of Australian credit unions in their communities by reinforcing active participation and responsible practice as key means to sustainability and valued citizenship.

This report is not intended to be exhaustive, rather an overview of performance and guide to further and more detailed information. If you have any questions, would like to comment on this report, or find ways to engage with CUFA, please contact us, details below.

### Acknowledgements

The following provided valuable assistance during research for this sustainability report:

<b>CUFA</b>	Jefry Ngarbin	Sustainability Report Intern
	Denniz Straedke	Sustainability Report Intern
<b>Cuscal</b>	Les Taylor	Accountant
	Leigh Giddy	Communications Assistant

My sincere thanks to you



Philip Lambert  
Project Officer  
CUFA

Email: [plambert@cuscal.com.au](mailto:plambert@cuscal.com.au) – [info@cufa.org.au](mailto:info@cufa.org.au)  
Phone: 02 8299 9031  
[www.cufa.com.au](http://www.cufa.com.au)  
Credit Union Foundation Australia

8-11

Who We Are

# Who We Are

Our Beliefs and Mission	9
Governance	9
The CUFA Board	10
Accountability	11
Risk	11



# “Who We Are”



## Our Beliefs and Mission

CUFA is the development agency of the Australian credit union movement.

CUFA is committed to facilitating sustainable growth to deliver on our mission of empowering communities through access to affordable financial services. CUFA’s vision is credit unions promoting financial and social wellbeing in communities, and our role is to provide support and resources to help credit unions achieve this goal. CUFA exists to facilitate social development and create value, not to make a profit. We strongly believe in social responsibility best practice, being accountable to our stakeholders and seek to influence others to achieve improved citizenship.

We are guided by the International Credit Union Operating Principles of democratic membership, non-discrimination, ongoing training and development, building financial stability and practising social responsibility and all of our activities incorporate these values.

## Scope

As the development agency of the Australian credit union movement, we work to empower communities on an international and domestic level.

- Domestically we work directly with Australian credit unions, adding value to their internal capacity and external member communities by providing educational, professional development, community engagement, development resources and programs;
- Internationally we develop access to affordable financial services for communities in Asian and Pacific regions, to alleviate poverty and create sustainable communities.

Three of the eight United Nations Millennium Development Goals are closely aligned with our aims: to alleviate poverty, promote equality and support cooperative development. Created in April 1971, CUFA is a Trustee Corporation with its own board and mission, and is a wholly owned subsidiary of Cuscal Ltd - the primary body servicing credit unions in Australia.

## Recognition

CUFA received two significant awards during the year, in recognition of its valuable domestic and international work. The Metropolitan Business/Industry Compliance Award by Consumer Affairs Victoria in the Industry Compliance category for the Financial Literacy Initiative in August 2007, and World Council of Credit Unions (WOCCU) Distinguished Service Award, June 2008.

## Governance

CUFA has a board of 6 members, including the CEO of Abacus, with the remaining members nominated from Australian credit unions.

New board members are selected with respect to the emerging challenges that CUFA faces, practical expertise with corporate social responsibility and raising public awareness of CUFA. Consideration is also given to ensuring that board composition is diverse in terms of gender, experience and tenure. During this period, CUFA had two female directors.

CUFA board members are voluntary and are involved because of a common belief in the credit unions movement’s values and support of the performance of CUFA.

---

# the cufa board

---

## member names & experience

---

### John Baistow

BA, Dip Bus Stud, Dip CD, FAICD, MBA (Tech Mgt); FAMI  
Appointed 7 December 2006

**Experience:**

Retired Senior Executive, CSIRO.  
18 years as a credit union director, 6 years as chairman.

**Special Responsibilities:**

Chairman, Credit Union Foundation Australia Ply Ltd

**Directorships in other entities:**

Cuscal Limited mecu Limited

### Elizabeth Foster

B. Bus (Accounting), FCPA, GAICD, MAMI  
Appointed 30 October 2003

**Experience:**

Self employed accountant, 22 years experience with Credit Unions both as a Director and in management.

**Directorships in Other Entities:** Credit Union Australia Limited, Director, Member of Board Audit and Risk Committee; Chair of Credicorp Py Ltd

Other Declared Interests: Nil

### Tony Innes

B.Ec, FCPA, GAICD,  
Appointed 1 November 2005

**Experience:** Deputy CEO, Savings and Loans Credit Union Ltd. 23 years experience in Credit Union management.

Directorships in Other Entities: MINDA Inc., Director and member of the Finance and Investment Committee

Other Declared Interests: Nil

### Adrian Lovney

LL.B (Hons), MBA  
Appointed 30 October 2003  
Resigned 20 February 2008

**Experience:** 14 years experience in public policy and government. 9 years experience with Credit Unions and credit union service organisations. Chief Executive Officer Abacus Australian Mutuals Limited (resigned 20 February 2008) and General Manager People and Communication, Cuscal Limited.

**Directorships in Other Entities:** Nil

Other Declared Interests: Nil

### Ken Mutton

Dip BA, Dip Fin. Services, FAMI  
Appointed 5 April 2007

**Experience:** Chief Executive, St Mary's Swan Hill Credit Union Ltd. Chairman, Victorian Insight Committee. 31 years experience in finance industry

**Directorships in Other Entities:** Nil

**Other Declared Interests:** Nil

### John Paine

Dip. Fin. Services AMI, MAIM, JP  
Appointed 1 November 2006

**Experience:** General Manager, Family First Credit Union Ltd. 36 years experience in finance industry.

Directorships in Other Entities: Nil

Other Declared Interests: Nil

### Louise Petschler

BA (Hons) MAICUD  
Appointed 20 February 2008

**Experience:**

Chief Executive Officer, Abacus Australian Mutuals Ltd  
12 years experience government and public relations

7 years experience in finance industry

**Directorships in Other Entities:** Nil

**Other Declared Interests:** Management Committee, Consumer Credit Legal Centre



## Accountability

The board is responsible for the corporate governance of CUFA, while also accountable to the board of Cuscal as the sole shareholder in CUFA. The responsibilities of our directors are outlined in CUFA's two Trust Deeds, and the constitution. In addition, a memorandum of understanding exists between Cuscal and CUFA. Together, these documents create an internal framework that limits and defines the direction of our board. As required by the Corporations Act 2001, this is our annual report, which demonstrates our compliance with these requirements.

CUFA is also party to two core agreements that create an external assurance framework for our operations:

### AusAID Accreditation

We are fully accredited by the Australian Federal Government's overseas development body, AusAID.

CUFA is among 30 organisations that are fully accredited by AusAID to receive funding to carry out overseas development work on behalf of the Australian government under the AusAID NGO Cooperation Program (ANCP). A further 11 organisations have base accreditation. The rigorous accreditation process is designed to ensure that funding is only awarded to professional and well-managed development organisations capable of delivering the development outcomes. CUFA re-accreditation is due to be completed by March 2009.

### ACFID Code of Conduct

As a member of the Australian Council for International Development (ACFID) and a signatory to the Code of Conduct, we are committed to high standards of integrity, accountability, governance and management in our support of developing communities around the world. ACFID is an independent national association of Australian non-government organisations (NGOs) working in the field of international aid and development.

ACFID Vision: promote conditions of sustainable human development in which people are able to enjoy a full range of human rights, fulfil their needs free from poverty, and live in dignity.

It administers the Code of Conduct committing members to high standards of integrity and accountability.

The ACFID annual reporting requirements are integrated into this report, complying with ACFID Code of Conduct clause 4.1 within Communication with the Public. Refer to details on page 57.

## Risk

Due to the nature of our organisation, there are a number of risks we need to be especially aware of. Risks to: reputation/goodwill; relating to effective aid outcomes; to output delivery/efficiency; and to our capabilities.

Where risks are unknown or uncertain, and where there is likely to be uncertainty of project success, precautionary approaches are taken and alternatives are planned and implemented to avoid or minimise impacts. Risks are identified, rated and documented in formal project plans, which can be accessed from the relevant project areas of the CUFA

**website at**  
**[www.cufa.com.au](http://www.cufa.com.au)**

12-31

Society

## Society

Stakeholders and Engagement	13
Our People	15
Our Domestic Programs and Activities	16
Australia: Engagement and Development Programs Introduction	19
International: Development Engagement Introduction	22
Cambodia: Development Program Introduction	24
Solomon Islands: Development Program Introduction	27
Timor Leste: Development Program Introduction	29
Other In-Country Involvements and Development Programs	30

# “ Stakeholders & Engagement ”

CUFA ‘s mission is to promote financial and social well-being in the communities in which it operates. CUFA empowers people and communities directly as recipients of our development projects, and through the credit unions, agencies and governments we work with to effect change and reform. Stakeholder engagement is critical to our development focus: it serves our growth and scope ambitions, it validates the quality and effectiveness of our programs; it provides involvement opportunities; it informs stakeholders through communication activities, and CUFA learns through thorough monitoring, evaluation and feedback.



CUFA has key stakeholder groups in Australia and overseas:

## In Australia

- Credit Unions, their members and communities
- AusAID
- Cuscal
- Abacus
- ACFID
- Australian Government Office of Women
- Victorian Government: Consumer Affairs Victoria
- Staff, Suppliers and Contractors.



## Overseas

Organisations	Communities
<ul style="list-style-type: none"> <li>• Asian Confederation of Credit Unions</li> <li>• Cambodian Community Savings Federation</li> <li>• Cambodian Community Finance Network</li> <li>• Canadian Cooperative Association</li> <li>• Fiji Credit Union League</li> <li>• Maritime Credit Union (Tuvalu)</li> <li>• Solomon Islands Credit Union League</li> <li>• Solomon Islands Central Bank</li> <li>• SANASA (Sri Lanka)</li> <li>• World Council of Credit Unions</li> <li>• Socio-Economic Development Organization of Cambodia (SEDOC)</li> </ul>	<ul style="list-style-type: none"> <li>• Australian credit union member communities</li> <li>• Maritime community in Tuvalu</li> <li>• Our employees, contractors, DE’s, Mentors, volunteers and interns</li> <li>• Credit union member communities of the Solomon Islands and Cambodia</li> <li>• Rural and disadvantaged communities in Cambodia and the Solomon Islands.</li> <li>• Tsunami affected communities in Sri Lanka and the Solomon Islands</li> </ul>

## Keeping in touch with stakeholders

Key to CUFA stakeholder engagement has been a range of new initiatives commenced during this reporting period, continuance and refinement of existing strategies, with additions planned for the future.

CUFA has consistent and frequent contact with key stakeholders: CUFA staff regularly meet with Australian credit union stakeholders at a diverse range of events such training sessions, seminars, programs, chapter meetings, Abacus Convention and other events. Regular contact with regional and global development partners occurs via email, fax and phone, in addition to in country monitoring visits and at Development Education workshops.

---

# Including key stakeholders in decision making processes >>>

---

Working groups of independent and experienced peers are formed around need themes and assist to ensure that project concepts are developed carefully.

Working closely with stakeholders, project plans are negotiated and approved by partners, the CUFA Board and the International Development Working Group, before program delivery commences.

Partners are involved in all key design and decision processes throughout the project cycle.

CUFA employees and interns regularly meet to discuss projects, exchange information and resolve any problems. Meetings are held every Monday, and staff appraisals are undertaken on a six monthly cycle.

CUFA is located within the Cuscal offices, contact and dialogue with Cuscal and Abacus occurs on a daily basis.



---

## Ways of communicating with stakeholders

---

CUFA discloses relevant information and enables communication through the following:

Interact is Cuscal's credit union industry intranet, that can be accessed by all members, shareholders and staff of Cuscal. CUFA regularly publishes bulletins on Interact.

The CUFA website is in the public domain at [www.cufa.com.au](http://www.cufa.com.au). It features full access to all available information and documentation.

**Newsletters** are published and distributed every month: featuring the international and domestic activities of CUFA; and discussion of social and environmental issues facing the credit union movement.

They are distributed to interested parties via email, on Interact via Cuscal's National Bulletin system. At the end of the period, the last newsletter was sent to about 650 people who nominated to receive the publication directly.

## Annual Reporting

The CUFA Sustainability Report is the main way by which we disclose annual information to our stakeholders.

Formal financial reports and project monitoring reports are freely and publicly available from the CUFA website.

# Our People ...

CUFA has a strong team of employees, supported by volunteers and contractors.

Since July 2007 CUFA employment levels have grown to serve the needs of expanding program operations in Cambodia and the Solomon Islands.



## **Employee Profile**

*The following is a profile of our employees during this period:*

### **Full-time**

*Executive Officer*

*Project Officers Australia*

Peter Mason.

Carla Elbourne, Claudine Chicheportiche,

Nimarta Khuman, Paula Jops and Philip Lambert.

*Technical Assistant Cambodia*

*Project Officers Cambodia*

*Field and Support Staff Cambodia*

Caroline Mackaway.

Kundi Lay.

Borey Yi, Chanthary Meas, Phanna Khim,

Phearun Pov, Sreyrath Thou, Vicheka Un.

Dim Den and Tol Thy.

*Training Centre Staff Cambodia*

*Technical Assistants Solomon Islands*

*Project Officers Solomon Islands*

Peter Vida and Trevor Davis.

Adrian Watehau, Josephine Haikau and

Sharon Papare.

Staffing	2008 FTE	2007 FTE	2006 FTE
FTE = Full Time Equivalence			
Australia	4.87	3	3
In-Country	8.17	0.5	0
Interns	0.64	0.5	1.35
Volunteers	1.13	1.25	0.8

## Volunteerism

Voluntary engagement by credit union people exemplifies the principles on which the credit union movement rests and is of great value to CUFA and our international partners.

CUFA supports volunteerism in three forms:

- Internships to assist CUFA with program and internal capacity development (1170 hours) and In-Country volunteer internship (420 hours)
- Domestic volunteers involved in the Development Education program (540 hours)
- In-Country technical assistance volunteers (635 hours)

## // Domestic volunteers – capital V Development Education Mentors

Development Education (DE) mentors are invaluable for the success of the DE program. Mentors are credit union people who have successfully completed their DE project. Their function is to provide objective and technical support to the program and participants during and after the workshops. They share their knowledge, experiences and encourage teamwork, and by doing this, help participants to make the most of the learning opportunity.

At CUFA we believe that gender, culture and age diversity of both mentors and participants is crucial to the success of DE. Different perspectives are the basis of discussion and learning, raising awareness and challenging views - creating a common understanding of development needs. To ensure diversity, CUFA strives to fund at least one international mentor per program. 75% of DE mentors have served on more than one occasion.

October 2007:

Ken Halkett , Carolin Mackaway, Christie Simpson, Ken Mutton, Tom Decker (International).

March 2008:

John Baistow, Kundi Lay (International), Sarah Rodgers & Joffre Balce.

In-Country technical assistance volunteers

Credit union volunteers represent CUFA overseas, to assist with pre-program assessment, technical assistance, project delivery and monitoring.

The following volunteers are experienced credit union professionals engaged in various programs:

Tonga consultation project:

Greg Fisher  
Peter Pamment  
Michael Mezzino  
Steve Barratt  
Khurshed Hirananeek

Solomon Islands, SICUL Board member: David Loring

### **Contractors**

CUFA enjoys ongoing relationships with several contractors who provide consultancy and specialist services to CUFA.

Peter Kelly	web services developer
Sam Low	Graphic Designer
	Report design, CUFA public website and project graphic concept and design.



## // Interns

Interns participate in a program to gain practical development work experience. CUFA gratefully acknowledges the participation of: Sahil Shaheem | Nimarta Khuman | Ann CableDeniz Straedke | Judy Chang | Nicholas Baistow (International)

Interns were involved in a variety of projects and capacities including Child and Indigenous financial literacy program development; policy development and review; project research and administration; and stakeholder engagement.

Job opportunity is one direct benefit from volunteering with CUFA, and we were very pleased to have both the funding and opportunity to offer direct employment to Nimarta Khuman, on a full time contract basis to conduct our Policy Review and assist with AusAID re-accreditation.





## Management Approach

As CUFA has grown, it employs people under two management approaches, essentially defined as Australia and International.

Staff who are Australian nationals or who have Australian work rights and are employed in or from Australia are the responsibility of and are managed under Cuscal's people management policies.

Staff employed in-country, who are nationals of that country, are employed directly by CUFA and are the responsibility of and are managed under CUFA people management policies. Cuscal's implementation of workplace policies and procedures, informs the procedures at CUFA, which also has additional and distinct overarching operating principles under its agreements with AusAID and ACFID and its adherence to the International Credit Union Operating Principles.

Matters that are addressed in the workplace policies and procedures include: terms and conditions of employment, remuneration and benefits, reimbursement of work related expenses, performance management and performance appraisal, training and development, grievance procedures and workplace health and safety. CUFA workplace policies and procedures address the following issues: diversity and equal opportunity, anti-discrimination, anti-harassment, union membership and freedom of association, as well as flexible work arrangements. CUFA employees receive training on policy and procedure during their orientation and induction. Prior to employment, prospective staff acknowledge that they are aware of and will follow these policies.

## Training and Education

CUFA is committed to providing learning and development opportunities. This fulfils capacity development needs of CUFA and provides value to individual employee professional development path. An important part of CUFA's staff appraisal is to develop personal career development plans and identify any training and development needs. All employees have bi-annual performance and career development reviews. Permanent full-time employees spend an average of 36 hours per year on training, which includes Cuscal 'Insights' and 'Personal Leadership Program'.

## Occupational Health and Safety

To ensure that Sydney based staff work in a safe and healthy environment, Cuscal has an ongoing occupational health and safety program which is overseen by the OH&S committee, that monitors and advises on occupational health and safety issues and programs. Staff can access a free and confidential employee assistance program. Health assessment, nutrition consultation and flu vaccination are examples of preventative well-being measures provided free of charge.

The same principles are applied to our in-country operations, where often no legislation exists to comply with. We have embedded workplace practice and procedures to ensure safe operational environments, and conducted training and monitoring to ensure effective and continuous implementation. During this period, there were no work related lost days from injury, or work related deaths.

## Goals and Performance

CUFA employs staff with skills, abilities and experience to fulfil specific goal oriented roles; and rewards performance based in both qualitative and quantitative measures. Role fulfilment is tied directly to and defined by CUFA strategic objectives: delivery is guided by a framework of activities and tasks to manage and capture progress and outcomes. As CUFA now has many staff in many locations, the existing reporting system is being overhauled to enable a "one CUFA one place" approach, where all staff are involved in strategic planning and delivery, and have access to one resource for delivery, guidance and reporting. This online system is due to be implemented during November 2008.

## CUFA fulfilling its commitment to staff

Our employees have a degree of autonomy in their work, which gives staff a sense of achievement and job satisfaction, and work flexible hours to enable a positive work-life balance. We strongly believe in equal opportunities for all our employees, and want our employees to develop to their full potential. CUFA supports gender equity, and while the first priority is hiring the right person for the job, CUFA was able to increase gender balance from an all male work force in 2006 to a broadly 50:50 male:female ratio in 2008.

# Summary of CUFA Engagements

Nature	Program Name	Initiated
<b>Community Development</b>	Cambodia Children's Financial Literacy Program	September 2007
	Cambodia Building Institutional Capacity	July 2007
	Cambodia Building Institutional Trust	April 2007
	Solomon Islands: Building Institutional Capacity	July 2007
	Solomon Islands Tsunami Assessment and Reconstruction	2007
	Sri Lanka Reconstruction Project	2006
	Solomon Islands Young Women's Leadership Program	2008
	Timor Leste Building Institutional Capacity	August 2008
<b>Sustainability Education and Implementation</b>	CSR Toolkit	May 2006
	Financial Literacy Initiative	August 2006
	CSR Activity Database	December 2008
<b>Development Engagement and Professional Development</b>	The CUFA Credit Union Education Program	May 2008
	The CUFA Leadership Challenge Program	September 2008
	WOCCU / CUFA Pacific Congress	September 2008
	Development Education (DE) Program	ongoing
<b>Income Initiatives:</b>	On-Line Donation Programs	July 2008
	Credit Union Member Donation (Trial)	July 2008
	Disaster Relief Fund (In Development)	2007
	Third Party Provider Sponsor Program	March 2008
<b>Issue Based Initiatives</b>	Environmental Roundtable	July 2008
	Reconciliation Action Plan	April 2008
<b>Marketing</b>	Newsletters, Connexus, Bulletins, Credit Union Media	2006
	CUFA Web Services	2007
	Supporter Marketing Kit	2007
<b>Research and Representation</b>	Mutual Community Report	2007
	CUFA Sustainability Report	2006
<b>Recognition</b>	DE Awards	2008
	Supporters Cocktail Event	2008
	Supporter Recognition	2006
<b>Volunteerism</b>	Interns - Australia	2006
	Interns - In Country Program Assistants	2007
	In Country Technical Assistants	On-going
	Development Educators	On-going

## Australia // Engagement and Development Programs Introduction

Increased engagement with Australian credit unions was achieved through dramatic growth in program range and depth, and ongoing scaling up of internal technical and human capacity, resulting in improved conditions for contribution level growth to CUFA.

# Development Engagement

### The CUFA Credit Union Education Program

The aim of this program is to enable groups of credit union managers and directors to experience the work of CUFA in-country firsthand.

Participants are able to gain insight into the major issues and challenges impacting the financial co-operatives of the host country, and an understanding of the need for continued sustained funding support of our programs.

In May 2008, our first tour tested the concept. 15 industry representatives from the credit union sector were involved, many travelling overseas for the first time, others experiencing a developing nation and the associated challenges. Some comments from participants ...

“The aim of increasing awareness of the Cambodian project I believe was achieved. The full extent of the objective will be enhanced through these parties actually espousing the value and purpose of CUFA. In my opinion this is a responsibility we carry as participants of this trip.”

“Universally, we were thanked for travelling to their country. Universally, our small group thanked them back for an experience of a lifetime.”

“The study tour gave me a deeper appreciation of CUFA and it was great to see first hand the difference that our donations make to the lives of the Cambodian children.”

### The Leadership and Challenge Programs

An adaptation of the education program, that steps up from an awareness and observation role to a fund raising program demanding full commitment and participation.

The first program will be in Cambodia during September 2008, and will feature a three month fundraising campaign by up to 15 participants. These participants will then spent 12 days cycling in shocking weather and road conditions, often cycling up to 70 km per day, to areas of Northern Cambodia, to assist with CUFA Children’s financial literacy programs in the region, and CUFA credit union management training in Phnom Penh.

### Pacific Congress

The 2008 Pacific Credit Union Technical Congress is a collaboration of Credit Union Foundation Australia (CUFA), World Council of Credit Unions (WOCCU) and the Fiji Savings and Credit Union League (FSCUL).

The Pacific Credit Union Technical Congress will be held in Fiji - from September 29 – October 3 2008. The purpose of the congress is to bring together credit union movements, their leagues, federations and government regulators from developing and developed nations in the Pacific region to share information and learn from each other. Running concurrent with the Pacific Credit Union Technical Congress is WOCCU’s Manager Certification Program. It is hoped that this will initiate the formation of a pan pacific representative group for credit unions and other financial cooperatives.

Credit Union representatives from Fiji, the US, Australia, New Zealand and other developed countries will gain an insight into challenges and major issues impacting the credit unions and financial cooperatives of the Pacific. Mentoring opportunities could be generated where established credit unions actively support and coach evolving institutions.

The Pacific Credit Union Technical Congress will have a technical assistance focus bringing developed credit union movements together with emerging credit union movements to provide training and support.

# Income Initiatives

## **On-Line Donation Programs**

CUFA established a transaction system for raising funds that will be first used during the CUFA Leadership Challenge Program, to handle on-line and direct deposit payments and processing. If this proves successful, the low cost system will be further refined and applied to all programs with a fund raising aspect, delivering convenience and security for contributors and maximising efficiencies and contribution value for CUFA.

## **Credit Union Member Donation Campaign**

For CUFA to achieve financial sustainability and expand its development programs, it needs to diversify the contributor base in terms of donor and program type. Members of supporter credit unions, who engage with CUFA and appreciate the outcomes of our work, will potentially become contributors also. Working with a small number of regional and city based credit unions, CUFA designed a pilot program to assist credit unions to engage with their members to raise awareness of CUFA and to assist their decision to contribute.

## **Disaster Relief Fund (In development)**

An on-line credit union embedded fund raising channel for public donation in the event of significant natural disasters in Australia. The Disaster Relief Fund will enable the credit union movement to collectively raise funds.

## **Third Party Provider Sponsor Program**

Providing opportunities for suppliers to the mutual financial services sector to engage with CUFA programs on a commercial basis, gaining exposure and access to a variety of stakeholders in a development context.

# Issue Based Initiatives

## **Environmental Roundtable**

The focus of the Environmental Roundtable is the business case for sustainability. CEO's, CFO's and executive management from credit unions across Australia are invited to the industry event, which will be led by convenors Tony Innes, Deputy CEO of Savings and Loans and Rowan Dowland, Group Manager Marketing and Development of mecu.

## **Reconciliation Action Plan**

Activities and advocacy actions that CUFA will undertake within the Australian credit union movement to improve conditions for indigenous Australians, around financial literacy and community development. The RAP was approved and launched in April 2008, and outputs will be discussed on the next CUFA Sustainability Report.

# CSR Education and Implementation

## **Financial Literacy Initiative**

A learning educational series presented across a range of life cycles targeted at Children and Youth. Additional series designed for Indigenous Australians is currently in development, and generic Adult Series are being considered.

## **CSR Activity Database**

A development of the CSR Toolkit that will enable stakeholders to self publish material that will form a database of issue related case studies; and a communications channel to discuss related topics and exchange ideas. It will be designed to act as a virtual forum, linked to CUFA events and programs that will enable learning, carriage and exchange of ideas.

# Marketing

## **CSR ToolKit**

An on-line resource for credit union stakeholders to learn about social responsibility principles and practices, with tools to enable sustainability strategy development, implementation and reporting. The aim of the toolkit is to reinforce the community focus of credit unions and to communicate the difference being made, assisting credit unions to position themselves more positively in their communities.

## **Bulletins, Newsletters, Connexus**

CUFA initiates published communications with credit union stakeholders via Bulletins, Newsletters and Connexus.

Bulletins provide information and announcements as required on a weekly basis. Newsletters outline CUFA activities, news, emerging issues and human interest stories on a monthly basis. CUFA also publishes topical articles in Connexus, a quarterly mutual financial services sector publication.

## **CUFA Web Services**

The CUFA web site is the primary method of distributing and providing information to our stakeholders, and is the best place to find detailed information about our operations and projects.

## **Supporter Marketing Kit**

The CUFA Supporters Marketing Kit assists credit unions to communicate the impact of their financial support of CUFA to their members and general community. The marketing kit contains Posters, Advertisements, Pictures, Stories, Guides and Articles that can be used by Credit Unions to promote themselves or their partnership with CUFA.

# Professional Development

## **Development Education (DE) Program**

The DE program is a unique training and development tool designed by CUFA to communicate the vital importance and function of credit unions, train and educate credit union staff in the value that they offer their own credit union, to raise awareness of development issues and needs in Australian and in neighbouring nations, and to develop capacity and skill to resolve some of these problems.

DE is a sought after program with a recognised industry profile, excellent networking opportunities, and is a remarkable means for empowerment in terms of both personal development and practical skill capability.

# Research and Representation

## **Mutual Community Report**

Credit Union Foundation Australia and Abacus Australian Mutuals jointly conduct this research and reporting exercise to represent community investment and activities of the Australian mutual ADI sector - to demonstrate the effect the movement has in Australia.

It provides useful benchmarking of similar mutuals and non mutual players, and provides an excellent vehicle for the mutual banking sector to collectively promote the constructive and substantial community investments it undertakes.

## **CUFA Sustainability Report**

As the development agency of the Australian credit union movement, CUFA seeks to act with responsibility and transparency. How we act and perform in non-financial terms is core to this, and we are now committed to publishing an annual statement detailing our sustainability actions and outcomes. As a small organisation, we are also keen to advocate other smaller organisations to do the same, and hope to provide a good example to our credit union stakeholders by “walking the talk”.

# Recognition

## **Supporter Recognition**

Stakeholders contributing financially and in kind to CUFA are recognised in a variety of ways. The aim of recognising participants is to raise their profile to other stakeholders and the communities that they serve. This visibility and promotion helps to raise awareness of each contributor, adding value and enhancing the contributor's credibility to their members and the community.

## **Supporters Cocktail Event**

A new part of our recognition activities will be an event to be conducted at the annual Abacus convention, where the majority of credit union decision makers will be present at one time. Supporters will be invited to a cocktail event where they will be thanked by the CUFA chair and briefed in the years achievements and highlights, then presented with an exclusive viewing of a CUFA produced mini-movie featuring one of our development programs. This will be an excellent opportunity for credit union partners to reflect on the year past and ahead, and network with like-minded peers to share experiences.

## **DE Awards**

The DE program requires a high level of commitment from participants on a voluntary basis. To recognise this, and the value they add to their sponsoring credit union and the recipients of projects successfully completed, CUFA awards will recognise outstanding achievements. A shortlist of qualifying projects will be assessed by a panel of industry professionals, and the winner and three runners up will be announced in December 2008.

# International Development Engagement Introduction

The credit union movement was established to tackle the prevailing social disadvantages of the time, based upon a philosophy of equality, equity and self-help. The credit union system enabled communities to work together and collectively improve their life situation.

We continue the spirit of these principles in our development work with international neighbours, to help address situations of extreme poverty faced by many communities.

In the last twelve months, we have consolidated and completed our shift from funding other development organisations and employing consultants to deliver projects - to direct delivery by establishment of training centres, deployment of Technical Assistance Personnel in-country, employment of local staff, and working cooperatively with local partners. This has enabled CUFA to become an effective project implementer and deliverer, expanding project scope and capacity and accelerating the achievement of project goals.

CUFA is continuing to expand development programs in Cambodia, The Solomon Islands, Sri Lanka, Tonga and Tuvalu. CUFA will be establishing a development program in Timor Leste from August 2008, and conducting The Pacific Congress in September 2008.

# Risk management and Quality Assurance

The need to have a comprehensive and transparent risk management policy in place is important for the successful outcome of each project and allows donors and recipients to be confident in our ability to deliver and empower communities through access to affordable financial services.

We have strengthened and overhauled our risk management policies and procedures, from feasibility and planning, through to project delivery and sustainability. We learn and build on the knowledge that we have accumulated through our operations, evaluating and improving the risk management procedures in our projects.



# Risk Management throughout Project Cycle

## Project Entry

Consideration is given to the development need of the local communities against known risks to CUFA. Effectiveness of local development partners and representative organisations, and political/social stability, are core issues that are assessed prior to entry into a recipient community, to ensure project success.

### Project Operation

CUFA engages in dialogue with community and local government representatives, conducts monitoring visits and compiles monitoring reports in order to determine project goal achievement, and the positive and negative impact of local projects on the community.

### Monitoring

Monitoring our projects and activities is a fundamental element of assuring successful and sustainable projects and this is therefore an important part of the risk management process and delivery activities.

In line with CUFA taking project implementer role, all monitoring was done by CUFA personnel during the year.

### Project Exit

#### **Example: Cambodia Building Trust.**

Upon the completion of the buildings, the Cambodia Project Officer will continue to provide post-construction monitoring up to six months after all project objectives have been met. This is done in an effort to monitor the sustainability of the buildings and to provide any additional support to the CBMIFO (community based microfinance organisations), building committees, and the savings bank staff and volunteers. At the end of two years, and before project phase-out, the Cambodia Project Officer will meet with the Building Committees to ensure that they have the capacity to continue to maintain the buildings. Building maintenance is relatively simple as the buildings are simple, three room structures with no electricity. After the evaluation, CUFA will consult with WOCCU to finalise the post-project.

### Completion

**Example: Cambodia Building Capacity.** On completion of year 3 of this project CUFA staff will undertake a final evaluation to determine whether we have reached our overall goal of strengthening the institutional and human capacity of primary grassroots financial organisations. Through consultation with our various stakeholders we will determine whether the project will enter a second phase that will either see the in-country Technical Assistance Person or a locally trained employee carrying on more complex, advanced training and field support.

### Cambodia: Development Program Introduction

*Cambodia represents our largest development footprint and scope of operation.*

Cambodia has a population of almost 14 million, of which approximately 85% live in rural areas and an estimated 36% live under the poverty line. The United Nations Development Program's 2005 Human Development Index ranks Cambodia 131 out of 177 countries in terms of quality of life and while gradual progress has been made in reducing poverty, current projections show that Cambodia will not meet the Millennium Development Goal of halving the proportion of people living below USD \$1 a day by 2015.

Trust and sustainability are two major hurdles in viability for financial institutions in Cambodia. During the Khmer Rouge regime neighbours and family members were encouraged to spy and report offences that included owning a business and saving money. Poor banking regulation after the fall of the regime and an influx of poorly executed micro credit schemes have further eroded the trust of Cambodians.

The Cambodian financial sector under-serves its rural population through lack of rural development banks and a weak rural finance network: the overwhelming majority of rural people have almost no access to formal forms of financial services. The past twenty years has seen the emergence of village-based community finance institutions (CFI's) all over rural Cambodia to assist filling this void. Many of these institutions were developed with the help of national and international NGO's, advocates of micro credit financed by external donors or investors, and not by depositors. This denied capacity building of their clients, communities and the institutions, exposing them to risks of: lack of auditing systems, limited reporting systems, lack of trust among people, weak book-keeping capacity, and lack of clarity in roles and responsibilities of managers and directors of CFIs.

This has created a dependency cycle for participants, which in turn depleted the resources of the program causing some to fail, leaving those who did save and those who became dependent on the program with nothing.

Rural people remain wary of the competence of CFI's management and staff, causing CFI's to struggle to expand membership and professionalise. This contributes to the overall distrust of the CFI movement.

In order for a financial program to be viable in a region, an effort to achieve sustainability and institution building must be part of the strategy to win back the trust of the people.

### CUFA development programs seek to

- // Strengthen institutional and human capacity of primary grassroots financial organisations, addressing inadequate capabilities among practitioners/leaders of community finance institutions.
- // Build trust in the savings bank concept at a grassroots level and to broaden the access of financial services to rural communities.
- // Educate and create savings mobilisation, ending dependency cycles.



# Cambodia: Building Institutional Capacity

<b>Duration</b>	From 1 July 2007- 1 July 2010
<b>Partner</b>	Credit Union Foundation Australia (CUFA) Cambodia Community Finance Network (CCFIN) Canadian Co-operative Association (CCA) Socio-Economic Development Organization of Cambodia (SEDOC)
<b>Target Group</b>	<ul style="list-style-type: none"><li>• 40+ Cambodian Community Finance Network (CCFIN) members and associations</li><li>• 36 community based microfinance organisations (CBMIFO)</li><li>• Target groups are mainly rural poor, farmers and retailers. The CBMIFO and CCFIN management and staff are mostly volunteers, with some receiving a small salary.</li></ul>
<b>Purpose</b>	To strengthen the institutional and human capacity of primary grassroots financial organisations.
<b>Goal</b>	To build a strong, sustainable credit union movement in Cambodia that will broaden the access of financial services to rural communities and will reflect the International Credit Union Operating Principles.
<b>Criteria</b>	50% of training participants are to be women
<b>Scope</b>	Training Centre in Phnom Penh 1,580 training days per year 3 Day Training Courses 20-25 people per class
<b>Progress</b>	Training centre secured and furnished July 2007 TA employed and in-county: August 2007 Local staff employed: 9 Training commenced September 2007. Comments from the program's mid term evaluation report, July 2008: "The training has been relevant and well received in the field and there has been an increase in knowledge and understanding of CFI operations, improved management capabilities and greater transparency. Member trust and village confidence in CFIs has greatly increased as a result of the training and there is a commitment to continuous improvement and change in the individual CFIs. Increased membership and savings levels and improved living standards serve as the greatest motivation for CFIs to continue better practises." "To increase effectiveness of the initiative, training content needs to be further adapted to a local context and training materials and content need to be further simplified with less technical translations. To increase reach, written training materials need to be simplified and visual aids such as posters need to be more widely distributed to aid illiterate CFI members to learn concepts."



# Cambodia: Building Institutional Trust

<b>Duration</b>	March 2007 to March 2009
<b>Partner</b>	World Council of Credit Unions (WOCCU) and Credit Union Foundation Australia (CUFA) Cambodian Savings Banks of: Khnach Romeas, Nirontarak Pheap and Khemera
<b>Target Group</b>	<ul style="list-style-type: none"> <li>• Active Savers 25,220 (16,243 are female)</li> <li>• Thirty-six community based microfinance organisations (CBMIFO) and committees.</li> <li>• 40+ Cambodian Community Finance Network (CCFIN) members.</li> <li>• Any Cambodian savings bank or savings network that meets the building criteria set forth by Credit Union Foundation Australia and has a solid business record.</li> <li>• The target groups are mostly rural poor, farmers, retailers and tailors. The CBMIFO and CCFIN members are mostly volunteers, while some are CBMIFO staff members.</li> </ul>
<b>Purpose</b>	Strengthen the capacity of primary grassroots financial intermediation institutions
<b>Goal</b>	To build trust in the savings bank concept at a grassroots level and to broaden the access of financial services to rural communities
<b>Criteria</b>	<ul style="list-style-type: none"> <li>• Savings Bank must have more than 900 members</li> <li>• Savings Bank must demonstrate that they have increased membership by 20% pre-building construction</li> <li>• Savings Bank must demonstrate that they have increased savings by 15% pre-building construction</li> <li>• Savings Bank and/or village must be able to donate land to build the structure</li> <li>• Donated land must be uncultivated and de-mined</li> <li>• There must be a licence to build on the land</li> <li>• All members of the Savings Bank must agree to the construction of the building</li> <li>• Savings Bank committees are made aware of the role of the Cambodia Project Officer and they are willing to participate with the Project Plan.</li> <li>• Savings Bank committees must agree to form a building committee in which at least 50% of the members are women.</li> </ul>
<b>Scope</b>	7 buildings to be established
<b>Progress</b>	Buildings established to 30 June 2008: 3 2 communities are projected to qualify for buildings by January 2009.

Examples of community progress now a building for their Savings Bank has been established	Khnach Romeas	Khemera
Pre Building: Membership Savings (Riel)	1181 80,000,000	1660 65,000,000
Post Building (3 months): Membership Savings (Riel)	1473 Not Available	2018 96,500,000
June 2008: Membership Savings (Riel)	1704 80,000,000	1993 111,000,000

---

# Cambodia: Children's Financial Literacy

---

<b>Duration</b>	2007 - 2008
<b>Partner</b>	CUFA
<b>Target Group</b>	This project focuses on 7 to 9 year olds in poor regions of Cambodia with nearly 6,000 children participating in over 156 classes in Battambang, Takeo, Prey Veng and Kandal Provinces.
<b>Purpose</b>	More than 80% of Cambodian children do not develop financial literacy skills and do not value the concept of saving nor are they linked to a financial institution. Similarly to their parents they are taught to hide their savings or convert it into gold so that it can be liquidated quickly in times of financial stress.
<b>Goal</b>	Various Village Saving Banks committee (credit union) members stated that the children haven't been involved with opening accounts with the saving banks because the savings banks have not targeted children nor do they have a strategy to directly promote their products and services to children.
<b>Scope</b>	The project has been funded to reach 9000 children from February 2008 to January 2009. The CUFA Children's Financial Literacy Program has been implemented in four provinces which are Prey Veng, Battambang, Takeo and Kandal with three Project Field Officers: Srey Rath Thou, Phanna Khim, and Borey Yi; along with the support from the Project Coordinator, Kundi Lay to support the Savings Banks to address this imbalance.
<b>Progress</b>	Schools engaged under MOU to 30 June 2008: 26 Children trained to 30 June 2008: 7583 Female students: 43%

Access further information // [www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Cambodia](#) | [Financial Literacy](#)

## Solomon Islands //

---

# Development Program Introduction

The Solomon Islands has a population of 483,083 (Solomon Islands National Statistics Office 2007) with some 85% living in rural areas with little to no access to basic financial services. There is a gap between those who have access to the modern monetised economy and those who still rely on the traditional subsistence economy. It is the majority of the rural poor who remain most dependant on the traditional subsistence economy. The population of the Solomon Islands is highly dispersed, and because of the scattered nature of the islands, transportation and communication networks are poor and the outreach of basic services is limited.

CUFA has been working in the Solomon Islands since the early 1990s. CUFA aims to strengthen credit union governance through working with existing Microfinance Rural Resource Centres (MRRCs) and assisting them with the formation and operation of savings clubs.

The major theme of achievement has been engagement with stakeholders. CUFA has a successful partnership with World Council Of Credit Unions (WOCCU), which has contributed to the sustainability of the Solomon Islands Project.

During CUFA's monitoring visits it has been established that wider communications, positive broad support for credit union activities, microfinance successes, building strength in SICUL, have contributed to achieving project goals.

# Solomon Islands // Building Institutional Capacity

---

<b>Duration</b>	July 2007-June 2010
<b>Partner</b>	Solomon Islands Credit Union League (SICUL) World Council of Credit Unions (WOCCU) Honiara Credit Unions (40 total)
<b>Target Group</b>	<ul style="list-style-type: none"><li>• The primary beneficiary of this project is SICUL and forty individual credit unions in Honiara.</li><li>• The secondary beneficiaries of this project are the over 60,000 Solomon Islanders who are currently using credit unions, savings clubs and MRRC services that are registered with SICUL.</li></ul>
<b>Purpose</b>	To strengthen credit union governance and financial capacity in credit unions and SICUL.
<b>Goal</b>	<ul style="list-style-type: none"><li>• To build strength and competence in the Solomon Islands Credit Union League (SICUL) by creating a representative League that is a reliable service provider, stands for good governance and is capable of acting on behalf of its membership base.</li><li>• Improved long-term financial sustainability of SICUL and individual credit unions.</li></ul>
<b>Progress</b>	<p>SICUL</p> <ul style="list-style-type: none"><li>• Development of an 18 month Work Plan to be implemented from July 2008</li><li>• Remodelling of staff job descriptions</li><li>• Action Plan developed to improve working relationship with the Central Bank of Solomon Islands</li><li>• Structural review of Board and sub-committees</li><li>• Formalised Board meeting frequency and conduct</li></ul> <p>Credit Unions</p> <ul style="list-style-type: none"><li>• A credit union resource centre with three (3) staff was established in March 2008</li><li>• 16 credit unions were involved in having their financial accounts formalised and brought up to date</li><li>• Commenced monthly distribution of educational and support materials</li></ul>

## Solomon Islands //

# Young Women's Leadership

CUFA Education Project Officer Claudine Chicheportiche, facilitated the Solomon Islands Young Women's Leadership Program, from 15 April – 7 May 2008, travelling to Honiara, Sasamunga, Buala and Auki workshop locations, reaching more than 400 women.

The main purpose of the program is to empower 400 young women (aged 18 – 26 yrs) and mentors (27 yrs +) and to encourage greater female participation within the community, particularly with regards to financial literacy and the credit union movement.

Funded by the Australian Office of Women, CUFA ran 3-day workshops across 4 different islands of the Solomon Islands, to inspire and assist women to develop leadership skills.

Three key topics addressed are Financial Literacy, Health and Hygiene and Confidence and Self Esteem. The young women are now teamed up with an older, respected woman within the community, to guide the young leaders in developing new skills and encouraging greater community involvement.

### Further information //

[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Solomon Islands](#) | [Womens Leadership](#)



## Solomon Islands //

# Disaster Reconstruction

In April 2007 CUFA sent a bulletin to credit unions to raise money for a Solomon Islands tsunami appeal. WOCCU also sent out an appeal to other credit unions and federations around the world. Funds came in from the U.S., Caribbean and Australia, and in total AUS\$13,000 has been raised.

CUFA is developing a work plan for the distribution of funds. There are two stages to this process: 1) assessment, and 2) reconstruction. The assessment phase started in May 2007. CUFA's Project Volunteer has identified two Development Educator's (DE's) to visit credit unions in the hardest hit areas of the Western Province. DE's will assess the damage to credit unions, write up a report of their findings and develop a plan of action and budget for reconstruction. A strategic plan for reconstruction cannot be produced until the completion of a thorough assessment; however, CUFA anticipates funding being distributed for the following:

- Recapitalisation of credit unions
- Providing professional staff development and developing management capacity through on-site training and mentoring

Attention to these areas will help to rehabilitate the affected credit unions by improving their operations and performance, providing support and training, and providing technical direction. A reconstruction plan will be based on the findings of the DE's through conversations with credit union management committees and visits to the 15 affected credit unions.

### Access further information //

[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Solomon Islands](#) | [Tsunami Reconstruction](#)

# Timor Leste //

## Development Program

### Introduction

---

As part of its National Development Plan the Timor Leste government is pursuing growth strategies to increase productivity within the cooperative movement. The movement consists of financial cooperatives and agricultural/production cooperatives and the strategy involves strengthening capacity, governance, regulation and management to improve productivity. Currently the cooperative movement is lacking in the necessary human resource capital and governance to ensure sustainability and the movement is weak. Strengthening these cooperatives is a priority, as over 63% of the population live on under US \$2 a day; 88% of the people are involved in subsistence agriculture and the majority of the population live in rural areas.

In response to a request from the Asian Confederation of Credit unions (ACCU) to assess the viability of a project in Timor Leste, CUFA has entered into a partnership with the Direcçao Nacional Das Cooperativas to strengthen the credit union movement and help provide financial access to the rural poor, facilitate the economic empowerment of women and contribute to the alleviation of poverty in the country.

The Timor Leste: Building Institutional Capacity project seeks to strengthen existing active credit unions as well as the credit union federation. In doing this CUFA aims to provide capacity building in the form of training and in field support. The project will feature training centre and field based training. The eventual goal of the project is achieve sustainable credit unions through increasing membership and savings.

#### **This project will //**

- 1 Strengthen credit union capacity
- 2 Strengthen Federation capacity
- 3 Scale up the credit union movement
- 4 Partner with the Timor Leste Government
- 5 Incorporate other capacity building mechanisms into the project
- 6 Participate in collaborative affiliations and information exchange

#### **The desired project outcomes are //**

- Increased capacity and sustainability of credit unions, including an increase in savings, loans and membership.
- A better skilled Federation that can act as a strong supervisory and support mechanism for its members
- The creation of new credit unions to service the rural poor and increase inclusion in the financial sector
- Increased participation of women in credit union management and financial decision making
- Working within the government's strategic policy direction to contribute to development that is supported by the state
- Regular communication with local NGOs and overseas aid organisations to increase productivity within programs, synergise linkages, decrease overlap and increase reach.

**This program is due to commence in August 2008**

**Access further information //**

**[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Timor Leste](#)**

---

## Other In-Country Involvements and Development Programs

---

# Sri Lanka Development Program

CUFA has joined with WOCCU to undertake a project that over a three-year period will strengthen Sri Lanka's credit cooperative system comprised of Federation of Thrift and Credit Cooperative Societies of Sri Lanka (SANASA) and its member district finance facilities (DFFs), SANASA Development Bank, and credit unions. The credit cooperative system serves rural communities and farm households by increasing their access to financial services including savings and credit.

Specifically, the project activity objectives are to:

- Restructure and recapitalize up to four DFFs or SANASA Development Bank branches
- Rehabilitate up to 80 credit unions affected by the 2004 Tsunami

The project will restructure Sri Lankan participating financial institutions by:

drafting and implementing policies and procedures with special attention to loan administration, policy and procedures;

installing an acceptable system of accounting, including management accounting reports, and internal controls; and,

providing professional staff development through on-site, one-on-one training and mentoring.

**Further information:**

[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Sri Lanka](#)

## Tuvalu //

---

# Development Program

Tuvalu is one of the Pacific's smallest countries with only 26 square kilometres of land.

Through its association with the Maritime Workers Union of Australia, the Overseas Seamen's Union of Tuvalu determined that its members would benefit from establishment of a credit union, as the National Bank of Tuvalu was not meeting their needs. They sought advice and assistance from the Maritime Workers of Australia Credit Union to start up their own credit union.

CUFA facilitated the development of the Tuvalu Maritime Credit Union during 1997.

The competition resulting from the community owned credit union put pressure on the bank to increase fairness with regards to fees and services.

The Maritime Workers of Australia Credit Union has a mentoring relationship with its sister credit union in Tuvalu and funds a monitoring visit once a year.

Objectives:

- 1 To audit the Credit Union accounts.
- 2 To identify operating risks.
- 3 To assess service provision by the National Bank of Tuvalu.
- 4 To report on the impact of the Credit Union on members.
- 5 To assess the viability of the Credit Union.
- 6 To audit the Seamen's Union (TOSU) accounts.

**Further information //**

[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Tuvalu](#)

## Tonga //

---

# Development Program

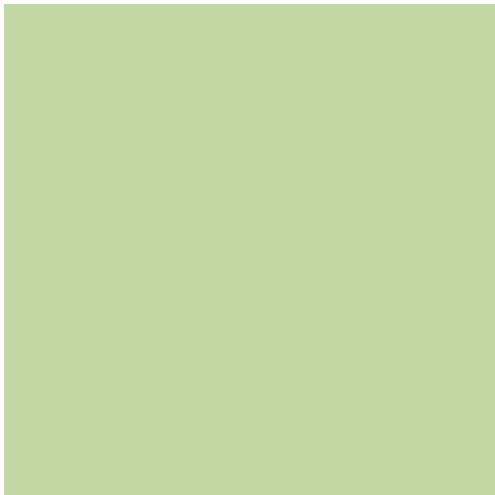
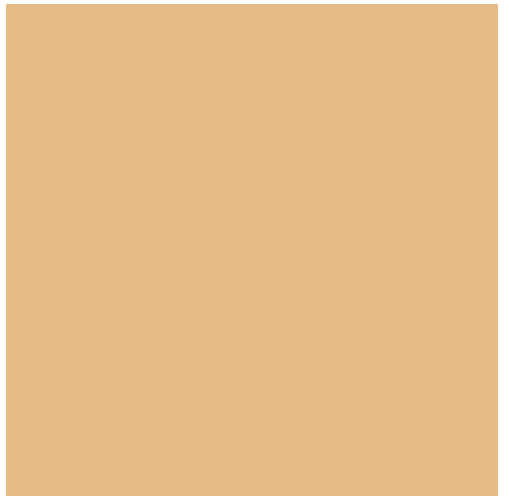
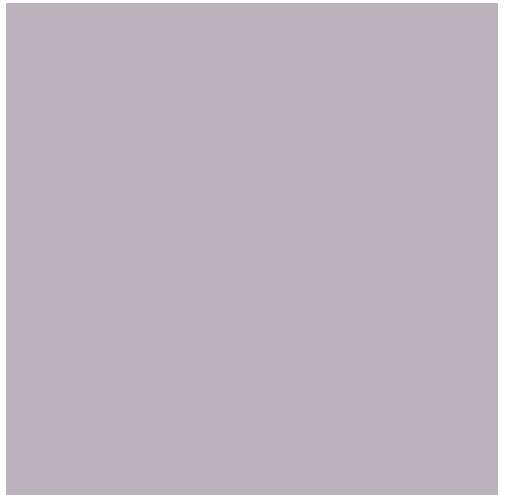
The purpose of the project is to assist the Kingdom of Tonga - Ministry of Labour, Commerce & Industries (MLCI) to conduct a feasibility study on the establishment of a Credit Union Bank in Tonga. The main objective of the project is to establish a financial entity to specifically cater for the financial needs of its members.

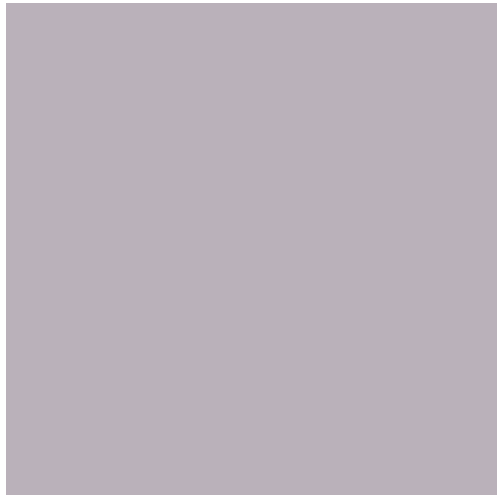
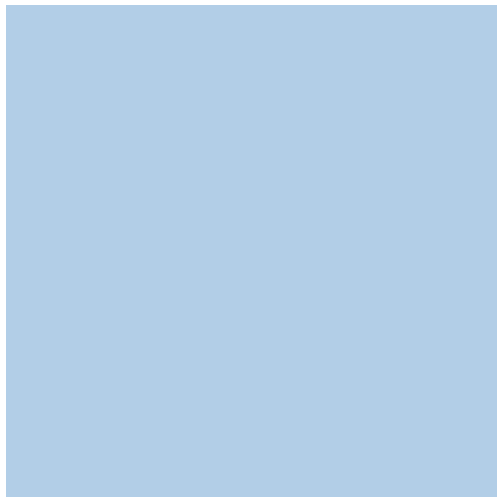
The feasibility study was conducted in December 2007 by a team of credit union experts on behalf of Credit Union Foundation Australia (CUFA). The study found it viable to establish a Credit Union Bank in Tonga with support of key stakeholders in the country to cater for the financial needs of the low income groups, thus encouraging savings and investments and contributing to poverty alleviation in the country.

The team recommended development of a subsequent phase of this project resulting into the development of a business plan for the proposed CUB in Tonga. A team of CUFA experts supported by the Commonwealth Secretariat's Commonwealth Service Abroad Programme (CSAP) has now finalised the plan.

**Access further information //**

[www.cufa.com.au](http://www.cufa.com.au) | [Introduction](#) | [Projects](#) | [Tonga](#)





# Environment

Introduction	33
Consumption	34
Waste	34
Optimisation	34
Offsetting	35
Environmental Footprint	35





---

# Environment

---

---

## Introduction

We recognise our impact on the environment and CUFA has been proactive to: purchase carefully; use only what is needed; reuse and recycle where possible; eliminate or reduce waste; educate staff and communities; and offset our estimated 'carbon footprint' through various carbon offsetting programs.

This is our third sustainability report, so we are now able to present comparative data of annual 'impact performance' and more importantly focus on areas of greatest impact. For the first time we now include environmental impacts and outcomes of in-country activity.

CUFA has direct influence on the causes of its greatest impacts and so can measure and control them: travel is by far our biggest impact and challenge, so forms the main focus of impact discussion. In Australia, CUFA does not have direct control over purchase of electricity and photocopy copy paper for example, as they are available on the shared basis within the office environment of Cuscal's head office in Sydney, and measurement is difficult to accurately capture and express. Based on historical data collected over the last few years, estimated values of these two aspects will be based on our staffing full time equivalence (FTE).



Operating in other countries has presented unique challenges and opportunities of environmental impact control and reporting. Environmental awareness within communities is low, however we have been able to raise staff awareness to a level where there is at least new respect for the environment, and have incorporated varying levels of awareness building into development program training content. It is hoped this will have a slow trickle-down effect into communities that may have long-term positive impacts. There are no known significant opportunities for purchase or utilisation of "greener" energy, waste recycling, or carbon offsetting provision in any of the countries where we operate. We have however been able to investigate small grassroots offsetting programs in these countries, which will be reported on in more detail next year, and discussed in newsletters in the meantime as outcomes are realised.

We have reported all impacts as if they were incurred in Australia, using values described by the Australian Government Department of Climate Change "National Greenhouse Accounts (NGA) Factors" (<http://www.climatechange.gov.au/workbook/index.html>, which replaces the "AGO Factors & Methods Workbook", as used by CUFA for the 2007 report), as there are no available standards for the other countries we operate in.

CUFA has experienced dramatic growth in its operational scope, so some of our impact performances may seem surprisingly poor in gross terms; however normalising to full time employee equivalence (FTE) will assist in putting performance into context which is a viable way to compare performance.

# The Greatest Impact and Challenge

Travel, and specifically Air Travel, is our biggest environmental impact and therefore challenge, as shown by this breakdown of Green House Gas (GHG) emissions by source for 2007/ 2008:

Air Travel	53%	(612,021 kilometres)
Electricity	40%	
Road Travel	6%	(34,830 kilometres)
Waste	1%	

**Total recorded distance travelled from July 2007 to June 2008 was 646,851 kilometres.**

Fulfilling a goal set last year, we carefully measured our travel by air and road (which included vehicles such as car, taxi, motorbike and the odd truck or tractor) based on receipts and statements for the whole financial year. Long distance air and bus travel sector length is accurate, where each cost item's passenger numbers, origins and destinations were identified and measured. Very short haul travel such as urban bus and taxi travel is representative rather than absolute, as calculation involved a formula of the total trips taken @ 15 km's per trip to calculate that total. Next year we will trial a system where the staff that travel will estimate the distances involved with these tickets as part of the accounting process, in an effort to achieve greater accuracy without too much administrative burden.

Some insights into our air travel needs for the last year:

Some programs involve transportation of participants over long distances. Participant air travel accounted for more than 50% of total CUFA air travel. The Credit Union Education Program had 15 participants travelling to Cambodia, a round trip of about 14 000 km from Sydney, involving more than 210 000 kilometres (km).

CUFA staff air travel accounts for 256,193 km. Travel purposes within this group include: in-country Technical Assistants (TA) entering and leaving projects (typically they are engaged for 12 months), monitoring and evaluations teams conducting twice-yearly visits (Cambodia, Solomon Islands and Sri Lanka), CUFA staff engaged in pre-program research, setup and partner engagements (Cambodia, the Solomon Islands and Timor Leste), domestic stakeholder engagement (frequently requiring travel to Adelaide, Brisbane and Melbourne, for example).

Deployment of 5 Australian credit union volunteers to Tonga twice for a research and consultancy project, and transport of 4 Development Educators from the Solomon Islands, Cambodia and Fiji for two DE programs added 126,342 km.

Three of the six CUFA board members flights to Sydney for 6 meetings each year resulted in 18,616 km.

**The challenge for CUFA is to:**

- Minimise travel while maintaining quality of delivery and stakeholder engagement; and,
- Offset the impact of required travel in ways that specifically address emissions from air travel.

## Waste

CUFA makes effort to reduce wastage and supports recycling where facilities exist.

Our Sydney office is located within an 18 floor building that is agency managed and is provided with services including office material recycling and waste removal: neither of these aspects are measured.

Outside of our direct influence, we successfully advocated for change within Cuscal throughout 2006 and 2007 which resulted in almost complete upgrade to an energy star rated office equipment fleet, including computers, photocopiers and printers which are programmed with energy efficient settings and lapse into sleep modes when not in use for relatively short periods. Office based waste streams have increased and waste paper/packaging, food/drink containers are separately disposed and recycled, with only wet waste and contaminated paper known to go towards landfill. To encourage 'use less and then waste less' behaviour, each individual's desk has only a paper recycling box – and no rubbish bin. A common bin is near each work group.

To account for waste to landfill that is inevitable from our office-based operations, a formula of 100 grams per day per FTE is used, with a result of 385 kg of waste to landfill each year, creating 963 kg of GHG emission.

## Optimisation

While effort has been gone into making sure that we use only what we need to, and also to make use of resources as efficiently as possible, it is not possible to accurately measure improvement performance of electricity and paper consumption from our Sydney office due to the shared nature of accommodation and supplies; and as this is the first year of operations of our training centres in Cambodia and The Solomon Islands, measurement will be possible next year for comparison purposes.

We can state though that electronic equipment efficiency, paper consumption, waste reduction and air travel strategies have all been reviewed and improvement should be yielded through reduced energy needs of improved equipment, an emphasis on electronic documentation (newsletters, bulletins, the 2007 and 2008 CUFA Sustainability Reports are exclusively electronic), and rationalised air travel to always achieve several tasks in the same trip.

# Offsetting

To minimise our impact on the environment, and to move towards being “carbon neutral”, we need to account for our carbon emissions, and only after we have genuinely sought to optimise our resource uses. As in the two previous years, we have offset our total carbon emissions with Greenfleet, a tree planting and land rehabilitation program based in Australia. We recognise that our impacts are also beyond Australia, so we will also be seeking to invest in environmentally sustainable offset programs within the countries of our operations.

# Environmental Footprint

Our impact on the environment is expressed in terms of carbon dioxide emissions – the element affecting global warming. Following is a breakdown of measured impacts with a bottom line impact footprint that we have fully carbon offset.

Emission Aspect	Volume Used	Factor GHGEV+*	Total Emissions (kg)
<b>Road travel (Taxi, Bus, Car)</b>			
<i>Kilometres</i>			
Australia	12,860	0.26	9,056
Cambodia	10,455		
Solomon Islands	11,515		
<b>Air travel</b>			
<i>Kilometres</i>			
Board	18,616	0.139	85,070
Staff	256,193		
Volunteers	126,342		
Participants	210,870		
<b>In premises – Electricity</b>			
<i>Kwh</i>	65,400	1	65,400
<b>Waste: Paper products and packaging</b>			
<i>Kilograms</i>	385	2.5	963
<b>Total Emissions – Kilograms -</b>			
<b>2008</b>	<b>Per FTE 10,836</b>		<b>160,489 Kg</b>
<b>2007</b>	<b>Per FTE 10,289</b>		
			53,502
<b>2006</b>	<b>Per FTE 9515</b>		49,000



36-51

Goals, Objectives &  
Performance Indicators



## Goals, Objectives & Performance Indicators

CUFA Goals and Objectives	38
GRI G3 Indicator Performance	40
ACFID Indicator Performance	50

# CUFA

## Goals and Objectives

Objective & Indicators	Commenced	Timeframe	Outcome	Referenced
<b>Governance</b>				
Sustainability: Develop a sustainability policy and strategy.	2006	1	To be Achieved. Policy development to be completed mid 2008.	
Board diversity: Encourage increased representation of women on the board.	2006	1-3	To be Achieved	CUFA Board page 9
AusAID Accreditation: Achieve AusAID re-accreditation.	2006	2-3	To be Achieved – due for March 2009	Accountability on page 11
Risk Management: To evaluate, improve and thoroughly implement risk management policies.	2006	2	Partially Achieved - A formalised policy will be created in late 2007	Risk on page 11,29
Monitoring: Carry out monitoring of international projects by our own staff, use the results constructively to progress into a 'learning organisation'.	2006	1-3	Achieved.	International Engagement page 22
International Standards: Support the Universal Declaration of Human Rights, ICCPR & ICESCR and the Millennium Development Goals.				page9
<ul style="list-style-type: none"> <li>• Explicitly commit to them in policies</li> <li>• Develop performance indicators for poverty, gender, indigenous and disability to measure progress and contribution to human rights and the Millennium Development Goals MDG.</li> </ul>	2006	2 years	Partially Achieved	
To be integrated into formal policy. Performance indicators to be developed and implemented into reporting, from October 2008.				International Development Engagement on page 21
Reconciliation: Develop a Reconciliation Action Plan, as recommended by Reconciliation Australia.	2006	1-2	Achieved April 2008	CUFA RAP page 20
Memorandum of Understanding: We will renew our Memorandum of Understanding with Cuscal.	2006	1-2	Not Yet Achieved.	
<b>STAKEHOLDER DIALOGUE</b>				
Communication: Develop our website to maintain relevance and transparency. Provision of access to information relevant to specific stakeholder groups.	2007	1 On-going	Achieved	Communications on page 14
<ul style="list-style-type: none"> <li>• Government and Donors: Up to date project progress, monitoring reports and financial reports.</li> </ul>	2006	1 On-going	Achieved. Access reporting areas of the CUFA website: Project: <a href="http://cufa.com.au/introduction/Projects/index.jsp">cufa.com.au/introduction/Projects/index.jsp</a> CUFA: <a href="http://cufa.com.au/introduction/Overview/Reporting/index.jsp">cufa.com.au/introduction/Overview/Reporting/index.jsp</a>	
<ul style="list-style-type: none"> <li>• General public: Comprehensive information about the credit union movement, our place within it, what we do and stand for as well as our sustainability reports.</li> </ul>	2006	1 On-going	Achieved. Access information areas of the CUFA website: Background: <a href="http://cufa.com.au/introduction/Overview/">cufa.com.au/introduction/Overview/</a> Sustainability: <a href="http://cufa.com.au/introduction/Overview/Reporting/">cufa.com.au/introduction/Overview/Reporting/</a>	
Reporting: We will produce annual sustainability reports in accordance with international best practice standards, recommended by the Global Reporting Initiative.	2006	1	Achieved, with commitment to report within 3-4 months of the end of financial year from 2009	See G3 indicator table, page 40.

# CUFA

## Goals & Objectives

Objective & Indicators	Commenced	Timeframe	Outcome	Referenced
<b>OUR PEOPLE</b>				
Diversity: Proactively strive to ensure diversity when recruiting and engaging volunteers, mentors and interns, with a focus on gender, Indigenous Australians and those with disabilities.	2006	1 On-going	CUFA would seek to address equity and balance as opportunities arise.	Our People on page 17
Partners: To review our contracts with partners and contractors to include our approach to human rights, as well as information about the values of the Australian credit union movement.	2006	1 On-going	Achieved	page 14, 23
Internships: Internships are valuable for society as well as for CUFA: • Commit to run at least two internships programs	2006	On-going	4 Australian internship programs were conducted. Interns had the opportunity to participate in conferences, seminars, chapter meetings, the Industry Association and Cuscal, and CSR events as available. 1 in-country internship program was conducted in Cambodia where the participant engaged in all levels of the Building Trust and Children's Financial Literacy programs.	Our People on page 15, 16
Interns had the opportunity to participate in conferences, seminars, chapter meetings, the Industry Association and Cuscal, CSR events.	Our People on page 12	1-3	Achieved.	page 15, 16
DE mentors: Continue to ensure that at least one of our DE Mentors comes from overseas.	2006	On-going	Achieved.	Our People on page 16
Engagement In-Country on page 21				Our People on page 22
<b>PROJECTS</b>				
Deploy CUFA staff to in-country projects.	2006	1	Achieved	page 22
Cambodia and Solomon's now feature strong teams of CUFA staff	Our People on page 11	1-2	Achieved April 2008	page 24 - 27
See each international Project section.	2006	1-2	Not Yet Achieved.	See individual projects
<b>International Commitment:</b>				
It is our objective to support Cambodia, Fiji, the Solomon Islands and Sri Lanka, in contributing to economic empowerment of the communities. The specific outcomes for the projects will be published on our homepage and interact.	2006	1	Achieved	Engagement on page 22

# CUFA

## Goals & Objectives

Objective & Indicators	Commenced	Timeframe	Outcome	Referenced
<b>Domestic Commitment:</b>				
Hold two DE workshops, with Australian and International participants.	2006	1-2	Achieved. October 2007 and March 2008 programs conducted in NSW.	Engagement on page 21
Explore possibility of commercializing the CSR toolkit for small to medium sized non-financial businesses.	2006	1	Not Achieved. Current facility not suitable for non-credit union reporters. Expansion of other programs has taken priority.	CSR Toolkit on page 21
Develop an additional series of the Financial Literacy Initiative, aimed at children.	2007	1	Achieved. Four series for children aged approx 6 through to 15 years were developed and released.	page 20
Develop an additional series of the Financial Literacy Initiative to meet the needs of the Indigenous population.	2006	1	Development of Indigenous financial literacy program commenced during 2007, however difficulties with funding graphic content has stalled the program.	New series development on page 20
<b>ENVIRONMENT</b>				
<b>Travel:</b>				
<ul style="list-style-type: none"> <li>• Develop a policy on responsible travel as part of our sustainability strategy.</li> <li>• Develop a system by which we can effectively monitor and record our organisational travel.</li> </ul>	2006	1-2	Partially Achieved. Policy implementation complete  System to record travel introduced in May 2008	Environment on page 33
Carbon offsetting: We are committed to becoming carbon neutral, and offset our emissions. This year we offset our air travel and electricity usage by planting trees; next year we will investigate more opportunities for offsetting.	2006	On-going	Partially Achieved.  Tree planting remains the only option pursued.	Environment on page 35

# GRI G3

## Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
<b>Strategy and Analysis</b>			
1.1 FR	Statement from the most senior decision maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation.	See vision, mission and values	See page 5
1.2 FR	Description of key impacts, risks, and opportunities.	See EO statement	See page 5,11
<b>Organisational Profile</b>			
2.1 FR	Name of the organisation.	Credit Union Foundation Australia	-
2.2 FR	Primary brands, products and/or services.	No brands or trademarked services as such. <b>Domestic Initiatives</b> Education, Engagement, Professional Development <b>Overseas</b> The focus of in country development programs is training, education and skills transfer: aimed at achieving sustainable financial growth and social development.	Page 18,19 Page 22
2.3 FR	Outline the operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	CUFA's has a governing board consisting of six directors. The Executive Officer is responsible for the management of the organisation and project oversight, with staff and volunteers developing, implementing, monitoring and evaluating programs.	Page 10
2.4 FR	Location of organisation's headquarters.	Level 1 - Margaret Street - Sydney NSW 2000 – Australia.	-
2.5 FR	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Five countries - Australia, Cambodia, Solomon Islands, Sri Lanka and Tuvalu are relevant to include and discuss in this report	Page 18
2.6 FR	Nature of ownership and legal form.	CUFA is a wholly owned subsidiary of Cuscal Limited, and is an Australian Proprietary Company, Limited By Shares.	-
2.7 FR	Markets served.	CUFA's market: developing financial sustainability, encompasses the credit unions, institutions and the communities we assist, geographically in Australia, South East Asia and the Pacific.	-
2.8 FR	Scale of the reporting organisation.	Full Time Equivalents: 14.8. Based in Sydney Australia. Long term operations in Australia, Cambodia and the Solomon Islands. See EC1 for economic scale.	-
2.9 FR	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes that affect this report.	-
2.10 FR	Awards received in the reporting period.	Awarded Metropolitan Business/Industry Compliance Award by Consumer Affairs Victoria in the Industry Compliance category for the Financial Literacy Initiative in August 2007. WOCCO Distinguished Service Award, June 2008.	Page 9



# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
<b>Report Profile</b>			
3.1 FR	Reporting period (e.g., fiscal/calendar year) for information provided.	Financial year from July 1 2007 to June 30 2008	-
3.2 FR	Date of most recent previous report (if any).	Financial year from July 1 2006 to June 30 2007	-
3.3 FR	Reporting cycle (annual, biennial, etc).	Annually, per financial year. CUFA is committed to publishing annual sustainability reporting within 3-4 months of year end.	-
3.4 FR	Contact point for questions regarding the report or its contents.	Philip Lambert: Project Officer   Email: plambert@cuscal.com.au Phone: (02) 8299 9031   www.cufa.com.au	-
3.5 FR	Process for defining report content.	CUFA has decided to respond to each GRI G3 indicator, and discuss fully those that directly apply to our organisation, or is material to it, where they relate to People and Environment	-
3.6 FR	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	CUFA has no subsidiaries or divisions. Development partners involved in major project delivery are not reported in detail. Each country involved in our development projects has been included in this report.	-
3.7 FR	State any specific limitations on the scope or boundary of the report.	All aspects of reporting that directly apply to CUFA have been addressed.	-
3.8 FR	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	CUFA does not have any joint ventures or partially owned subsidiaries.	-
3.9 FR	Data measurement techniques and the bases of calculations.	Detail of measurement methodology is provided in relevant section of the report. When access to source documentation has not been possible, reasonable estimates are made where absence of data would impact the value of an indicator being addressed, especially in regards to environmental reporting.	Page 33 - 34
3.10 FR	Explanation of the effect of any re-statements of information provided in earlier reports,.	No re-statements have been issued.	-
3.11 FR	Significant changes from previous reporting periods.	No change to the previous reporting period basis of annual, financial year.	-
3.12 FR	Table identifying the location of the Standard Disclosures in the report.	See beginning of this section	Page 36
3.13 FR	Policy and current practice with regard to seeking external assurance for the report.	Critical assessment of all data has been undertaken and all our employees have reviewed the information provided. A stated objective from our first report was that CUFA would apply independent assurance to future reporting, however CUFA seeks to incrementally increase standards and significantly increase operational scope before assurance is applied.	-

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
<b>Governance</b>			
4.1 FR	Governance structure of the organisation.	Board decisions are limited by the guidelines set out by the trust deed establishing CUFA, and its constitution.	Page 11
4.2 FR	Indicate whether the Chair of the highest governance body is also an executive officer.	The Chair of the CUFA Board is independent.	Page 5
4.3 FR	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	4 of the 6 board members are independent	Page 9
4.4 FR	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Cuscal, as the only CUFA shareholder provides formal feedback to the board and EO through their representatives on the board. At board meetings there is free and open discussion where CUFA regularly initiate and provide agenda items, and present to the board	-
4.5 FR	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Board members are voluntary and are not remunerated. CUFA employee salaries are partly dependant on their performance. Executive compensation is also based on a risk reward evaluation. The key deliverables are financial, customers, operational/projects and staff. Performance appraisal is linked to our employees' annual bonus and to the salary review process through the award of ratings. Together with a view to market relativity and Cuscal's budget capacity, this rating influences the manager's recommendation regarding a salary increase.	-
4.6 FR	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Cuscal is the sole shareholder in CUFA.	-
4.7 FR	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	The CUFA Executive Officer provides information for the required experience, skills and attributes CUFA needs according to planned programs. Cuscal's board then selects CUFA's board from the list of applicants upon that basis.	Page 9
4.8 FR	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Formal policy and procedure review, development and endorsement was completed by June 2008.	Page 11,17
4.9 NR	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The CUFA Board meets six times each year, during which compliance and performance are analysed, and recommendations provided to management.	Page 9
4.10 PR	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The CUFA Board is overseen by Cuscal's Board, and Cuscal's People Management division administers performance and evaluation practice relating to CUFA Board members.	Page 9

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
<b>Commitments To External Initiatives</b>			
4.11 FR	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	CUFA has not explicitly applied the precautionary principle in any policies, However before commencing any project CUFA undertakes thorough risk assessment, and undertakes on-going assessment during project delivery that considers short, medium and long term impacts.	Pages 11
4.12 FR	Externally developed economic charter to which the organisation subscribes or endorses.	<ul style="list-style-type: none"> <li>• ACFID's Code of Conduct for international development</li> <li>• Australian Credit Union Movements values</li> <li>• International Credit Union Operating Principles</li> <li>• Accounting Standards Australia</li> </ul>	Page 11
4.13 FR	Memberships in associations (such as industry associations) and/or national/ international advocacy organisations in which the organisation: <ul style="list-style-type: none"> <li>• Has positions in governance bodies;</li> <li>• Participates in projects or committees;</li> <li>• Provides substantive funding beyond routine membership dues; or</li> <li>• Views membership as strategic.</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Council for International Development (ACFID)</li> <li>• Asian Confederation of Credit Unions (ACCU)</li> <li>• Member of the committee of the Australian Microfinance Network</li> <li>• Representation on the National Indigenous Money Management Agenda (reference group to Reconciliation Australia)</li> </ul>	Page 13
<b>Stakeholder Engagement</b>			
4.14 FR	List of stakeholder groups engaged by the organisation.	Our primary stakeholders: Communities and Organisations in Australia and overseas	Page 13
4.15 FR	Basis for identification and selection of stakeholders with whom to engage.	CUFA engages with various stakeholders based on the significance of their relationship to CUFA's goals, mission and philosophy:	Page 13
4.16 FR	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CUFA conducts stakeholder consultation through formal and informal discussions with project stakeholders, and by providing specific programs to meet their information and experience needs.	Page 13
4.17 FR	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	One key areas of concern was: <ul style="list-style-type: none"> <li>• A need for greater activity in Australia - CUFA to advocate for credit unions in Australia and increase their domestic involvement. – CUFA initiated several new programs in response.</li> </ul>	Page 18
<b>EC   Economic Performance Indicators</b>			
EC1 FR	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Revenues: For the last financial year CUFA net revenue was - Trust Fund - AU \$511,091 International Project Fund (IPF) - AUD \$1,169,780 Cuscal pays for CUFA's wages and office related overheads, including floor space, equipment, materials and utilities. See Financials for details	-
EC2 FR	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	As a small organisation CUFA's risks and opportunities due to climate change are minor and are not incorporated into business plans. See Environment for discussion of CUFA priorities	-

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
<b>Commitments To External Initiatives</b>			
EC3 FR	Coverage of the organisation's defined benefit plan obligations.	Superannuation is compulsory in Australia and CUFA's benefit plan adheres to federal government requirements. Our superannuation obligations are handled by Cuscal and adhere to their company policy, in respect to federal law.	-
EC4 FR	Significant financial assistance received from government.	<ul style="list-style-type: none"> <li>AusAID</li> <li>The Office of Women</li> </ul>	-
EC5 NR PR	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	CUFA mainly had full time salaried staff on payroll during this reporting period. In Australia, waged employees received compliant Australian award rates. In Cambodia and the Solomon Islands, CUFA employs project officers and support staff who are paid slightly above the typical salary for the role. No employment awards exist in countries where CUFA operates, except in Australia.	-
EC6 PR	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	In our Sydney office, Cuscal handles the majority of purchasing decisions. Domestic projects - CUFA makes purchasing decisions. We employ the services of locally based suppliers and contractors to assist in project supplies. Overseas projects - CUFA makes purchasing decisions. Our policy is to employ locally based suppliers, labour and materials.	-
EC8 NA	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Not Applicable	-
EC9 FR	Understanding and describing significant indirect economic impacts, including the extent of impacts.	CUFA supports the development of 'grass roots' entities and community based financial institutions that assist the wider community. CUFA's long-term goal is to help these organisations achieve financial stability, thus removing the need for our direct input. When sustainability is achieved the indirect economic impacts will be positive and permanent.	Page 22
<b>EN   Environment</b>			
EN1 NR	Materials used by weight or volume.	The major materials used in our operations are paper products including A4 copy paper, printing stock, and envelopes. Volume and weight was not measured.	Page 35
EN2 NR	Percentage of materials used that is recycled input materials.	Not directly relevant, however the photocopier paper used has 10% recycled content.	-
EN3 NA	Direct energy consumption by primary energy source.	Not Applicable. CUFA only uses indirect energy in our operations and is not a producer of energy.	-
EN4 FR	Indirect energy consumption by primary source.	Our indirect energy consumption is primarily electricity. 1.The total electricity energy purchased was estimated at 65,400 kWh. 2. Renewable energy - 10% of electricity sourced from Energy Australia (NSW) was renewable.	Page 35

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
EN5 NR	Energy saved due to conservation and efficiency improvements.	Not measured due to lack of accuracy	-
EN6 NA	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not applicable. Energy use is not a significant aspect of product and service delivery.	-
EN7 NR	Initiatives to reduce indirect energy consumption and reductions achieved.	See EN 18 for full details.	-
EN8 NA	Total water withdrawal by source.	Not Applicable. CUFA is not a large water consumer.	-
EN9 NA	Water sources significantly affected by withdrawal of water.	Not Applicable. Only access retail water supply.	-
EN10 FR	Percentage and total volume of water recycled and reused.	CUFA did not use recycled water, or recycle any water.	-
EN11 NA	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not Applicable. CUFA's operations are not located in or near such areas. See EN12 for further relevant details.	-
EN12 NA	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not Applicable. CUFA only operates in urban areas or on land that has been designated for community purposes.	-
EN13 NA	Habitats protected or restored.	Not Applicable. CUFA operations do not involve environmental protection or restoration.	-
EN14 NA	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not Applicable.	-
EN15 NA	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not Applicable.	-
EN16 NA	Total direct and indirect greenhouse gas emissions by weight.	See EN17. CUFA does not produce direct GHG emissions, as this indicator applies directly to producers of energy, processes associated with it and its distribution.	-
EN17 FR	Other relevant indirect greenhouse gas emissions by weight.	GHG emissions – The environmental impact and footprint of CUFA 160,489 kg 1. Air and land travel 2. Landfill waste 3. Electricity Related to EN18 & EN29	Page 35
EN18 PR	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Our most significant use of indirect energy is air travel. Road travel, electricity use, staff commuting, and landfill rubbish are also contributing factors. Given that we now are becoming directly involved in project delivery and have an increasing domestic engagement with greater contact with stakeholders, GHG emissions from air and road travel will increase. See Environment for detailed discussion of initiatives.	Page 34
EN19 NA	Emissions of ozone-depleting substances by weight.	Not Applicable.	-

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
EN20 NA	NO, SO, and other significant air emissions by type and weight.	Not Applicable. No significant air emissions are produced by CUFA activities other than CO2. See EN18 for details.	-
EN21 NA	Total water discharge by quality and destination.	Not Applicable.	-
EN22 PR	Total weight of waste by type and disposal method.	Not measured. See Environment for further discussion of CUFA's recycling and waste reduction strategies.	Page 34
EN23 NA	Total number and volume of significant spills.	Not Applicable.	-
EN24 NA	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not Applicable.	-
EN25 NA	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and run-off.	Not Applicable.	-
EN26 PR	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Refer to EN18 for full details.	-
EN27 NA	Percentage of products sold and their packaging materials that are reclaimed by category.	Not Applicable. No physical products were distributed that have significant environmental impacts if not recycled at the end of their life-cycle.	-
EN28 FR	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No fines were incurred by CUFA.	-
EN29 FR	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Related to EN18. The most significant environmental impact of transport is business related travel.	Page 34
EN30 FR	Total environmental protection expenditures and investments by type.	CUFA purchased carbon offsets from Greenfleet to account for calculated GHG emissions directly attributable to CUFA, of 160.4 tons.	Page 35
<b>LA   Labour Practices and Decent Work</b>			
LA1 FR	Total workforce by employment type, employment contract, and region.	See page 11 for specific FTE equivalence	Page 15
LA2 FR	Total number and rate of employee turnover by age group, gender, and region.	CUFA has experience net employment growth. 2 Staff left to pursue other employment options.	-
LA3 FR	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Australia: All staff members are employed under the same work conditions. Cambodia and Solomon Islands: "appropriate equivalence".	-
LA4 FR	Percentage of employees covered by collective bargaining agreements.	None. We have a policy stating our employees' right to independently choose to be represented by trade unions.	-

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
LA5 PR	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	CUFA does not have any written procedure on advising employees over changes in CUFA organisational operations. Appropriate staff members are involved in change processes, and all staff then kept fully informed of planned and potential changes at weekly meetings, the appraisal process and at the yearly business planning sessions.	-
LA6	NO, SO, and other significant air emissions by type and weight.	Not Applicable. No significant air emissions are produced by CUFA activities other than CO2. See EN18 for details.	-
LA7 FR	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	CUFA had only minimal days lost from non work-related sick leave. Fortunately, no loss was incurred from work related injury, death or other incidents.	Page 17
LA8 FR	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Cuscal offers comprehensive support and counselling to staff and their family in Australia should the need arise. CUFA also incorporates personal safety, hygiene and disease prevention awareness measures into its development programs as appropriate.	Page 17
LA9 NR	Health and safety topics covered in formal agreements with trade unions.	Not applicable	-
LA10 PR	Average hours of training per year per employee-by-employee category	All full time and part time staff members are involved in approx. 32 hours of training, with options of additional training depending on need and availability. CUFA provides direct training to in-county personnel. The Cambodian Project Officer was brought to Australia to become familiar with and trained in CUFA policy and procedure over a period of two weeks.	Page 17
LA11 FR	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Cuscal Insights Cuscal Personal Leadership Program	Page 17
LA12 FR	Percentage of employees receiving regular performance and career development reviews.	100% - conducted twice each year	Page 17
LA13 FR	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Board: Male : Female = 5 : 1 Employees Male : Female = 3 : 1 Employees are aged from 27 to 55 years Origin/Nationalities: Australia, Cambodia.	Page 9 Page 15
LA14 NR	Ratio of basic salary of men to women by employee category	Male and Female staff are paid equally; or in line with each individuals skills and experience	

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
<b>HR   Human Rights</b>			
HR1 NA	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	CUFA does not engage in significant investment activities or projects that this indicator seeks to address.	-
HR2 FR	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	As a small organisation CUFA does not conduct any formal supplier screening on human rights. However, CUFA will advocate for Cuscal including such considerations in their investment and procurement decisions. CUFA's employs Australian staff for International projects and where CUFA works with International development partners their human rights values must align with those of CUFA. CUFA has not set in place a risk and monitoring policy for reporting performance within it's supply chain.	-
HR3 PR	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Although no formal human rights training is conducted in a measurable way all new staff are trained in human rights awareness during orientation and project briefing. Formal training will be conducted and measured following integration of updated policy and procedure from April n 2008.	-
HR4 FR	Total number of incidents of discrimination and actions taken.	None	-
HR5 FR	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No operations are exposed to these risks	-
HR6 FR	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	No operations are exposed to these risks. CUFA abides by all legal requirements and has never used child labour.	-
HR7 FR	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	No operations are exposed to these risks.	-
HR8 PR	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	There was one (1) security officer employed by CUFA during the reporting period, at our training centre in Phnom Penh Cambodia. This officer did not received training unit July 2008. Additional personnel will be engaged during the next period to provide security services at the CUFA training centre in Dili, Timor Leste. When the full team has been employed, they will receive relevant training with 3 months.	-
HR9 FR	Total number of incidents of violations involving rights of ndigenous people and actions taken.	There have been no violations involving rights of indigenous people in CUFA's areas of operation.	-
<b>SO   Society</b>			
SO1 FR	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Each undertaking is subject to various assessment stages, entry, operation and exit plans, which minimise risk to both CUFA and the recipient communities. See Section Risk	Pages 23



# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
SO2 FR	Percentage and total number of business units analysed for risks related to corruption..	CUFA is the only business unit. None of the domestic or international projects have been cited for bribery and corruption.	-
SO2 FR	Percentage and total number of business units analysed for risks related to corruption.	CUFA is the only business unit. None of the domestic or international projects have been cited for bribery and corruption.	-
SO3 FR	Percentage of employees trained in organisation's anti-corruption policies and procedures.	100% of Domestic and International Project Officers are briefed and trained to identify and report situations of perceived or actual corrupt practice, and act on advice provided by senior managers. Formal policy was implemented in April 2008	-
SO4 FR	Actions taken in response to incidents of corruption	No corruption has occurred or been reported/identified.	-
SO5 FR	Public policy positions and participation in public policy development and lobbying.	CUFA will engage in political advocacy if it is closely aligned with CUFA's mission and vision. During the last financial year CUFA engaged in the Reconciliation Plan Working Group and The Joint Parliamentary Report.	-
SO6 FR	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No contributions were made to any political entity.	-
SO7 FR	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None	-
SO8 FR	Monetary value of significant fines, total number of sanctions for non-compliance with laws and regulations.	None	-
<b>PR   Product Responsibility</b>			
PR2 NA	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Applicable. CUFA was 100% compliant in the area of health and safety.	-
PR3 FR	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Written documentation of CUFA's project plans and monitoring visits are available for download through our website. It is CUFA's policy to provide public access to these reports to ensure transparency and provide stakeholder assurance.	-
PR4 FR	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	CUFA was not involved in any projects that legally require product and service labelling.	-
PR5 PR	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	CUFA does not formally survey customers, as we do not have customers in the sense the indicator refers to. Our communications with stakeholders identify issues of satisfaction and concern and our engagement strategies and methods address any issues that have arisen.	-

# GRI G3

## Indicator Performance

Indicator	Statement	Indicator Summary	Reference
PR5 PR	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	CUFA does not formally survey customers, as we do not have customers in the sense the indicator refers to. Our communications with stakeholders identify issues of satisfaction and concern and our engagement strategies and methods address any issues that have arisen.	-
PR6 FR	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	CUFA uses non-discriminatory language in our written and oral communication and only engages in ethical marketing (fundraising) campaigns.	-
PR7 FR	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by types of outcomes, sponsorship by type of outcomes.	CUFA has been 100% compliant with regulations and voluntary codes in this area.	-
PR8 FR	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	CUFA has had no complaints in this area.	-
PR9 FR	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CUFA has not incurred any fines.	-

# ACFID

## Indicator Performance

Statement	Indicator Summary	Reference
Code of Conduct clause 4.1	An annual report is to be produced and made available to the organisations own members, supporters and members of the public upon request.	The ACFID annual report is integrated into the 2008 CUFA Sustainability Report, and complies with ACFID Code of Conduct clause 4.1 within Communication with the Public.
A statement of the organisation's goals or purposes.	A statement of the organisations goal's or purposes are included in the annual report	Mission: Empowering communities through access to affordable financial services Vision: Credit unions promoting financial and social well-being in communities See page 9 for full details.
Names and qualifications of the Governing Body as well as those who served at any time during the period being reported on.	A list of the names and qualifications of the Governing Body are included in the annual report.	See page 10: CUFA Board members and their qualifications and details.
Financial reports using the Code of Conduct Summary Financial Report format.	Financial reports using the Code of Conduct Summary Financial Report format are included in the annual report.	Separate Report. Full detail is available from the CUFA website at: <a href="http://cufa.com.au/introduction/Overview/Reporting/index.jsp">http://cufa.com.au/introduction/Overview/Reporting/index.jsp</a>
An audit opinion on the financial reports, clearly identifying the auditor (name, company, address and signature).	An audit report (auditor clearly identified) on the financial reports is included in the annual report.	Separate Report. Full detail is available from the CUFA website at: <a href="http://cufa.com.au/introduction/Overview/Reporting/index.jsp">http://cufa.com.au/introduction/Overview/Reporting/index.jsp</a>
Access Summary and Detailed reports from this location, for CUFA funding vehicles, the Trust Fund and the International Development Fund.		

52-53

Financials

# Financials

## Financials

53

Financial Statements for:

Credit Union Foundation Australia Trust Fund

Credit Union Foundation Australia International Projects Fund

are enclosed or publically available from:

[www.cufa.com.au/introduction/Overview/Reporting/index.jsp](http://www.cufa.com.au/introduction/Overview/Reporting/index.jsp)

[www.cufa.com.au/downloads/docs/reports/CUFA\\_Trust\\_Fund-June\\_2008.pdf](http://www.cufa.com.au/downloads/docs/reports/CUFA_Trust_Fund-June_2008.pdf)

[www.cufa.com.au/downloads/docs/reports/CUFA\\_International\\_Projects\\_Trust\\_Fund-June\\_2008.pdf](http://www.cufa.com.au/downloads/docs/reports/CUFA_International_Projects_Trust_Fund-June_2008.pdf)





[www.cufa.com.au](http://www.cufa.com.au)

---

**[www.cufa.com.au](http://www.cufa.com.au)**

---

---

---