

RTA STAFF CREDIT UNION LIMITED

Serving City & Country Members

36TH

**ANNUAL
REPORT
2000**

R.T.A. Staff Credit Union Limited ACN 087 650 600
Registered Office
Suites 24,25, & 26, Level 2, KMS Building
8-24 Kippax Street, Surry Hills NSW

"Your Road To Financial Success"

NOTICE OF ANNUAL GENERAL MEETING

The 36th Annual General Meeting of R.T.A. Staff Credit Union Limited (ACN 087 650 600) will be held in the Riley Room located on the ground floor of the Furama Central Hotel, 22-44 Albion Street, Surry Hills (opposite RTA Head Office, Centennial Plaza) on Thursday 30th November, 2000 commencing at 1.00 pm.

The formal notice of business of the meeting was sent to all members with the August 2000 statements.

MEMBERS BOARD OF DIRECTORS

Glen Morgan (Chairman)
Patrick Murphy (Deputy Chairman)
Noel Hancock
Max De Boos
Sue Kemp
Jim Peachman
Vince Taranto

ADMINISTRATION

Steve Warren (General Manager)
Anthony O'Brien (Assistant General Manager)
Nicole Wieckmann (Loans Supervisor)
Viena Yee (Member Services Consultant)
Scott Foster (Member Services Consultant)
Joanne Badenoch (Loans Consultant)
Lisa Flynn (Member Services/Loans Consultant)

AUDITORS (External)

Kendalls, Chartered Accountants
5th Floor, 460 Church Street
North Parramatta

AUDITOR (Internal)

Geoffrey Bannister

BANKERS

Credit Union Services Corporation (Australia) Ltd.
Centralised banking scheme with National Australia Bank

SOLICITORS

Tress Cocks & Maddox
Level 20, 135 King Street, Sydney

R.T.A. STAFF CREDIT UNION LIMITED

YEAR ENDED 30 JUNE 2000

KEY TO ABBREVIATIONS

AFIC **Australian Financial Institutions Commission**

This was the former regulatory body which had the primary responsibility for overseeing compliance with the Financial Institutions Code. AFIC also established the Prudential Standards upon which Credit Unions operated and reported to members, and oversaw the performance of State Supervisory Authorities in their administration of the Standards.

APRA **Australian Prudential Regulation Authority**

This is the current regulatory body responsible for the prudential regulation of banks, life insurers, general insurers, superannuation, building societies, credit unions and friendly societies. APRA is fully funded by the industries that it supervises.

ASIC **Australian Securities & Investments Commission**

Current Federal Government regulatory body that regulates financial services and national regulator of all Australian companies. Regulation includes: advising, selling and disclosure of financial products and services, protection of markets and consumers from manipulation, deception and unfair practices, and promotion of honesty and fairness in securities and futures markets and in company affairs.

CUFSS **Credit Union Financial Support System**

Industry-based liquidity support system with the objective of protecting the interests of credit union members as depositors and to promote financial sector stability, in relation to credit unions.

FINCOM **NSW Financial Institutions Commission**

This was the former State Supervisory Authority (SSA) which oversaw the Credit Union's compliance with AFIC Prudential Standards within NSW.

SSP **Special Services Provider**

These organisations are registered under Corporations Law, and are subject to direct Supervision by APRA (formally AFIC). These organisations promote Credit Unions and provide assistance with banking, Electronic Fund Transfer, EDP Systems and other services. Your Credit Union is associated with Credit Union Services Corporation Australia Limited (CUSCAL).

Refer also to Note 26 for further explanations on CUSCAL services.

Note: Any reference to the "company" is a reference to R.T.A. Staff Credit Union Limited (the "Credit Union") and vice versa. R.T.A. Staff Credit Union Limited (ACN 087 650 600) is a public company limited by shares, under Corporations Law.

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KEY STATISTICS OF THE CREDIT UNION

	1996	1997	1998	1999	2000
Members (No.)	5,028	5,021	4,924	4,844	4,768
Deposits \$	29,029,376	32,279,536	30,833,933	29,586,034	26,684,297
Average Member Deposit \$	5,773	6,428	6,262	6,108	5,596
Loans \$	27,033,971	27,507,460	26,713,782	25,645,956	26,962,383
Average loan balance \$	5,377	5,478	5,425	5,294	5,654
Loans funded in the year- \$m	9.8	8.8	8.9	7.2	11.3
Bad debts written-off against profit \$	25,293	11,874	17,157	16,541	561
Capital adequacy ratio %	18.00	20.15	22.70	24.96	26.15
Total Reserves \$	3,273,823	3,814,550	4,164,865	4,586,448	4,856,201
Total Assets \$	36,024,830	36,773,877	35,818,349	34,726,120	32,433,992
Reserves to Assets %	9.09	10.37	11.63	13.21	14.97
Return/Average Assets %	0.80	1.10	1.01	0.88	0.76
Staff/Member ratio	1:838	1:717	1:821	1:807	1:692
Staff/Asset ratio	1:\$6.0m	1:\$5.2m	1:\$5.96m	1:\$5.97m	1:\$4.63m

PRINCIPAL PRODUCTS

At Call Deposits

Term deposits

Bill Paying Services (Direct Debits)

Telephone Banking Service (PhoneTeller)

Payroll Deposits and Direct Credits

Visa Card

Chequing facility

ATM Access via Automated Teller Machines & EFTPOS terminals

(via Redicard & Visa)

General Insurance Products

BPay®

Visa TravelMoney & Travellers Cheques

Financial Planning Service and Stockbroking Advice

Loans - Personal

- Housing

- Line of Credit

- Overdraft

CHAIRMAN'S REPORT

I am pleased on behalf of the Board of Directors of the RTA Staff Credit Union to present to you our 36th Annual Report for the financial year ended 30 June 2000.

The Year in Review

1999/2000 was again a year of consolidation for your Credit Union. Very solid performance results were attained in yet another year when the financial market-place became, and will continue to become more competitive and demanding.

From requests of members, the Credit Union has delivered many new products and services throughout the year to ensure that your needs as a member are met. The Credit Union also remains committed in delivering innovative products and services, to ensure we remain competitive in the ever more complex financial services industry. It is always the Credit Union's objective to provide the highest level of service to all members.

1999/2000 Highlights

- Telephone response centre established to better cater for general telephone enquiries, phone-a-loans, insurance quotes/cover-notes, etc.
- Almost a year of record loan fundings with a total of \$11.3 million. 1995 still holds the record of \$12 million funded.
- Introduction of Visa Debit Card and BPay®.
- Introduction of overdrafts.
- Introduction of Premium Savers Account and Upfront Interest Term Deposit (commonly known as the "DashBoard Special").
- Regional visitations to some country and city areas such as, Grafton, Port Macquarie, Parkes, Bathurst and Blacktown.
- Reserve to Asset percentage increase from 13.08% at 30th June 1999 to 14.97% at 30th June 2000 (increase of 1.89% in 12 months).
- Capital adequacy percentage increase from 24.96% at 30th June 1999 to 26.15% at 30th June 2000 (increase of 1.19% in 12 months).
- After-tax profit achieved for the year ended 30/6/00 was 0.76% of average assets (1999 was 0.88%).

Operating profit for the year before income tax, but after abnormal items was \$429,236 (1999 was \$609,831) reflecting lower returns from reduced interest margins. Your Credit Union's performance still remains well ahead of general industry performance. Operating costs still run well below the industry average.


I would like to firstly thank all members, without whom we would not have such a successful Credit Union. Secondly, many thanks to my fellow Directors, who put in many voluntary hours to ensure that the Credit Union remains on track to achieve its goals and remains compliant with all laws and Codes, under which it operates.

It would be remiss of me not to formally acknowledge at this point the outstanding contribution made by the staff and management of the Credit Union. Their ongoing commitment to the highest level of customer service has the respect of the Board, and most of all, I'm sure, the Members. It is the staff that collectively makes the Credit Union such a successful operation.

The Year Ahead

As we progress into the future, we consciously need to ensure the Credit Union continues to deliver relevant products and services to our members. Member feedback is always encouraged and a member survey is planned in early 2001 focussing on many issues of service delivery. Newsletters and promotional flyers will again be used throughout the following year to educate and inform members on products and services.

Finally, I commend this report to you, on behalf of the Board of Directors, thanking them for their continuing commitment, and to all members for your loyalty and patronage. We look forward to your continued support.

A handwritten signature in cursive script, appearing to read "Glen Morgan".

Glen Morgan
Chairman

R.T.A. STAFF CREDIT UNION LIMITED A.C.N. 087 650 600

DIRECTORS REPORT

Your Directors present their report on the company for the financial year ended 30 June 2000.

DIRECTORS DISCLOSURES

NAMES OF DIRECTORS

The names of Directors in office at the date of this report, or held office during the course of the financial year, are:

Name	Experience and Qualifications	Special Responsibilities
Robert Glen Morgan	Director 11 years	Chairman 4 years & Audit Committee
Patrick M Murphy	Director 6 years	Deputy Chairman 4 years & Chairman Audit Committee
Noel J Hancock	Director 4 years	Audit Committee
Maxwell W De Boos	Director 3 years	Audit Committee
Walter J Peachman	Director 4 years	
Susan A Kemp	Director 3 years	
Vincent E Taranto	Director 2 years	

Meetings Attended

The details of the meetings attended by Directors of the Board are as follows:

Name	Board		Audit Committee	
	Meetings Attended	Meetings Held in Period	Meetings Attended	Meetings Held in Period
R G Morgan	11	14	1	1
P M Murphy	12	14	1	1
N J Hancock	11	14	1	1
M W De Boos	13	14	1	1
W J Peachman	9	14	N/A	N/A
S A Kemp	12	14	N/A	N/A
V E Taranto	13	14	N/A	N/A

The Audit Committee is established to oversight the financial reporting and audit process. Its role generally includes:

- Monitoring audit reports and management responses thereto;
- Liaising with the auditors on the scope of their work, and experience in conducting an effective audit

Whenever practical, audit committee matters are dealt with at full Board meetings.

INDEMNIFYING AN OFFICER OR AUDITOR

No indemnities have been given or paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

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

No insurance cover has been provided for the benefit of the auditors of the Credit Union.

SHARES OPTIONS

The Credit Union has not issued any options over shares. All shares issued by the Credit Union are withdrawable shares.

INFORMATION CONCERNING PERFORMANCE

PRINCIPAL ACTIVITIES

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

There were no significant changes in the principal activities during the year.

OPERATING RESULTS

The profit of the Credit Union after providing for income tax and extraordinary items amounted to \$264,045 (1999 \$383,531).

DIVIDENDS

No dividends have been paid to members in the year and no dividend is recommended to be paid.

REVIEW OF OPERATIONS

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 1 July 1999 the responsibilities of the Australian Financial Institutions Commission (AFIC) and the related state supervisory authorities were transferred to Australian Prudential Regulatory Authority (APRA) for regulation/depositor protection and Australian Securities and Investment Commission (ASIC) for registration and consumer protection issues. This change in regulation arose from the recommendations of the Wallis Committee.

As a result of these changes on 1 July 1999, the Credit Union became a public company limited by shares, which is regulated by APRA and ASIC respectively.

Further, with the repeal of the AFIC Legislation, the emergency liquidity support scheme administered by AFIC was replaced by the Credit Union Financial Support Scheme (CUFSS) from the 1 July 1999. This scheme is an industry liquidity support system, which is available to Credit Unions throughout Australia. The Credit Union is a contributor to the scheme.

AFTER BALANCE DATE EVENTS

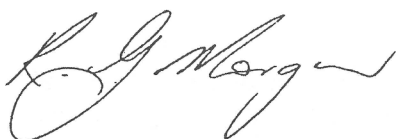
From 1 July 2000 the Credit Union became liable for the GST on its expenses. The full cost of this tax has been reduced by the ability to apply a Reduced Input Tax Credit on all financial expenses to the extent of 75% of the GST otherwise payable. This is expected to leave an amount of approximately \$35,000 in GST expense to be recouped from interest margin and other revenue, after a reduction in the company income tax rate from 36% to 34% in the 2000/2001 financial year.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Credit Union, the results of those operations, or the state of affairs of the Credit Union in the financial year ending 30 June 2000.

LIKELY DEVELOPMENTS AND RESULTS

The directors do not expect any significant changes in the operations or services of the Credit Union, which will affect the results of the Credit Union in the future years.

Signed in accordance with a resolution of the Board of Directors



R G Morgan
Director



P M Murphy
Director

Dated this 12th day of October, 2000

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF R.T.A. STAFF CREDIT UNION LIMITED

Scope

We have audited the financial report of R.T.A. Staff Credit Union Limited, comprising the Directors' Declaration, Profit and Loss Account, Balance Sheet, Statement of Cash Flows and notes to and forming part of the financial statements for the year ended 30 June 2000. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosure in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's position and performance as represented by the result of its operations, and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of R.T.A. Staff Credit Union Limited is in accordance with:

- a. The Corporations Law, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2000 and of its performance for the year ended on that date; and
 - ii. complying with Accounting Standards and the Corporations Regulations
- b. Other mandatory professional reporting requirements.

KENDALLS LMJ
Chartered Accountants



N.E. SINCLAIR (Partner)
North Parramatta, 13th day of October, 2000

R.T.A. STAFF CREDIT UNION LIMITED A.C.N. 087 650 600

DIRECTORS' DECLARATION

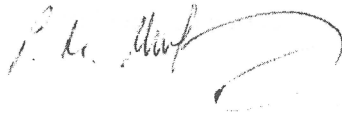
The Directors of R.T.A. Staff Credit Union Limited declare that:-

1. The financial statements and notes related thereto :-
 - (a) comply with Accounting Standards and the Corporations Law; and
 - (b) give a true and fair view of the financial position as at 30 June 2000 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



R G Morgan
Director



P M Murphy
Director

Dated this 12th day of October, 2000

R.T.A. STAFF CREDIT UNION LIMITED
A.C.N. 087 650 600
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000 \$	1999 \$
Interest revenue	2.a	2,391,791	2,516,862
Interest expense	2.b	<u>(861,999)</u>	<u>(993,813)</u>
Net interest revenue		1,529,792	1,523,049
Non interest revenue	2.c	130,337	125,931
Net Margin		<u>1,660,129</u>	<u>1,648,980</u>
Bad and doubtful debt expense	2.d	(34,896)	(76,541)
Other expenses	2.e	<u>(1,209,160)</u>	<u>(1,054,562)</u>
Operating profit or loss before abnormal items and income tax		416,073	517,877
Abnormal items before income tax	3	<u>13,163</u>	<u>91,954</u>
OPERATING PROFIT before Income Tax		429,236	609,831
Income tax expense	4	<u>(165,191)</u>	<u>(226,300)</u>
OPERATING PROFIT after Income Tax		264,045	383,531
Retained profit at the beginning of the financial year		<u>4,548,396</u>	<u>4,164,865</u>
Total available for appropriation		4,812,441	4,548,396
Aggregate amounts transferred to reserves		==	==
Retained profit at the end of the financial year		<u>4,812,441</u>	<u>4,548,396</u>

R.T.A. STAFF CREDIT UNION LIMITED
A.C.N. 087 650 600
BALANCE SHEET AS AT 30 JUNE 2000

<u>ASSETS</u>	NOTE	2000 \$	1999 \$
Cash	5	148,831	433,052
Receivables from other financial institutions	6	4,900,000	7,650,000
Accrued receivables	7	107,288	163,440
Investment securities	8	--	252,000
Loans and advances	9 & 10	26,412,383	25,125,956
Other investments	11	325,739	497,254
Property, plant and equipment	12	315,879	360,381
Other assets	13	<u>223,872</u>	<u>244,037</u>
TOTAL ASSETS		<u>32,433,992</u>	<u>34,726,120</u>
 <u>LIABILITIES</u>			
Payables to other financial institutions	14	330,547	--
Deposits	15	26,731,977	29,634,474
Creditors and other liabilities	16	<u>515,267</u>	<u>505,198</u>
TOTAL LIABILITIES		<u>27,577,791</u>	<u>30,139,672</u>
NET ASSETS		<u>4,856,201</u>	<u>4,586,448</u>
 <u>MEMBERS FUNDS</u>			
Reserves	17	43,760	38,052
Retained profits		4,812,441	4,548,396
TOTAL MEMBERS FUNDS		<u>4,856,201</u>	<u>4,586,448</u>

R.T.A. STAFF CREDIT UNION LIMITED
A.C.N. 087 650 600
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2000

	NOTE	2000	1999
OPERATING ACTIVITIES		\$	\$
Inflows			
Interest received		2,464,303	2,516,862
Fees and commissions		115,041	202,739
Dividends		20,976	--
Other income		<u>8,256</u>	<u>26,735</u>
		2,608,576	2,746,336
Outflows			
Interest paid		(887,838)	(1,043,002)
Suppliers and employees		(1,162,850)	(1,022,354)
Income taxes paid		<u>(236,750)</u>	<u>(228,442)</u>
		<u>(2,287,438)</u>	<u>(2,293,798)</u>
Net Cash from Operating Activities	29.c	<u>321,138</u>	<u>452,538</u>
INVESTING ACTIVITIES			
Inflows			
Receivables from other financial institutions (net movement)		2,750,000	--
Proceeds on sale of investment in shares		425,894	785,000
Proceeds on sale of property, plant and equipment		14,512	--
Member loan (net movement)		--	1,059,066
Less: Outflows			
Receivables from other financial institutions (net movement)		--	(1,600,000)
Purchase of investment of shares		--	(13,472)
Purchase of fixed assets		(52,277)	(318,143)
Member loans (net movement)		<u>(1,316,988)</u>	--
Net Cash from Investing Activities		<u>1,821,141</u>	<u>(87,549)</u>
FINANCING ACTIVITIES			
Inflows			
Member deposits and shares (net movement)		<u>(2,757,047)</u>	<u>(1,453,849)</u>
Net Cash from Financing Activities		<u>(2,757,047)</u>	<u>(1,453,849)</u>
Total Net Cash increase/ (decrease)		(614,768)	(1,088,860)
Cash at Beginning of Year		433,052	1,521,912
Cash at End of Year	29.a	<u>(181,716)</u>	<u>433,052</u>

1. STATEMENT OF ACCOUNTING POLICIES

The accounts of the Credit Union are general purpose financial reports drawn up in accordance with the Accounting Standards, other Authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views, and Corporations Law.

a. Basis of Measurement

The financial statements have been prepared on an accruals basis, and are based on historical costs, which do not take into account changing money values or current values of non current assets, with the exception of buildings which are revalued every three years. The accounting policies are consistent with the prior year unless otherwise stated.

b. Loan to Members

(i) Basis of inclusion

Loans to members are reported at their recoverable amount representing the aggregate amount of principal and unpaid interest owing to the Credit Union at balance date, less any allowance or provision against debts considered doubtful.

(ii) Interest Earned

Regulated Term Loans - The loan interest is calculated on the basis of daily balance outstanding and is charged in arrears to a members account on the last day of each month, for loans regulated under the consumer credit code.

Unregulated Term Loans - The loan interest is calculated on the basis of daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Overdraft - The loan interest is calculated initially on the basis of the daily balance outstanding and is charged in arrears to a members account on the last day of each month.

Loan Interest - Is not brought to account when the Credit Union is informed that the member has deceased, or on impaired loans where recovery of the debt is considered unlikely as determined by the Board of Directors.

(iii) Loan Fees

Loan establishment fees which do not exceed the amount of costs recouped are brought to account as income in the year of receipt. Fees for the recovery of costs incurred are allocated against the relevant expense incurred. Loan fees in excess of cost are deferred and brought to account over the term of the loan or 5 years whichever is the shorter.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

c. Provision for Doubtful Debts (impairment)

(i) Specific Provision

The amount provided for doubtful debts is determined by management and the Board to recognise the probability of loan amounts not being collected in accordance with terms of the loan agreement. The Financial Institutions Code and Statement of Prudential Standards requires a minimum provision to be maintained, based on specific percentages on the loan balance which are contingent upon the length of time the repayments are in arrears.

In addition the Board makes a further provision against loans in arrears in excess of the prescribed levels where the collectibility of the debts is considered doubtful.

(ii) General Provision

In addition to the above specific provision, the Board has recognised the need to make a general provision against loans to ensure there is adequate protection for members against the prospect that some members will experience loan repayment difficulties. The provision is based on estimation of potential risk in the loan portfolio based upon:

- the level of security taken as collateral
- the concentration of loans taken by employment type.

d. Bad Debts Written Off

Bad debts are written off from time to time as determined by management and the Board of Directors when it is reasonable to expect that the recovery of the debt is unlikely. Bad debts are written off against the provisions for doubtful debts if a provision for impairment had previously been recognised. If no provision had been recognised, the write offs are recognised as expenses in the profit and loss account.

e. Property, Plant and Equipment

Property, plant and equipment with the exception of freehold land, are depreciated on a straight line basis so as to write off the net cost of each asset over its expected useful life to the Credit Union. Estimated useful lives are as follows:

Leasehold Improvements - 10 years
Plant and Equipment - 3 to 7 years

Assets less than \$1,000 are not capitalised.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

f. Deposits with Other Financial Institutions

Term deposits with the Special Services Provider are unsecured and have a carrying amount equal to their principal amount. Interest is paid on the daily balance at maturity. All deposits are in Australian currency.

The accrual for interest receivable is calculated on a proportional basis of the expired period of the term of the investment. Interest receivable is included in the amount of receivables in the balance sheet.

g. Investments and Securities

Investments and securities to be held to maturity are recorded at the lower of cost or recoverable amount. All investments are in Australian currency.

h. Member Savings

(i) Basis for Determination

Member savings and term investments are quoted at the aggregate amount of money owing to depositors

(ii) Interest Payable

Interest on savings is calculated on the daily balance and posted to the accounts periodically, or on maturity of the term deposit. Interest on savings is brought to account on an accrual basis in accordance with the interest rate terms and conditions of each savings and term deposit account as varied from time to time. The amount of the accrual is shown as part of Creditors and Other Liabilities.

i. Provision for Employee Entitlements

Provision for long service leave is on a pro-rata basis from commencement of employment with the Credit Union based on the present value of its estimated future cash flows. Annual leave, is accrued in respect of all employees on pro-rata entitlement for part year of service and leave entitlement due but not taken at balance date. (Sick leave entitlements which accumulate and vest with the employee are accrued in respect of all employees on a pro-rata entitlement for part - year service, including leave entitlements due but not taken as at 30 June 2000. This provision is recorded at its nominal value and is shown as a current liability. Sick leave entitlements which accumulate but do not vest with the employee, are accrued so that the liability is expected to result in payments to employees. This provision is recorded at the present value of its estimated future cash flows and is reported as a non-current liability.) Contributions are made by the Credit Union to an employees superannuation fund and are charged as expenses when incurred.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

j. Income Tax

The Credit Union adopts the liability method of tax-effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences between accounting profit and taxable income. Timing differences which arise due to the different periods in which items of revenue and expense are recognised for tax purposes are brought to account as either provision for deferred income tax or an asset described as future income tax benefit, at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. Timing differences are presently assessed at 34% (1999 36%).

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. The amount of these benefits is based on the assumption that:

- i. no adverse change will occur in income tax legislation, and
- ii. the anticipation that the Credit Union will derive sufficient future assessable income and comply with the conditions of deductibility imposed by the law to permit a future income tax benefit to be obtained.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

2. PROFIT AND LOSS ACCOUNT

a. Analysis of interest revenue

2000

Category of interest bearing rate	Interest revenue \$	Average balance \$	Average interest rate %
Cash - deposits at call	0	--	0.00%
Deposits with other financial institutions	346,305	6,378,799	5.43%
Securities - trading	0	--	0.00%
Securities - investment	0	--	0.00%
Loans and advances	2,045,486	28,199,102	7.25%
Other	0	--	0.00%
TOTAL	2,391,791	34,577,901	6.92%

1999

Category of interest bearing rate	Interest revenue \$	Average balance \$	Average interest rate %
Cash - deposits at call	0	--	0.00%
Deposits with other financial institutions	430,117	8,335,142	5.16%
Securities - trading	0	--	0.00%
Securities - investment	25,981	622,769	4.17%
Loans and advances	2,060,764	26,306,402	7.83%
Other	0	--	0.00%
TOTAL	2,516,862	35,264,313	7.14%

b. Analysis of interest expense

2000

Category of interest bearing liability	Interest expense \$	Average balance \$	Average interest rate %
Deposits held from other financial institutions	0	--	0.00%
Member deposits	855,551	30,711,243	2.79%
Overdraft	6,448	92,991	6.93%
Long term borrowings	0	--	0.00%
Other	0	--	0.00%
TOTAL	861,999	30,804,234	2.80%

1999

Category of interest bearing liability	Interest expense \$	Average balance \$	Average interest rate %
Deposits held from other financial institutions	0	--	0.00%
Member deposits	992,709	30,731,151	3.23%
Overdraft	1,104	16,017	6.89%
Long term borrowings	0	--	0.00%
Other	0	--	0.00%
TOTAL	993,813	30,747,168	3.23%

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

c. Non-interest revenue comprises:	2000	1999
	\$	\$
Dividend revenue	7,813	--
Fee and commission revenue		
- Loan fee income	31,933	29,355
- Other fee income	54,816	42,002
- Insurance commissions	23,137	14,245
- Other commissions	<u>4,382</u>	<u>294</u>
	114,268	85,896
Bad debts recovered	8,256	10,252
Miscellaneous revenue	=	<u>29,783</u>
TOTAL NON-INTEREST INCOME	<u>130,337</u>	<u>125,931</u>
d. Bad and doubtful debts expense		
Increase in provision	34,335	67,781
Bad debts written off directly against profit	<u>561</u>	<u>8,760</u>
Total Expense	<u>34,896</u>	<u>76,541</u>
e. Other non-interest expenditure		
Fee and Commission Expense	162,335	130,606
General Administration Expenses	754,860	625,262
Other Operating Expenses	<u>291,965</u>	<u>298,694</u>
Total Other Non-interest Expense	<u>1,209,160</u>	<u>1,054,562</u>

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000	1999
f. Other prescribed expense disclosures	\$	\$
Auditors remuneration		
- Audit fees	20,600	21,524
- Other services	<u>1,500</u>	<u>4,585</u>
	<u>22,100</u>	<u>26,109</u>
Bad and doubtful debt expense, net of recoveries and movement of provisions	26,640	66,289
Finance lease charges	--	--
Property lease	61,195	75,094
Loss on disposal of assets		
- Property, plant, equipment	--	570
- Investments	--	--
Net movement in provision against assets		
Diminution in investments	3,329	3,336
Net movement in provisions for depreciation		
- Buildings	--	--
- Plant and equipment	57,177	69,758
- Leasehold improvements	25,090	--
Net movement in provisions for employee entitlements	21,784	14,899
Net movement in provisions for other liabilities	--	10,548
Supervision levy	4,759	11,628
3. ABNORMAL ITEMS		
Contingency Fund contribution	<u>13,163</u>	<u>91,954</u>
Other abnormal items	--	--
Sub Total as per Profit & Loss Statement	13,163	91,954
Applicable income tax on abnormal items	(4,739)	(33,103)
Abnormal items net of income tax	<u>8,424</u>	<u>58,851</u>

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

4. INCOME TAX	2000	1999
	\$	\$
a. The prima facie tax payable on operating profit is reconciled to the income tax expense in the accounts as follows:		
Prima facie tax payable on operating Profit before income tax at 36%	154,525	219,539
Less tax effect of		
- Bad debts recovered (pre 23G)	--	3,691
- Other	--	--
Subtotal	154,525	215,848
Add		
- Underprovision of tax in prior year		10,101
- Adjustment to recognise Future Income Benefits at 34%	13,169	351
- Adjustment to opening Future Income Tax Benefits	70	--
Less		
- Overprovision of tax in prior year		
- Franking Rebate	<u>2,573</u>	--
Income tax expense attributable to operating profit	<u>165,191</u>	<u>226,300</u>
b. The income tax expense comprises amounts set aside as:-		
Provision for income tax attributable to current year taxable income.	158,325	240,286
Less:		
Movement in the Future Income Tax Benefit account.	<u>(6,865)</u>	<u>13,986</u>
Income tax expense attributable to operating profit	<u>165,191</u>	<u>226,300</u>
c. Franking Credits		
The amount of franking credits held by the Credit Union after adjustment for franking credits that will arise from the payment of income tax payable as at the end of the financial year is:-	1,331,317	959,945

Since the Credit Union rules prevent a dividend being declared these franking credits are not presently available to members.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

5. CASH	2000 \$	1999 \$
Cash on hand	47,831	35,000
Deposits with CUSCAL - at call	<u>101,000</u>	<u>398,052</u>
	<u>148,831</u>	<u>433,052</u>
6. RECEIVABLES FROM OTHER FINANCIAL INSTITUTIONS		
Deposits with CUSCAL - Term	4,900,000	7,400,000
Deposits with banks	=	<u>250,000</u>
	<u>4,900,000</u>	<u>7,650,000</u>
7. ACCRUED RECEIVABLES		
Interest receivable on deposits with other financial institutions	55,356	127,868
Prepayments	19,384	18,797
Sundry debtors	<u>32,548</u>	<u>16,775</u>
	<u>107,288</u>	<u>163,440</u>
8. INVESTMENT SECURITIES		
Bank bills and promissory notes	=	<u>252,000</u>
9. LOANS AND ADVANCES		
a. Amount due comprises:		
Overdrafts and revolving credit	611,321	375,527
Term loans	<u>26,351,062</u>	<u>25,270,429</u>
Total	<u>26,962,383</u>	<u>25,645,956</u>
Less:		
Specific provision	<u>139,234</u>	64,118
	26,823,149	25,581,838
Less:		
General provision	<u>410,766</u>	<u>455,882</u>
Net	<u>26,412,383</u>	<u>25,125,956</u>
b. Security Dissection		
Secured by mortgage	21,769,760	18,903,283
Secured other	49,990	=
Partly secured by goods mortgage	2,898,582	2,417,883
Wholly unsecured	<u>2,244,051</u>	<u>4,324,790</u>
	<u>26,962,383</u>	<u>25,645,956</u>

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

c. Concentration of Loans	2000	1999
	\$	\$
(i) Individual loans which exceed 10% of member funds in aggregate	--	--
(ii) Loans to members are concentrated solely in Australia, and in the following significant employment industry classifications		
Significant business segments or industry		
Roads and Traffic Authority	<u>19,593,949</u>	<u>19,434,194</u>
(iii) Purpose dissection		
Residential loans	16,910,050	12,325,416
Personal loans	9,695,563	13,000,989
Commercial purpose loans	<u>356,770</u>	<u>319,551</u>
	<u>26,962,383</u>	<u>25,645,956</u>

10. PROVISION ON IMPAIRED LOANS

a. Total provision comprises

Specific provisions	139,234	64,118
General provisions	<u>410,766</u>	<u>455,882</u>
Total	<u>550,000</u>	<u>520,000</u>

b. Movement in the Specific Provision

Balance at the beginning of year	64,118	143,194
Add(deduct):		
Transfers from(to) the general provision	45,116	--
Transfers from profit and loss account	34,335	(55,795)
Bad debts written off provision	(4,335)	(23,281)
Balance at end of year	<u>139,234</u>	<u>64,118</u>

c. Movement in General Provision

Balance at beginning of year	455,882	332,306
Add(deduct):		
Transfers from(to) the specific provision	(45,116)	--
Transfers from (to) profit and loss account	--	123,576
Bad debts written off provision	--	--
Balance at end of year	<u>410,766</u>	<u>455,882</u>

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

	2000	1999
	\$	\$
d. The specific loans provision consists of :		
(i) provision required under the APRA Prudential Standard	139,234	64,118
(ii) Additional specific provision	<u> --</u>	<u> --</u>
	<u>139,234</u>	<u>64,118</u>

e. Impaired Loan Classification

Accounting Standards have classified loans where repayments are in arrears in the following terms:

(i) Loans where recovery of all principal and interest is doubtful, or where the interest recovery is less than the average cost of funds are classified as Non Accrual Loans.

(ii) Loans where the interest recovery is less than the normal terms applicable, but higher than the average cost of funds are classified as Restructured Loans. (Where provision is required the loan is classified as "Non Accrual".)

(iii) The above categories are together referred to as impaired loans.

(iv) Other loans which are in arrears more than 90 days but, due to mortgage security or other reasons recovery is not considered doubtful (and no provision necessary), are classified as "Past Due Loans".

	2000	1999
	\$	\$
Impaired Loans and Other Disclosures		
Non Accrual loans - Balances		
- with no provision	--	--
- with a provision	<u>287,705</u>	<u>73,415</u>
	287,705	73,415
Less: Specific provision	<u>139,234</u>	<u>64,118</u>
	<u>148,471</u>	<u>9,297</u>
Restructured loans	--	--
Past due loans	279,974	199,371
Assets Acquired via enforcement of security		
- Real estate	--	--
- Other	--	--
Other Disclosures on Impaired Loans (non accrual and restructured loans)		
Interest and other revenue earned on Impaired Loans	30,250	5,209
Interest and other revenue foregone on Impaired Loans	932	1,686

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

11. OTHER INVESTMENTS

	2000	1999
	\$	\$
Contingency Fund	--	130,159
Shares		
Data Advantage Shares	43,760	38,052
CUSCAL	281,979	325,714
Shares - Bureau	10,000	10,000
Provision - Bureau	<u>(10,000)</u>	<u>(6,671)</u>
Shares	<u>325,739</u>	<u>497,254</u>

The Data Advantage shares have been revalued to the market value as at 30 June 2000

12. PROPERTY, PLANT AND EQUIPMENT

	2000	1999
	\$	\$
Plant and equipment - at cost	336,071	299,843
Less: Provision for depreciation.	<u>241,473</u>	<u>184,295</u>
	94,598	115,548
Capitalised Leasehold Improvements	273,769	257,719
Less: Provision for amortisation	<u>52,488</u>	<u>12,886</u>
	221,281	244,833
Total Property, Plant and Equipment	<u>315,879</u>	<u>360,381</u>

13. OTHER ASSETS

Future Income Tax Benefit	223,872	230,737
Deferred Expenditure	--	--
	<u>223,872</u>	<u>230,737</u>
Future Income Tax Benefit		

The future income tax benefit represents the tax effect of:

- provisions for doubtful debts, staff leave entitlements and accruals which are not deductible for tax purposes until paid or the loss is incurred, and which have been charged against accounting profit in the current year or previous years;
- excess depreciation charge for accounting purposes over that amount allowed for tax purposes.

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

14. AMOUNTS PAYABLE TO OTHER FINANCIAL INSTITUTIONS

	2000	1999
	\$	\$
CUSCAL		
- Overdraft - Secured (Note 23)	<u>330,547</u>	==
	<u>330,547</u>	==

15. DEPOSITS

Member Deposits		
- at call	11,788,289	12,976,936
- term	<u>14,896,008</u>	<u>16,609,098</u>
Total deposits	26,684,297	29,586,034
Withdrawable Shares	<u>47,680</u>	<u>48,440</u>
Total	<u>26,731,977</u>	<u>29,634,474</u>

Concentration of Member Deposits

Significant individual member deposits which in aggregate represent 10% or more of total liabilities of the Credit Union.

-- --

Member deposits at balance date were received from individuals employed in Australia in the following major industry groups:

Roads and Traffic
Authority of N.S.W.

-- --

Member deposits at balance date were received from individuals employed in Australia in the Roads and Traffic Authority of NSW.

Members Withdrawable Shares

Since all shares issued are withdrawable at the discretion of the member, or on closure of their account, shares are recognised as liabilities rather than equity. All shares carry the same voting entitlements:

	2000	1999
	#	#
Movement in Share Capital		
Shares issued in the year	795	1,790
Shares redeemed in the year	1,175	2,590

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

16. CREDITORS AND OTHER LIABILITIES

	2000	1999
	\$	\$
Creditors and accruals	27,212	40,911
Provision for employee annual leave	31,777	31,784
Provision for employee long service leave	50,890	59,788
Provision for income tax	100,778	179,202
Sundry creditors	304,610	168,453
Provisions - other	--	25,060
	<u>515,267</u>	<u>505,198</u>

17. RESERVES

a. Asset Revaluation Reserve	<u>43,760</u>	<u>38,052</u>
b. Movement in Asset Revaluation Reserve		
Balance - 1 July 1999	38,052	--
Add:		
Revaluation of Shares in Data Advantage	<u>5,708</u>	<u>38,052</u>
Balance - 30 June 2000	<u>43,760</u>	<u>38,052</u>

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

18. MATURITY PROFILE OF FINANCIAL ASSETS AND LIABILITIES

Monetary assets and liabilities have differing maturity profiles depending on their contractual term, and in the case of loans the repayment amount and frequency. The table below shows the period in which different monetary assets and liabilities held will mature and be eligible for renegotiation or withdrawal. In the case of loans, the table shows the period over which the principal outstanding will be repaid.

2000

Maturity	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities Held	Loans & Advances (net of Specific Provision)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
At call	148,831	0	0	0	0	11,835,969
Overdrafts	0	0	0	0	330,547	0
Up to 3 months	0	4,700,000	0	831,860	0	5,372,194
3 to 12 months	0	200,000	0	2,206,015	0	7,752,288
1 to 5 years	0	0	0	8,925,558	0	1,677,725
Over 5 years	0	0	0	14,859,716	0	93,801
Unspecified	0	0	0	0	0	0
TOTAL	148,831	4,900,000	0	26,823,149	330,547	26,731,977

1999

Maturity	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities Held	Loans & Advances (net of Specific Provision)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
At call	398,052	0	0	0	0	13,025,376
Overdrafts	0	0	0	0	0	0
Up to 3 months	0	3,500,000	252,000	897,725	0	6,001,672
3 to 12 months	0	4,150,000	0	2,379,269	0	8,058,055
1 to 5 years	0	0	0	9,507,984	0	2,549,371
Over 5 years	0	0	0	12,796,860	0	0
Unspecified	0	0	0	0	0	0
TOTAL	398,052	7,650,000	252,000	25,581,838	0	29,634,474

For term loans the above dissection is based upon contractual conditions of each loan being strictly complied with and is subject to change in the event that current repayment conditions are varied.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

19. INTEREST RATE CHANGE PROFILE OF FINANCIAL ASSETS AND LIABILITIES

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

2000						
Time band for changing interest rates	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities Held	Loans and Advances (before provision)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
Floating rate	148,831	0	0	0	330,547	11,835,969
Within 1 month	0	700,000	0	0	0	2,150,233
1 to 3 months	0	4,000,000	0	24,268,136	0	3,221,961
3 to 12 months	0	200,000	0	2,694,247	0	7,752,288
1 to 5 years	0	0	0	0	0	1,677,725
Over 5 years	0	0	0	0	0	93,801
TOTAL	148,831	4,900,000	0	26,962,383	330,547	26,731,977
Weighted Average Interest Rate	5.00%	6.15%	0.00%	8.38%	7.68%	3.58%

1999						
Time band for changing interest rates	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities Held	Loans and Advances (before provision)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
Floating rate	398,052	0	0	0	0	13,025,376
Within 1 month	0	2,500,000	252,000	0	0	0
1 to 3 months	0	1,000,000	0	22,918,835	0	6,001,672
3 to 12 months	0	4,150,000	0	2,727,121	0	8,058,055
1 to 5 years	0	0	0	0	0	2,549,371
Over 5 years	0	0	0	0	0	0
TOTAL	398,052	7,650,000	252,000	25,645,956	0	29,634,474
Weighted Average Interest Rate	2.75%	5.00%	7.50%	7.56%	0.00%	3.28%

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

20. NET FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Net fair value has been determined on the basis of the present value of expected future cash under the terms and conditions of each financial asset and financial liability.

The information is only relevant to circumstances at balance date and will vary depending on the contractual rates applied to each asset and liability, relative to market rates and conditions at the time. No assets held are regularly traded by the Credit Union.

2000

	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities held	Loans and Advances (after all provisions)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
Net fair value	148,831	4,900,000	0	26,393,818	330,547	26,705,466
Book value	148,831	4,900,000	0	26,412,383	330,547	26,731,977
Variance	0	0	0	-18,565	0	26,511

1999

	ASSETS				LIABILITIES	
	Cash	Receivables from Other Financial Institutions	Investment Securities held	Loans and Advances (after all provisions)	Payables to Other Financial Institutions	Member Deposits
	\$	\$	\$	\$	\$	\$
Net fair value	398,052	7,654,078	257,622	25,581,838	0	29,702,859
Book value	398,052	7,650,000	252,000	25,125,956	0	29,634,474
Variance	0	4,078	5,622	455,882	0	68,385

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

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

Liquid Assets And Receivables From Other Financial Institutions

The carrying values of cash and liquid assets and receivables due from other financial institutions redeemable within 3 months approximate their net fair value as they are short term in nature or are receivable on demand.

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

Loans and Advances

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

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

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

Deposits From Members

The net fair value of non interest bearing, call and variable rate deposits, and fixed rate deposits repricing within six months, is the carrying value as at June 30. Discounted cash flows (based upon the deposit type and its related maturity) were used to calculate the net fair value of other term deposits.

Short Term Borrowings

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

21. EXPENDITURE COMMITMENTS

a. Future Capital Commitments

The Credit Union has no future capital commitments as at balance date.

b. Future Lease Rental Commitments

Operating lease payments under existing lease arrangements for building accommodation, payable over the following periods:

	2000	1999
	\$	\$
Within 1 year	63,955	61,195
1 to 2 years	66,853	63,955
2 to 5 years	87,562	154,414
Over 5 years	<u>218,370</u>	<u>279,564</u>

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

c. Computer Bureau Charges

The Credit Union has a commitment to pay computer port fees for at least the next 12 months Charges are payable over the following periods:

	2000	1999
	\$	\$
Within 1 year	10,880	14,556
1 to 2 years	--	10,880
2 to 5 years	--	--
Over 5 years	--	--
	<u>10,880</u>	<u>25,436</u>

22. FINANCIAL COMMITMENTS

a. Outstanding Loan commitments

The loans approved but not funded as at 30 June 2000

	<u>1,270,239</u>	<u>1,292,048</u>
--	------------------	------------------

The payment of these funds is subject to the availability of liquid funds.

b. Undrawn Loan Facilities

Loan facilities available to members for overdrafts, line of credit loans and Visa credit limits, are as follows:

Total value of facilities approved	1,016,209	450,600
Amount advanced	<u>603,020</u>	<u>309,958</u>
Net undrawn value	<u>413,189</u>	<u>140,642</u>

These commitments are contingent on members maintaining credit standards and ongoing repayment terms on amounts drawn.

c. Derivative Transactions

The Credit Union has not entered into any forward rate agreement/swap contracts to hedge fixed rate loans.

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

23. STANDBY BORROWING FACILITIES

The Credit Union has a borrowing facility with Credit Union Services Corporation (Australia) Limited of:

2000			
	Gross	Current Borrowing	Net Available
	\$	\$	\$
Loan Facility	500,000	0	500,000
Overdraft Facility	700,000	330,547	369,453
Other	0	0	0
Total	1,200,000	330,547	869,453

1999			
	Gross	Current Borrowing	Net Available
	\$	\$	\$
Loan Facility	500,000	0	500,000
Overdraft Facility	350,000	0	350,000
Other	0	0	0
Total	850,000	0	850,000

Withdrawal of the loan facility is subject to the availability of funds at CUSCAL.

CUSCAL holds an equitable mortgage charge over all of the assets of the Credit Union as security against loan and overdraft amounts drawn.

24. CONTINGENT LIABILITIES

**Liquidity Support
Scheme**

The Credit Union is a member of the Credit Union Financial Support Scheme Limited (CUFSS) a company established to provide financial support to member credit unions in the event of a liquidity or capital problem. As a member, the Credit Union is committed to maintaining 9% of the total liabilities as deposits with Credit Union Services Corporation (Australia) Limited (CUSCAL), of which 3% may be used by CUFSS to provide financial support by way of secured loans. At the balance date there were no loans issued.

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

25. DISCLOSURES ON DIRECTORS

a. Names of Directors

During the course of the financial year the following Directors held office:

P M Murphy	V Taranto	M W De Boos
N J Hancock	W J Peachman	
R G Morgan	S A Kemp	

b. Remuneration

2000	1999
\$	\$

The aggregate remuneration of Directors during the year was:

--	--
----	----

The number of Directors who received remuneration were within the following bands.

2000	1999
#	#

0 - 10000	--	--
\$10,001 - \$20,000	--	--

The remuneration means salaries, allowances and commissions and other benefits to Directors, but excludes out of pocket expense reimbursements. All remuneration was approved by the members at the previous Annual General Meeting of the Credit Union.

c. Loans to Directors

2000	1999
\$	\$

(i) The aggregate value of loans and credit facilities to Directors amounted to:

<u>127,716</u>	<u>136,809</u>
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(ii) During the year the aggregate value of loans disbursed to Directors amounted to:

Term Loans	10,000	16,957
Revolving Credit Facilities	--	<u>19,936</u>
	<u>10,000</u>	<u>36,893</u>

Directors concerned with the above disbursements were:

M W De Boos

All loans disbursed to Directors were approved on the same terms and conditions which applied to members generally for each class of loan.

**R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000**

	2000	1999
	\$	\$
(iii) The aggregate value of repayments against loans and credit facilities to Directors amounted to:		
Term Loans	21,200	31,481
Revolving Credit Facilities	<u>8,060</u>	<u>1,536</u>
	<u>29,260</u>	<u>33,017</u>

Directors concerned with the above repayments were:

P M Murphy M W De Boos

d. Other Director Related Transactions

Other transactions between related parties include deposits from Directors and their Director related entities, which are received on the same terms and conditions as applicable to members generally. There are no service contracts to which Directors are an interested party.

ASIC Class order
98/110

The above disclosures have been prepared in accordance with the ASIC Class Order 98/110. It relieves the Credit Union from compliance with sec 296(1) of the Law insofar as that section requires the entity's financial statements to be made out in accordance with:

(i) paragraphs 4.10, 4.12 and 4.14 of AASB 1017 in respect of a loan regularly made, guaranteed or secured by a bank other than a loan to a Director of the Credit Union; and

(ii) paragraphs 4.17, 4.18, 4.19, 6.2, 6.3, 6.4 and 6.5 of AASB 1017 in respect of a financial instrument transaction regularly made by a bank (whether the bank is a party to the financial instrument or not) where a Director of the Credit Union is not a party to the transaction

The relief is subject to conditions, and does not apply in respect of any loan made, guaranteed or secured by, or a financial transaction of the Credit Union in which any Director of the Credit Union should reasonably be aware, that if not disclosed could adversely affect the decisions of users of the financial reports.

"Regularly" means lawfully and in the course of its ordinary banking business and either on an arm's length basis or with the approval of a general meeting of the Credit Union and its ultimate parent Credit Union, if any.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

26. ECONOMIC DEPENDENCY

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

a. Credit Union Services Corporation (Australia) Limited (CUSCAL)

CUSCAL is a Public Company registered under the Corporations Law and the Banking Act.

This entity:

(i) provides the license rights to VisaCard in Australia and settlement with Bankers for ATM, Visa card and cheque transactions, as well as the production of Visa and Redicards for use by members;

(ii) provides and maintains the application software utilised by the Credit Union;

(iii) provides treasury and money market facilities to the Credit Union. The Credit Union has invested all of its liquid assets with the entity to maximise return on funds, and to comply with the Liquidity Support Scheme requirements.

b. First Data Resources Australia Limited (FDRA)

This company operates the computer network used to link Redicards and VisaCards operated through reditellers and other approved ATM suppliers to the Credit Union's EDP Systems.

c. Co-Processing Pty. Limited

This company operates the computer facility on behalf of the Credit Union in conjunction with other credit unions. The Credit Union has a management contract with the bureau to supply computer support staff and services to meet the day-to-day needs of the Credit Union and compliance with the relevant Prudential Standards.

27. SEGMENTAL REPORTING

The Credit Union operates exclusively in the retail financial services industry within Australia.

28. SUPERANNUATION LIABILITIES

The Credit Union contributes to the CUE Super Plan for the purpose of Superannuation Guarantee payments and payment of other superannuation benefits on behalf of employees. The plan is administered by an independent Corporate Trustee.

The Credit Union has no interest in the superannuation plan (other than as a contributor) and is not liable for the performance of the plan, nor the obligations of the plan.

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

29. NOTES TO STATEMENT OF CASH FLOWS

	2000	1999
	\$	\$
a. Reconciliation of Cash		
Cash includes cash on hand, and deposits at call with other financial Institutions and comprises:		
Cash on hand	47,831	35,000
Deposits at call	101,000	398,052
Bank overdraft	<u>(330,547)</u>	<u>0</u>
	<u>(181,716)</u>	<u>433,052</u>
 b. Cash unavailable for use		
Cash which is excluded from the above amount of cash since it is not readily available for use by reason of it securing overnight settlement obligations.		
	--	--
 c. Reconciliation of Cash from Operations to Accounting Profit		
The net cash increase/(decrease) from operating activities is reconciled to the operating profit after tax		
Operating Profit after Income Tax	264,045	383,531
Add:		
Increase in Provisions for Loans	30,000	44,500
Bad Debts Written Off	561	8,760
Depreciation	82,267	69,758
Provisions for Staff Leave	--	11,384
Provision for Income Tax	--	11,843
Share Provision	3,329	3,336
Loss on Sale of Assets	0	570
Decreases in Sundry Debtors and Other Receivables	773	116,843
Decreases in FITB	6,865	--
Decrease in Deferred Expenditure	13,300	--
Decrease in Interest Receivable	72,512	--
Less:		
Provision for Staff Leave	(8,905)	--
Provision for Income Tax	(78,424)	--
Other Provisions	(25,060)	(19,940)
Accrued Expenses	(13,699)	(8,686)
Deferred Tax Liability	--	(6,431)
Increase in Prepayments	(587)	(933)
Increase in FITB	--	(7,554)

R.T.A. STAFF CREDIT UNION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2000

Increase in Other Assets	--	(13,300)
Decrease in Interest Payable	<u>(25,839)</u>	<u>(49,189)</u>
Net Cash From Operating Activities	<u>321,138</u>	<u>452,538</u>

CREDIT UNION PRODUCTS & SERVICES

SAVINGS & INVESTMENT ACCOUNTS

Multi-Access Savings Account

A multi-purpose account with an emphasis on easy access by cheque book, Redicard or Visa Card.

Basic Savings Account

A day-to-day savings account for over-the-counter transactions, bill paying or budget account.

Redifund Cash Management Account

An account which pays an attractive on-call interest rate based on daily balances for shorter term investors.

Premium Savers Account

A higher interest for a higher balance cash management account for the serious investor.

Fixed Term Deposits

A range of fixed term deposits from 3 months to 3 years offering competitive interest rates. Interest is set and based on term and amount of deposit and can be paid either upfront, on maturity or at regular intervals.

ACCESS

Access to members' accounts is now even better than ever

- Automated Teller Machines – Credit Union Rediteller, National Australia Bank Flexiteller, ANZ Night & Day, CashCard Teller, State Bank Greenmachine, St. George Multicard, Westpac ATM's, Commonwealth Autobanks, Visa Card access worldwide
- Point of Sale (EFTPOS) outlets located in supermarkets, service stations and stores across Australia
- Personal Cheque Book – interest earning, with no limit to number of transactions. Members also can make deposits at any branch of the National Australia Bank
- PhoneTeller – provides access to account details, transfer of funds and statement requests. PhoneTeller Hotline number is (02) 9218 6604 or country members 1300 652 274
 - BPAY® – pay your bills automatically direct from your account by phoning 13 2729 (or 13 BPAY)

LOANS

Members can choose from a range of loans to suit their individual needs

- Personal loans for any worthwhile purpose
- Home loans for owner-occupiers with a choice of interest rate options – fixed or variable
 - Investment property loans, at home loan rates
 - Home Equity loans for any worthwhile purpose (mortgage secured)
 - Lines of Credit (secured or unsecured)
 - Visa Overdraft Account

Loan interest is calculated daily and posted monthly and members can make repayment by easy payroll deductions.

WHOLE OF PAY & PAYROLL DEDUCTIONS – Wherever members work, they can arrange for all or part of their pay to be deposited direct to their Credit Union account. Deposits can be split into any number of different savings and/or loan accounts. Fees and Charges apply. Refer to terms & conditions of accounts.

RTA STAFF CREDIT UNION LIMITED

HOW TO CONTACT US:

MAIL: PO Box K198
HAYMARKET NSW 1238

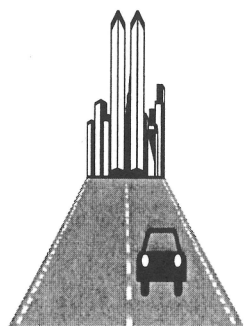
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SURRY HILLS

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City

"Your Road To Financial Success"



Country

