



SERVICE **ONE to ONE**

January 2009

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PETER'S MESSAGE

What a difference six months makes. In the July edition of the Member magazine, I referred to the soaring prices of fuel and high interest rates. Six months on, and it's a very different financial landscape, with volatile market conditions creating uncertainty.

Sub-prime lending (which loosely refers to lending to borrowers with lower credit ratings) was a major contributing factor to this volatility, as many of these loans have defaulted, triggering the collapse of several large organisations overseas. At SERVICE ONE Members Banking (SERVICE ONE), we have put a lot of effort into ensuring

we maintain a prudent and responsible approach to lending – and it's certainly times like these where we can clearly see the benefits of this. We have deliberately steered away from riskier products such as 'low-doc' and no deposit loans and we do not securitise our loans, meaning we have no obligations to investors – a huge plus in today's economic environment.

These market developments naturally make Members a little uneasy and some are concerned with the security of their funds. Our prudent approach to lending and the local focus of our operations means that, while we're not completely immune to the flow on effects of the financial crisis, we are very well placed to help Members weather the storm in a secure environment.

In addition, SERVICE ONE welcomed the Government's move to guarantee Members' deposits as it provides further assurance for our Members.

On a more upbeat note, we have seen a number of positive developments with SERVICE ONE over the past few months. In November we opened a new Branch at the Brindabella Business Park at the Canberra International Airport. This is the first of a new-look Branch layout for us, and feedback has been very positive. I'd like to welcome all of our new Members from Brindabella.

Last month, we moved over to a new banking system which allows us to provide a number of additional benefits to Members, including (but not limited to) an improved eLink Internet Banking service, more enhanced account servicing and product innovation. I would like to thank all Members for their patience throughout the conversion period. Large projects such as this cannot be undertaken without some level of disruption, but we're confident the benefits we can now offer far outweigh

any inconveniences that were experienced.

We've also been able to present Members with the first of what will hopefully be many benefits derived from a new alliance with ActewAGL and TransACT with our new store in Gungahlin. More information on this can be found on page 12.

2009 will no doubt prove a challenging year for all of us, but I am confident the hard work we've put in (and continue to put in) will enable SERVICE ONE to stand strong. We will continue with our agenda to progress our business and not only enhance the service we provide to existing Members, but position ourselves as a viable local banking alternative for those who don't already experience the SERVICE ONE approach.

Until next issue



Peter Carlin,
Chief Executive. ✨



MEMBER SURVEY



We talk a lot about our Member-focused approach and about effectively providing banking solutions for you. One of the ways we go about this is by seeking Member feedback.

Feedback from Members is incredibly important to us – not only to gauge the level of success of our current product offerings and service standards, but also to provide insight regarding what you'd like to see in the future and areas of improvement and/or enhancement.

Our annual Member survey can now be accessed via our website – www.somb.com.au. It will only take a few minutes to complete and is relevant whether you deal with SERVICE ONE via the Branch network, over the phone, online or a combination of these. The survey will be available until 30 January 2009.

If accessing the survey online is not convenient for you, we can post you a hardcopy survey – simply phone us on 1300 361 761, visit a Branch or email members@somb.com.au and request a copy.

Plus, by completing the survey by 30 January 2009, you will go into the draw to win \$500 to top-up your Day to Day Savings Account.

Keep in mind that you don't have to wait until we promote the Member survey to provide us with feedback. We have introduced a permanent feature on our website, allowing you to conveniently provide us with information.

Simply visit www.somb.com.au and click on the 'Feedback' tab on the top of the screen. ✎

Calling all Members - your feedback required



The Great Australian HEADACHE?

While Australians may still be pursuing the great Australian home ownership dream, it is now taking much longer to pay off home loans.

We take a closer look at issues contributing to this trend, including housing affordability and supply and demand.

Over the past few months, several reports have confirmed housing in Australia is amongst the least affordable in the developed world. In fact, over the past 20 years, median house prices paid by first home

buyers in Australia have grown five-fold. At the same time, first home buyer incomes have little more than doubled.

Given these facts, it is hardly surprising that we're seeing strong correlations between house prices and rising levels of household debt. This increase does, however, need to be viewed against the growing value of housing assets that have also risen substantially over the years – though at nothing like the pace of debt.

Throughout most of the 1980s, housing debt was equivalent to around 10 per cent of the value of housing assets. Since then,

however, the ratio has grown to a little over 26 per cent today.

The following factors generally influence home loan affordability:

- ✓ amount to be borrowed (reflecting the price of the property being purchased) and the borrower's equity situation
- ✓ loan repayments – the size of the loan, interest rates and the period of the loan all determine the repayment, and

- ✓ income – which affects the ability to repay the loan.

Key housing industry facts:

- ✓ Australia's housing is amongst the least affordable in the developed world.
- ✓ Housing affordability worsened significantly as prices escalated sharply



from the late 1990s, with first homebuyers worst affected.

- ✓ The deteriorating situation is reflected in sharply increasing levels of household debt that have been only partly offset by the growing value of housing assets.
- ✓ Declining affordability has, to date, had only a small

impact on the proportion of households pursuing the goal of home ownership but if current trends continue, as appears likely, this impact can be expected to become more apparent.

- ✓ Younger people in particular are finding it increasingly difficult to enter the home ownership market and over time it is likely that their priorities may shift away from a mortgage towards

seeking finance to support other lifestyle choices.

A supply and demand imbalance has been exacerbating the housing affordability problem in Australia. A housing shortage has been building up for several years. The economic growth that was experienced for most of 2008 contributed to this imbalance and to stronger-than-normal employment growth.

However, the current market volatility, increased inflation and forecasted increase in unemployment will most

probably have an impact on housing affordability. While the level of this impact is an unknown quantity at this stage, obstacles imposed by State and Territory Governments, including availability of land, price to develop land and cost of transferring that land continue to cause problems for those trying to get into the housing market.

For more information on the state of Australia's housing industry, visit the Housing Industry Association website at www.hia.com.au.

Source: September 2008 Abacus (Australian banking mutuals peak body) report, 'The Housing Affordability Challenge in Australia'.

Home Loans

Are you over-committed? Can you sustain your home loan repayments over the long-term? Will you ever get ahead with your mortgage?

Do you have a realistic view of your total household debt? Not knowing about your mortgage and options available to you could be costing you hard-earned money.

With the household budget being stretched more now than over the past few years, having an understanding of your finances is crucial. The sub-prime issues in the US indicate some lenders have relaxed their lending criteria too much. Lenders use different methods to assess the capacity of borrowers to meet mortgage commitments, and as such, borrowers may find big differences between the amounts lenders are prepared to offer.

Traditionally, lenders assessed home loan applications based on repayments of up to 30 per cent of pre-tax household income. More recently, assessments are being made on capacity to pay after taking account of tax, servicing of non-housing debt and basic living expenses. The problem with this new approach is that it can be easy to underestimate living expenses – compromising the loan assessment process.

The continuing reliance on credit cards (and mounting debt associated with credit card purchases) is another factor that needs to be taken into consideration when determining capacity to make loan repayments as (to some extent), it has masked the real level of mortgage stress in Australia.

Some practical tips for managing your home loan repayments:

- ✓ Gain a realistic sense of your capacity to make loan repayments by developing a budget plan – be as detailed (and realistic) as possible and include all credit card debt.
- ✓ If you are over-committed or you are uncomfortable with your loan repayment amount, speak to your financial institution about the options that may be available to you.
- ✓ Consider consolidating some or all of your debt.
- ✓ Think about changing your home loan product to better suit your financial circumstances now.
- ✓ With recent decreases in home loan rates, if you are able to do so, maintain existing/higher levels of repayments and you could find yourself paying off your loan sooner.
- ✓ Understand the competitiveness of your mortgage interest rate and associated comparison rate – small differences could save you thousands over the term of the loan.
- ✓ Consider Consumer Credit Insurance, as some of these products can cover your loan repayments for you during periods of involuntary unemployment or trauma.
- ✓ Speak to SERVICE ONE about a mortgage health check – even if you do not currently have your home loan with SERVICE ONE.✿

What you need to know



Are you under-insured?

Many of us own more than we think. Estimating the true value of your home and contents can be difficult, and as a result, you may find yourself seriously under-insured.

The true replacement value of your home can be determined by knowing the overall size of your home, and then using this to calculate an estimate of how much it would cost to rebuild. Replacement costs of any outbuildings, garages, carports, pergolas, external blinds, fences, gates, swimming pools and spas, or other special features should be included as these are generally covered by your insurance policy. You can ask a builder or architect to provide an assessment of the cost per square metre of rebuilding your home. If you don't know any, you can contact the Housing Industry Association (HIA) referral line on 1300 650 690 or your local HIA office.

To get the complete picture, you also need to accurately assess the replacement value of your home's contents. It can be easy to forget little things like lamps, pictures, mirrors and appliances, but these should all be included. Approaching this task room-by-room may assist in getting the complete picture. To help you along the way, our insurer, CUNA Mutual Group, Australia has developed the MemberCare Insurance Guide, which is a practical tool to help you estimate the replacement value of your home and contents by providing detailed lists of items you may own and allowing you to then indicate the replacement value of these items. All you have to do is work your way through the list, fill in any gaps, total it up

and you have an estimate of your replacement value for your home and contents.

For your copy of the MemberCare Insurance Guide, phone us on 1300 361 761 or visit your local Branch.



CUNA Mutual Group, Australia provides SERVICE ONE Members with a range of affordable domestic and lifestyle insurance solutions, with cover options for your home and contents, car, caravan and investment property, as well as life insurance protection for your family and cover for your mortgage and loan repayments.

Contact us for an obligation-free insurance quote by 20 February 2009 and you will go into the draw to win a Plasma television, valued at \$2399.*

Simply phone 1300 361 761 or visit your local Branch. ✨



* For competition terms and conditions (including trade permits) visit www.somb.com.au. Before making a decision about your insurance needs please refer to the Product Disclosure Statement available from SERVICE ONE, issued by CUMIS Insurance Society Inc. ABN 72 000 562 121 AFSL 245 491 (Incorporated in the United States. The members of the Society have no liability.) trading as CUNA Mutual General Insurance.

rediATM

YOUR DIRECT CHARGE-FREE ATM NETWORK

You may have noticed a new look Rediteller when withdrawing cash recently. Since November 2008, and through until March this year, all Reditellers are being given a makeover and a new name – rediATM.

However, the new name and look are not the only changes that you will notice with your new rediATMs.

The Reserve Bank of Australia's new Direct Charging changes come into effect on 3 March 2009 and promote transparency in charging, as well as bringing fees in-line with costs.

This means that when you are using another institution's ATM, the Direct Charge fee will be displayed for you, allowing you to decide whether to proceed with the transaction.

For Members of SERVICE ONE, remember you can use your rediCARD at any rediATM across Australia and you will not incur any Direct Charging fees.

For more information on rediATM or Direct Charging, please visit www.rediATM.com.au or www.somb.com.au.



IN THE COMMUNITY

MEDICARE CAMPAIGN



The Medicare 'Change of Address' campaign took place throughout September/October 2008, and SERVICE ONE was proud, to yet again support this initiative. The 2008 campaign generated 383 entrants, providing Canberra with over \$950,000 in additional GST revenue from the Federal Government.

For every resident of the ACT who has not yet updated his or her address after moving from interstate, the ACT misses out on approximately \$2,000 Government funding per year. To help capture this, SERVICE ONE offered four \$5,000 accounts – each person who changed their address with Medicare and registered their details with SERVICE ONE went into the draw. Congratulations to our four winners for 2008 – Marina Buchanan, James Ford, Casey Faust and Marjorie Greene.

“On behalf of the Canberra community, I would like to thank every new Canberran who benefited the ACT by entering the competition. These funds will further improve our city and develop our future,” ACT Chief Minister Jon Stanhope said.

This is the second year SERVICE ONE has supported this campaign. Over the past two years, the campaign has raised over \$2.5 million in additional GST funding for the ACT.

HUXLEY RAISES MUCH NEEDED FUNDS FOR CANCER CARE WESTERN NSW

CA Brumbies fullback Julian Huxley cycled from Canberra to Orange on 29 – 31 August 2008, to raise funds for the Orange Cancer Care unit. In total, Julian raised just over \$15,000 from his ride.

All monies raised from the weekend went to build accommodation units for patients and families requiring radiotherapy and cancer care treatment at Orange's new hospital. The facility will service 300,000 people in the central, mid and far western regions of NSW and means they will not have to travel the long distances to either Sydney or Canberra for treatment.

Julian, who was diagnosed with a benign brain tumour in March last year, said he was impressed with the level of support from the public (including donations collected through SERVICE ONE).

“I was blown away by the generosity and how quick people were to donate time and money towards the ride,” he said. “Cancer Care Western NSW is a great organisation and the work they're doing at the moment in Orange will help relieve stress during what is already a very stressful time for many families.”

BRUMBIES MEMBERSHIP OFFER

The CA Brumbies 2009 season is about to begin and SERVICE ONE Members can enjoy 20% off the price of season membership packages with the Brumbies if they sign up by Friday 30 January 2009 (all necessary paperwork must be returned to SERVICE ONE). The Brumbies will play a total of six home games this year – it kicks off against the Crusaders at Canberra Stadium on Saturday 21 February 2009. Visit www.somb.com.au or your local Branch for more information on membership packages and taking up this special offer.

TERTIARY OPEN DAY RECAP

SERVICE ONE was proud to once again, support Tertiary Open Day (TOD). TOD is a collaboration between Canberra's five tertiary institutions (University of Canberra, Australian Catholic University, Australian Defence Force Academy, CIT and Australian National University), and allows school leavers, mature age students and graduates to gain all the course and campus information they need. The 2008 TOD was held on Saturday 30 August.

SERVICE ONE used TOD to launch and distribute a Student Finance Guide – a resource for tertiary students, aiming to teach them about the importance of managing money. The guide focuses on understanding the importance of budgeting and developing a budget plan, identifying ways to cut expenses, managing credit, eliminating the threat of being under-insured, managing mobile phone costs and more. We distributed thousands of copies as part of TOD activities, and while the parents seemed more excited about the resource than their children, we're hopeful the information will help students develop a sense of financial responsibility – an important life skill for anyone!



CHRIS' CAMBODIA CHALLENGE



SERVICE ONE staff and Members raised over \$3,000 to support the Children's Financial Literacy Program in Cambodia. The Credit Union Foundation Australia runs the program entirely with the funds raised by their Cambodian Leadership Challenge participants

and their supporters. SERVICE ONE's Compliance Officer, Chris Hadlington, participated in the challenge in September 2008 by raising the funds, cycling five days through Cambodia, and helping to teach the kids about saving, and the importance of using the local 'savings banks'.

SERVICE ONE worked with a number of Australian credit unions to ensure that 9,000 children will learn basic financial skills to help their families and communities combat poverty. A total of over \$52,000 was raised.

BEMBOKA TREE PLANTING

SERVICE ONE was pleased to support a local tree planting initiative in Bemboka. Karen, Rod and Arlene from our Bemboka Branch joined locals to plant 500 yellowbox, forest red gum, white stringybark and black wattle in the Columbo Creek Reserve. This tree planting exercise was undertaken to ensure recovery of remnant vegetation across the reserve and enjoyed great support from local media and businesses. The SERVICE ONE crew were also responsible for running the BBQ on the day. Well done! 🌱

SERVICE ONE NEWS

EXPANDING NETWORK

Last month, we opened a new Branch at the Brindabella Business Park, Canberra International Airport. This Branch is the first of our more open-plan layout Branches. You can expect a very different experience at Brindabella, with Internet Banking touch screen terminals and relaxed areas to sit and have a chat with staff about your financial needs and goals.

In addition, on Thursday 4 December 2008 we held a market day for staff of Brindabella. SERVICE ONE joined retailers in Building 23 to showcase services on offer. We distributed copies of our Budget Guide, allowed visitors to go into the draw to win a ride for two in the SERVICE ONE hot air balloon, and had representatives from Bridges Financial Services

on hand to talk to people about any financial planning needs. Thanks to everyone who got involved with the market day – it was a great success.

If you are at the Brindabella Business Park, you can find the SERVICE ONE Branch by following Brindabella Circuit, until you reach Building 23. Our Brindabella Branch is open

Monday to Friday 9am until 5pm. ✿



NEW BUSINESS ALLIANCE STARTS WITH GUNGAHLIN STORE

SERVICE ONE, ActewAGL and TransACT have formed an exciting new alliance resulting in the opening of a brand new store at The Marketplace, Gungahlin, called 360° living.

The store is a first for Australia, with a banking institution and a utilities provider and telecommunications company combining to provide customers with a unique full service store. SERVICE ONE, ActewAGL and TransACT are all local organisations that have a

strong history of supporting the community.

The 360° living store operates like any other SERVICE ONE Branch, offering you financial products and services, informed staff and Internet Banking terminals, with the added benefits of ActewAGL and TransACT products and services.

Visit 360° living at Shop 15, The Marketplace, Hibberson Street, Gungahlin.

360° living's grand opening will take place in the coming weeks and will include fun for the entire family.

For more information, visit www.somb.com.au. ✿

 **360° living**
More services More convenience

 **TransACT**
Everytime.

 **SERVICE ONE**
Members Banking

 **ActewAGL**
Always.

RECOMMENDED EMPLOYER AWARD

In September 2008, SERVICE ONE picked up yet another award – this time for Recommended Employer in our industry category as part of the 2008 Australian Business Awards. Australian Business Awards Program Director, Tara Johnston said “the success of SERVICE ONE has been built on a range of employee benefits and a workplace that supports

and fosters diversity, excellence, honesty and integrity. It is clear that SERVICE ONE has a strong culture which values teamwork, communication, encouragement and community engagement.”

Chief Executive Peter Carlin, expressed the importance of winning such an award. “Winning the Recommended Employer category is incredibly

satisfying. We’ve worked hard to build a culture where our team knows they are valued and respected – we employ from within our local communities and treat our employees as members of our family. Our aim is to provide a supportive and stimulating workplace so we can encourage each of our team to grow both professionally and personally” Mr Carlin said.

We’re hopeful the strategies we have put in place (contributing to this award) have a direct impact on staff satisfaction – something that should be coming across in the positive Member service you receive when dealing with us.✿



STAFF MILESTONES



KASHIF CHEEMA – 5 YEARS

“Working with SERVICE ONE has been a very exhilarating experience. It has opened new avenues for my professional and personal development and every day brings new opportunities and challenges for me to grow and build upon. For me, achievement is when a satisfied Member of SERVICE ONE walks out of the door and is pleased to be part of the SERVICE ONE family. I feel honoured to work with an amazing bunch of people who know how to work hard and enjoy themselves!”



TANYA MORRIS – 5 YEARS

“When I started at the credit union, I joined the team in the Telephone Response Centre. I learnt many facets of the credit union, including the resetting of personal icons for Internet Banking and Term Deposits. We had a great team and I made many friends with both the staff and Members. I have recently transferred to Tuggeranong Branch as Branch Manager and am once again part of a great, friendly team, focused on providing exceptional service to our Members. I have thoroughly enjoyed the past five years and am looking forward to meeting new staff and Members in the coming years.”✿

YOUR SECURITY

ID AND ONLINE PROTECTION

There is a wealth of personal information about us readily available in the public domain – from cards in our wallet, mail, public records, information saved in our computers, information posted on social networking sites and online. Identity theft can happen easily and quickly.

In addition, if we do not take adequate precautions when we conduct ourselves in an online environment, we can increase the risk of fraud.

Below are some practical tips you should keep in mind when it comes to protecting your identity and avoiding online fraud.

Protect yourself:

- ✓ Never send money or give personal details to people you don't know and trust.
- ✓ If you receive a call from your financial institution or any other organisation, don't provide personal details – instead ask for their name and number. Check with the organisation in question before calling back. Never rely on a number provided in an email – instead find the contact number through an Internet search or the back of your ATM card.
- ✓ Regularly check your credit card and/or statements to ensure that suspicious transactions are detected.
- ✓ Shred all documents containing personal information, such as credit card applications and bank statements.

- ✓ Log directly onto a website that you are interested in rather than clicking on links provided in an email.
- ✓ Have a unique password/access code for your Internet Banking. Avoid using the same password/access code for different online applications.
- ✓ When logging into or using Internet Banking, look for the closed padlock symbol in your web browser. You can double-click the padlock symbol to view the server security certificate's details.
- ✓ Keep your Antivirus software up to date. New viruses are constantly appearing – ranging from harmless pranks that merely show an annoying message, to programs that can destroy or disable a computer altogether.
- ✓ Always get independent advice if you are unsure about whether an offer or request is genuine.

For more information on identity theft or online fraud, visit www.scamwatch.gov.au or www.somb.com.au. ❄

Our new eLink Internet Banking facility uses a range of functionality to help protect you, including the Captcha feature when you login. In addition, the requirement to input your Access Code and date of birth using a floating keypad when conducting external transfers gives even more protection. Want to know more about these features and the new eLink? Refer to the Online Banking Guide on the eLink login page or refer to information on our website.

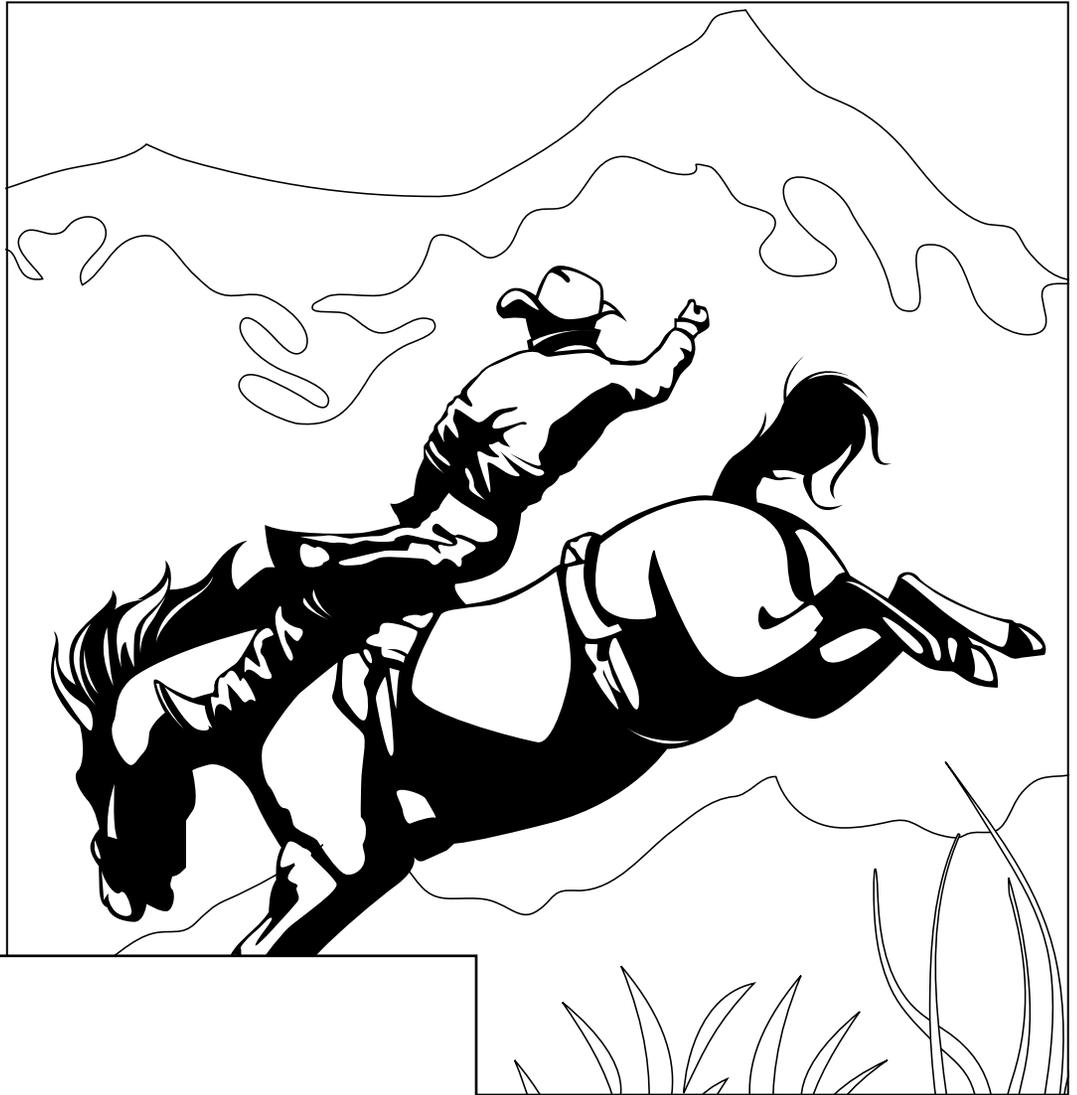
WIN \$100

Kids under 15 years of age – colour in the Snowy River scene and you'll go into the draw to win one of three \$100 Savings Accounts!

Bring your entry into your local Branch, send it in to us using the enclosed reply-paid envelope or mail it to Locked Bag 1, DEAKIN ACT 2600.

Hurry, entries close
27 February 2009.

GOOD LUCK!



Name:

Member No:

Age:

Phone Number:

Entries valid for kids under 15 years of age only. Competition based on skill (age of entrant and creativity considered).

ADMINISTRATION CENTRE

Address: 75 Denison Street
DEAKIN ACT 2600

Mon – Fri: 9.00am – 5.00pm

TELEPHONE RESPONSE CENTRE

Phone: 1300 361 761

Fax: (02) 6215 7171

Mon – Fri: 8.00am – 5.30pm

Email: members@somb.com.au

Sat: 9.00am – 12.00pm

Web: www.somb.com.au

BRANCHES

Australian National University

Civic

The Canberra Hospital

Batemans Bay

Cooma

Tuggeranong

Belconnen

Deakin

Tumut

Bemboka

Gungahlin (360° living store)

University of Canberra

Brindabella Business Park

Narooma

Woden

Calvary Hospital

Queanbeyan

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Members Banking 

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