

# APS 330 Remuneration Disclosure

as at 30 June 2019



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

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

- making annual recommendations to the Board on the remuneration of the CEO, direct reports of the CEO and those identified within the Remuneration Policy; any other person whose activities may, in the Committee's opinion, affect the financial soundness of the Credit Union and any person specified by APRA
- conducting regular reviews of and making recommendations to the Board on the Remuneration Policy (including an assessment of the Remuneration Policy's effectiveness and compliance with the requirements of Prudential Standard CPS 510 Governance).

The Governance Committee operates in accordance with its written charter that outlines the Committee's roles, responsibilities and terms of operation.

The Governance Committee comprises three (3) independent non-executive Directors and meets at least quarterly.

During the financial year the Governance Committee reviewed market-based remuneration and market movements referencing market survey information provided by McGuirk Management Consultants.

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

- encourage behaviour that supports the Credit Union's long-term financial soundness and risk management framework
- attract and retain individuals who have the necessary skills for the effective and prudent management of the Credit Union
- enable risk and financial control staff to perform their functions without compromise.

The policy is reviewed annually by the Governance Committee, with the last review (in May 2019) introducing minor amendments to comply with the Credit Union's obligations under the Banking Executive Accountability Regime.

The following employees are identified as Senior Managers in accordance with CPS 510 Governance and the Credit Union's Remuneration Policy:

- Chief Executive Officer
- Executive Manager Brand and Member Experience (until August 2018)
- Executive Manager Distribution (from August 2018)
- Executive Manager Finance and Treasury
- Executive Manager Credit and Risk
- Executive Manager Digital and Member Insight
- Senior Manager People & Culture

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

## **Fixed Component**

As captured in Credit Union SA's Remuneration Policy, the Credit Union's remuneration model is based on the total remuneration concept with employees remunerated with fixed remuneration only. Credit Union SA's remuneration model does not contain any variable (at risk) components with the fixed components of remuneration consisting of base salary, superannuation and non-cash benefits.

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

Remuneration levels are reviewed annually by the Governance Committee through a process that considers individuals, business units, overall performance of the Credit Union and the markets in which it operates and are approved by the Board.

## **Annual Bonus**

All employees undergo an annual performance review which considers the performance of the individual measured against key performance indicators that are inclusive of organisational goals (financial and non-financial metrics).

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

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

In compliance with the Credit Union's Remuneration Policy, for the 2018/19 financial year there were no variable (at risk) remuneration awards, guaranteed bonuses or sign-on awards made to Senior Managers.

## **Risk and Compliance Staff**

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

## **Governance Committee Remuneration**

In the 2018/19 financial year the Governance Committee held five meetings.

Directors are paid a base Director remuneration amount with additional loadings applied to the Chair of the Board and the Chairs of Board Committees and membership of Board committees in excess of one committee membership. The total remuneration paid to Governance Committee members in the 2018/19 financial year was \$202,465 (2017/18 financial year: \$204,424).

## Other remuneration disclosures

Variable remuneration, guaranteed bonuses, sign-on award and termination payments during the financial year	2019		2018	
	No. of employees	Amount	No. of employees	Amount
Number of variable remuneration awards	-	-	-	-
Number and total guaranteed bonuses awarded	-	-	-	-
Number of sign-on awards	-	-	-	-
Number and total termination payments	1	\$115,000	1	\$60,370

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

Total value of remuneration awards for senior managers/ material risk takers for the financial year	Unrestricted	Deferred	Unrestricted	Deferred
<b>Fixed Remuneration</b>				
• Cash-based	\$1,469,876	-	\$1,654,643	-
• Shares and share-linked instruments	-	-	-	-
• Other	-	-	-	-
<b>Variable remuneration</b>				
• Cash-based	-	-	\$5,000	-
• Shares and share-linked instruments	-	-	-	-
• Other	-	-	-	-