

ISSUE 14
JANUARY 2011

COMMUNITY CONNECTION



GIVE YOURSELF
A FINANCIAL
MAKEOVER IN 2011

IT'S A GOOD TIME
TO TRAVEL!

TIPS FOR
BUYING A CAR

ARE YOU READY
TO RETIRE?



GET READY
FOR XMAS
2011 AND YOU
COULD WIN....



LIFESTYLE REWARDS

We have teamed up with The Ambassador Card to create our Lifestyle Rewards Program which rewards members for taking out a term deposit.

It provides a wide range of discounts at retail outlets, restaurants and cafes, as well as savings on hotel accommodation and leisure activities and exclusive offers on our products and services.

Open a term deposit to receive these great rewards and visit our website to find out more about the benefits you can take advantage of.

MESSAGE FROM OUR CEO...



Welcome to the new look edition of our Community Connection newsletter. Thank you to all of our members who completed the survey on our newsletter – we have taken your feedback into consideration in our new look.

Inside this edition you'll find lots of great information on buying a car, travelling overseas and preparing for retirement. You'll also get an update on what we've been up to in the community over the past few months.

As you may be aware, the Reserve Bank of Australia (RBA) recently announced the official cash rate would increase by 0.25% on 2 November 2010.

As a result, we increased our home loan variable interest rate by the same amount (0.25%) to meet the increased cost of funding associated with the RBA decision. This change is in line with the market. Although the banks, as you will have observed, have increased their rates beyond 0.25%.

This decision renders our standard variable home loan rate lower than the major banks.

Unlike the major banks, our members are our shareholders and are an integral part of our business. Members and the community remain at the heart of everything we do and we strive to constantly deliver benefits back to you.

We remain a genuinely competitive alternative to the major banks and we thank you for your continued support.

Robert Keogh

INSURANCE REMINDER FOR BORROWERS

Do you have a Home or Investment Loan with us secured by a mortgage over a residential property?

If so, we'd like to remind you that under the terms of the mortgage loan agreement, you are required to keep the mortgaged residential property insured at all times. The amount of insurance protection should be at least the current replacement value of the building. You should check your policy to make sure it is current and that the sum insured is adequate.

Why not talk to us about insurance for your mortgaged residential property? With our *PremierCare*[®] range of insurance* we can arrange cover for your home or investment property as well as your contents and personal valuables. Just mention this reminder notice and we'll give you 10% discount[#] on the premium.



*This insurance is provided by Allianz Australia Insurance Ltd (Allianz) ABN 15 000 122 850 AFSL 234708.

[#] Discount is not available in conjunction with any other insurance offer and applies to new insurance only. The minimum premium established by Allianz will apply. In arranging these insurances Community CPS Australia Ltd acts as agent for Allianz and not as your agent. All applications for insurance are subject to normal acceptance criteria. © A registered Trade Mark of Community CPS. You should consider the Product Disclosure Statement (PDS) available from Community CPS, United Community or Companion before deciding on these products. This is general information only and may not suit your needs. If you purchase this insurance we receive commission as a percentage of the premium.

TIPS FOR BUYING A CAR

Whether you are purchasing a new or used car, buying a car is a very exciting time – but there are many things to consider. **HERE ARE OUR TOP 10 TIPS.**



1. Once you've decided on your dream car, consider getting a pre-approved car loan so that you know exactly how much you have to spend. That way you have bargaining power when negotiating the final sale price.
2. It is important to consider all of the features of the different car loans as well as the interest rate when comparing them, such as whether you can repay extra and if you can redraw those extra repayments and what loan fees you have to pay.
3. You can research different car models, features, and prices on the Internet. The Red Book website www.redbook.com.au is useful for finding out the market value of used and new cars, especially if you have a trade-in to offer. Other useful websites include: howsafeisyourcar.com.au and greenvehicleguide.gov.au, which provides star ratings on environmentally friendly cars.
4. If you are buying a car through a dealer, make sure you negotiate a 'drive away price' rather than a weekly payment plan. You may think that you're getting a great deal by bundling finance and paying a low weekly rate, but beware – the repayment period may be longer than you think and in the end the total cost of the car could be far more than what you expected.
5. If you want help finding a car, consider using Car Search Brokers Australia www.car-search.com.au. They will do a national search for the car you want, help you get the best price without the run around and even arrange transport and registration.
6. If you're looking at a used car, ensure that it is not still under finance as it could end up being repossessed by the financier leaving you out of pocket. Visit www.revs.nsw.gov.au in NSW and ACT; www.ezyreg.sa.gov.au in SA and <http://bizline.commerce.wa.gov.au/revs> in WA to conduct a search – they may even be able to tell you if the car has been stolen, written off or defected.
7. Another smart option for used cars is to have the car inspected to ensure the car is mechanically sound through your local mechanic or automobile association.
8. Use a checklist when looking at a car to help you focus on the important features so you don't miss anything. Your local automobile association has handy checklists you can download from their website.
9. Don't forget other expenses, like stamp duty and insurance. It's a good idea to get a quote for vehicle insurance before you buy the car so that you know your ongoing expense. Then once you've bought the car your insurer can start your policy immediately, giving you peace of mind.
10. Keep in mind that it takes much more money to keep a car running than simply paying off the loan. On average, the total cost of car ownership is around 1.5 times higher than the cost of paying off the loan. Remember to budget for insurance, petrol and regular maintenance such as servicing, new tyres and registration.

We can help with a Car Loan and Car Insurance
Call us on 13 25 85 or visit our website for our Car Loan calculator.

GIVE YOURSELF A FINANCIAL MAKEOVER IN 2011...



As the festive season comes to an end and a new year has commenced, so has the opportunity for a fresh start financially. You may not even want to look at your account balance, let alone make a budget, but now is the perfect time to add a new set of financial goals to your list of New Year resolutions.

TAKE THE TIME TO ASSESS YOUR CURRENT FINANCIAL SITUATION

- List your short, medium and long term financial goals so you have something to aim for
- Identify which expenses are fixed versus those that you can reduce (i.e. phone bills, eating out)
- Establish a realistic budget and commit to it
- Consider your major expenditures for the year and put a savings plan in place.

PAY OFF YOUR DEBT

- Know what interest rates you are paying on your loans and credit cards and work to reduce the balances of those charging the highest rate of interest first or consider consolidating your debts.
- If you only get 30 days interest-free on your credit card, look at changing to a card with 55 or 60 days. And if you can't pay it all off, consider taking advantage of a balance transfer to a lower interest rate credit card.

START SAVING AND PLAN AHEAD FOR NEXT CHRISTMAS

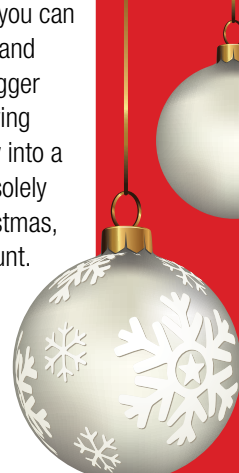
By preparing a Christmas budget you can avoid a post-Christmas hangover and the earlier you start saving, the bigger your nest egg will be. Start by having part of your pay deposited directly into a separate savings account that is solely for the purpose of saving for Christmas, such as our Christmas Club Account.

REVIEW YOUR MORTGAGE

Increasing the frequency of your repayments can make a huge difference to the amount of interest you pay on your home loan and will help you pay it off sooner. Check if extra repayments are possible on your loan and consider a weekly payment plan or budget for a regular amount from your pay.

WIN!WIN!WIN!

Open a Christmas Club Account in January or February 2011 & you could be ONE OF 10 LUCKY MEMBERS to win a \$50 deposit in your account.



Call us on 13 25 85 to find out more about how we can help with your financial resolutions.

Visit our website for competition terms & conditions.

ARE YOU READY TO RETIRE?

Australians are living longer and retiring earlier, with many people now spending more than a quarter of their lives in retirement. There are a number of steps people can take to ensure they are well placed for retirement.



RETIREMENT PLAN

Good planning will make retirement easier and reduce financial pressures. An effective retirement plan should consider your personal goals and objectives during retirement and cover things such as how your assets are held, how to best maximise cash flow, how much money you will need and if you will qualify for the aged pension.

ESTATE PLANNING

Planning for unforeseen events with effective estate planning should also be a top priority. An up to date estate plan is essential, not only to address the transfer of your assets to chosen beneficiaries upon your death, but also to clarify who will make decisions on your behalf should you become unable to do so in the future.

CENTRELINK

Working out your entitlements through Centrelink can be confusing and it is important to make sure you understand what your position will be in relation to receiving Government benefits during retirement. For many, the aged pension

does not provide enough money to fund a comfortable retirement, but still plays an important part in qualifying for pensioner concessions which will save you money on expenses relating to health, utilities and transport.

ACCOUNT-BASED PENSION PRODUCTS

As you begin to transition to retirement, you should consider the appropriateness

of using an account-based pension (also known as an allocated pension).

This type of product can provide you with a flexible and tax effective way of generating regular income in retirement. Once you turn 60 years of age, pension payments and lump sum payments from your pension account are entirely tax free.

OUR FINANCIAL PLANNING SUBSIDIARY EASTWOODS WEALTH MANAGEMENT CAN HELP!

Eastwoods Wealth Management specialises in providing advice on government superannuation, redundancies, retirement, wealth accumulation, investment strategies, managed or direct investments, superannuation and taxation.

For more information call 13 25 85 or visit www.eastwoods.com.au

Financial Planning services are provided by Eastwoods Wealth Management Pty Ltd ABN 17 008 167 002 AFSL 237853. Eastwoods Wealth Management is a principal member of the Financial Planning Association. Eastwoods Wealth Management is a subsidiary of Community CPS Australia Ltd. ABN 15 087 651 143. This is general information only and has been prepared without taking into account your objectives, financial situations or needs. We recommend that you seek appropriate advice before making an investment decision.

IT'S A GOOD TIME TO TRAVEL...



The Australian Dollar is at a record high - for travellers this means the Australian Dollar will go a lot further and, in regions such as North America and Asia, Aussie travellers have recently gained up to 24%* more on their currency conversion compared to June last year.

When travelling overseas, it is recommended that you always have more than one payment option – some local cash and a Cash Passport Card or Visa Debit card. That way, if you have difficulty with any of them, you will always have an alternative.

CASH PASSPORT CARD

A Cash Passport is ideal for all major tourist destinations overseas, being accepted at more than 30 million locations in 150 countries. A Cash Passport is pre-paid, so it protects your money should your card be stolen while overseas, and also comes with a spare card in case you lose the original. You can purchase the card in any amount from \$100AUD to \$25,000AUD.

VISA DEBIT CARD

Your Visa Debit card links to your savings account so you can continue to access funds directly from your account as you do at home. If you wish to use your current Visa Debit card overseas simply let us know so that we can take your travel into consideration when we conduct our regular monitoring for fraudulent transactions.

Make sure you know your PIN and have the back of your card signed before you leave Australia.

TRAVELLERS CHEQUES

Travellers cheques are still a safe and convenient way to carry money abroad and they are accepted almost worldwide. You should always keep a note of the serial numbers and the contact number for the issuer separate from the cheques so that they can be quickly and easily reported and replaced if lost or stolen.

FOREIGN CASH

It is always advisable to carry some local cash to cover taxis and trips upon arrival overseas. Local currency can also be drawn from ATM machines using your Visa Debit card or Cash Passport.

DON'T FORGET TRAVEL INSURANCE

According to www.smartraveller.gov.au, the Department of Foreign Affairs and Trade handles more than 20,000 cases a year involving Australians in difficulty overseas. Consider what you'd do (and what it might cost) if you were hospitalised or your luggage was lost, or you were pocket-picked of your holiday savings.



Purchase a Cash Passport in January or February 2011 and you will automatically go in the draw to receive an additional \$500 loaded on your Cash Passport.

For more information on how we can help with your foreign payment options and travel insurance call us on 13 25 85.

Visit our website for competition terms and conditions.

Share the difference



CHANGE TO OUR HOME & INVESTMENT LOAN TERMS

Effective from 1 March 2011, the terms of our Loan Contract will change with the following terms inserted:

MORTGAGE OFFSET

18.1 A Mortgage Offset Account can only be linked to selected home or investment loans. You can find out which home loans are eligible for Mortgage Offset by contacting us.

18.2 You may only have one Mortgage Offset Account linked to one loan account. Both the loan and the Mortgage Offset Account must be in exactly the same name(s).

18.3 If you have a Mortgage Offset Account linked to this loan and maintain a minimum balance of \$500 in the account, the interest that would otherwise be charged on the linked loan at the end of each month will be reduced by the offset amount.

18.4 We will calculate the offset amount by multiplying the balance of your Mortgage Offset Account or the unpaid balance of the linked loan (whichever is less) at the end of each day by the daily interest rate. The daily interest rate is the relevant annual interest rate on that day divided by 365

18.5 The relevant annual interest rates and the relevant tiers applying to Mortgage Offset Accounts, are set out in our Savings and Term Deposits Interest Rates Schedule, which can be obtained from a Personal Financial Centre, by phoning 13 25 85 or by visiting our website.

18.6 We may vary the annual interest rate used to calculate the offset amount at any time.

18.7 We may vary your loan contract to end any offset arrangement linked to your loan by giving you at least 20 days written notice or immediately if you are in default under your linked loan account.

18.8 Additional terms and conditions apply to Mortgage Offset Accounts. Refer to the Product Guide for Savings & Business Accounts, Term Deposits & Access Products which can be obtained from a Personal Financial Centre, by phoning 13 25 85 or by visiting our website.

CHANGES TO LOAN FEES

From 1 January 2011 we will be removing the \$250.00 Break Costs Administration Fee

From 1 March 2011 a \$150.00 Deed of Priority Fee will be introduced

CHANGE TO CARD FOREIGN CURRENCY CONVERSION FEE

From 1 March 2011 the conversion fee charged on all transactions made in a foreign currency using a Visa Debit card or rediCARD will increase to 2.5% of the value of the transaction. 2% is payable to Cuscal, 0.5% is payable to us.

2010 AGM...

At the 2010 Community CPS AGM held on 26 November in Canberra, the resolution in relation to the appointment of Peter Gogarty as a Director was passed. This was the only resolution put to the meeting.

The Chairman, Gary Green, announced his resignation as Chairman effective 16 December 2010. He will continue to serve as a Director.

The Board elected Director Chris Doogan as Chairman and Director Anne O'Donnell as Deputy Chairman effective 17 December 2010.

Details of all Directors are contained on pages 10-12 of the Annual Report which is available on our website.

COMMUNITY NOTICE BOARD



Francinne O'Rourke, Camp Quality and David Hurford, United Community

Thank You!

Our national fundraising appeal for Camp Quality finished in October and we are pleased to announce that we have provided a total of \$170,444 nationally and \$34,500 to Camp Quality in WA.

The \$34,500 raised by United Community will see over 100 kids in WA given the opportunity to attend a Camp, where cancer takes a back seat so that the kids can be kids again. They take part in activities such as horse riding, abseiling, rock climbing and canoeing - all in a safe and optimistic environment filled with fun therapy.

"We are grateful for the support of United Community and their Foundation. It is donations such as these that help us continue to deliver our fun therapy filled programs to children living with cancer and their families," said Camp Quality CEO, Simon Rountree.

Thank you to our members for your support!



Mission Australia

Christmas Lunch in the Park

Our Foundation recently provided a \$10,000 grant to Mission Australia for their Christmas Lunch in the Park event for 1,700 disadvantaged people in the community.

We supported Mission Australia in their quest to gather 4,000 gifts for the event by collecting gifts at all our Personal Financial Centres and in December we held a wrap-a-thon where our staff wrapped all the presents.

Thank you to all members who donated gifts for this wonderful event for those less fortunate.



We made Christmas brighter for 1,700 disadvantaged people in the community.