



# ISSUE 8

November 2011

# Accomplish

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### Committee members:

- Jeff Whalan  
(independent  
Chair)
- Patricia Langham  
(industry  
representative)
- Prof. Gail Pearson  
(consumer  
representative)

Next CCC meeting  
date:

- 14 December 2011  
(Sydney)

## A message from the Code Compliance Committee

During the last financial year, the Committee, supported by the Secretariat, was able to deliver the objectives set out in the work plan for its second year of operation.

The Committee's broad approach has been to focus on raising awareness and encouraging compliance, in particular in areas where it was established that Mutuals had a basic or poor understanding of the requirements set out in the Code, based on last year's results of the Annual Compliance Statement.

I congratulate the 85 per cent of subscribing Mutuals who submitted their Annual Compliance Statement by the end of September. This is an improvement on last year.

The Committee is currently delivering a new workplan and budget for the 2012/2013 year for approval by Abacus, and would welcome any ideas for future projects.

Please email [info@codecompliance.org.au](mailto:info@codecompliance.org.au) if you wish to raise awareness of any areas that you believe may benefit from a survey of industry practice, from the development of guidelines for compliance with the Code or where you believe that additional training is required.



Re-appointment of Prof. Gail Pearson in her role as CCC consumer representative.

The Committee is pleased to confirm that Professor Gail Pearson has been re-appointed as the Committee's consumer representative for a further period of three years.

Abacus Convention

The Committee members Professor Gail Pearson and Patricia Langham, the Executive Manager Dr June Smith and the Compliance Manager Daniela Kirchlinde attended the Abacus Convention in Cairns in October 2011. They met with a number of Credit Unions and Mutual Building Societies to discuss the Committee's compliance monitoring work, and to gain insight into the day to day operations of some Mutuals. This was a valuable experience. An informed understanding of what is important and relevant to the Mutual industry is critical to the monitoring activities undertaken by the Committee.

During the convention, the Committee also met with the Chair and Deputy Chair of the Mutual Banking Code Compliance Committee Association and Abacus to discuss issues of mutual interest.

**Jeff Whalan, Chair**

## **A message from the Executive Manager**

Current focus on:

- embedding Code in T&Cs;
- direct debit obligations; and
- publicising the Code.

I am pleased to report that the Committee had a successful year in 2010/11. In addition to the ongoing development of the Committee's own internal procedures and processes and its website, some major projects were undertaken.

In particular, the Committee reviewed compliance with part B of the Code (embedding the new Code in the Terms & Conditions), part D section 20.1 (direct debits) and part E section 1 (publicising the Code).

Future focus on:

- Code training; and
- safeguard for loan guarantors.

Furthermore, the Committee has started work to undertake research across the industry in relation to areas of Code training and compliance with Code obligations regarding 'Safeguards for loan guarantors' (part D section 12).

Objective to visit every Code subscriber on a five year cycle.

The secretariat is continuing to conduct on-site visits to Mutuals to better understand the compliance challenges faced, to discuss the results of their ACS responses and to offer its Code compliance knowledge and expertise. As the Committee believes that this is an important part of its operations, it has recently approved a plan to visit all Code subscribers over a five year cycle including visits to Mutuals in rural and remote areas. This means that in 2011/12, a total of 19 Mutuals will be visited. To date, we have conducted 8 onsite visits.

If you wish to arrange an urgent visit by the Committee, please email [info@codecompliance.org.au](mailto:info@codecompliance.org.au).



[Click here to contact CCC via email.](#)

Alternatively, you are more than welcome to visit us in our Melbourne office to discuss any Code compliance matters you may have. Please contact us to make an appointment.

*Dr June Smith, Executive Manager*

## The Annual Compliance Statement (ACS) 2011

Only 85 per cent of ACS responses received as at the deadline of 30/09/2011.

As at the deadline of 30 September 2011 only 85 per cent of ACS responses had been received, despite Mutuals having more than four months to prepare and lodge their returns.

Annual Report to be published in December 2011.

The Committee would like to highlight again that the ACS process is a significant component of the monitoring program and furnishes the Committee and the Mutuals with valuable information on current issues, good industry practice and potential areas for improvement. The ACS process also helps the Committee to identify how effectively the Mutuals address their Code obligations and improves the Committee's understanding of some of the compliance challenges faced by Mutuals in their daily business operations.

The complete analysis of the ACS responses will be detailed in the CCC Annual Report, which will be published in December 2011.

Preliminary key findings request further industry consultation and the need for uniform guidelines in some areas of the Code.

The following are some preliminary key findings:

- 75 per cent of Mutuals appear to have good overall compliance with Code obligations, including providing documented information for members and having in place effective policies and procedures for staff.
- Some elements of part D of the Code, including section 7 (credit limit increase offer), section 8 (reverse mortgage loans), section 14 (use of finance brokers) and section 18 (provision of statements & notices electronically) appear not to be applicable to more than 25 per cent of Mutuals.
- There appears to be inconsistency amongst Mutuals regarding methodology, responsibility and frequency of reporting of Code breaches, both internally and externally to the CCC. The Committee suggests that there may be a need for uniform guidelines in this area.
- It appears that the majority of Mutual websites are still being reviewed and amended to take into account the Committee's recommendations.
- Over ten percent of Mutuals requested further industry consultation regarding the Committee's recommendations in the Visibility & Access Report<sup>1</sup> relating to use of the Code symbol, advertising of translating services and use of website standards.

<sup>1</sup> See CCC website <http://www.cccmutuals.org.au/2010/06/18/report-9-visibility-and-access/>



- 50 per cent of Mutuals confirmed that they needed further training and improved guidelines to comply with the Code's Direct Debit requirements<sup>2</sup>.
- 60 per cent of Mutuals advised that they are still reviewing their Terms & Conditions to reflect the new Code obligations.
- Over 15 per cent of Mutuals requested further industry consultation regarding the Committee's recommendations listed in the Report on compliance with part B of the Code<sup>3</sup> relating to the location of Code information, inclusion of descriptive information about the Code and its key promises, advertising of the Committee's contact information and explanation of its role in comparison to external dispute resolution (EDR).
- Mutuals confirmed general satisfaction with the Committee's services, and more requested the Committee consult with industry prior to issuing guidelines and recommendations and to undertake survey research and shadow shopping exercises.

## Future Projects

**In the coming months, the Code Compliance Committee (CCC) will:**

**In relation to the 2011 ACS:**

- consult with the industry about the outcome and trends associated with the ACS 2011 review;
- focus on breach management and assessment of breach registers as part of that review;
- address individual concerns with Mutuals as necessary; and
- review information received regarding potential Code breaches and/or systemic issues as a result of ACS data received from Code subscribers.

**In relation to previous CCC recommendations to industry:**

- review the extent to which Mutuals have incorporated the CCC's recommendations regarding visibility and access of Code, IDR and EDR information on their websites;
- review the extent to which Mutuals have considered and implemented the CCC's recommendations regarding incorporation of the Code into the written terms and conditions of those products and facilities to which the Code applies (as required under part B of the Code);

### Future Projects:

- Verification process ACS 2011
- Ongoing visits to Mutuals
- Review Mutuals' consideration of recommendations issued by CCC
- Compliance review on guarantee requirements of the Code
- Develop ongoing communication plan

<sup>2</sup> See CCC website <http://www.cccmutuals.org.au/2011/03/25/reports-18-compliance-with-clause-20-1-of-the-code-direct-debits/>

<sup>3</sup> See CCC website <http://www.cccmutuals.org.au/2011/03/18/reports-17-compliance-with-part-b-of-the-code/>



Women in Mutuels network survey and linkedin group.

- review the extent to which Mutuels have considered and implemented the CCC's recommendations about stopping direct debit and recurring payment arrangements (as required under part C, section 20. Of the Code); and

#### **In relation to other activities:**

- publish the CCC Annual Report;

### **Women in Mutuels Network**

Some of the Committee and Secretariat attended the Women in Mutuels Network function at the Abacus Convention. This is a voluntary professional development and networking group currently running in NSW. The Network is asking for your time to complete a short online survey that covers your interest in a professional development network, ideas for programs or events, and other information to help plan for the future.

If you are interested:

1. Complete the Women in Mutual Survey by 30 November 2011:  
<http://wim.threesquared.com.au/2011>
2. Join the LinkedIn group – set up a profile at [www.linkedin.com](http://www.linkedin.com) and search for the “Women in Mutuels” group, at [www.linkedin.com/groups](http://www.linkedin.com/groups)

### **Contacting the CCC**

#### **If you wish to raise a concern –**

If you believe a Mutual has breached the Code (and that Mutual has subscribed to the Code), you can:

- telephone CCC General Enquiries on 1300 780 808 between 9am and 5pm (Melbourne time);
- write to the Code Compliance Committee, PO Box 14240, Melbourne VIC 8001; or
- lodge a complaint online at [www.cccmutuals.org.au](http://www.cccmutuals.org.au)

#### **If you have a general enquiry or want to provide feedback –**

You can write to CCC or call CCC using the details above.

You can also email your enquiry to [info@codecompliance.org.au](mailto:info@codecompliance.org.au).

#### **If you want to know more about the Code –**

Copies of the Code and information about the Code are available on the CCC's website ([www.cccmutuals.org.au](http://www.cccmutuals.org.au)) and the Abacus Australian Mutuels website ([www.abacus.org.au](http://www.abacus.org.au)).

#### **If you have a media enquiry –**

All media inquiries regarding the CCC should be referred to Dr June Smith, Executive Manager, at [jsmith@codecompliance.org.au](mailto:jsmith@codecompliance.org.au).

#### **Email:**

[info@codecompliance.org.au](mailto:info@codecompliance.org.au)

**Phone:** 1300 780 808

#### **Address:**

PO Box 14240  
Melbourne Vic 8001

#### **Website:**

[www.cccmutuals.org.au](http://www.cccmutuals.org.au)

