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THE STORY OF CUA: AUSTRALIA'S LARGEST CREDIT UNION

ADAM McNICOL

WITH PHOTOGRAPHY BY JAIME MURCIA

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ACKNOWLEDGEMENTS

cua
Life rich banking

Thank you to CUA Chairman Alan Beanland and chief
executive officer Rob Goudswaard for the opportunity
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putting it together.

Adam McNicol
May 2017

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Whenever I take a look at CUA's sprawling family tree, I am endlessly intrigued by the many names that grace its branches and the differing backgrounds of the 171 credit unions that have come together over the past 70 years and are now under the CUA brand.

Scattered throughout the family tree are countless parish-based entities, like St Gerard's, which was based in the Melbourne suburb of Dandenong, and St Thomas's, which was down the Princes Highway in Geelong. Some of these credit unions were so small they operated from the lounge room of a family home or a small church hall. There are also many community-based credit unions on the family tree, like the Redcliffe Community Credit Union, which later became Queensland Coastal Credit Union before becoming part of CUA.

Then there are the business-based organisations, many of which were formed by employees who wanted to provide financial assistance and guidance to their fellow workers. These include the Ampol Staff Credit Union, which served the many people who worked for the well-known petroleum refiner and distributor, and the Victa Employees' Credit Union, which served the people who made Australia's iconic lawnmower.

Look further along the strands of the CUA family tree and you will find plenty of credit unions that served our nation's many public servants. There are a number of credit unions formed by employees of the Australian Broadcasting Corporation, and there are many that were formed by employees of hospitals located right along the eastern seaboard. The Wollongong Hospital Employees' Credit Union and the Bulli District Hospital Employees' Credit Union are just two of them.

By the 1980s, the credit unions that served government workers had come to dominate the landscape, with those that catered for the employees of Telecom Australia and Australia Post in Queensland, New South Wales and Victoria holding sway. Such is the legacy of those entities that the people connected to Telecom/Telstra and Australia Post continue to form a large portion of CUA's membership base.

As the years have gone on and CUA has emerged as the largest credit union in the nation, the names and brands of those former entities have faded from the public eye. But that does not mean they should be forgotten. Quite the contrary, in fact it is the duty of everyone connected to CUA to ensure that the hard work
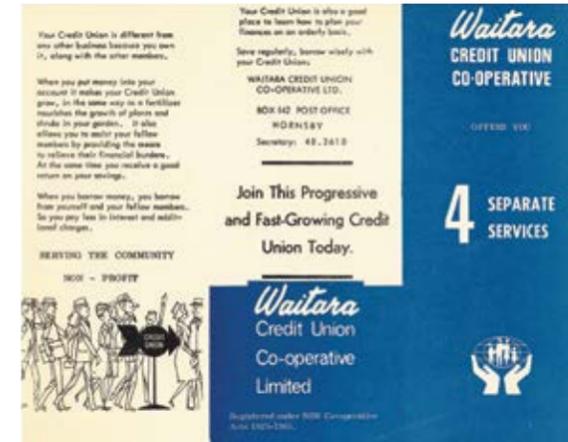
put in by those before us continues to guide our Group's progress today and for many years ahead.

That is the key reason this book is so important: we must continue to engage with our past as a way of ensuring we negotiate the best way forward.

This publication has been commissioned to coincide with the celebrations to mark 70 years since the formation of the oldest credit union on our family tree: the Catholic Thrift & Loan Co-Operative. Formed in New South Wales in October 1946 by Kevin Yates, the man considered the father of the credit union movement in Australia, the Catholic Thrift & Loan

CUA Chairman Alan Beanland

CUA team member Keira Earle

Co-Operative became part of our family when the Metropolitan Credit Union merged with CUA in December 2002.

Recognising the history of this entity is particularly important, as the Catholic Thrift & Loan Co-Operative is considered by most historians in our field to be the oldest true credit union in Australia.

These 70th birthday celebrations of the broad family that is today's CUA have come at an exciting time. Under the leadership of Rob Goudswaard, who has been chief executive since 2014, CUA continues to enjoy a period of strong growth, with consolidated assets reaching almost $13 billion by the end of the 2015-16 financial year. We are also continuing to welcome new members, and our membership base now tops 440,000, a number that includes people based from Cairns in Far North Queensland to Traralgon in Victoria's south east and Perth in the west.

In addition to this, CUA Health now provides private health insurance to more than 80,000 Australians, while our insurance business, Credicorp, now provides consumer credit insurance protection for 14,200 members.

These are outstanding figures for which everyone connected to CUA's long and proud history can take credit. Indeed, I am particularly proud to have had the opportunity to play a role in this growth since becoming chairman of the board in 2009.

Although we have grown so much in recent years, our members remain at the very heart of what CUA is all about. Our renewed purpose – Members working together through life's changes for mutual good – is the perfect reflection of this. I have no doubt that CUA is well placed to become a modern mutual that reflects the needs, hopes and aspirations of its members and the communities to which they belong.

So at a time when the CUA family can be very upbeat about what the future holds, I believe this anniversary and its associated celebrations provide us with a golden opportunity to look back and see from where we have come. This book and these celebrations enable us to reconnect with the events, people and organisations that helped to create the CUA we know today, and ensure that their legacy lives on as CUA continues to thrive and grow long into the future.

Alan Beanland
CUA Chairman
May 2017
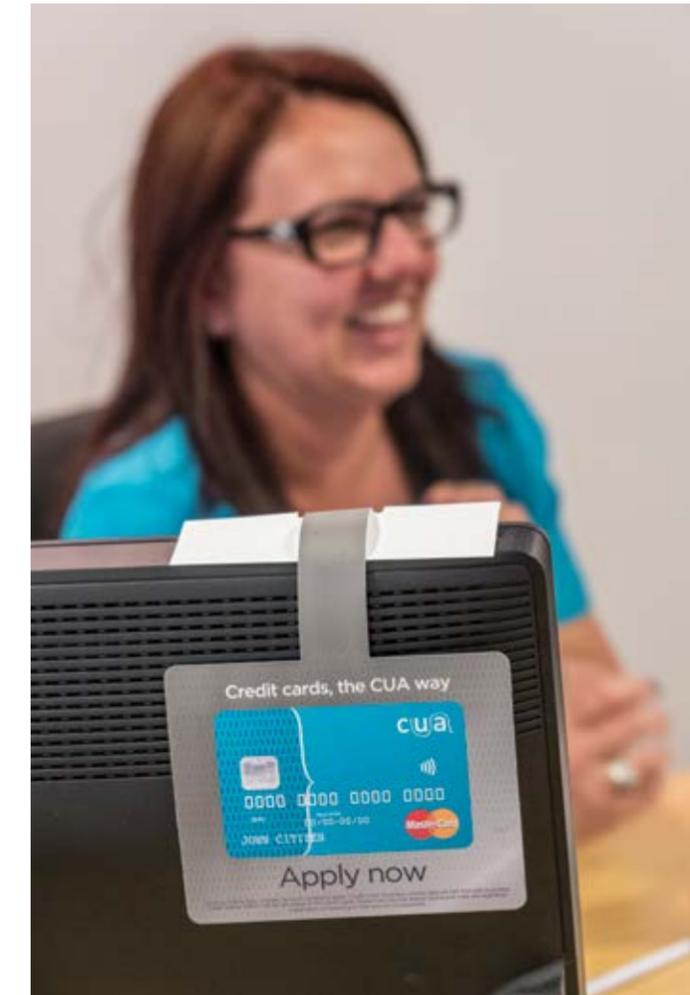
Tom Kelly and Kevin Yates at a Universal Credit Union meeting, 1960s

HUMBLE BEGINNINGS

It is understandable that many people believe today's CUA has a history dating back only to February 1966, when the Queensland Postal Co-operative Credit Union was formed in Brisbane by Jack Harvey and fellow Postmaster-General's Department staff member Neil McCrystal. After all, it was the Queensland Postal Co-operative Credit Union that morphed into the Australian Post and Telecom Credit Union and then became Credit Union Australia. However, today's CUA carries forward the history of all 171 credit unions that make up its sprawling family tree. That means the history of today's CUA dates back to the formation of the oldest of those credit unions, the Catholic Thrift and Loan Co-operative, which was registered in Sydney on October 4, 1946.

The mid- to late-1940s was a time when establishing co-operatives was seen as being crucial to rebuilding societies and economies around the globe after the Second World War. Hence, it was in the years immediately after the end of the conflict that the modern Australian credit union movement began. The Catholic Thrift and Loan Co-operative was the 12th credit union to be registered in New South Wales in the short time since the end of the War. But it was the first one that was not sponsored by a building society or friendly society that had been in operation prior to the War.

This is why, as Gary Lewis wrote in *People Before Profit: The Credit Union Movement In Australia*, the Catholic Thrift and Loan Co-operative is considered by many commentators of the time "to be the first 'true' credit union in Australia in the sense that it drew funds wholly from members, functioned autonomously, and was launched specifically to develop credit unions as part of the broader co-operative movement."

The man behind the formation of the Catholic Thrift and Loan Co-operative was Kevin Yates, a man who is widely regarded as the father of the modern credit union movement in Australia. Yates was a devout Catholic who became interested in co-operatives during the 1930s. He spent many hours learning the history of the movement and was engrossed by books about Herman Schulze-Deilitzch (1808-1883) and Friedrich Wilhelm Raiffeisen (1818-1888), two Germans who are widely credited as being the fathers of the global credit union movement.

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A meeting of the Association of Catholic Co-operative Credit Societies, 1966

Schulze-Deilitzch was a lawyer and a liberal member of the Prussian parliament who grew concerned about the plight of urban folk, particularly craftspeople, shop owners and traders, during the 1840s and 1850s. Desperate to help them gain access to capital so they could create businesses and escape the grinding poverty they were in, he created a number of 'People's Banks', which had 18,000 members by 1854.
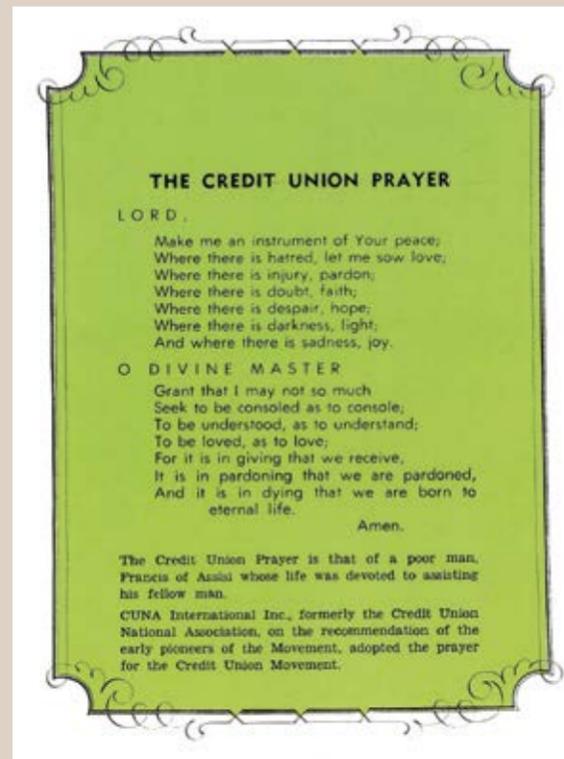
Raiffeisen was also a politician but, in contrast to Schulze-Deilitzch, he was chiefly concerned with the poverty and lack of food and financial security that afflicted a large percentage of Germany's rural population. A deeply religious and conservative man, he formed a co-operative banking movement in 1854 that created what became known as 'Village Banks'. By the time of his death in 1888, Raiffeisen had started 423 of these small banks, and most of them had become members of an overarching body that served like a central bank. It was this model that led to the creation of the best-known survivor of the Raiffeisen movement, Rabobank (the name comes from a merger of the Raiffeisen-Bank and Boerenleenbank in 1972), an institution that even today specialises in finance for farmers and is made up of a number of independent businesses

that come together under the Rabobank name.

All of this appealed greatly to Yates. Having built up his knowledge of Schulze-Deilitzch and Raiffeisen during the 1930s, his interest in the credit union movement grew when he served in North America and Britain with the Royal Australian Air Force between 1942 and 1946. Yates was particularly impressed with the strength of credit unions in Canada, and he also studied the Antigonish Movement in the United States and the substantial Rochdale co-operative movement in Britain.

Yates returned to Sydney with his Canadian wife, Margaret, immediately after the war. It was a time of great celebration around Australia, as the conflict had taken a heavy toll on the nation. It was also a time of great transition, as tens of thousands of men came home to their families after years of active service and faced the prospect of resuming *normal* lives. Yates felt a great degree of empathy for all his fellow returned service personnel, but he was particularly interested in ensuring a fair go for those returning to the usual station as one of society's 'battlers'.

THE CREDIT UNION PRAYER

LORD,
Make me an instrument of Your peace;
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light;
And where there is sadness, joy.

O DIVINE MASTER
Grant that I may not so much
Seek to be consoled as to console;
To be understood, as to understand;
To be loved, as to love;
For it is in giving that we receive,
It is in pardoning that we are pardoned,
And it is in dying that we are born to
eternal life.
Amen.

The Credit Union Prayer is that of a poor man, Francis of Assisi whose life was devoted to assisting his fellow man.

CUNA International Inc., formerly the Credit Union National Association, on the recommendation of the early pioneers of the Movement, adopted the prayer for the Credit Union Movement.

Kevin Yates, Tom Kelly and John O'Hara inspect the printing of a credit union publication named Quest, 1967