



CUFA

Sustainability

Report 2009

July 2008 to June 2009

DEVELOPING PEOPLE, STRENGTHENING COMMUNITIES



Credit Union
Foundation
Australia

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Introductions
from Chair
and
Executive Officer

Message from the CUFA Chair

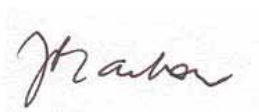
This report reflects commitment by CUFA to communicating with our stakeholders by mapping our social, environmental and economic performance.

It reflects an ambitious program of domestic and international activities in pursuit of our mission of empowering communities through access to affordable financial services.

Our achievements in promoting financial and social well-being in targeted communities are testimony to the dedicated efforts of our staff and volunteers both in Australia and overseas. They also reflect our co-operative approach to work with partners and sponsors, such as WOCCU, CCA and AusAID, to deliver programs at grass roots level in the Asia/Pacific region.

We are indebted to the generous support of the credit union movement in Australia, and to Cuscal and Abacus for their financial support. Our engagement with credit union members in fostering and promoting credit union values in the development of sustainable communities has been a continued major focus of activity over the year, with the success of the Challenge programs and the commencement of the Village Entrepreneur Initiative.

I would also like to record my thanks to the CUFA Board for their enthusiastic support in setting appropriate strategies for delivering financial services to our communities.



John Baistow
Chair
Credit Union Foundation Australia

Message from the CUFA Executive Officer

In this, our fourth sustainability report, I hope you will see our continued commitment to capturing and reporting our social, environmental and economic performance. Within this report you will gain an understanding of the delivery of our business objectives within the sustainability space. Furthermore we have continued to report our performance against the current Global Reporting Initiatives.

The last twelve months have been a very busy time for CUFA. A number of new programs have been implemented as well as the unveiling of a revised CUFA logo and web presence. This year saw CUFA achieve reaccreditation with AusAID for our international program provision.

CUFA also commenced the Leadership Challenge Program that sees credit union personnel raise money for the international projects and then travel to one of CUFA's projects to both undertake a physical challenge and work on CUFA's projects. This has bought greater stakeholder engagement as well as an appreciation by participants of the impacts we all have on our world.

CUFA's 2008/2009 Sustainability Report focuses on providing greater transparency than previous reports with directions for the reader on where they can gain even more detailed information. This year has seen the continuation of our practice in providing comparative data, year on year as well as building the visibility of our impacts within our project activities both domestically and internationally.

CUFA's 2008/2009 Sustainability Report is presented with the aim of informing our partners, funders, general public and other stakeholders. CUFA is happy to receive any feedback on this report, I hope you find it interesting and engaging.



Peter Mason
Executive Officer
Credit Union Foundation Australia

CUFA's
Relationship
with
Sustainability

» Sustainability
is our story



Relationship with sustainability Sustainability is our story



The purpose of the Credit Union Foundation Australia (CUFA) 2009 Sustainability Report is to engage and involve people in our mission and activities by demonstrating that we are effective and valuable contributors to society, and have a continuing, expanding and relevant role to play in the future.

As a non-profit community development agency, social sustainability is our reason for being, and accountability beyond mandatory reporting is in our best interests as well as that of our stakeholders. People trust us to support them. We ask people to support us. This carries expectations, responsibilities, risks and rewards.


This report is voluntary recognition of our core stakeholder relationships and discussion of how impacts are measured and managed. It is also an invitation for discussion – to ensure we actually provide better futures by Developing People, Strengthening Communities – through our mission of empowering communities through access to affordable financial services, and the vision of credit unions promoting financial and social wellbeing in communities.

CUFA operations have a domestic and regional international focus; we engage in international community-based financial capacity development as a pathway to poverty alleviation; and we represent and serve Australian credit unions, also outreaching to their memberships, communities and allied organisations to improve relationships with credit unions and social wellbeing in communities.

We hope that by reading this report you gain insights into the value of our work and assist us to continue doing it. This is not intended to be a source of all information about CUFA: in each section we provide links to relevant areas of our website where more information can be found, and if you would like to comment on this report or request further information, please contact us as follows:

Philip Lambert
Project Officer

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Overview

» [About CUFA](#)

About CUFA An Overview



Credit Union Foundation Australia (CUFA) is the development agency of the Australian credit union movement and was created in April 1971. CUFA is a Trustee Corporation with its own board and mission, and is a wholly owned subsidiary of Cuscal Ltd.

CUFA exists to facilitate social development and create value, not to make a profit. We strongly believe in social responsibility best practice, being accountable to our stakeholders and seek to influence others to achieve improved citizenship. We operate in partnership with member owned organisations as the cooperative model serves the needs of both developing and developed communities well.

We work to empower communities at domestic and international levels.

- » Domestically we work directly with Australian credit unions, adding value to their internal capacity and external member communities by providing educational, professional development, community engagement, and development resources and programs; CUFA engages at institutional and government levels in advisory roles to effect positive change for Australian communities.
- » Internationally we assist in the development of access to affordable financial services for communities in Asia and Pacific regions, to alleviate poverty and create sustainable communities.
- » Following are core CUFA attributes relevant to development credibility:
- » Three of the eight United Nations Millennium Development Goals are closely aligned with our aims: to alleviate poverty, promote equality and support cooperative development.
- » We are an AusAID accredited development agency

We are guided by the International Credit Union Operating Principles of democratic membership, non-discrimination, ongoing training and development, building financial stability and practising social responsibility and all of our activities incorporate these values.

As CUFA evolves, the way we present ourselves also needs to follow. During 2009, the long-standing CUFA logo was replaced with a more contemporary style to better represent our work.

Go to cufa.com.au | About Us: www.cufa.com.au/service/information.php?PageID=115



Program Profile

» CUFA program activities

Program Profile CUFA program activities

Nature	Program Name	Initiated	Status
Development Community	Cambodia Children's Financial Literacy Program	September 2007	Active
	Cambodia Building Institutional Capacity	July 2007	Active
	Cambodia Building Institutional Trust	April 2007	Active
	Solomon Islands: Building Institutional Capacity	July 2007	Active
	Solomon Islands Young Women's Leadership Program	2008	Complete
	Sri Lanka Reconstruction Project	2006	Active
	Timor Leste Building Institutional Capacity	August 2008	Active
	Village Entrepreneur Initiative	2009	Active
Sustainability Education and Implementation	CSR Toolkit	May 2006	Active
	Financial Literacy Initiative	August 2006	Active
	CSR Activity Database	December 2008	On Hold
Development Engagement and Professional Development	The CUFA Credit Union Education Program	May 2008	On Hold
	The CUFA Leadership Challenge Program	September 2008	Active
	WOCCU / CUFA Pacific Congress	September 2008	Active
	Development Education (DE) Program	1992	Active
Income Initiatives:	Village Entrepreneur Initiative	June 2009	Active
	Credit Union Member Donation	July 2008	Active
	Disaster Relief Fund	2007	Active
Issue Based Initiatives	Third Party Provider Sponsor Program	March 2008	Active
	Environmental Roundtable	July 2008	Active
	Reconciliation Action Plan	April 2008	Active
Marketing	Newsletters, Connexus, Bulletins, Credit Union Media	2006	Active
	CUFA Web Services	2007	Active
	Supporter Marketing Kit	2007	On Hold
Research and Representation	Poverty Alleviation Measurement Tool	2009	Active
	Mutual Community Report	2007	Active
	CUFA Sustainability Report	2006	Active
Recognition	DE Awards	2008	Active
	Supporters Cocktail Event	2008	Active
	Supporter Recognition	2006	Active
Volunteerism	Interns - Australia	2006	Active
	Interns – In Country Program Assistants	2007	Active
	In Country Technical Assistants	On-going	Active
	Development Educators	On-going	Active

Achievements

- » Highlights
- » Achievements



Highlights and Achievements

A summary of CUFA highlights and achievement from July 2008 to June 2009

Milestones

- » CUFA re-accreditation with AusAID, April 2009.
This endorsement is for a five (5) year period, until 2014. Recognition
- » ACCSR Award.
The corporate social responsibility capability of Credit Union Foundation Australia (CUFA) as an Australian NGO, was recognised in the “The State of CSR in Australia: 2009 Annual Review” by the Australian Centre for Corporate Social Responsibility, February 5 2009.

Identity

- » New logo design implemented
- » New website design

Program Development

- » Challenge programs added significant project funding
- » Launch of Village Entrepreneur Initiative

Program Delivery

- » International program delivery on track in terms on primary goal achievement

Project Name	Goal	Target	Performance
Cambodia - Building Institutional Capacity	The goal is to build a strong, sustainable credit union movement in Cambodia that will broaden access of financial services to rural communities and will reflect the International Credit Union Operating Principles.	Annual Participant Target 527	Number of Participants 571 108.3%
Cambodia - Building Trust Program	The goal is to build trust in the savings bank concept at a grassroots level and to broaden the access of financial services to rural communities. > 5 out of 7 savings bank will finish in June 2010	Three Year Target 7	Number of finished Banks 5 71.4%
Cambodia - The Children's Financial Literacy Program	The goal is to provide financial literacy education to children in order to encourage good savings habits at a young age and assist village savings banks to promote children's membership and savings.	Annual Participant Target 8000 children (aged 7-9) 1,000 children (aged 10)	Number of Participant 5398 870 6268 67.5% 87.0% 69.6%
Timor Leste - Building Institutional Capacity	The goal is to strengthen the credit union movement in Timor Leste and provide access to financial services and products to the rural poor while improving the participation of women in the credit union movement.	Annual training days Target 1200	Number of training days 829 69.1%
Solomon Islands - Capacity Building and Institutional Strengthening	The goal is to update the records and lodge accurate financial statements showing the current financial position of 17 credit unions, to enable smooth transition into revised Credit Union Act.	Annual Target 17	Number of credit unions 100%



Overarching Principles

- » Why we work the way we do
- » Accountability, governance, risk and stakeholders

Why We Work The Way We Do

Overarching Principles

The following aspects guide CUFA at the highest levels:

- » CUFA activity is defined by our trust deeds and constitution, which empower us to propose and conduct development and other activities in Australia and in the Asia Pacific region.
- » External development frameworks provide best practice principles
- » CUFA and Partners identify communities in need.
- » CUFA and Partner developed project goals and plans are set then implemented, monitored and evaluated.

Excitingly, a measurement tool called the Poverty Alleviation Measurement Tool will be implemented to enable CUFA to refine its existing planning and evaluation strategies by objectively identifying communities most in need (i.e. the poorest of the poor) so that CUFA can direct resources towards them.

Beyond the primary goals and objectives of our programs, CUFA links into and contribute to other development issues as a consequence of our work, in areas such as: social, human, environmental, financial, physical, rural development, gender, peace building and youth.



Working groups of independent and experienced peers are formed around need themes and assist CUFA to ensure that project concepts are developed appropriately and strategically. Working closely with stakeholders, project plans are developed in consultation with partners and beneficiaries and approved by the CUFA Board and the International Development Working Group, before program delivery commences. Partners are involved in all key design and decision processes throughout the project cycle.



Accountability

The CUFA Board is responsible for the corporate governance of CUFA. The responsibilities of our directors are outlined in CUFA's Trust Deeds and constitution. This sustainability report serves to meet our requirement under the Corporations Act 2001, to produce an annual report. CUFA is also party to two core agreements that create an external assurance framework for our international operations, with: AusAID (Australian Federal Government's overseas development body), and the ACFID Code of Conduct (Australian Council for International Development). Full detail of this external framework is within the Regulatory and Governance Bodies stakeholder discussion on page 24.

Governance

CUFA has a voluntary board, currently comprising six members one of whom is the CEO of Abacus, with the remaining members nominated from Australian credit unions. CUFA has the option of up to 8 voluntary board members under our constitution.

New board members are selected with respect to: the emerging challenges that CUFA faces; the value of practical experience with corporate social responsibility; and the importance of raising public awareness of CUFA. Consideration is also given to ensuring that board composition is diverse in terms of gender and experience. During this period, CUFA had two female directors.

Risk

Due to the nature of our organisation, there are a number of risks we need to be especially aware of. Risks to: reputation and goodwill; effective development outcomes; and delivery efficiency.

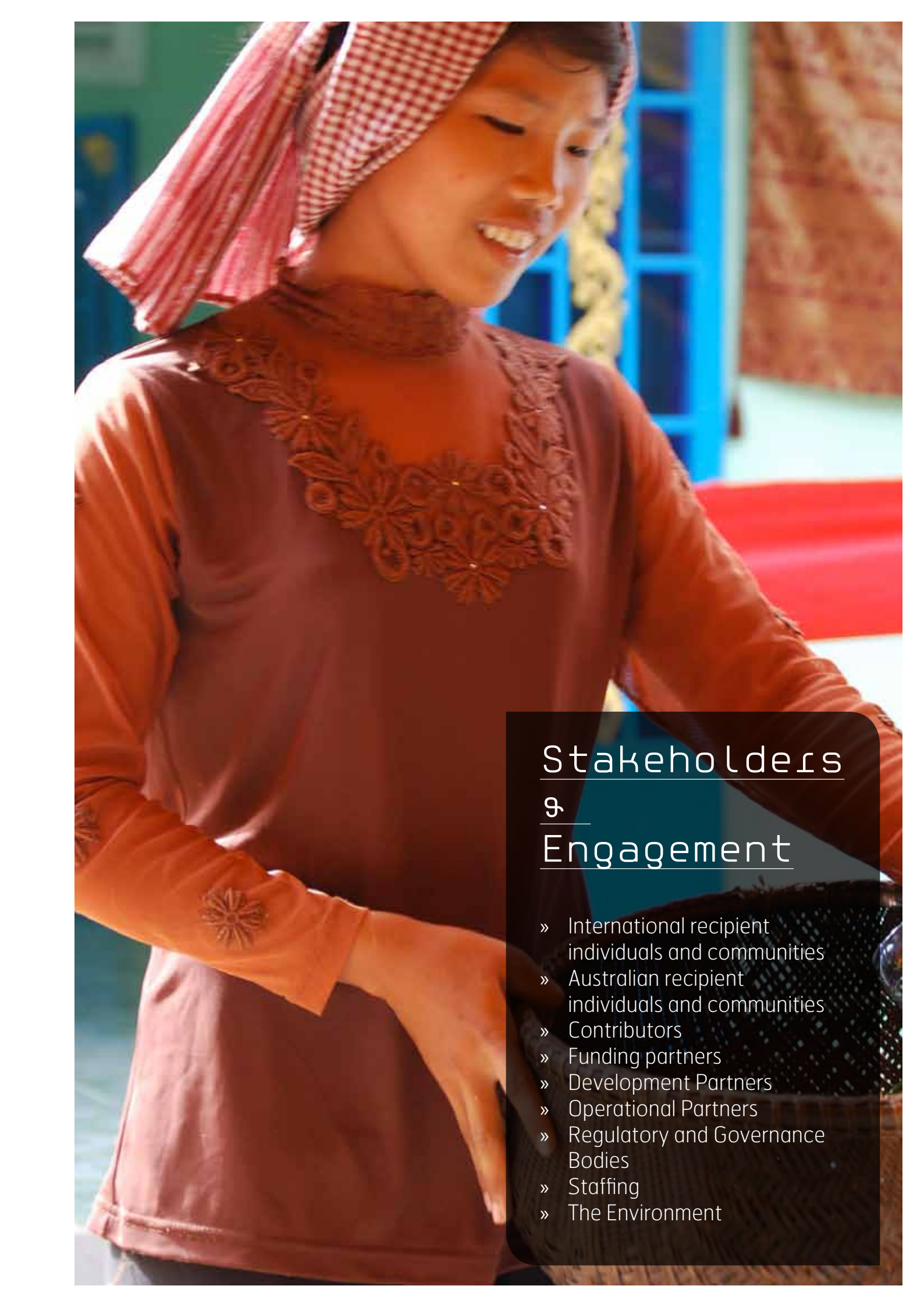
Where risks are unknown or uncertain, precautionary approaches are taken and alternatives are planned and implemented to avoid or minimise impacts. Risks are identified, rated and documented in formal project plans. While some risks are unique to either a particular country or specific project (e.g. the issue of project fund misadventure in the Solomon Islands where the 'wantok system' is evident) other risks are universal across our global suite of programs (e.g. inflationary and exchange rate monetary risks, staff retention, and partner cooperation).

Stakeholder Relationships

To gain an understanding and appreciation of CUFA and its sustainability efforts, our core stakeholders are discussed. Core stakeholder groups are those that CUFA could not exist or operate effectively without, and they include:

- » Recipient individuals and communities (International and Domestic)
- » Contributors
- » Funding Partners
- » Development Partners
- » Operational Partners
- » Regulatory and Governance Bodies
- » Staff

Some stakeholder groups are not included in this report. Our work is predominately service delivery, and the groups such as "Suppliers & Supply Chain" are not as material to sustainability risk or impact as the above groups, and have therefore not been included for discussion.



Stakeholders & Engagement

- » International recipient individuals and communities
- » Australian recipient individuals and communities
- » Contributors
- » Funding partners
- » Development Partners
- » Operational Partners
- » Regulatory and Governance Bodies
- » Staffing
- » The Environment

Stakeholders



Engagement:

International Recipient Individuals And Communities



Within our international work, our primary motivation is to provide maximum value for development program recipient communities, to ultimately alleviate poverty and improve lives through access to affordable financial services.

Our focus is on delivering programs to those most in need at grass roots levels, the “poorest of the poor”, the unserved or underserved; either directly or by enabling local organisations to provide this support. In contrast to relief and welfare agencies, CUFA undertakes activities that build long-term benefits by creating capacity for communities to provide for themselves as a core way to gain independence and sustainability.

Long term civil disturbance or natural disaster has affected many communities throughout Cambodia, Sri Lanka and Timor Leste, where currency was destroyed or withdrawn, and similarly financial services were destroyed or never existed for the very poor. By establishing or re-starting community owned savings institutions, communities gain safe, trusted and reliable places to deposit funds, creating savings pools that can be mobilised as affordable, if modest, credit. This ensures that funds circulate through the community, supporting a stronger local economy to grow.

Our formal engagement with international development program recipients operate through:

Building Institutional Capacity - Cambodia, the Solomon Islands and Timor Leste. Training and support for community based and owned savings entities to effectively manage and maintain operations.

Building Trust - Cambodia. Provision of permanent buildings for community based and owned savings entities, to rebuild trust in communities and provide services to nearby unserved communities.

Children’s Financial Literacy program in Cambodia. Classroom instruction in relation to personal money and savings skills for children aged 7 to 9, conducted in schools to encourage good savings habits from an early age. The fundraising efforts of staff from Australian credit unions and allied organisations that participate in the annual CUFA Cambodia Leadership Challenge, contribute significant funding for this program.

CUFA also operates at regional, institutional and government levels to ensure that at both a local and international level, there is intent or capacity to support emerging community-based financial institutions. For example, the Pacific Credit Union Technical Congress brings together credit union movements, their leagues, federations and government regulators from developing and developed nations in the Pacific region to share information, network and engage in professional development opportunities.

Achievements: See page 13 for details of program performance.

Go to cufa.com.au | Programs: www.cufa.com.au/service/information.php?PageID=116

Stakeholders



Engagement:

Domestic recipient
individuals and
communities



In Australia, we assist credit unions to engage with their community by providing tools and facilities for credit unions and their staff to improve sustainability awareness, community investment and financial literacy.

Our programs assist credit unions and individuals in the following ways:

- » Building credit union capacity for more effective community investment and participation through:
 - Challenge Program
 - Development Education
 - Sustainability Roundtable
 - CUFA Supporter Marketing Kit
- » Creating platforms for credit unions and mutual building societies to engage nationally around an Australian need:
 - Disaster Relief Fund, Reconciliation Action Plan, CSR Toolkit , Mutual Community Report
- » Provide educational and interaction tools for communities, to improve skill and relationship with credit unions: Financial Literacy Initiative



Communication with our stakeholders in Australia includes:

Content in the mutual financial service sector magazine *Connexus*; the monthly CUFA Newsletter, the annual CUFA Sustainability Report; production of documentary style presentations that are played at conferences and meetings, and can be viewed within the Communications section of our website; available media items can also be accessed there in the Press section.

Program participants have had articles published about their experience and outcomes in a variety of outlets, including Cuscal's *Stay In Touch*, *Ethical Investor*, and various regional newspapers.

Challenges:

Increased domestic program engagement requires additional funding. CUFA does not have the legal structure to fundraise for this purpose, nor divert existing contributions, and has not been able to secure sufficient sponsorship. Developing an action plan to generate funds for domestic marketing activities and programs such as Indigenous Reconciliation Action Plan and Indigenous Financial Literacy Series is a goal to be achieved in the 2009/2010 year.

Go to cufa.com.au | Programs: www.cufa.com.au/service/information.php?PageID=116

Stakeholders



Engagement:

Contributors



In 2006, CUFA received most of its donation funding from Cuscal, Abacus, WOCCU and Australian credit unions. Since 2008, a variety of new contributors gifted funds to CUFA, and this increased funding enables us to forward plan development programs with greater certainty. New contributors include credit union members; public individuals; those introduced to CUFA through the Challenge Program by supporting participant fundraising efforts; and Community Investors of the Village Entrepreneur Initiative.

In the financial year 2008/2009, donor contributions were \$677,575.00 an increase of 78% on the previous year.

Contribution is a valuable way for supporters to connect their values with action. Supporters can direct contributions to a CUFA development program that they identify with, connecting with the cause and having a sense of ownership and involvement in the solution.

Our newest program, The Village Entrepreneur Initiative, was introduced to appeal to individuals, where one person in Australia, the Community Investor, supports another in Cambodia or Timor Leste, the Village Entrepreneur, through micro business development support as a way to achieve a better future and become financially independent.

To keep our core message clear and consistent, we now use an expression of “developing people, strengthening communities” to describe our work and community spirit.

In the next year CUFA will continue to broaden its contributor appeal by reaching out to other Australian mutuals and cooperatives, their related supplier networks, and the greater public.

CUFA is extremely grateful for contributor support, and provides opportunities to add-value to their activities to share motivations and experiences with their membership and stakeholders in these ways:

- » Supporters Marketing Kit: resources to publish images, stories and articles about the programs supported and the impacts being achieved.
- » Recognition on the CUFA media networks such as our website and newsletter, and formally during the annual supporter recognition cocktail event and display plaque.

Challenges:

CUFA needs to ensure that each contribution strategy has a solid and distinct appeal proposition to ensure that one income strategy does not compromise another, enabling overall contributions to grow in real terms. A 2009/2010 goal will be to review each contribution strategy and refine or consolidate where necessary.

Go to cufa.com.au | Recognition:
www.cufa.com.au/service/information.php?PageID=111, and
[www.cufa.com.au/service/information.php?PageID=290&topic=nature
&option=Development&detail=list](http://www.cufa.com.au/service/information.php?PageID=290&topic=nature&option=Development&detail=list)

Stakeholders



Engagement:

Funding partners



Funding partners are critical to CUFA. During 2008/2009 funding partners provided 48% of development funding and 100% of operational funding. Development funding enables activity in the Asia Pacific region, and operational funding covers our head office operations and core activity in Australia.

Funding partners support CUFA for defined purposes, which normally carry contractual and other obligations. Funds are provided under goodwill, by application or by competitive tender processes. Funding types include grants, sponsorship and in-kind service provision.

CUFA engagement with funding partners operates differently from engagement with contributors - these relationships carry different expectations and obligations, which require specific engagement, management and operational strategies.

Sponsorship is a relatively new initiative for CUFA, starting in 2008. During 2008/2009, sponsorship made up less than 1% of operational funding. As we gain experience with the kind of appropriate opportunities available within our programs, we may be able to expand this funding option further in the future.

Appropriate recognition of funding partners is extremely important, and CUFA adds-value to their support in similar ways as provided to Contributors.

ACHIEVEMENTS:

The following agencies providing Grant Funding to CUFA during 2008/2009

AusAID, Aust. Government Department of Women, Commonwealth Secretariat.
World Council of Credit Unions (WOCCU), and Abacus – Australian Mutuals.

The following organisations providing Sponsorship Funding to CUFA during 2008/2009

CUNA Mutual Australia, Cuscal Ltd, Fern Software, FileOptics International, LegalStream.

CHALLENGES: It is critical for CUFA to have the capacity to effectively market, negotiate, manage and action funding partner opportunities and arrangements. A review of these processes will be undertaken during 2009/2010.

Go to cufa.com.au | Mutual Partners: www.cufa.com.au/service/information.php?PageID=112

Stakeholders



Engagement:

Development partners

Partnership leverages capacity to deliver outcomes.

CUFA seeks and involves program partners to achieve better outcomes for program recipients. For people in the Asia Pacific region, we aim to lift them out of poverty and help them become financially independent. For Australian credit unions, we work with them to improve relationships with their communities. CUFA also actively seeks to develop the capacity of in-country partner organisations to better serve their communities, and to help them build and create sustainability. Importantly partnership contributes to mutual benefit, risk reduction and credibility.

For example in Cambodia, CUFA partners with ACCU for high level project planning, and with CCFin, SEDOC, FLIFLY, CUCA, and CCSF for access to training participants and savings member communities.

CUFA cooperated with these Development Partners during 2008 and 2009:

- » WOCCU | World Council of Credit Unions | Sri Lanka
- » ACCU | Asian Confederation of Credit Unions | Cambodia and Timor Leste
- » CCA | Canadian Co-operative Association | Cambodia
- » SICUL | Solomon Islands Credit Union League | Solomon Islands
- » DNCOOP | Direccao Nacional Das Cooperativas | Timor Leste
- » CCFin | Cambodian Community Foundation Network | Cambodia
- » SEDOC | Socio-Economic Development Organization of Cambodia | Cambodia
- » FLIFLY | Farmer's Life Improvement Foundation of Life and Youth | Cambodia
- » CCSF | Cambodian Community Savings Federation | Cambodia
- » FSCUL | Fiji Savings and Credit Union League | Fiji
- » CUCA | Credit Union Cambodia Association | Cambodia

Membership partners provide CUFA with a network of opportunity, knowledge, and governance frameworks. CUFA Memberships active during 2008 and 2009:

- » Asian Confederation of Credit Unions (ACCU)
- » ACFID |(Australian Council for International Development)
- » Make Poverty History
- » Micro Pacifica
- » Australian Micro Finance Network

Go to cufa.com.au | Mutual Partners: www.cufa.com.au/service/information.php?PageID=112



Stakeholders



Engagement:

Operational partners

Cuscal and Abacus – Australian Mutuals

CUFA has fundamental and significant relationships with Cuscal Ltd (Cuscal) and Abacus – Australian Mutuals Limited (Abacus), which are core to CUFA's ability to operate as an effective not-for-profit development agency that assists credit unions in Australia and communities in the Asia Pacific.

As the development agency of the Australian credit union movement, CUFA is embedded into its ownership structures. Cuscal is majority owned by Australian credit unions, and it is essentially a commercial wholesale services provider and the central bank to credit unions. Abacus is the representation and advocacy body for Australian credit unions, mutual building societies and friendly societies.

CUFA is a wholly owned subsidiary of Cuscal.

CUFA receives significant direct and in-kind support from both organisations, and the value is determined annually. Importantly, this enables CUFA to direct 100% of contribution and grant funding to recipient projects of the International Projects Fund, maximising value to contributors and benefit to recipients. It also enables CUFA to conduct some domestic programs that do not involve registration fees to enable participation.

Support received includes domestic salary and wages, office accommodation, accountancy, information technology and support, and people management support.

These relationships involve critical support in the event of core CUFA staff absence, providing essential contingency options. During 2009/2010, increased technical support provided by Cuscal will enable CUFA to free up capacity to focus on development and engagement activity.

Challenges

If arrangements change, and existing support were to be withdrawn, this would have an impact on CUFA's operational capacity and ability to implement alternative arrangements.



Stakeholders

Engagement:

Regulatory & Governance Bodies



CUFA operates within a governance framework of regulation and direction.

Achievements

AusAID Accreditation

We are fully accredited by the Australian Federal Government's overseas development body, AusAID. CUFA is among 32 organisations that are fully accredited by AusAID to receive funding to carry out overseas development work on behalf of the Australian government under the AusAID NGO Cooperation Program (ANCP). A further 8 organisations have base accreditation. The rigorous accreditation process is designed to ensure that funding is only awarded to professional and well-managed development organisations capable of delivering development outcomes. CUFA re-accreditation was achieved in April 2009, and is for a period of five years to 2014.

ACFID Code of Conduct

As a member of the Australian Council for International Development (ACFID) and a signatory to the Code of Conduct, we are committed to high standards of integrity, accountability, governance and management in our support of developing communities around the world. ACFID is an independent national association of Australian non-government organisations (NGOs) working in the field of international aid and development. The ACFID Vision is to promote conditions of sustainable human development in which people are able to enjoy a full range of human rights, fulfil their needs free from poverty, and live in dignity. ACFID administers the Code of Conduct committing members to high standards of integrity and accountability. The ACFID annual reporting requirements are integrated into this report, complying with ACFID Code of Conduct clause 4.1 within Communication with the Public (refer to details on page 57).

Challenges

AusAID re-accreditation occurs every five (5) years. A 2009/2010 goal will be to review management requirements to meet compliance needs of changing regulatory and development frameworks so that it can adequately prepare for re-accreditation.

Stakeholders



Engagement:

Staff

During 2008 and 2009, staff deployed from Australia to Cambodia, Solomon Islands, and Timor Leste, known as Technical Assistants, were charged with the responsibility of local program implementation and delivery; securing local staff; and providing these staff with appropriate training and development.

This was successfully achieved and programs in Cambodia and Timor Leste are now entirely delivered by local teams under the guidance and supervision of an Australian based international development program manager.

CUFA sustainability philosophy is demonstrated by our management approach of in-country staffing capacity: where local staff are selected, trained and supported so that they have the skills and knowledge to conduct program delivery. This approach:

CUFA staff are entrusted to deliver on strategic objectives set by the CUFA Board. Our people are driven by dual motivations to see others lifted out of poverty, and for Australian individuals and mutual organisations to both support this and address domestic needs.

CUFA staff are guided by project plans and objectives that they contribute to designing and setting; and are supported by practical governance measures to ensure they are safe, secure and effective. Volunteers provide valuable experience and skills to CUFA programs, greatly adding to our capacity to achieve our goals.

- » Ensures cultural context. Delivery is in native language, rather than translated from English.
- » Adds long term value to the program and the local community: employment opportunities are created and skills become durable and remain in the community.
- » Retains capacity on CUFA's exit from the program: either on scheduled completion of the program or in the scenario that circumstances force an early exit.



Features of staff performance:

Full time staff movements

Domestic:	4 positions. No new positions, resignations or turnover. 1 contract position completed.
International	19 positions. 5 Full Time positions create in Timor Leste. 3 staff resignations (2 positions re-recruited, 1 position not recruited). 3 staff positions reduced due to program completion (Solomon Islands).

CUFA Employee Profile 2008 2009

» Executive Officer	Peter Mason.
» Project Officers Australia	Carla Elbourne, Claudine Chicheportiche, Philip Lambert and Nimarta Khuman.
» Interns	Felix Thielemann, Ana Nino, Anne Huffziger, Jefry Ngarbin, Denniz Straedke
» Technical Assistant Cambodia	Catherine Drummond
» Project Officers Cambodia	Kundi Lay, Chanthary Meas, Phearun Pov, Phanna Khim Sreyrath Thou and Borey Yi
» Intern Cambodia	Lu Lu Gao
» Support Staff Cambodia	Dim Den, Tol Thy
» Technical Assistant Solomon Islands	Peter Vida
» Project Officers Solomon Islands	Adrian Watehau, Josephine Haikau and Sharon Papare
» Technical Assistant Timor Leste	Pam Drury
» Project Officers Timor Leste	Aleixo Alves Gusmao, Gustavo Frietas, Jose de Jesus and Jose Maria Xavier
» Support Staff Timor Leste	Rosa D Silva, Deliu Constantino and Ahmad Hero Elwarin

Volunteerism

Voluntary engagement by people within the credit union movement exemplifies the principles on which the credit union movement rests and is of great value to CUFA and our international partners. CUFA supports volunteerism in two forms: professional and educational. Professional volunteers assist CUFA with technical aspects of program design and delivery, typically where a task requires a relatively short period of deployment.

- » Domestic volunteers involved as Mentors in the Development Education program (220 hours)
- » Domestic volunteers involved as Presenters in the Development Education program (30 hours)
- » In-Country technical assistance volunteers (140 hours)
- » Challenge Program Fundraising and In-country project participation (574 hours)

Educational volunteers participate as interns to assist with operations, and seek exposure and experience as part of a study or career pathway.

- » Domestic Internships assist CUFA with program and internal capacity development (840 hours). This presents approx 10% of our domestic payroll staffing hours.
- » In-Country volunteer internship (1435 hours)

Staffing Full Time Equivalence	2009FTE	2008FTE	2007 FTE	2006 FTE
Staff - Australia	4.33	4.87	3	3
Staff - In-Country	17.44	8.17	0.5	1.35
Volunteers – Australia & In-country	0.53	1.13	1.25	0.8
Payroll FTE (All paid staff)	21.76	13.04	3.49	3
Total FTE	23.54	14.8	5.2	5.15

Stakeholders & Engagement:

The environment



The Greatest Impact and Challenge

Regardless of the type of work we do, if we have an impact on the environment, we want to account for it and minimise any negative impacts. Travel, and specifically air travel, is our biggest contributor to environmental impact, as shown by this breakdown of Green House Gas (GHG) emissions by source for 2008/ 2009:

» Air Travel	55%
» Electricity	37%
» Road Travel	7%
» Waste	1%

The total recorded distance travelled from July 2008 to June 2009 was 707,594 kilometres.

Travel is undertaken by the CUFA Board, management, staff, volunteers, and program participants directly involved in CUFA related activities. Vehicles used for travel include passenger aircraft for most distances involved; cars and taxis for the majority of travel in Australia. Vehicles used for in-country work depend on the local conditions and the number of people being transported and include small cars, large 4WDs, motorbikes, 'tuk-tuks', small boats, and the unavoidable tractor or ox-cart for some situations! With such diversity of in-country transport it is difficult to accurately measure distances travelled and therefore the impact, however it is very important to account for the environmental impact so we use reasonable estimates and averages.

Our partner activity in Sri Lanka has not been accounted for, however greater attention will be paid to transport in particular going forward and will be included in next year's report.

Our methodology involves calculating travel distance from purchase information for the whole financial year. Each instance of air and long-distance bus travel can be accurately measured per sector travelled in kilometres, while for all other forms of transport, an estimate is involved using a formula of the total trips taken @ 5 kilometres per person involved to calculate that total 'people kilometres' travelled, with fixed energy use / GHG emission per km, per person.

Some insights into the scope and purpose of air travel undertaken by CUFA in the last year:

- » Program Participant Travel: Challenge programs 19 people (Cambodia and Papua New Guinea)
- » Project Staff deployments to Cambodia, Timor Leste and the Solomon Islands
- » Project Planning Monitoring and Evaluation
- » Program delivery and representation (Development Education Adelaide, Conference Darwin, CSR Briefings in Brisbane and Melbourne. See Environmental Footprint at the end of this section for more detail.

The challenge for CUFA is to:

- » Minimise travel as much as possible, while maintaining quality of delivery and stakeholder engagement. To achieve this, better use of communication technologies such as teleconferencing and more cost effective 'voice-over-internet' phone services such as Skype will be used as replacements for travel where possible and appropriate.





Waste

CUFA mainly creates waste of paper materials and equipment consumables. Recycling facilities exist in our Sydney office which is located within an 18 floor building that is agency managed, and is provided with office material recycling and waste removal, although neither of these aspects are accurately measured.

Our office is hosted within Cuscal Ltd's Sydney office where all aspects of purchasing and operations are controlled. This office has a fleet of almost totally energy star-rated electronic office equipment, including: computers, photocopiers and printers, all of which are programmed with energy efficient settings that lapse into sleep modes when not in use for relatively short periods. Office-based waste streams include paper/packaging, food/drink containers, and equipment consumables (for example; printer cartridges) are separately disposed of and recycled. Only wet waste and contaminated paper is known to go towards landfill. To encourage 'use less and then waste less' behaviour, each individual's desk has only a paper recycling box – and no rubbish bin. A common bin is near each work group.

To account for waste to landfill that is inevitable from our office-based operations, a formula of 100 grams per day per FTE is used, with an estimated 565 kg of waste to landfill creating 1413 kg of GHG emissions during 2008/2009.

Optimisation

We impress on staff and program participants to use only what they need to, and travel only as required and only for the best price (which very rarely involves actually travelling longer distances). This has a direct impact on cost reduction and containment, and a subsequent environmental impact reduction.

Improvements delivered through the year by Sydney office based initiatives include conversion of all internal lighting to compact low energy florescent units, moderation of air-conditioning temperatures, and increased levels of electronic document storage and transmission, avoiding paper consumption.

Offsetting

To minimise our impact on the environment, we purchase offsets that account for our emissions and which act to naturally 'absorb' the amount of carbon dioxide (CO₂) we produced back into the environment. As in previous years, we have totally offset all our Australian and Asia Pacific operational carbon emissions with Greenfleet, a tree planting and land rehabilitation program based in Australia. While we recognise that our impacts also originate beyond Australia, there are no offset programs in operation within the countries of our programs.

Environmental Footprint

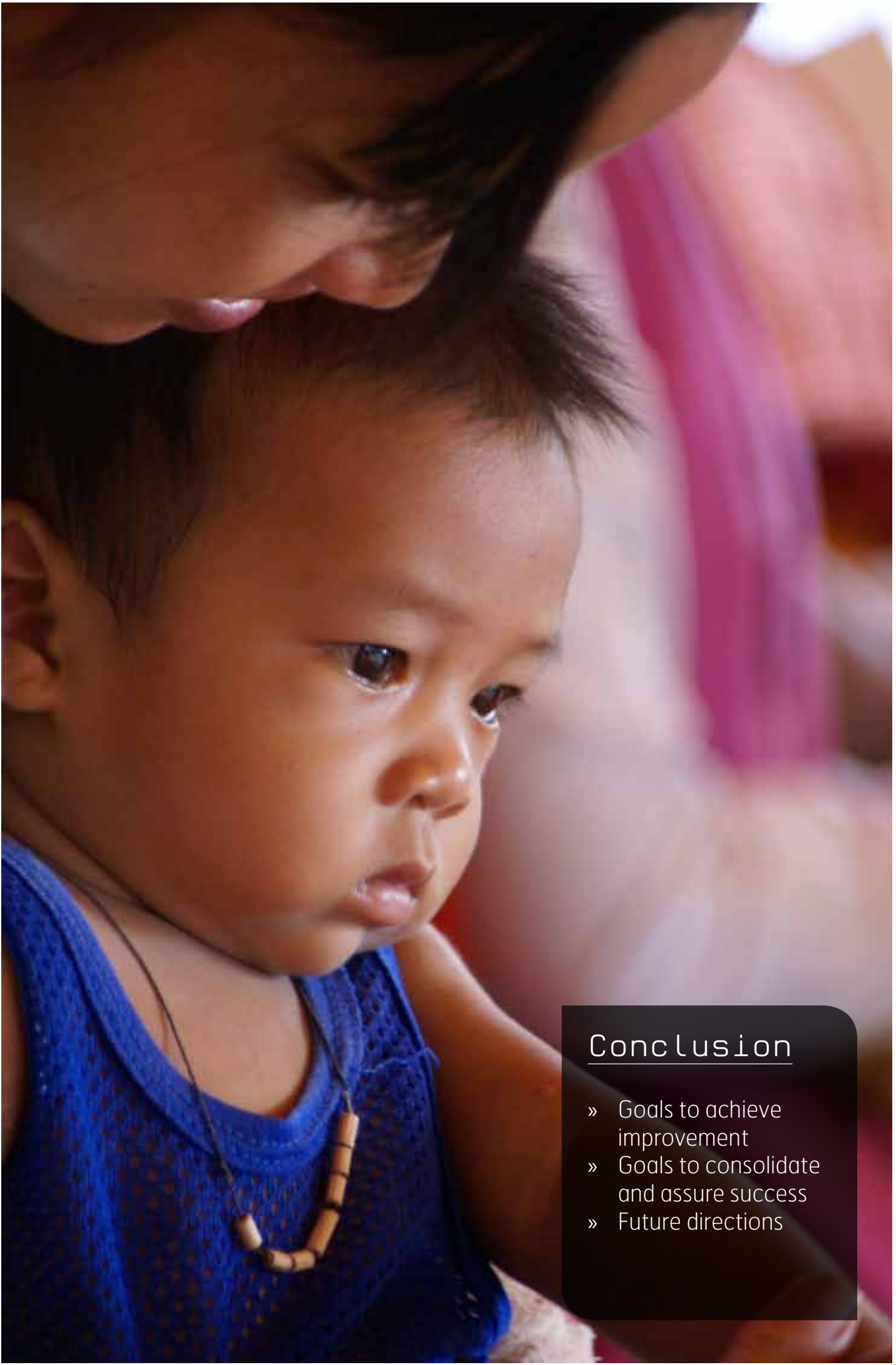
Our impact on the environment is measured and expressed in terms of carbon dioxide emission equivalence. Following is a breakdown of measured impacts with a bottom line impact carbon footprint that we have fully offset.



Emission Aspect	Emission Aspect	Volume Used	Factor GH-GEV+*	Total Emissions (Kg)
Road travel Kilometre	5,800 5,776 1,554 32,040	45,170	0.26	11744
Air travel Kilometre	30,876 398,760 23,088 2097100	662,424	0.139	92077
In premises electricity Kwh	20,294 22,163 9,600 8,749	60,805	1	60805
Waste: Paper and packaging Kilogram		565	2.5	1413
Total Emissions Kilograms 2009				166,038 kg
	2009 Per FTE	7050		
	2008 Per FTE	12,816		166,038 Kg
	2007 Per FTE	10,289		189,800 Kg
	2006 Per FTE	9515		53,502 kg
				49,000 kg

* GHGEV+ = Greenhouse Gas Emission Value

All impacts have been measured as if they were incurred in Australia, using values described by the Australian Government Department of Climate Change “National Greenhouse Accounts (NGA) Factors” (<http://www.climatechange.gov.au/workbook/index.html>), as there are no available standards for the other countries we operate in.



Conclusion

- » Goals to achieve improvement
- » Goals to consolidate and assure success
- » Future directions

Conclusion

CUFA is largely tracking to its strategic objectives to deliver services and education to recipient communities, and we trust that this report has highlighted both the contributions we make to sustainability due to our work, and how we intend to deal with the social, environmental and economic challenges faced.

The current three year CUFA Strategic Plan is due for completion in June 2010, and the new goals discussed in this report will assist its completion and provide platforms for the next plan.

A summary of the new goals:

- » Develop an action plan to generate funds for domestic marketing activities and programs such as Indigenous Reconciliation Action Plan and Indigenous Financial Literacy Series.
- » Review CUFA capacity and processes to effectively market, negotiate, manage, and action funding partner opportunities and arrangements.
- » Review contribution strategies: refine or consolidate where necessary, to ensure each strategy has a solid and distinct appeal proposition so that one does not compromise another; enabling overall contribution to growth in real terms.
- » Formal arrangements will be sought to ensure medium term technical support provision from Operation Partners.
- » In preparation for AusAID re-accreditation, a review of management requirements to meet compliance needs of changing regulatory and development frameworks.

Please also refer to the following sections for details of CUFA goals and performance, and financial reporting for the 2008 /2009 financial year.

Finally this report has been written with the greatest respect to the Global Reporting Initiative and their G3 Performance Indicators. The complete set of indicators has been included in this document in the following section, where discussion points are cross-referenced by page number, or detail provided within the indicator table itself. In terms of extent of disclosure in line with GRI reporting standards, CUFA self declares a level of C, acknowledging that this report has not been externally assured.

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Credit Union
Foundation
Australia

Appendix :

- » Goals, Objectives and Performance
- » GRI Performance Indicators
- » Financial Reports 2008/2009



CUFA Goals and Objectives

This area summarises core CUFA goals and objectives from our Strategic Plan 2008 – 2010 and includes new goals developed during this reporting year. Where a goal is discussed in this report, refer to the section described in the Reporting column.

Objective & Indicators	Started	Timeframe	Outcome	Reporting
GOVERNANCE				
Sustainability: Develop a sustainability policy and strategy.	2006	1-3	To be Achieved. Policy development to be completed mid 2008.	
Board diversity: Encourage increased representation of women on the board.	2006	1-3	In progress. Currently 2 female, 4 male Board members	
AusAID Accreditation: Achieve AusAID re-accreditation.	2006	3	Achieved – April 2009	Achievements
Risk Management: To evaluate, improve and thoroughly implement risk management policies.	2006	2	Partially Achieved – A formalised policy will be created in late 2007	Overarching Principles
International Standards: Support the Universal Declaration of Human Rights, ICCPR & ICESCR and the Millennium Development Goals (MDG) by. <ul style="list-style-type: none"> • Explicitly commit to them in policies • Develop performance indicators for poverty, gender, indigenous and disability to measure progress and contribution to human rights and (MDG). 	2006	2 years	Partially Achieved To be integrated into formal policy. Performance indicators to be developed and implemented into reporting, from October 2008.	About CUFA
Memorandum of Understanding: We will renew our Memorandum of Understanding with Cuscal.	2006	1-2	Not Yet Achieved.	Accountability
Deliver CUFA's international and domestic strategic plan and results against Board and AusAID targets.	2008	Ongoing	In progress.	About CUFA Highlights
Develop an action plan to generate funds for domestic marketing activities and programs such as Indigenous Reconciliation Action Plan and Indigenous Financial Literacy Series.	2009	1-2	New goal – performance will be reported in the 2010 CUFA Sustainability report, and progress discussed on the CUFA website.	Stakeholders & Engagement: Australian recipient individuals and communities.
Review CUFA capacity and processes to effectively market, negotiate, manage and action funding partner opportunities and arrangements.	2009	1	New goal – performance will be reported in the 2010 CUFA Sustainability report, and progress discussed on the CUFA website.	Stakeholders & Engagement: Funding Partners.
Formalise technical support arrangements so that agreements cover at least a 2 year period.	2009	1	New goal – performance will be reported in the 2010 CUFA Sustainability report, and progress discussed on the CUFA website.	Stakeholders & Engagement: Operational Partners.

CUFA Goals and Objectives

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Objective & Indicators	Started	Timeframe	Outcome	Reporting
Review of management requirements, and preliminary preparation for next AusAID re-accreditation around known and emerging regulatory compliance and development frameworks needs.	2009	1-2	New goal – performance will be reported in the 2010 CUFA Sustainability report, and progress discussed on the CUFA website.	Stakeholders & Engagement: Regulatory and Governance Bodies.
Review contribution strategies: refine or consolidate where necessary, to ensure each strategy has a solid and distinct appeal proposition so that one does not compromise another; enabling overall contribution to growth in real terms.	2009	1	New goal – performance will be reported in the 2010 CUFA Sustainability report, and progress discussed on the CUFA website.	Stakeholders & Engagement: Contributors
Stakeholder Dialogue				
Communication: Develop our website to maintain relevance and transparency. Provision of access to information relevant to specific stakeholder groups.	2007 2009	1 1	First public website released 2007. Total update to reflect new branding and improved information access achieved April 2009.	Introduction. Link to website from relevant report pages
Reporting: We will produce annual sustainability reports in accordance with international best practice standards, recommended by the Global Reporting Initiative.	2006	Ongoing	Achieved. This is our fourth report. We commit to report within 3-4 months of the end of financial year.	Also see G3 indicator table next section.
Increase engagement with a larger number of building society and credit unions.	2008	Ongoing	In progress. Future engagement include other Australian Mutuels and Cooperatives, under the banner of “Developing People – Strengthening Communities”	Stakeholders & Engagement: - Australia. - Contributors
Achieve broader public engagement with CUFA’s work , primarily through the Village Entrepreneur Initiative.	2009	3	In progress. The Village Entrepreneur Initiative started in June 2009	Stakeholders & Engagement: Contributors
Increase awareness of the community and development work of mutuels , including media and members awareness.	2009	Ongoing	In progress. Increased focus on centralising partner success stories by publishing to the CUFA website will assist to raise profile.	Stakeholders & Engagement:
Launch and promote new CUFA brand to achieve increased donor support and broader mutual sector engagement	2009	1	Achieved. New logo and tag line developed and incorporated into new CUFA website launched May 2009.	Stakeholders & Engagement
Link with Public Affairs advocacy work to increase awareness of and promote outcomes of our development work.	2009		In progress.	Stakeholders & Engagement:
OUR PEOPLE				
Diversity: Proactively strive to ensure diversity when recruiting and engaging volunteers, mentors and interns, with a focus on gender, Indigenous Australians and those with disabilities.	2006	Ongoing	CUFA would seek to address equity and balance as opportunities arise.	

CUFA Goals and Objectives

This area summarises core CUFA goals and objectives from our Strategic Plan 2008 – 2010 and includes new goals developed during this reporting year. Where a goal is discussed in this report, refer to the section described in the Reporting column.

Objective & Indicators	Started	Timeframe	Outcome	Reporting
Partners: To review our contracts with partners and contractors to include our approach to human rights, as well as information about the values of the Australian credit union movement.	2006	Ongoing	Achieved	
Internships: Internships are valuable for society as well as for CUFA: • Commit to run at least two internship programs annually	2006	On-going	4 Australian internship programs were conducted. 1 in-country internship program was conducted in Cambodia, the participant engaged in all levels of the Building Trust and Children's Financial Literacy programs.	Stakeholders & Engagement: Staffing
DE mentors: Continue to ensure that at least one of our DE Mentors comes from overseas.	2006	On-going	Achieved.	Stakeholders & Engagement: Staffing
PROJECTS				
Measure development outcomes with the new CUFA Poverty Alleviation Measurement Tool.	2009	2 years	In progress.	About CUFA Overarching Principles
Deploy and develop in-country staff to lead in-country projects under supervision of senior Project Manager	2009	Ongoing	Achieved. Cambodia and Timor Leste now feature strong teams of CUFA staff	Stakeholders & Engagement: Staffing
Domestic Commitment: Develop an additional series of the Financial Literacy Initiative to meet the needs of the Indigenous population	2006	1	Development of Indigenous financial literacy program commenced during 2007, however difficulties with graphic content funding has stalled the program.	Stakeholders & Engagement: Australia
ENVIRONMENT				
Travel: • Develop a policy on responsible travel as part of our sustainability strategy. • Develop a system by which we can effectively monitor and record our organisational travel.	2006	1-2	Partially Achieved. Policy implementation and system to record travel will be in 2007, however needs to be upgraded be accessed by in-country personnel.	Stakeholders & Engagement: The Environment
Carbon offsetting: We are committed to becoming carbon neutral, and offset our emissions. This year we offset emissions our air travel, electricity and waste.	2006	On-going	Achieved. Land rehabilitation programs remain the only option pursued.	Stakeholders & Engagement: The Environment

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
Strategy and Analysis			
1.1 FR	Statement from the most senior decision maker of the organisation (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation.	See vision, mission and values	Page 4
1.2 FR	Description of key impacts, risks, and opportunities.	See EO statement	Page 5
Organisational Profile			
2.1 FR	Name of the organisation.	Credit Union Foundation Australia	-
2.2 FR	Primary brands, products and/or services.	No brands or trademarked services as such. Domestic Initiatives Education, Engagement, Professional Development Overseas The focus of in country development programs is training, education and skills transfer: aimed at achieving sustainable financial growth and social development.	Page 11 Page 11
2.3 FR	Outline the operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	CUFA's has a governing board consisting of six directors. The Executive Officer is responsible for the management of the organisation and project oversight, with staff and volunteers developing, implementing, monitoring and evaluating programs.	
2.4 FR	Location of organisation's headquarters.	Level 1 - Margaret Street - Sydney NSW 2000 - Australia.	-
2.5 FR	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Five countries - Australia, Cambodia, Fiji, Solomon Islands, Sri Lanka and Timor Leste are relevant to include and discuss in this report.	Page 11
2.6 FR	Nature of ownership and legal form.	CUFA is a wholly owned subsidiary of Cuscal Limited, and is an Australian Proprietary Company, Limited By Shares.	-
2.7 FR	Markets served.	CUFA's market: developing financial sustainability, encompasses the credit unions, institutions and the communities we assist, geographically in Australia, South East Asia and the Pacific.	Page 11
2.8 FR	Scale of the reporting organisation.	Full Time Equivalents: XXX. Based in Sydney Australia. Long-term operations in Australia, Cambodia, the Solomon Islands and Timor Leste. See ECI for economic scale.	Page 26

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
2.9 FR	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes that affect this report.	-
2.10 FR	Awards received in the reporting period.	ACCSR Award. The corporate social responsibility capability of Credit Union Foundation Australia (CUFA) as an Australian NGO, was recognised in the "The State of CSR in Australia: 2009 Annual Review" by the Australian Centre for Corporate Social Responsibility, February 5 2009.	-
Report Profile			
3.1 FR	Reporting period (e.g., fiscal/ calendar year) for information provided.	Financial year from July 1 2008 to June 30 2009	-
3.2 FR	Date of most recent previous report (if any).	Financial year from July 1 2007 to June 30 2008	-
3.3 FR	Reporting cycle (annual, biennial, etc).	Annually, per financial year. CUFA is committed to publishing annual sustainability reporting within 3-4 months of year-end.	-
3.4 FR	Contact point for questions regarding the report or its contents.	Philip Lambert: Project Officer Email: plambert@cuscal.com.au Phone: (02) 8299 9031 www.cufa.com.au	-
3.5 FR	Process for defining report content.	CUFA has decided to report to each indicator that directly applies to our organisation, or is material to it.	-
3.6 FR	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	CUFA has no subsidiaries or divisions. Development partners involved in major project delivery are not reported in detail. Each country involved in our development projects has been included in this report.	-
3.7 FR	State any specific limitations on the scope or boundary of the report.	All aspects of reporting that directly apply to CUFA have been addressed.	-
3.8 FR	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	CUFA does not have any joint ventures or partially owned subsidiaries.	-
3.9 FR	Data measurement techniques and the bases of calculations.	When access to source documentation has not been possible, reasonable estimates are made where absence of data would impact the value of an indicator being addressed, especially in regards to environmental reporting.	-
3.10 FR	Explanation of the effect of any re-statements of information provided in earlier reports.	No re-statements have been issued.	-
3.11 FR	Significant changes from previous reporting periods.	No change to the previous reporting period basis of annual, financial year.	-

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
3.12 FR	Table identifying the location of the Standard Disclosures in the report.	See beginning of this section	Page 2- 31
3.13 FR	Policy and current practice with regard to seeking external assurance for the report.	Critical assessment of all data has been undertaken and all our employees have reviewed the information provided. A stated objective of last year's report was that CUFA would apply independent assurance to future reporting, however CUFA seeks to incrementally increase standards and significantly increase operational scope before assurance is applied	-
Governance			
4.1 FR	Governance structure of the organisation.	Board decisions are limited by the guidelines set out by the trust deed establishing CUFA, and its constitution.	Page 16
4.2 FR	Indicate whether the Chair of the highest governance body is also an executive officer.	The Chair of the CUFA Board is independent.	
4.3 FR	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	4 of the 6 board members are independent	
4.4 FR	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Cuscal is CUFA's only shareholder provides formal feedback to the board and EO through their representatives on the board. At board meetings there is free and open discussion where CUFA employees may provide agenda items, and present to the board.	-
4.5 FR	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Board members are voluntary and are not remunerated. CUFA employee salaries are partly dependant on their performance. Executive compensation is also based on a risk reward evaluation. The key deliverables are financial, customers, operational/projects and staff. Performance appraisal is linked to our employees' annual bonus and to the salary review process through the award of ratings. Together with a view to market relativity and Cuscal's budget capacity, this rating influences the manager's recommendation regarding a salary increase.	-
4.6 FR	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Cuscal is the sole shareholder in CUFA.	-
4.7 FR	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	The CUFA Executive Officer provides information for the required experience, skills and attributes CUFA needs according to planned programs. Cuscal's board then selects CUFA's board from the list of applicants upon that basis. Cuscal's board selects the members of CUFA's board from a list of applicants, provided by CUFA's EO, who possess the required experience, skills and attributes to satisfy the needs of CUFA's programs.	

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
4.8 FR	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Statements of mission or values:	Page 9
4.9 NR	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The CUFA Board meets six times each year, during which compliance and performance are analysed, and recommendations provided to management.	Page 15-16
4.10 PR	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The CUFA Board is overseen by Cuscal's Board, and Cuscal's People Management division administers performance and evaluation practice relating to CUFA Board members.	
Commitments To External Initiatives			
4.11 PR	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	CUFA has not explicitly applied the precautionary principle in any policies, However before commencing any project CUFA undertakes thorough risk assessment, and undertakes on-going assessment during project delivery that considers short, medium and long-term impacts.	Page 16
4.12 FR	Externally developed economic charter to which the organisation subscribes or endorses.	<ul style="list-style-type: none"> • ACFID's Code of Conduct for international development • Australian Credit Union Movements values • International Credit Union Operating Principles • Accounting Standards Australia 	Page 22-24
4.13 FR	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: <ul style="list-style-type: none"> • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic. 	<ul style="list-style-type: none"> • Australian Council for International Development (ACFID) • Asian Confederation of Credit Unions (ACCU) • Member of the committee of the Australian Microfinance Network • Representation on the National Indigenous Money Management Agenda (reference group to Reconciliation Australia) 	Page 22-24

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
Stakeholder Engagement			
4.14 FR	List of stakeholder groups engaged by the organisation.	Our primary stakeholders: <ul style="list-style-type: none"> • International recipient individuals and communities • Australian recipient individuals and communities • Contributors • Funding partners • Development Partners • Operational Partners • Regulatory and Governance Bodies • Staffing • The Environment 	Page 16
4.15 FR	Basis for identification and selection of stakeholders with whom to engage.	CUFA engages with various stakeholders based on the significance of their relationship to CUFA's goals, mission and philosophy.	Page 16
4.16 FR	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	CUFA conducts stakeholder consultation through formal and informal discussions with project stakeholders, and by providing specific programs to meet their information and experience needs.	Page 16-18
4.17 FR	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	One key areas of concern was: <ul style="list-style-type: none"> • A need for greater activity in Australia - CUFA to advocate for credit unions in Australia to increase their domestic involvement. – CUFA initiated in-country exposure and education programs, issue based roundtables and the Reconciliation Action Plan. Future domestic engagement programs include additional Financial Literacy Series, CSR Activity Database, Sponsorship Program, and DE Awards	
EC Economic Performance Indicators			
EC1 FR	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Revenues: For the last financial year CUFA net revenue was - Trust Fund - AU \$434,992.00 International Project Fund (IPF) - AU \$1,373,238.00 Cuscal pays for CUFA's wages and office related overheads, including floor space, equipment, materials and utilities. Employee compensation: \$332,269.00	
EC2 FR	Financial implications and other risks and opportunities for the organisation's activities due to climate change	See Environment.	Page 27

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
EC3 FR	Coverage of the organisation's defined benefit plan obligations.	Superannuation is compulsory in Australia and CUFA's benefit plan adheres to federal government requirements. Our superannuation obligations are handled by Cuscal and adhere to their company policy, in respect to federal law.	-
EC4 FR	Significant financial assistance received from government.	CUFA received AUD \$287,076.00 from AusAID, the Australian Federal Government's overseas development body.	-
EC5 PR	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.	CUFA mainly had full time salaried staff on payroll during this reporting period. In Australia, waged employees received compliant Australian award rates. In Cambodia, Solomon Islands and Timor Leste, CUFA project officers and support staff are paid slightly above the typical salary for the role and country. No employment awards exist in countries where CUFA operates, except in Australia.	-
EC6 PR	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	In our Sydney office, Cuscal handles the majority of purchasing decisions. Domestic projects - CUFA makes purchasing decisions. We employ the services of locally based suppliers and contractors to assist in project supplies. Overseas projects - CUFA makes purchasing decisions. Our policy is to employ locally based suppliers, labour and materials.	-
EC7 PR	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	In Australia, CUFA's recruitment policy adheres to EEO principles and we aim to create a socially diverse and gender balanced workplace. Experienced CUFA personnel conduct recruitment processes for in-country projects. Where credit union management experience is needed, Australian practitioners are sought. The long-term goal is for these practitioners to train local personnel to take over the position in the future. Where local cultural experience is essential to projects, local personnel are recruited.	-
EC8 FR	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in kind, or pro bono engagement.	Not Applicable	-
EC9 FR	Understanding and describing significant indirect economic impacts, including the extent of impacts.	CUFA supports the development of 'grass roots' entities and community based financial institutions that assist the wider community. CUFA's long-term goal is to help these organisations achieve financial stability, thus removing the need for our direct input. When sustainability is achieved the indirect economic impacts will be positive and sustainable.	Page 18
EN Environment			
EN1 PR	Materials used by weight or volume.	The major materials used in our operations are paper products including A4 copy paper, printing stock, and envelopes. Volume and weight was not measured.	Page 27-29
EN2 PR	Percentage of materials used that is recycled input materials.	Not directly relevant, however the photocopier paper used has 10% recycled content.	-
EN3 NR	Direct energy consumption by primary energy source.	Not Applicable: CUFA only uses indirect energy in our operations and is not a producer of energy.	-

GRI G3 Indicator Performance

Key: FR = Fully Reported, PR = Partially Reported, NR = Not Reported, N/A = Not Applicable

Indicator	Statement	Indicator Summary	Reference
EN4 PR	Indirect energy consumption by primary source.	Our indirect energy consumption is primarily electricity. 1. The total electricity energy purchased was estimated at 60,805 kWh. 2. Renewable energy - 10% of electricity sourced from Energy Australia (NSW) was renewable.	Page 29
EN5 PR	Energy saved due to conservation and efficiency improvements.	Not measured due to lack of accuracy	Page 28
EN6 NR	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not applicable. Energy use is not a significant aspect of product and service delivery.	-
EN7 PR	Initiatives to reduce indirect energy consumption and reductions achieved.	See EN 18 for full details.	Page 28
EN8 NR	Total water withdrawal by source.	Not Applicable: CUFA is not a large water consumer.	-
EN9 NR	Water sources significantly affected by withdrawal of water.	Not Applicable: Only access retail water supply.	-
EN10 PR	Percentage and total volume of water recycled and reused.	CUFA did not use recycled water, or recycle any water.	-
EN11 NR	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not Applicable: CUFA's operations are not located in or near such areas. See EN12 for further relevant details.	-
EN12 NR	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not Applicable: CUFA only operates in urban areas or on land that has been designated for community purposes.	-
EN13 NR	Habitats protected or restored.	Not Applicable: CUFA operations do not involve environmental protection or restoration.	-
EN14 NR	Strategies, current actions, and future plans for managing impacts on biodiversity.	Not Applicable.	-
EN15 NR	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not Applicable.	-
EN16 NR	Total direct and indirect greenhouse gas emissions by weight.	See EN17. CUFA does not produce direct GHG emissions, as this indicator applies directly to producers of energy, processes associated with it and its distribution.	-

GRI G3 Indicator Performance

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Indicator	Statement	Indicator Summary	Reference
EN17 FR	Other relevant indirect greenhouse gas emissions by weight.	GHG emissions – The environmental impact and footprint of CUFA 1. Air and land travel 103821 kg 2. Landfill waste 1413 Kg 3. Electricity 60805 Kg (travel measured in Kgs of CO2 emissions, related to EN29)	Page 29
EN18 PR	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Our most significant use of indirect energy is air travel. Road travel, electricity use, staff commuting, and landfill waste are also contributing factors. Given that we now are directly involved in project delivery and have an increasing domestic engagement with greater contact with stakeholders, GHG emissions from air and road travel will increase. See Environment for detailed discussion of initiatives.	Page 28
EN19 NR	Emissions of ozone-depleting substances by weight.	Not Applicable.	-
EN20 NR	NO, SO, and other significant air emissions by type and weight.	Not Applicable: No significant air emissions are produced by CUFA activities other than CO2. See EN18 for details.	-
EN21 NR	Total water discharge by quality and destination.	Not Applicable.	-
EN22 PR	Total weight of waste by type and disposal method.	Not measured: See Environment for further discussion of CUFA's recycling and waste reduction strategies.	Page 29
EN23 NR	Total number and volume of significant spills.	Not Applicable.	-
EN24 NR	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not Applicable.	-
EN25 NR	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and run-off.	Not Applicable.	-
EN26 PR	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Refer to EN18 for full details.	-
EN27 NR	Percentage of products sold and their packaging materials that are reclaimed by category.	Not Applicable: No physical products were distributed that have significant environmental impacts if not recycled at the end of their life cycle.	-

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Indicator	Statement	Indicator Summary	Reference
EN28 FR	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	No fines were incurred by CUFA.	-
EN29 FR	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Related to EN18. The most significant environmental impact of transport is business related travel.	Page 27
EN30 FR	Total environmental protection expenditures and investments by type.	CUFA purchased carbon offsets from Greenfleet to account for calculated GHG emissions directly attributable to CUFA, of 166,038 kg.	Page 28
LA Labour Practices and Decent Work			
LA1 FR	Total workforce by employment type, employment contract, and region.	See page for specific FTE equivalence	Page 25-26
LA2 PR	Total number and rate of employee turnover by age group, gender, and region.	CUFA has experience net employment growth.	Page 25-26
LA3 FR	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Not Applicable. Pro-rate benefits apply to non-full-time employees.	-
LA4 FR	Percentage of employees covered by collective bargaining agreements.	None. We have a policy stating our employees' right to independently choose to be represented by trade unions.	-
LA5 PR	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	CUFA does not have any written procedure on advising employees about changes in CUFA organisational operations. All staff members are kept fully informed of planned and potential changes at weekly meetings, the appraisal process and at the yearly business planning sessions.	-
LA6 FR	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	No CUFA employees are involved directly, however due to our relationship with Abacus and Cuscal, our worker health and safety committee representatives actively engage with CUFA	
LA7 FR	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region.	CUFA had only minimal days lost from non work-related sick leave. Fortunately, no loss was incurred from work related injury, death or other incidents.	
LA8 FR	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Cuscal offers comprehensive support and counselling to staff and their family in Australia should the need arise. CUFA also incorporates personal safety, hygiene and disease prevention awareness measures into its development programs as appropriate.	

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Indicator	Statement	Indicator Summary	Reference
LA9 NR	Health and safety topics covered in formal agreements with trade unions.	Not applicable	-
LA10 PR	Average hours of training per year per employee-by-employee category	All full time and part time staff members are involved in approx. 12 hours of training, with options of additional training depending on need and availability. CUFA provides direct training to in-county personnel. The Cambodian Project Officer was brought to Australia to become familiar with and trained in CUFA policy and procedure over a period of two weeks.	
LA11 FR	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Cuscal Insights Cuscal Personal Leadership Program	
LA12 FR	Percentage of employees receiving regular performance and career development reviews.	100% - conducted twice each year	-
LA13 FR	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Board: Male : Female = 2 : 1 Employees Male : Female = 1 : 1 Employees are aged from 27 to 45+ years Origin/Nationalities: Australia, Cambodia, Columbia, Germany, Indonesia, Timor Leste, Solomon Islands.	
LA14 NR	Ratio of basic salary of men to women by employee category	Insufficient data available due to lack of comparable salaried positions and very short period of employment of reported female staff.	-
HR Human Rights			
HR1 NA	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	CUFA does not engage in significant investment activities or projects that this indicator seeks to address.	-
HR2 FR	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	As a small organisation CUFA does not conduct any formal supplier screening on human rights. However, CUFA will advocate for Cuscal including such considerations in their investment and procurement decisions. CUFA's employs Australian staff for International projects and where CUFA works with International development partners their human rights values must align with those of CUFA. CUFA has not set in place a risk and monitoring policy for reporting performance within it's supply chain.	
HR3 PR	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Although no formal human rights training is conducted in a measurable way all new staff are trained in human rights awareness during orientation and project briefing.	-

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Indicator	Statement	Indicator Summary	Reference
HR4 FR	Total number of incidents of discrimination and actions taken.	None	-
HR5 FR	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	No operations are exposed to these risks	-
HR6 FR	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	No operations are exposed to these risks. CUFA abides by all legal requirements and has never used child labour.	-
HR7 FR	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	No operations are exposed to these risks.	-
HR8 PR	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	There were three (3) security officers employed by CUFA during the reporting period, at our training centres in Phnom Penh Cambodia (1) and Dili Timor Leste (2). These officers did not receive such training during 2008.	-
HR9 FR	Total number of incidents of violations involving rights of indigenous people and actions taken.	There have been no violations involving rights of indigenous people in CUFA's areas of operation.	-
SO Society			
SO1 FR	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Each undertaking is subject to various assessment stages, entry, operation and exit plans, which minimise risk to both CUFA and the recipient communities. See Risk in Overarching Principles.	-
SO2 FR	Percentage and total number of business units analysed for risks related to corruption.	CUFA is the only business unit. None of the domestic or international projects have been found to be involved in bribery and corruption.	-
SO3 FR	Percentage of employees trained in organisation's anti-corruption policies and procedures.	100% of Domestic and International Project Officers have guidelines to identify and report situations of perceived or actual corrupt practice, and act on advice provided by senior managers.	-
SO4 FR	Actions taken in response to incidents of corruption	No corruption has occurred or been reported/identified.	-
SO5 PR	Public policy positions and participation in public policy development and lobbying.	CUFA will engage in political advocacy if it is closely aligned with CUFA's mission and vision.	Page 28
SO6 FR	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	No contributions were made to any political entity.	-

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Indicator	Statement	Indicator Summary	Reference
S07 PR	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and outcomes.	None	-
S08 PR	Monetary value of significant fines, total number of sanctions for non-compliance with laws and regulations.	None	-
PR Product Responsibility			
PR1 NR	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not Applicable.	-
PR2 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not Applicable: CUFA was 100% compliant in the area of health and safety for services provided.	-
PR3 PR	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Written documentation of CUFA's project plans and monitoring visits are available for download through our website. It is CUFA's policy to provide public access to these reports to ensure transparency and provide stakeholder assurance.	-
PR4 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	CUFA was not involved in any projects that legally require product and service labelling.	-
PR5 PR	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	CUFA does not formally survey customers, as we do not have customers in the sense the indicator refers to. Our communications with stakeholders identify issues of satisfaction and concern and our engagement strategies and methods address any issues that have arisen.	-
PR6 PR	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	CUFA uses non-discriminatory language in our written and oral communication and only engages in ethical marketing (fundraising) campaigns.	-
PR7 PR	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by types of outcomes, sponsorship by type of outcomes.	CUFA has been 100% compliant with regulations and voluntary codes in this area.	-
PR8 PR	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	CUFA has had no complaints in this area.	-
PR9 PR	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	CUFA has not incurred any fines.	-



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