



# Year in Review

2016 - 2017



# Our Credit Union Difference

**At Coastline, we care about people and providing convenient financial solutions for our customers.**

We are a member-owned organisation. Our customers are our members and they are the shareholders of our credit union. All our profits are returned to members and our local community.

We are here to help. Ask us about home loans, personal loans, credit cards, insurance, savings accounts, budgeting and financial planning.

**#EasyBanking**  
**#Local**  
**#Community**

**“We are locals supporting locals”**



**54 Members**

**1966**

Macleay River County  
Council Employees  
Credit Union Ltd

**1969**

Macleay Mutual  
Credit Union Ltd

**1970**

Macleay Mutual Credit  
Union



**15,807 Members**

**1995**

Coastline Credit Union

**2017**

Coastline



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# Chairman's Report



**In 2016/2017 Coastline's continued focus on customer centric banking delivered strong results.**

We are passionate about the financial well-being of our members and this is reflected in the growth and profitability of the organisation over the past 2 years. Our net profit before tax for the financial year was \$3.408 million and represents operating growth of 23% from the previous financial year. Our membership grew by 3.3% to 15,807, total assets grew by 18% to \$461 million with the loan book growing by 13.8% to \$374 million. Deposits increased by 18.4% to \$421 million which reflects the confidence members have in doing business with Coastline.

We are in a prudentially sound position with solid capital and low levels of loan arrears.

We have set a strategic objective of reaching \$500 million in Loans by the year 2020 and I am pleased to say that we are tracking ahead of budget to reach our goal. A remarkable effort by all of our staff. We are committed to the further development of our customer centric approach and ensuring our business is focussed on future income. Two recent executive appointments, Head of People & Culture and Chief Operating Officer, will ensure we have the ability to drive our strategy forward.

Our current focus is on 4 key customer groups: young first time borrowers; young families with a home loan; older customers with investments and deposits and external brokers looking for loans for their clients. We are committed to rewarding customer loyalty, being a one stop destination for our customer's financial needs and growing the skills of our staff through customer centric training and development.

During the past year we continued the rollout of our new concept stores in Kempsey and South West Rocks. The new stores strongly reflect Coastline's brand. They feature an open plan layout with service booths, technology bar, member lounge, coin deposit machine and staff utilise a cash recycling dispenser.

The inviting fit-out is a departure from the traditional bank branch and positions Coastline to combat falling transaction business because of the take up of electronic banking.

Locally and across Australia members continue to enjoy unlimited fee-free ATM transactions at Coastline, Westpac, St George, Bank SA and BCU. Our Bpay, Direct Debit & Credit, Internet and Phone Banking services are also fee-free. Plus, our generous Rewards Program ensures that the more members use Coastline's comprehensive range of banking, loans and investment services - the less they will pay in fees and charges.

Since the inauguration of the Coastline Community Foundation in 2002, Coastline has provided grants of over \$900,000 to 240 worthy local causes. This year the Foundation supported two major safer driver initiatives which provided support to over 750 high school students in the Manning and Macleay Valleys. In partnership with the Rotary Clubs of Kempsey and Taree the students were provided with a series of practical and powerful workshops that laid the foundation for safe road use throughout their lives.

The Foundation gives financial support to organisations that provide benefit to local communities. Each year Coastline provides 5% of its operating profit to the Coastline Community Foundation as a way of showing our tangible support to the community.

We anticipate business conditions will again be challenging over the next 12 months. Despite this we are confident solid growth will continue in the year ahead. At the same time, we will develop our business and invest in the things that make us different – our people, our place, our products and our technology – and we believe we can continue to grow above industry benchmarks. We will continue to build on our niche businesses and invest in our people.

In closing, I would like to thank my fellow Board members for their co-operation, teamwork and support throughout the year. My thanks also go to our General Manager Peter Townsend, his leadership team and all staff for their efforts in achieving the trading performance and providing professional, friendly and efficient banking services to our members.



**Allan Hudson**  
**Chairman**



# Board of Directors



## **Peter Townsend, General Manager** (1996 – present)

Since being appointed in 1996, Peter has played an important role in the development and growth of Coastline. Peter is a Director of Indue Ltd which provides financial products and services to financial institutions.

## **Allan Hudson, Chairman** (2008 – present)

Allan is a strong believer in the principles of mutuality. He has an accounting background having worked with banks, finance companies and Credit Unions before joining the hospitality industry. Allan is Secretary Manager of the Kendall Services & Citizens Club and is married and lives on a small farm in the Camden Haven valley.

## **Matthew Ryan, Deputy Chairman** (2009 – present)

Matthew is Chairman of the Risk Committee, a member of the Executive and Audit Committee and a Senior Manager with Public Partners Australia, a management consulting firm focused on supporting government and industry clients. Matthew is married and lives in South West Rocks where he is actively involved in the community.

## **David Bevan (2010 – present)**

David is a member of the Risk and Loans Committee. He has over twenty five years' experience with credit unions holding the positions of Chairman, General Manager, Company Secretary and Chief Financial Officer. David's association with the Credit Union industry has provided him with a sound understanding of the social and community needs of its members, requirement for a high level of corporate governance and a focused strategic plan. David is an active member of our community and member of Rotary and Legacy.

## **Tony Ferris (2012 – present)**

Tony has more than thirty-five years' experience in Credit Unions, commencing his career with Coastline in 1982 when it was known as Macleay Mutual. During that time Tony attained an Advanced Commerce Certificate, a Bachelor of Business and a Master of Business Administration (MBA). His commitment to the Credit Union Industry is driven by the strong belief in the values and support that Credit Unions provide to their members and the communities in which they operate.

## **Vanessa McNeilly (2011 – present)**

Vanessa operates her own law firm in Forth Street, Kempsey and has worked in the area as a solicitor for a number of years. Vanessa believes it's important to support the businesses and families of our local community. She brings a fresh and common-sense approach and is committed to the ongoing success of Kempsey and the Region.

## **Jennifer Pike (2013 – present)**

Jennifer holds a Bachelor of Economics (Accounting) and is a Certified Practising Accountant. A member of Coastline since 1997, Jennifer is a strong believer that Coastline is a viable alternative to the "big 4" banks offering personal service and relevant financial products and services to its members. Coastline plays an important role in the communities which it serves by supporting local people, business and community organisations. Jennifer is committed to ensuring Coastline continues to deliver quality and excellence and strives for continual improvement in the delivery of its products and services.

# Financials

## Member Equity

**Growth  
9.22%**

2017 – 35.1M  
2016 – 32.1M

## Total Assets

**Growth  
18.00%**

2017 – 461.3M  
2016 – 390.9M

## Gross Loans Balance

**Growth  
13.87%**

2017 – 374.9M  
2016 – 329.3M

## Total Deposits

**Growth  
18.50%**

2017 – 420.1M  
2016 – 355.3M

## Capital Adequacy

2017 – 13.71%  
2016 – 14.74%

## Net Profit Before Tax

**Growth  
23.07%**

2017 – 3.4M  
2016 – 2.8M



# Financials

## Profit & Loss Statement

	2017	2016
	\$'000	\$'000
Interest Revenue	18,010	16,869
Interest Expense	(7,929)	(7,980)
Net Interest Income	10,081	8,889
Other Revenue and Income	2,880	2,237
Impairment Losses on Loans and Advances	(218)	(200)
Operating Expenses	(9,336)	(8,158)
Profit Before Income Tax	3,407	2,768
Income Tax Expense	(1,028)	(805)
<b>Profit for the Year</b>	<b>2,379</b>	<b>1,963</b>

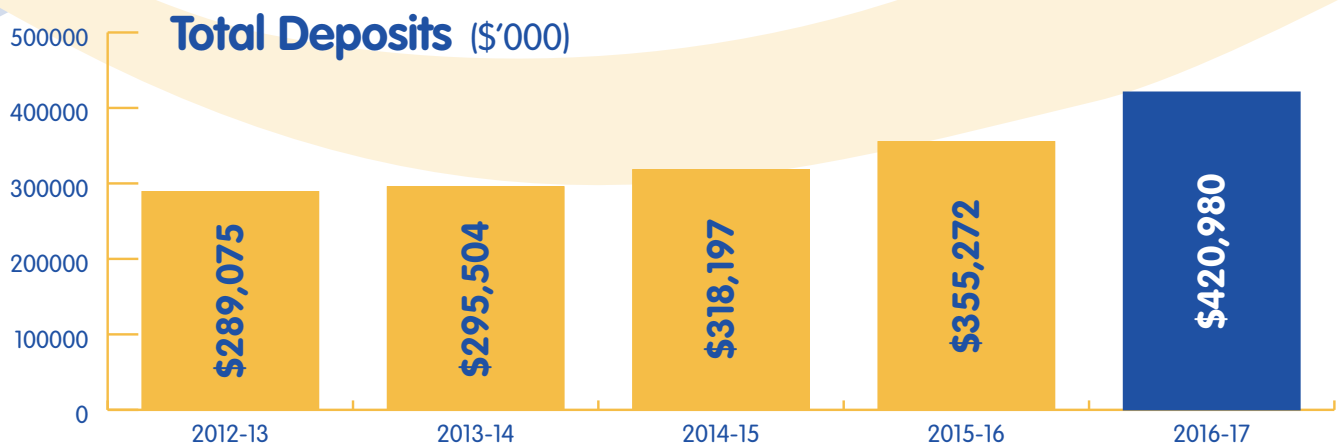
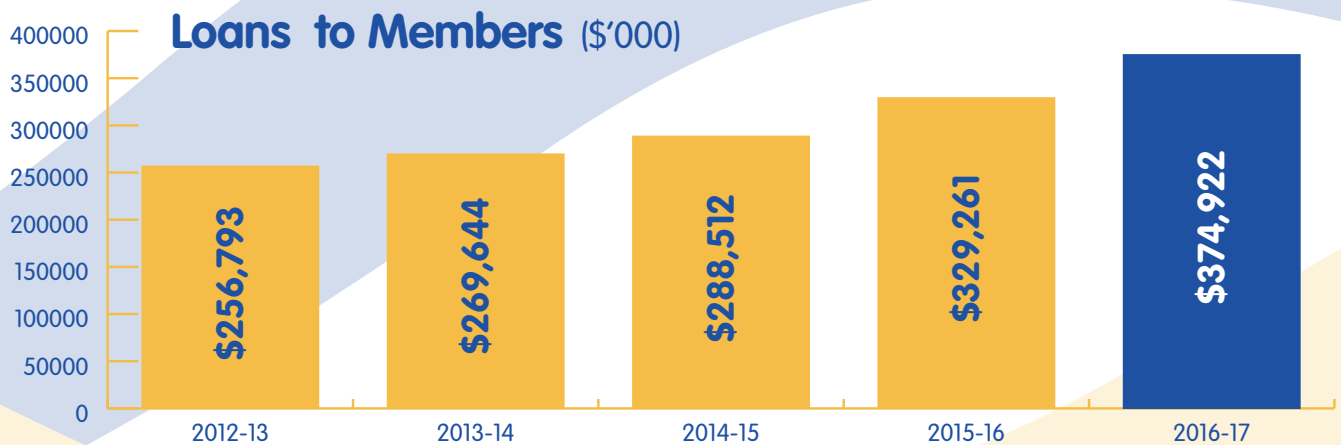
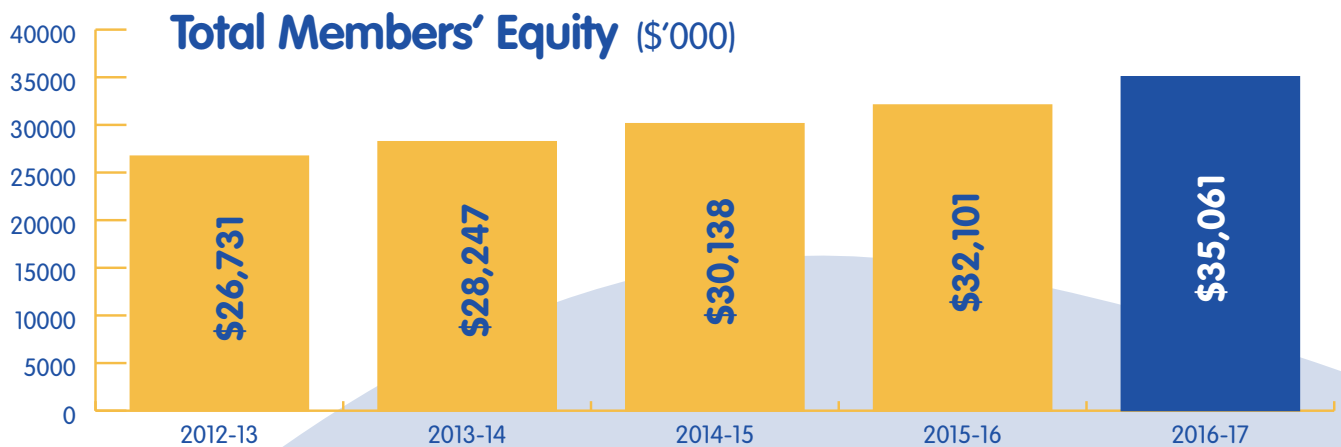
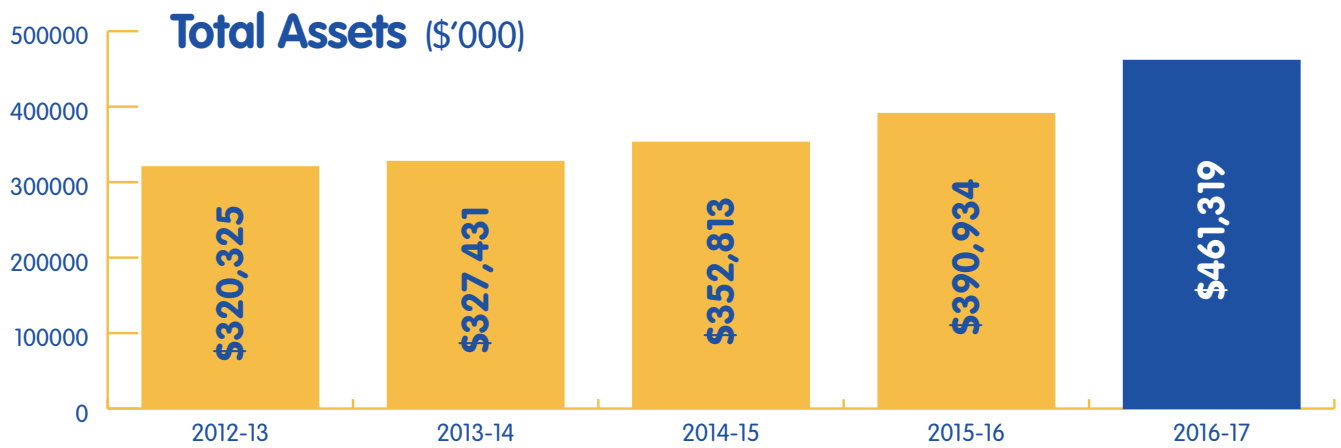
## Balance Sheet

	2017	2016
	\$'000	\$'000
Cash and Investments	76,506	53,760
Property, Plant and Equipment	4,748	3,557
Loans and Advances	374,922	329,261
Other Assets	5,143	4,356
Total Assets	461,319	390,934
Deposits from Other Financial Institutions	60,314	20,450
Deposits from Members	360,666	334,822
Payables and Provisions	5,278	3,561
Total Liabilities	426,258	358,833
<b>Net Assets</b>	<b>35,061</b>	<b>32,101</b>

## Statement of Changes in Equity

	2017	2016
	\$'000	\$'000
Redeemed Share Capital	47	45
Retained Earnings	31,200	29,222
Asset Revaluation Reserve	1,831	1,250
General Reserve for Credit Losses	1,854	1,584
Other Reserve for Credit Losses	129	-
<b>Net Assets</b>	<b>35,061</b>	<b>32,101</b>





# Our Community

**Coastline is committed to providing local artisans, producers and designers with an opportunity to showcase their products.**

Merchandise can be sold by Coastline staff and all proceeds are returned directly to the business. There is no cost to the business and they don't have to be a Coastline customer, although our goal is to be able to assist the business with their banking needs in the future.

## Local Spotlight

**"We are locals supporting locals."**

**#Local  
#Community**



Buddy & Me | [buddyandme.com.au](http://buddyandme.com.au)



Coastal Graphics | [coastalgraphics.com.au](http://coastalgraphics.com.au)



Blueberry Greens | [macleayvalleyfoodbowl.com.au/producer/blueberry-greens](http://macleayvalleyfoodbowl.com.au/producer/blueberry-greens)



Jock Kirkwood Photography | [flickr.com/photos/jockkirkwood](https://www.flickr.com/photos/jockkirkwood)



## Sponsorship / Community Foundation

### 28<sup>th</sup> Annual Coastline Trial Bay Triathlon

Coastline is proud to be the major sponsor of the Trial Bay Triathlon. This 500 metre swim, 25km cycle, and 6km run held in February at Trial Bay is a great community event, with all proceeds raised going to local charities and community groups.

### 36<sup>th</sup> South West Rocks Running Festival

The 36th South West Rocks Running Festival, formally The Macleay River Marathon was held on Sunday, 11 June 2017. Coastline was proud to sponsor this great community event.

More than 600 competitors registered for the 42km marathon, 21km half marathon, 10km & 5km fun runs and junior events. With all proceeds going to local charities and community groups.

**\$900,000+**

Coastline have donated over \$900,000 to the local community via sporting groups, schools and community organisations – through our Community Foundation program.



# Our Community

## Coastline Partnership Program

Coastline offers local sporting groups and community organisations the chance to earn further sponsorship funding through the Partnership Program. The program works on a referral system. It is our way of giving back to the community for their support.

This year we partnered with the following clubs in this program;

- Hastings Valley Vikings Rugby Union Club
- Kempsey Cannonballs Rugby Union Club
- Macleay Valley Rangers Football Club
- Old Bar Barbarians Football Club
- South West Rocks Netball Club
- Old Bar Beach Rugby League Football Club
- South West Rocks Football Club

“SWR Netball Club are proud of their association with Coastline. Coastline’s sponsorship has allowed our club to be progressive, provide our members with opportunities and also allowed our club to purchase much needed equipment. The Coastline Credit Union SWR Summer Netball Competition is another way Coastline supports our local community – it brings us together.”





## Community Foundation

### Kempsey & Taree Rotary Youth Driver Awareness Program



The Rotary Clubs of Kempsey & Taree have operated the highly successful programs for 13 years (Taree) and 10 years (Kempsey). The program focuses on attitude and awareness – empowering young people to make good choices on the road. The workshop is about teaching teenagers all aspects of driver safety. The students agree it is a valuable experience, hearing from a variety of volunteer speakers, including local Police Officers, SES, local Ambulance Officers, Accident Crash Survivors, the RMS, Ulysses Motorcycle Club and Department of Fair Trade, as well as practical sessions provided by local driving schools.

The day is supported by a variety of local businesses and organisations, all with the one objective of keeping our young people safe on the road.

Over 700 students from nine schools across Taree attended the youth safety education program held at the Taree Racecourse in June. An additional 130 Year 10 students from Kempsey completed the program in November 2016 at the Aldavilla airport.



source: Manning River Times



### 2017 Macleay Valley Business Awards

Coastline has committed to sponsor the Macleay Valley Business Awards for the next 3 years. Together with record partnership support from 28 local businesses, we recognise and acknowledge the achievements of the businesses and people that support our local community.

“Coastline have chosen to sponsor the Macleay Valley Business Awards, as our way of showing our support for the local businesses of the Macleay, locals helping locals.” Peter Townsend, General Manager, Coastline.



Start Up Superstar - Bucket Brewery



Business Leader - Michael Milicevic



Excellence in Small Business - RedPoint



Employer of Choice  
Seabreeze Beach Hotel

# Our People

**We are committed to providing training and development opportunities to our staff, allowing them to develop skills and knowledge to perform their roles to the highest possible standard.**



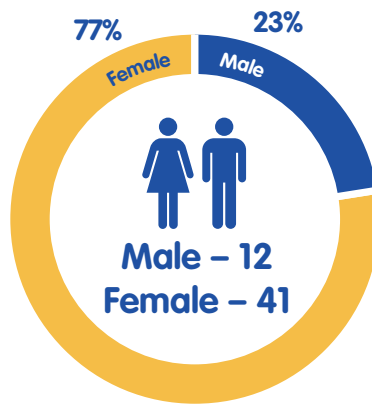
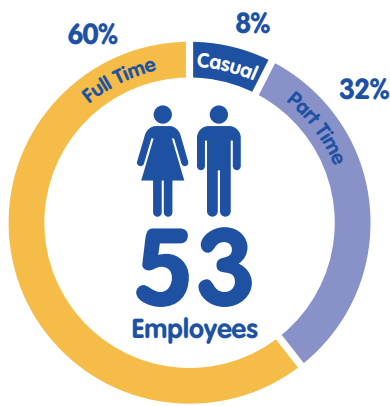
Taree 'Branch of the Year' with Allan Hudson (Chairman)

Staff achievements in the past year include an employee graduating from Southern Cross University with a Bachelor of Business, Majoring in Accounting; two employees completing an Advanced Diploma in Leadership and Management and ten employees undertaking Certificate III in Financial Services.

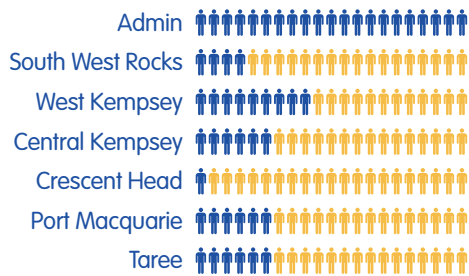
We also work alongside Mid Coast Connect to provide opportunities to the youth in our local valleys. We are currently hosting a Year 11 student, allowing him to gain on the job training and experience as he completes Certificate III in Information, Digital Media and Technology. Further opportunities were provided to work experience students throughout the year.







#### Total by Branch



Hall of Fame Inductee Gary Delaforce  
with Peter Townsend (General Manager)



Gabrielle Pritchard 'Rookie of the Year'  
with Allan Hudson (Chairman)



# Year in Review

2016 - 17

## West Kempsey branch refurbishment October 2016

Coastline have introduced a new way of banking – our new style is open, modern & fresh! Following the upgrade to our Port Macquarie and Taree branches last year, our West Kempsey branch was renovated in October. This new open layout, removes barriers encountered with traditional style banking and creates a better customer experience for our members.



## South West Rocks branch refurbishment February 2017

Our South West Rocks branch was next to be refurbished in February. These new open layout branches help enhance Coastline's brand, creating a more welcoming environment where our staff can more freely interact with members. Fitted with the latest technology, the new space offers a warm and welcoming look and feel, comfortable lounge area, public internet kiosks, coin deposit machine and even a coffee machine for our customers to use while doing their banking! Banking with us has never been easier.



## Budget Wise was launched

### February 2017

Coastline's Budget Wise account was introduced with one thing in mind, to remove the stress and time spent paying bills. This very clever and simple to use budgeting and bill paying tool is now available to Coastline members. It helps smooth your bills, eliminating the bumps they may experience with their cash flow. Ask the Coastline team to find out more.

## MyCOAST Mobile Banking App February 2017

We launched our new MyCOAST mobile banking app in February, proving an improved Banking Experience on the go!



Mobile Banking  
App Users  
**5,227**

## Internet Banking (DV3) Launched April 2017

Compared to the old platform our new Internet Banking Service is more secure and industry compliant. Offering the same web interface experience across all devices & browsers and is mobile responsive. The new platform has allowed Coastline to introduce exciting new services to our members registered for Internet Banking.

## Online PIN Change April 2017

We love to offer convenience to our members, which is why we introduced the ability to update and change your PIN online, through our new Internet Banking Platform. This gives members the ability to change their PIN 24/7, on the go, whenever is convenient for them!



## Total Internet Banking Users

10,745

Mobile – 23%  
Tablet – 20%  
Desktop – 57%

## Website Visits

535,000

Google Analytics

## New Website May 2017

We launched our new mobile responsive website in May providing a better online experience for our members, visitors and local community who visit the site.

## Local Industry Recognition July 2017

Coastline wins local industry award for Banking, Finance & Insurance services at the Macleay Valley Business Awards. What a great achievement!



## Online Card Activation July 2017

With a growing membership base outside of our local area and the faster paced society we live in, this new function gives our members the convenience to activate their new cards securely via their Internet Banking service 24/7. Removing the need for members to visit a branch or contact us during business hours.

#EasyBanking

That's our commitment to you!



## Commencement of issuing EMV compliant Cards October 2017

### What is EMV?

Europay, MasterCard and Visa (EMV) chip technology is becoming the global standard for credit card and debit card payments. Named after its original developers (*Europay*, *MasterCard*® and *Visa*®), this technology features payment instruments (cards, mobile phones, etc.) with embedded microprocessor chips that store and protect cardholder data. This standard has many names worldwide and may also be referred to as: “chip and PIN” or “chip and signature.”

### What is chip technology?

Chip technology is an evolution in our payment system that will help increase security, reduce card-present fraud and enable the use of future value-added applications. Chip-enabled cards are standard bank cards that are embedded with a micro computer chip. Some may require a PIN instead of a signature to complete the transaction process.



# Delivering More

## National Payments Platform (NPP) Osko and PayID

January 2018

An exciting New Payment Platform (NPP) is coming to Australia and to Coastline. It is going to provide a new, faster way for Australian consumers, businesses and government to send and receive money.

Osko® by BPAY is the service which will facilitate these real-time payments. It provides a new way to pay using your Coastline MyCoast App that's as fast as cash – without the hassle of cash.

Whether you're paying a tradie, splitting a bill or giving money to family for something urgent – you will be able to use MyCoast app for instant transfers, 24/7.

When the time comes and Osko becomes available (later this year), Coastline will invite you to register your PayID. This is created when customers link their chosen bank account details to their identifiers such as: Mobile phone number, Email address, or Business ABN number. A PayID is a safe, simpler, easier and smarter way to identify your account.



The NPP is an industry-wide initiative that will provide Australians with four key benefits;

### Speed

Pay anyone in real time, with the money you send reaching the recipient's account in seconds instead of the usual one-to-two day wait time.

### 24/7 Availability

Send and receive payments 24 hours a day, 7 days a week. You won't have to worry about business hours or weekends slowing your transfers.

### Simplified address

Forget BSB and Account numbers, the NPP will allow you to send money to people using a simple identifier known as a PayID. Your PayID can be your mobile phone number, email address or an ABN if you're a business.

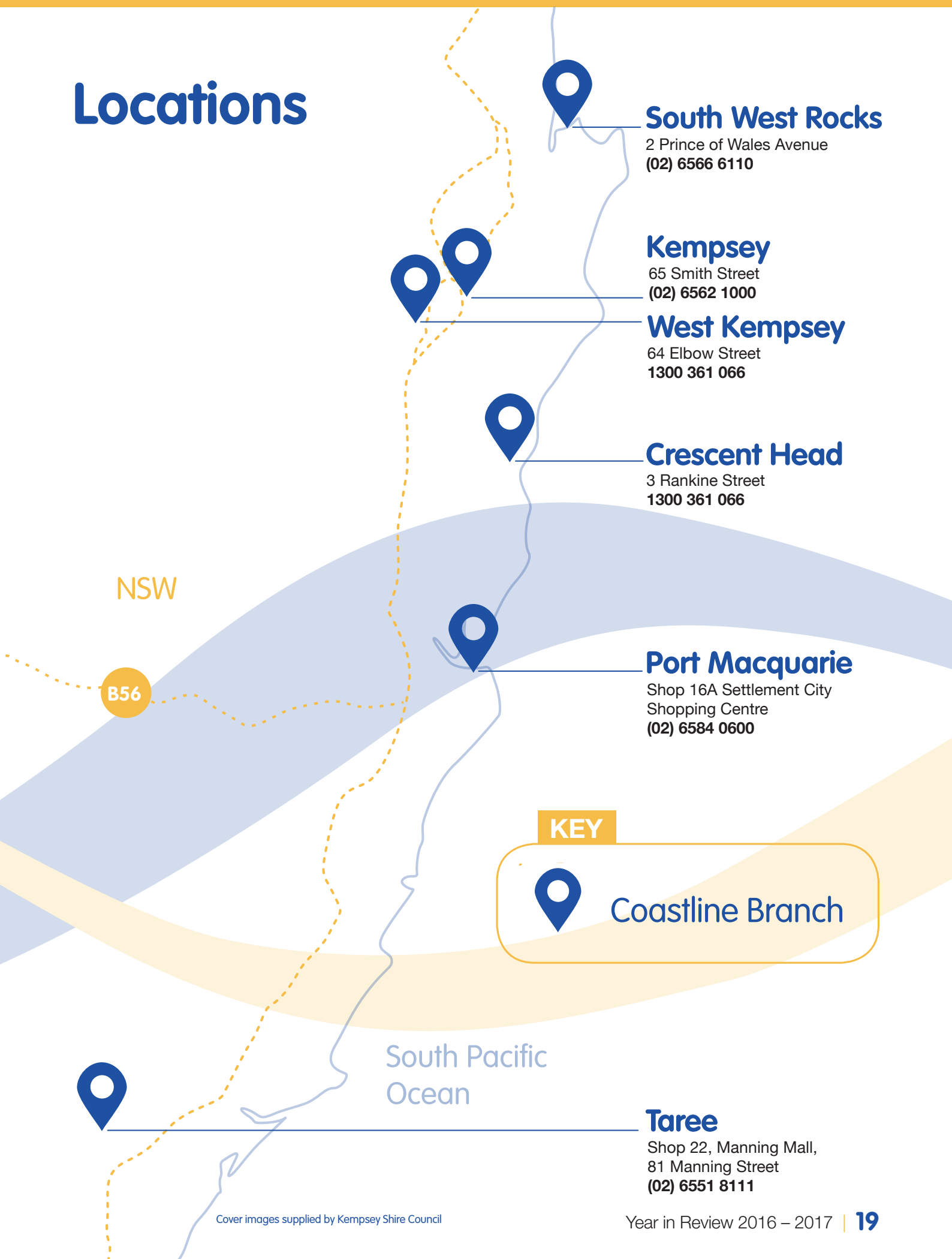
### More Data

Send more detailed descriptions and remittance information with each of your payments, up to 280 characters.

The NPP will allow real-time processing for payments like wages, bill payments and transfers to friends and family.



# Locations







coastline.com.au 1300 361 066



#Local #EasyBanking

Coastline Credit Union Ltd ABN 88 087 649 910

AFSL Australian Credit Licence 239175