

Financial Services Guide

Effective from 1st June 2006



CAPRICORNIA A different KIND OF BANKING

Capricornia Credit Union Ltd.
ABN 54 087 650 940

Australian Financial Services License No: 246780
Financial Services Guide

Information in the brochure is
Current as at 1st June 2006

Welcome to Capricornia Credit Union

Millions of Australians place their trust in credit unions each year. Why? Because credit unions exist to serve the needs of their members. We offer a wide range of financial services; however our personal service remains the hallmark that distinguishes us from other financial institutions. Our aim is to help you gain the most from your personal finances....because your success is important to us.

Becoming a Member

At a credit union you're not just another customer.... you are a member. Anyone can become a member simply by acquiring a membership share. Junior members may defer payment for their share until they reach the age of 18 years.

Details of the rights and obligations of members are included in the credit union's constitution.

Commitment to Excellent Service

Credit unions consistently out-perform their competitors in surveys on customer satisfaction due to their different structure, ownership and purpose.

About your Capricornia Credit Union FSG

This Financial Services Guide (FSG) is designed to help you decide whether to use Capricornia Credit Union products and services. The FSG contains information on:

- Product details and advice
- Our products and services
- Our business partners
- Our fees and commissions
- If you have a complaint
- How to contact us

Product Details and Advice

You will receive a Product Disclosure Statement (PDS) for all our savings, term deposit, insurance and non-cash payment products. The PDS includes:

- The product brochure - including terms and conditions
- The Schedule of Fees - setting out costs related to each product or service
- Interest Rate Brochure - listing our current rates
- Dispute Resolution Brochure - on how to make a complaint and resolve your concerns

If we provide you with personal advice on a product, then you will receive a Statement of Advice depending on the type of product or service we provide to you. A Statement of Advice sets out the information you have given us on your personal circumstances and financial needs, and the advice we have given you concerning a financial product or service. When we provide general advice to you, we will also give you a "General Advice Warning".

Terms and Conditions will also be provided to you before taking out other Capricornia Credit Union products including home and investment loans, personal loans, business loans, car loans and continuing credit.

Our Products and Services

We hold an Australian Financial Services (AFS) Licence issued by the Australian Securities and Investment Commission (ASIC) enabling us to deal and advise in a broad range of financial products and services including savings and investment accounts, non-cash payment products, general insurance and life insurance (consumer credit insurance).

We are also regulated by the Australian Prudential Regulatory Authority (APRA), who monitor our capital adequacy.

Here is a brief description of the range of financial products and services that Capricornia Credit Union offers:

Savings and Investments

Term Deposits

Term Deposits offer a stable, low risk, predictable way of investing your funds with high return. Choose terms from three, six, or twelve months with interest calculated daily. You can deposit from \$5000 and also take advantage of our ten day 'Free Look Period' to ensure you're completely happy with your decision.

Cash Management Account

A Cash Management account offers great value for the serious saver. It pays a high rate of interest while having funds available to you. Access to card and cheque book facility is also available.

E \$aver

A premium interest variable rate savings account, which provides unlimited free transactions by electronic banking means. Transfers to and from this account can be made via Netfa\$t - our Internet Banking Facility or Phonefa\$t - our Telephone Banking Facility, twenty-four hours a day, seven days a week.

Personal /Business Banking Accounts

These transaction accounts give you a variety of options for managing your money. You can link a VISA Card, CUECARD or cheque book facility to your account.

Deeming Account

A Deeming Account assists members by paying interest rates that reflect the rates used by the Government for 'deeming' income. This account is available to recipients of eligible aged pensions and allowances from either Centrelink or Veterans Affairs and to self-funded retirees. Interest is calculated daily and paid quarterly.

Savings Accumulator Account

An account for making regular deposits - ideal for members with less than \$5,000 in accumulated savings. This account can also be linked to a "Christmas Club" option with the balance paid to your nominated CCU account on the 15th of November each year.

Auctioneers and Agents Trust Account

This account may be used by motor vehicle dealers, real estate agents and others who are required by law to hold funds in a trust account which is approved under the Auctioneers and Agents Act 1971.

Payment Services

To help you move your money around in an efficient manner, Capricornia Credit Union offers a range of payment services. You should consult the current PDS for detailed information on which services are available for the various accounts. Please also note that fees and charges may be payable.

Netfa\$t

Netfa\$t is the credit union's internet banking service. You can access your accounts at anytime from anywhere in the world if you have access to the internet. You can transfer funds, pay bills and check account details with the added advantage of visual confirmation. Registration forms are available on our website.

www.capricorniacu.com.au

Phonefa\$t

Phonefa\$t is our telephone banking service. You can transfer funds, check account balances, recent transactions and interest amounts as well as accessing BPAY®. This service is provided twenty-four hours a day, seven days a week.

Phone 1 300 654 654.

From mobile phones ring (07) 4922 2912.

Depositfa\$t

No need to wait in line to deposit cheques and cash for your personal or business banking. You can leave your deposits in a sealed envelope in the Depositfa\$t Box in branches for processing. The funds will be deposited to your account by the end of the business day. It's simple, safe and there's no waiting.

VISA Card

Enjoy the convenience of worldwide access to your credit union account for paying bills and obtaining cash.

Because Capricornia Credit Union's VISA product is a DEBIT card, it accesses funds currently available in your account instead of creating a debt. (VISA may also be linked to an approved line of credit).

CUECARD

CUECARD is a debit card which can be used at ATM's and merchant EFTPOS facilities to access funds held in your credit union account.

BPAY®

BPAY offers you the convenience of paying your bills from the comfort of your own home or office, twenty-four hours a day, seven days a week where the account displays the BPAY logo. This service is available free of charge through Phonefa\$t and Netfa\$t.

® Registered to BPAY Pty Ltd,
ABN 69 079 137 5 18

ATM and EFTPOS Facilities

You can use your credit union card at any ATM or EFTPOS facility in Australia twenty-four hours a day, seven days a week. VISA cards are accepted internationally.

Automatic Payments

Regular accounts such as household bills, insurance or loan repayments can be deducted from your account automatically by Direct Debit or Periodical Payment. These are time saving and convenient ways of ensuring that you never miss a payment.

Payroll Facility

You can have your pay, or part pay, deposited directly into an account. To assist with your budgeting and bill paying, you can have the option of splitting your pay across different accounts. It's a free service and easy to arrange.

Cheque Books

Cheques are still a convenient way to pay personal and business accounts. They provide a permanent record of the transaction and help with budgeting. You won't have to worry about running out of cheques because a new cheque book will be automatically posted to your after you have used a set number of cheques.

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Loans

Capricornia Credit Union provides a range of loan products for individuals and small business in addition to the financial products and services listed above.

Home Loans

Our loans have earned a reputation for straightforward applications with fast approvals. In addition, we have a flexible approach to structuring loans making sure to suit them to your budget and personal circumstances. We offer a low fee structure with no monthly service fee or penalties for early repayments. Members can also consolidate their existing loans for more convenience and greater savings.

Investment Loans

We provide loans for acquisition of residential investment properties. Investment borrowers receive the same advantages as home loan clients.

MortgageLine

This is a revolving credit account that gives you immediate and easy access to a pre-arranged secured credit limit. Interest is only paid on the amount you use for the time that you use it and you can repay at any time without penalty.

Business Loans/Overdrafts

Business Loans and overdrafts are also available. Contact us for details.

CreditLine

CreditLine is an account which gives you easy and immediate access to a pre-arranged unsecured credit limit. You only pay interest on the amount you use for the time that you use it.

Personal / Car Loans

Personal loans are available for any worthwhile purpose. We offer both secured and unsecured loans with up to seven years to repay. The redraw facility is also available on personal loans.

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Free Redraw Facility on Loans

You can redraw the excess repayments on home loans, investment loans and personal loans at no cost. A minimum redraw of \$500.00 per transaction is available on request. Some staff assisted redraw transactions may attract a fee, please refer to the PDS for more details.

Offset Facility

Reduce interest paid on your home or investment loan by offsetting balances held in a nominated savings account.

You may link up to eight savings accounts to your loan and benefit from a 100% interest offset.

For more information on our credit products please contact your nearest branch or call us on (07) 49314900.

Our Business Partners and Commissions

Insurance

We provide general insurance products as an agent for CGU Insurance Ltd (CGU) ABN 27 004 478 371 AFSL Number 238 29 1. Our AFS Licence allows us to deal and advise in general insurance products, which we offer to members on behalf of CGU.

Discounts are available on certain CGU insurance products where multiple products are acquired and when members are over 50 years of age. We offer members a "pay by the month" service for premiums at no extra cost.

We provide loan protection insurance products as an agent for Swann Insurance Ltd. ABN 80 000 888 680 AFSL Number 238 292. Premiums for loan protection products may be added to your personal loan amount up front or charged to your home or investment loan account monthly.

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We receive a commission from these insurers for arranging insurance. These commissions are calculated on a percentage of the premium, less taxes and stamp duty. Rates of commission inclusive of GST are shown below:

General Insurance CGU Home & Contents	17.5%
Motor Vehicle, Boat, Caravan	10%
Travel	20%

Loan Protection Insurance Swann

Death, Disability, Unemployment.....	20%
Auto Equity	\$110

Our Insurance business partners contribute towards our expenditure on marketing of insurance products. This contribution depends on the amount of insurance business written each year. When providing you with these general insurance products and services we do so, as an agent of the insurer not as your representative.

Foreign Exchange

We can meet your foreign exchange needs as an agent for Travelex Ltd. ABN 36 004 179 953. Services provided and the commission# we receive are shown below:

Travellers Cheques, Foreign Currency and Cash Passport	1 % of the total amount
Drafts.....	\$5 each
Telegraphic Transfers	\$10 each
Money Gram... 25 % of the service fee paid (variable)	

When providing you with foreign exchange financial products we do so as an agent of Travelex, not as your representative. We calculate foreign currency based on exchange rates issued by Travelex.

Payment Services

We receive a commission# on transactions using BPAY and VISA (credit option) at the rates described below:

BPAY.....	49 cents to per transaction
VISA...Ranging from 0.47% to 0.57% of the transaction amount.	

Mortgage Broking

So that we can provide our members with exactly the loan they are looking for, we have the option of sourcing a suitable loan through Australian Finance Group (AFG). We are accredited under the Mortgage Industry Association of Australia (MIAA) to provide our members with brokered loans.

We have access to a wide variety of loans from a variety of institutions, which allows us to provide the widest possible range of loan choices to our members. We will receive an upfront and trail commission# for loans that proceed to funding. The rate of the commission is not ascertainable due to variations between lenders and loan products.

Financial Planning

We refer members to Australian Investment & Financial Planners Pty Ltd. for financial planning services. We receive commission# for this service depending on the volume of investments that are made by members. Commission payable to the credit union is disclosed in the financial planner's Statement of Advice provided to members as part of the financial services.

Car Search

CCU has joined with Car Search Brokers Australia Pty Ltd. to help members purchase new or used cars. It is a free service which can help you to identify the vehicle most suited to your needs and locate the best vehicle available within your nominated budget. They can also help you get the best possible price on your trade-in through their dealer network.

We receive commission# of \$110 per vehicle purchased through the service.

#Commissions and service fees referred to in this section are paid to us by our business partner - not the member.

Our Fees and Other Remuneration

We charge the service fee applicable to our products and services as set out in our 'Schedule of Fees' brochure.

Our representatives are salaried employees and may also receive bonus payments for excellence in:

- Member service quality
- Performance of duties
- Sales of products and services

Otherwise, no payments are received in relation to our advice on financial products or the individual sale of products.

If You Have A Complaint

We recognise that, despite our best endeavours, our service standards may not always meet your expectations.

If you have a complaint:

- In first instance you should contact the credit union representative with whom you normally deal. Most complaints can be resolved when you bring them to our attention.
- If you do not receive a satisfactory response, or if your complaint is about our representative, you may have the matter referred to our Internal Dispute Resolution Officer. Your complaint will be reviewed by a senior manager and corrective action taken, if possible.

Contact:

Dispute Resolution Officer
 Phone: (07) 493 14900 Fax: (07) 4931 4970
 Email: dro@capricorniacu.com.au
 Post: PO Box 1135, Rockhampton QLD 4700.

- If our internal process does not resolve your complaint, we will refer you to the ASIC approved external dispute resolution scheme operated by the Credit Union Dispute Resolution Centre for independent review

Privacy

Duty

We acknowledge that, as well as our duties under legislation; we owe a general duty of confidentiality to you except if:

- Disclosure is compelled by law; or
- Our interest requires disclosure; or
- Where disclosure is made with your express or implied consent

Disclosure

We may disclose to a business partner or service provider:

- Information about you that is necessary to enable an assessment to be made of your total liabilities (present and future) to us and that business partner or service provider; and
- Any other information concerning you, if the business partner or service provider provides financial products and services related or ancillary to those provided by us, unless you tell us in writing.

Your Rights

On a written request by you, we will provide you with our records of your address, occupation, marital status, age, sex, and account with us and statements relating to those accounts. We may charge you our reasonable costs of supplying this information. Any fee is shown in the Schedule of Fees. You may request the correction of any of this information concerning you that we hold. We will deal with your request for access to information or correction of information within a reasonable time.

Marketing Information

Unless you give us a written instruction not to do so, we may from time to time send you information concerning financial and other services offered by us or related entities.

Notes

Notes



How To Contact Us

Representatives are available in all of our branches for further information on any of the products and services listed in this FSG. Please contact us if you wish to acquire or discuss our products and services.

Rockhampton

157 East Street
Rockhampton Q 4700

Phone: (07) 4931 4900
Fax: (07) 4931 4960

North Rockhampton

Stockland
North Rockhampton
Q 4701

Phone: (07) 4931 4900
Fax: (07) 4928 0508

Emerald

115 Egerton Street
Emerald Q 4720

Phone: (07) 4982 2888
Fax: (07) 4982 1920

Miriam Vale

Blomfield Street
Miriam Vale Q 4677

Phone: (07) 4974 5433
Fax: (07) 4974 5429

North Rockhampton

37 Main Street
North Rockhampton
Q 4701

Phone: (07) 4931 4900
Fax: (07) 4922 2007

Yeppoon

2 James Street
Yeppoon Q 4703

Phone: (07) 4939 5388
Fax: (07) 4939 5372

Mackay

62 Sydney Street
Mackay Q 4740

Phone: (07) 4957 2651
Fax: (07) 4951 3983

Gladstone

Valley Shopping Centre
Gladstone Q 4680

Phone: (07) 4972 7474
Fax: (07) 4972 7475

You may also contact us by:

Telephone (07) 4931 4900

Fax (07) 4931 4960

Email enquiries@capricorniacu.com.au

Mail PO Box 1135, Rockhampton Q 4700

Phonefa\$t Telephone Banking 1300 654654

Netfa\$t Internet Banking www.capricorniacu.com.au

Capricornia Credit Union Ltd

ABN 54 087 650 940

This brochure contains general descriptive information about Capricornia Credit Union products and services. For more information and terms and conditions refer to the current PDS or call into your local branch.

This information is correct at the time of printing and is subject to change without notice. Current versions of all disclosure documents (including PDS and FSG documents) are available from our website.

We may provide you with a current FSG should this information become outdated.

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