

**Australian Mutuals History Oral History Program 2022**  
**Interview with Brian Bennett (Australian Mutuals Foundation)**  
**Interview conducted by Ben Woods on 6 December, 2022**

**Ben Woods (BW):**

Ben Woods, Archivist at Australian Mutuals History, interviewing Brian Bennett, 6 December 2022.  
Brian, you finished high school in 1970 and joined the NSW State government Department called the Registry of Cooperative Societies, Credit Unions, Permanent Building Societies and Friendly Societies in 1971. Is that because you had an interest in that area? And if so, how?

**Brian Bennett (BB):**

No, basically, I finished school and went looking for a job. And I was offered a job in the New South Wales public service and started in, as I said, the Registry of Cooperative Societies and Credit Unions, Building Societies, on the 25th of January 1971.

**BW:**

And you moved into the local government area for a while. Why was this?

**BB:**

To move up in the world in those days, to get advanced, moves at the New South Wales public service were based on seniority. I joined on the same day as three other young people leaving school. And because they were all older than me, they always had first priority in getting a position that was vital. The Registry of Cooperative Societies wasn't a big organisation, it was probably about 70 employees. So any opportunity that came around, even though we're all qualified, etc the others got the opportunities to be promoted based on age. So in order to get advanced I decided to leave for a short time and went to the Department of Local Government, where I worked as an examiner of accounts and then finally, as an Assistant Inspector, before I made the big leap back to the Registry of Cooperatives and Credit Unions as an inspector.

**BW:**

You worked with the New South Wales Registry of Credit Unions. That would be a startling thing to people today, they would find that odd. Can you tell us a bit more of what the Registry did and what you did with them?

**BB:**

Well, the Registry was basically the state regulator, for Cooperatives, Credit Unions, Building Societies and Permanent Building Societies as they weren't regulated by a National body, like today. And that department was called the Registry. They were basically the monitoring organisation in NSW for these new financial organisations. But not with the same powers that the current National regulators have now. They were very limited in terms of what they could do. However they did regulate Credit Unions, and in those days, Credit Unions were being formed all over the place. Everyone with a host employer group would form a Credit Union.

In fact, at the end of 1978, there were 348 Credit Unions in New South Wales. So everyone had access to a Credit Union in a workplace. And basically they grew out of just a host employer to become bigger organisations. There were three types of Credit Unions in those days. One was around a host employer, which was employment based. One was a, what we called a community one, which was basically an area, one was a bit of what we called industrial, which was more than one host employer and community area. So they had three types of Credit Unions that were being registered and regulated. Initially, many of the Credit Unions were, to be honest, not well run. But the people who were running them were well meaning, but didn't understand all the ins and outs of how to run a financial organisation, even though it was only very small. So it was a lot different in those days.

**BW:**

And so you mentioned that they didn't have the powers that National regulators have today, so what might happen then that wouldn't happen today. What sort of trouble?

**BB:**

Oh, look, it's always the same thing. Poor governance, poor accounting controls, things like bank reconciliations, Members' ledgers, managing delinquency. Again, those days the records were either handwritten or maintained on accounting machines. And the sub ledger, which are the member's ledgers had to be balanced to the main Ledger, which was the General Ledger. A lot were not balancing correctly and so they were in fact out of balance, and they were always out of balance which needed fixing and the final thing was loan delinquencies which started to increase as members failed to repay their loans. In those days, there was no such thing as we know now, the three C's of Credit, that is have an understanding how people financial position was and how they would handle a loan. So if you walked into a Credit Union and you worked at that host employer organisation, you could basically get a loan. The loans were very small in those days, but when you look at the salaries that people are earning than a \$2,000 loan when you're only earning \$2000 per year is quite substantial loan. So the Registry had the authority to limit the amount of loan that Credit Union could approved and could make to an individual. The Credit Union had to apply to the Registrar to get their loan limit increased in those days, but only to their personal loan limits, as they did not do mortgages.

**BW:**

And that is something that occurred to me now. Were some Credit Unions better quality right from when they started? Is that true? And is that an accident because of maybe there was more financialability in the people running it?

**BB:**

As an Inspector you would talk to the management of the organisation, you'd talk to the Board of Directors. You would you get an appreciation and understanding how they understood their business. So if they had a reasonable understanding, and a lot of initial managers of Credit Unions, were always meaning. But they didn't have the financial expertise to actually understand and run their organisation.

The initial managers were well liked and very popular. And that's probably why they ended up as the Manager. But they lacked that expertise and skills. As the Credit Union got bigger, the Boards realized that they had to try and attract more skilled people. And they did start to attract a few more skilled people and those skilled people then passed that knowledge on to other managers in different Credit Unions. In those days, Credit Unions did not see other Credit Unions as competitors, they worked very closely with each other. And if you had a problem, you could ring one up and you'd go over and see them and they'd help.

**BW:**

Okay, well, we'll move on to 1980. For most of the 1980s, almost a whole decade, you worked at the University of New South Wales Staff Credit Union, in what we'd call today a CEO role. Could you tell us about that?

**BB:**

Well, that was an experience in itself. That was my first role working in a Credit Union, I had an introduction to what Credit Unions were in terms of my role as an inspector or reviewing rules of a Credit Union. My background and experience was that I did an inspection at the University of New South Wales Staff Credit Union. And the manager there at that particular time, was only an acting manager. And he asked me to consider applying for the job. And I said, well, I don't have that expertise or experience. I'd never managed staff, I'd never run an organisation. I can come to your Credit Union and tell you where the issues are. So it was an interesting experience. The acting manager was an ex bank manager from Westpac as a matter of fact. He said, look, I think you have the expertise, because you understand what the philosophy and how Credit Union operate etc. It was based at the University of New South Wales. And of course, all the Directors were from University of New South Wales, it was a closed environment. So I applied, and surprise, surprise, I got the job.

But to be honest, I was completely initially out of my depth. You know, I walked in, I had no management training, but I had an accounting background and accounting experience. So I understood that, but no understanding how of how manage staff, deal with a Board of Directors or have an idea on the future Strategic direction of the Credit Union.

I started with five staff, myself included. A supervisor and three other staff. And in those days, it was a very simple Credit Union, it was basically very easy to run. We had one savings account, which was an on-call savings account, which we paid half a percent interest per month. And we gave loans out at basically 1% interest per month. So there was a 6% margin. That's why we were able to operate so efficiently or not efficiently, but we had no other services, you could not get cash money out of the Credit Union. We had to give the member a cheque, which they then took over to the State Bank of New South Wales, and the bank would cash the cheque. So we had no cash. We had no plastic cards, we had no other savings products other than a basic on-call savings account. We were fortunate the University of New South Wales allowed their staff to make payroll deductions and deposits into their Credit Union account, but not whole pay it was only just payroll deductions. And then if you had deductions to your account the member could get a loan. I think our loan limit was probably \$3,000 maximum at that stage. Yeah, so that was an interesting times but as time went on, there was a changing need of what the members wanted and of the member's expectations.

So slowly but surely, we firstly introduced cash withdrawals over the counter. We introduced member chequing. Down the track we introduced Term Deposits, we introduced Whole of Pay deductions, but to be honest, without the combined support of all the Credit Unions in New South Wales, through our peak body which was ANSWCU, the Association of NSW Credit Unions we would not have been able to introduce these new products. It was the peak body that started to organise all these things. They would organise all the cash deliveries, they would organise chequing. Chequing, was firstly, you got Credit Union cheques through the NAB on your own account and then sent members over to the state bank to cash the cheque. Then we had member chequing, which were issued to personally to members to pay bills, etc on their accounts held in the Credit union. I think a chap called Geoff Whelan from NT introduced that. He was the Manager from I think it was Northern Territory Credit Society, he was the person who ran that project on behalf of all Credit Unions. So we got that, we got Term Deposits introduced at the same time.

ANSWCU looked at what the future was in Terms of IT for the industry. And at that stage, we were fortunate a lot of Credit Unions were using ledger cards. So we were all very similar as it was all hand punched into the accounting machines. At our Credit Union were using the University of New South Wales IT system where we used cards to update our member's balances but it was all dependent on what the schedule the university IT department was operating at the time.

So then the Credit Union decided, we needed to move to an online computer software system and we moved to FCS which at that stage was owned by ANSWCU. It was in-house computer operation. Where you bought your own computer, a mainframe computer, you put your mainframe computer somewhere in your office, and then you maintained your office computer mainframe, whilst FCS maintained the software on the computer. Your computer had connections to cashiers and other terminals and everything was done online. This was all done with the support of FCS. So that was a big step forward for a small Credit Union.

But it also meant that the staff then had to learn how to become IT people, you know, because we had to understand what happened if the computer crashed (stopped working). We had to then reboot it and get it started and all that in those days was done by our staff. By then the bigger Credit Unions started to have a whole IT department, huge IT advances for Credit Unions.

So it was quite a challenging time. But it's also exciting a time because that's when the actual Credit

Union movement started to become a Credit Union movement/industry. And, it really was a real big challenge for everyone. We upgraded our computer system with the FCS software many times. The FCS software company was eventually sold to Ultradata. Ultradata having bought out FCS.

It was an experience and you had to install a computer system (mainframe and software) and I had no idea what to do when you had to have it upgraded. We upgraded the FCS system from a version one to version two to version three. We got experience and knowledge as they went along. We introduced Cash withdrawals, Term Deposits, and Whole of Pay deductions. We introduced Redicard, which was the first card access to ATM's. Visa Debit Cards eventually came along, also traveler's cheques, insurance brokerage services, member chequing, bank drafts, we then started expanding our loans. And finally we got into mortgage loans. Because at that stage, the way it worked was that the big banks would do mortgages and they still do. There were finance companies, like AGC and they were doing car loans. And all we did was the personal loans.

So pretty much that's all we ever did. And then eventually, as we got bigger, the members said, well, I'd like a mortgage (a First or Second mortgage) or a Car Loan off you. But being a small organisation, doing a mortgage loan, you couldn't afford to lock all your funds up in one loan. So that's why we started looking at where the University of New South Wales Staff Credit Union was going in the future.

We decided that we needed to talk to the other University Credit Unions and other employer Credit Unions about how we could start working collectively. And some of the other University Credit Unions had than approached us and said we don't have the expertise to do mortgage loans. Can we come and talk to you about where we want to go? So we ended up merging with Sydney University Credit Union. I think we've eventually merged with Sydney, Macquarie and Newcastle University Credit Unions. So we went from a one campus Credit Union with 3000 members to something like about 11,000 members, \$25 million in assets and with six branches, six offices around Sydney and Newcastle, which then required different skill sets again. That was in the late 80s.

BW: There was a couple of things. But one I'll ask later because we'll go through it but you mentioned that the customers wanted other things. Is that because people saw what banks had, you know, MasterCard and different products and they thought they wanted Credit Unions to have that as well?

**BB:**

Well I think, a Credit Union in those days was basically like a family to everyone, once you join the Credit Union you thought this is a real good organisation, you knew people by name, the staff knew the members by name, they were quite comfortable dealing with you and it's good to deal with them. It was like we were all one big family.

But then the member's said, well, look, I want to get an ATM card so I can get cash when I need it. The first ATM card had come along introduced by the big banks and we weren't a part of it. So what we needed to do to get a card to go to ATMs. At that stage, the members said, well, can you give us one of them? We went to our Association (ANSWCU) and asked can you provide an ATM card so our members can use and it was a very interesting process, because ANSWCU, who was our peak body for a number of Credit Unions in New South Wales needed to get support of all Credit unions in

NSW.

But there were four Associations representing Credit Unions at that stage in NSW and what was needed was one larger Association big enough to provide these products for our members. But it was difficult to get all the Credit Union Associations to work together which that was rather stupid. But in the end, common sense came through and they formed one Association I think, even in the end, there were still some people who opposed forming one Association, but it was good, because we would have organised regional meetings, we'd come along and talk about where we should be going as an industry, not just as a Credit Union but as an industry.

That's where we talked about what's good for the future. And that's where we got a lot, a lot of interesting products coming in. As a young person, I used to go to those regional meetings. And I would sit there very mildly, and make notes and listen to the conversations and the arguments. And sometimes the representatives almost came to blows. Yeah, but the funny thing that got me was, they'd be arguing and screaming, calling people names, the meeting would finish, you'd walk out to the bar, and they'd sit down and have a drink together. So I realized that they had to get their point across. But they also realized that this is the only way we've got to get it on the table at these meetings. So they talked about it as an industry not just as a Credit Union. And the bigger ones were willing to help the little ones. Help them you could ring a big Credit Union up and say I got this issue. They'd give you advice or sometimes they might send someone out to help you. And nowadays they'd say, I'm going to take you over

**BW:**

Why would they help them out? Because they work better by helping the little guy as well, or they believed in doing that in principle?

**BB:**

Well, I think it was all about the philosophy of Credit Unions in those days and was just people helping people. And I think that philosophy in the early days was very much to the fore. So they wanted to help people. And they also realized that if a Credit Union failed, the reputation of all the Credit Unions would be damaged badly and from my recollection in 50 years in New South Wales, there's only one Credit Union that failed where members actually lost money. And that was a long, long time ago. You know, the industry itself put in safeguards like the NSW Credit Union Savings Reserve Board. And that was a struggle to get that up, but it got up and worked very well for a lot of years.

It was a precursor to FinCom, which was the next one after that and was a National one which is now APRA. The NSW Savings Reserve Board was a state based one in NSW, but did help out in other states when the need arose. We had some excellent some people running the NSW Savings Reserve Board - people like Keith Mannix, Brian Sharp, and a few others. And they had a big job was to in monitoring and helping Credit Unions having difficulties. They were more hands on than the previous Registry.

Once they identified a problem, they did two things, they either tried to remedy and fix the problem, get the Credit Union back on track, or they then said right, you're not going anywhere and you're going to merge to safeguard the members. So they would then merge the Credit Union as a necessity, as what was best for the members. So yeah, so that was good but again, when that was

proposed, that was a screaming match. A lot of people didn't like that, especially those who weren't traveling very well, because they knew they would be exposed as a problem child, which everyone knew, but they didn't want anyone to see really. So yeah, so that was that.

It got to the point where in the beginning of 198, the Board of the Universities Credit Union, because we had changed our name to Universities Credit Union, decided it wanted to go in a different direction to me. And I kept telling and advising them, this is not what you want to do. You don't understand how the Credit Union functions, but they decided that was what they wanted to do. So that's their prerogative, so we mutually parted ways.

I then had a little stint with Commonwealth Bank Officers Association, which is now part of the FSU. It was the Trade Union for employees of the Commonwealth Bank. That was quite a good time, interesting time working and I got to work with some very dedicated trade union people. Their philosophies were the same. It's a trade union, but cooperative based and member based. Always there for the benefit of the members. We had a Building in Cleveland St, which I negotiated the sale of, they then moved down to Haymarket, then eventually they merged with FSU, I think the FSU was another Trade Union that look after employee of the other banks and insurance companies. And that's what they are today, the FSU is there as the financial sector union. But that was a very interesting time. I met some nice people there. They ranged from Federal Secretaries and State Secretaries, Industrial officers, union organisers. I have fond memories of working there.

Then in November 1988, I got a phone call from a chap called Mark Meliush. He was from the Credit Union Savings Reserve Board and said, we're looking for someone to help them because the Savings Reserve Board was basically running the Railway Staff Credit Union, which got itself into a little bit of difficulty. They were looking for some senior executives to come in and help. They appointed a new General Manager, a chap called Ken May. Then myself and a few others. So I came in as the Financial Controller, then over time became the Deputy General Manager, Finance and then Deputy General Manager, Business Development & Marketing.

It was an interesting experience, because it was, to be honest, it was very much again, if you worked in the railways and you knew someone within the Credit Union, you got a job in the Credit Union, but they had no basic understandable background in a financial organisation and Credit Union management. So fortunately, with Ken May, who is a very experienced and very knowledgeable person, as General Manager, and me being the Financial Controller and a few others, we managed to get the place back on track. After a lot of struggling and late nights.

The Railways Staff Credit Union was on their own computer system, it was called the Facom system, which was a not even an Australian based system. Fortunately, they had a fantastic IT manager Ken Kan. And then we said, look, this is not sustainable IT solution, because they were the only ones in Australia on this system. And we needed to get some economies of scale and something the works easily in Australia.

The Board agreed we had to go to FCS system and Ken Kan said okay I will help you move to the new system. He was happy to help us with the conversion. Happy to point to you Ben that you you're sitting right now, in the old computer room from which we did the conversion and this is where the computer was and that's how big the place was. So we moved from Kippax Street, and then we moved down to here in Buckingham Street. I think the Credit Union, now Australian Mutual Bank has been here over 21 years no maybe longer 30 years. When we then converted our Facom system to

FCS, it took us, nearly 36 hours to convert our system. And then the Credit Union has never looked back.

The Railways Staff Credit Union became Transrail Credit union as it merged Railway Staff Credit Union with Transport Credit Union to form Transrail. In those days the Transport Credit Union looked after the host employers from the NSW based RTA & the State Transit Buses in the Department of Transport. Railways looked after the staff of the NSW Railways. So it was logical to have it transport based Credit union In NSW. So we then became Transrail. And as we continued to grow, we decided it was time to change the name as Transrail tended to limit the potential for attracting new members and the Board decided they wanted to look at a new name. So they did a process of looking for a new name and came up with Encompass Credit Union.

That became our new name until we merged to become Select- Encompass Credit Union following the merger with Select Credit Union. But in the meantime, we took over a number of other little Credit Unions in the Transport area. As I said, when Credit Unions were first established, you only had to have a small employee base, and a lot of the bus depots had their own little Credit Union. And basically, they eventually became unviable because they couldn't offer the services that others could. So they basically just became unviable in Terms of their operating systems. The times were changing. They also had to meet new Capital requirements, new funding requirements, etc. So we have a merged with Ryde Bus Depot, Waverly Bus Depot.

**BW:**

All in the transport and NSW public service area

**BB:**

Yes and Select Credit Union background was NSW state electricity, it was still state based. So all their members were NSW state based public employees. At the same time, as we also saw that we had our own computer systems, we had to have IT people. In the initial days it wasn't, it was mainly just to do cash transactions backwards and forwards. But as you've got more and more online transactions, ATMs, Visa cards, etc. You had to start running your IT system 24 hours a day.

I'll tell you a funny story. Once at the Railways Staff Credit Union, because the Railways had workshops all around, when I joined Railways Staff Credit Union, the NSW Railways had something like 33,000 employees at workshops at Clyde, Broadmeadow, Clyde, Chullora, Redfern and location around NSW And one day, I was at one of the workshops in Broadmeadow, up in Newcastle, where we had an office. And then what happened was when our Computer system was not working, if it was online it gave instant updated balances, but if it went offline, the member can take out any amount up to the approved offline limit, which the Credit Union had set. But the offline limit never checked the balance of the members account.. So you can go to the ATM and take up to your offline limit whether you had the money in your account or not. And most offline limits were either \$100 or \$200. And this particular day, I was there in Broadmeadow and in our office and an announcement came over the local pa in the workshop which it shouldn't have been done but it happened anyway, but someone announced that Credit Union ATM network is down, everyone go and get your money out. So next we know, we had all these overdrawn accounts because the money comes out. But the members knew they didn't have the money in their account. But then they said oh, ATM machine



gave it to me. Yeah. So we had difficulties trying to explain to them that their accounts were overdrawn and they had to repay the money. That was a bit of a problem until you got the reliability from your IT system.

So it came up again and again, it's one of those situations where we suddenly said, well, how can we run a computer system as a small Credit Union and we had an IT department of two or three staff, I think, 24 hours, seven days a week. So a number of Credit Unions decided that they had to look at ways to operate 7x24 hours.. Again, they did this the cooperative way and they formed a data processing centre for a number of Credit Unions, which is now called TAS, Transaction Solutions.

But we didn't join TAS initially we ended up setting up Combined Financial Processing, CFP and number of other Credit Unions got involved in that. And we set that up so that we had our own IT bureau. It was funny because you weren't allowed to join TAS as a shareholder, but they ended up doing the processing for CFP. We set up a company called CFP, Combined Financial Processing Pty Ltd. It had a manager and I think two staff. One was Robert Batty who now works with Community First Credit Union and the other one was Tony Schesser. And I think that a couple of others as well. So there were about 45 Credit Unions in New South Wales, as part of CFP and eventually Combined Financial Processes was bought out by TAS, and it's now part of TAS. Yeah, so a lot of it is hard work to get the IT Bureau working but eventually, Encompass Credit Union was still there at the end and now Australian Mutual Bank is still part of TAS

**BW:**

Sorry to interrupt but I notice you had a break there. You had a stint with SGE which today is known as G&C Mutual Bank. What happened there?

**BB:**

Well, I was working at Encompass. I was, looking at my future. , Ken May was the CEO of Encompass and one of my great mates he was a great Manager and a great person. But, I've always wanted to succeed him as a CEO. He kept saying he's going to retire, retire, retire. But in the end I thought Ken you're not going to retire you liked the job. You're good at what you do.

And then out of the blue, I got a phone call from Helen McIntyre, who was the CEO of SGE Credit Union, inviting me to lunch and offered me a job. I thought it's something different and another challenge and completely different. I didn't realize it was another basket case. Because Encompass was very well run, operating smoothly, it had no major issues, had plenty of Capital and everything else. Then I go to SGE. And this is a comment that I'll make now and later and that sometimes CEOs and consultants think they know best. So SGE decided to go and buy a new computer system because they weren't happy with FCS. So they went and bought an overseas based system called Ovation.

They didn't realize that when you buy an overseas system, that you've got to have it customized for Australian conditions and reporting. And that the support staff you get are overseas based and when you need something to be done you are charged in US dollars, which with an unfavorable US/Australian exchange rate actually costs you an arm and a leg. But anyway, their conversion was an absolute mess, to be honest, it was a mess and nothing was balanced. Everything was out of kilter. It was just, I walked into a hornet's nest. And I just shook my head.

But in the meantime, because of the mess, members couldn't get their money out, there was people over drawing their accounts. Some people took advantage of this, we end up writing off one lady's

overdrawn account for \$60,000 because she managed to draw a cheque and nobody checked it and she spent it before we realised. The transaction went through and they were trying to get the money back. So the members were getting very dissatisfied, very unhappy with the Board, very unhappy with the management. And then there was what I would call a coup. And there was a change of the guard. Helen McIntyre left, the Board was basically changed. And Ray Clark was appointed as the new CEO. And the first thing he asked me was, what should we do? I said we've got to get off this Ovation system. So we went to look around, and then decided the best thing to do was go back to FCS. Though we then converted back from Ovation back to FCS. And then that basically stabilized that accounting system, stabilized that system. And members could get money out when they needed it, so than the members were then happy after that.

**BB:**

The biggest challenge was to get a stable operating IT platform computer system platform. And that's what we did at SGE when we went back to FCS. And basically then I was in charge of that project. That was a major project. But it was just a tough time, because it was a lot difference in the two software systems working here. But I worked for five years there.

To be honest, SGE has now changed its name to G&C Mutual Bank and it's gone from strength to strength. It is really a well-run organisation now and it is basically based on the fact that you have a stable IT computer system. I will tell you now that anyone who in Australia who thinks they can go and buy a new computer system and customize it to Australian requirements that will work other than Ultradata or Data Action, has got rocks in their head. The Board should carefully look at what they are approving and so should the management because overseas system don't work or if they do they cost a lot of money to implement. In my experience I have not seen a system work very successfully or if they have it has cost a lot of money to install and operate to Australian standards.

**BW:**

What exactly is this computer system that you're talking about? It calculates transactions and balances and that?

**BB:**

Well, it's more than that. From a member's perspective, what they want is when they go to a shop, or go to an ATM or go to a branch, to do a transaction. They want to be able to get their money out. They want to be able to get their balance, they want to be able to do that on the spot. Those Australian based IT systems do it very, very successfully.

The members are not worried about the all-encompassing sort of bells and whistles computer system and all that, they want to be able to go and stand in front of the cashier at the grocery shop and tap their card or tap their phone and walk out with their purchase. That's the system they want. And that's the system they need. And that's always been the thing, you can come up with all these other ideas or things that you may want to do. But that's not the main core banking, the core banking system is what people want, they want to be able to know that I've got \$100 in their account, I can take my \$100 out when I need and want to. If the system is not reliable, or the system doesn't work, than this does not happen for the member. You want very stable system, and it's basically both IT systems I mentioned previously based in Australia are reliable. Both are regularly

upgraded, according to Australian requirements, and meeting Australian standards.

If there's changes, like Austrac when came in, reporting for that new legislative requirement needed new reporting requirements and changes to your computer system. So Credit Unions needed to be able to have a system that can report as required. That what I was talking about when I talked about SGE Credit Union overseas system. The Ovations system did not understand the reporting requirements for Australia, because they were based in Canada and in the US. Where they didn't have the same reporting requirements that we had to deal with in Australia. And you tell the Australian Regulator, I can't report what you require because the computer system doesn't work well, then I don't think they will think that is satisfactory.

Then in June 2005, I came back to Encompass Credit Union as the CEO, basically, took over from Ken May who finally retired. And we're still friends today I see him from time to time, so we just had to show that the place was still well, secure and well run, then we just needed to continue to grow the business and, and I did 11 years working with Encompass with some wonderful people.

We had a few other businesses that were in fact, not part of our core banking business, which we sold off. We had financial planning company, which we got sold to Bridges. We also negotiated the sale of CFP to TAS. We had a whole range of challenges coming in introducing Risk Based systems, APS 310, which is a risk based reporting and with new Credit license requirements.

So the Credit Union got to the point where in, about 2013, maybe 2014, somewhere around there, we reached a point to change our direction, because at the same time, our host employer group, which was the Railways was going through radical changes. And they had, as I said, when I first started in 1988, the railways employed over 33,000 people. It was down to about four and a half thousand (4,500) employees. So the potential to keep growing was lost. Those host employer groups, e.g. like teachers and police never got reduced as they are essential services, they still have always have had a base, because there will always be a need for teachers, there will always be police. But the Railways went from doing a lot of the work themselves to outsourcing, they restructured. So we started to realize that we needed to start thinking about where we would be in the future. And especially with the new legislative and risk requirements that were going to be placed upon us. We thought well, we better decide where we should go and what we should do.

The Board was very adamant that they needed to find a suitable merger partner, that we believed was comfortable enough to take the new organisation forward. And at the same time we were thinking about the environment to a lot of it was probably the start, I would call it the start of action for climate change. And we have to start looking at how we did our processes, whether we needed be reliant on paper based systems. It was interesting that we were one of the first to drop deposit & withdrawal slips and nowadays, if you came into a Credit Union or a bank. In those days, you used to fill out a form, a piece of paper, which was then duly stamped and put in a box and then sent away for seven years to be archived. We started to ask, do we really need to have all this paper or do we need everything paper generated? How do we start looking at becoming more efficient? Rather than chopping down trees?

**BW:**

Okay, continue.

**BB:**

Yeah, as I said, it was probably the start of where we started looking at how we could do things more efficiently. It was the rise of the non-banking financial institutions called Fintech organisations. And the difference between the Fintechs an established Credit Union, like, Encompass, was that Encompass had been operating for over 60 years. Fintechs had been operating for one year. So they came in with a different approach. And we needed to start looking at our approach because we obviously developed policies and procedures for over the last 60 years. But were they still relevant in 2015, or 2016.

So we started to have to think about how we can improve efficiencies, how, what's the state of action on chopping down trees, action for climate change, and we realized that we had to do things differently. And as I said, we were one of the first organisations to get rid of withdrawal and deposit slips. We will probably still have a whole warehouse full of deposit and withdrawal slips. No one ever looked at them but requirements were that you have to keep them for seven years. So when we introduced this change there was a bit of a kerfuffle, but in the end, the members accepted it, the staff accepted it, and we moved on.

So then we looked at other ways of storing data and being more efficient, we had to be more efficient, because the costs were also increasing. And we needed to be more efficient how we operated. So we tried to eliminate paper as much as we possibly could. In those days, when I first started way back when, the Board Papers were probably maybe six inches thick. And it was all paper based. We moved the whole Board of directors on to electronic Board papers. And the first question I got from one of the Directors was, where's the printer, I said, you don't get a printer, you do not get a printer, you do not print these papers out anymore, because you've got it now in a soft copy. But it was a mindset change. That was another procedure that we implemented, it saved a lot of paper and records and all that sort of stuff and we moved other things to electronic paper. But some of the requirements are still antiquated in terms of, you know, when you apply for loans, you still have to have hard copies signed 15 times. And it needs to be, again, it's one of those things, I think, going forward, there's got to be some looking at how things can be improved because people want a loan, people want an answer within 24 hours nowadays, in some cases, they want it within an hour. So you've got to have a system that can improve and do that. And so you need to have efficiencies in your processes and procedures.

So we looked around, spoke to a number of other similar minded organisations as possible merger partner and we settled on, another state government department based Credit Union which was Select Credit Union as our future merger partner. We merged on the first of July 2016. And I stepped down as the CEO and Mark Worthington took over as the CEO of what was Select Encompass and then became Endeavour Mutual and now Australian Mutual Bank. At the same time one of the things that, that my Board and I were very adamant about was that we've been operating for 60 odd years, we had a capital base of around about 25%. And we believed that, you know, we're happy to merge with a similar organisation, I think, Select had 21 or 22% capital. But it had to be an equitable merger because it was almost an equal partner.

So we said we need to ensure that we've got something going forward. And both organisations believed in, in promoting Credit Union values both in Australia and around the world. The both Boards agreed that we would set up the Australian Mutuals Foundation (AMF), which is what we've done.

We set that up in 2016, as a charitable institution. I'll mention this once and only once there was another organisation that used to be representing the Credit Union movement. It no longer does, it

is now nothing more than an NGO (non-Government organisation), it might have the name Credit Union in there but it doesn't do any promotion of savings organisations or Credit Unions around the world. It does more what I call not for profit NGO sort of stuff. That's fine if that is their operation. There's nothing wrong with that, if that's what you think you want to do.

But at AMF we believe that you need to have a history of the Australian Credit Union movement, which is, I think it's probably now about \$30 billion in assets. How did we, start out, because the pioneers of the Australian Credit Union movement, understood and saw what the Credit Unions were doing in Canada or America during World War Two and brought the idea back to Australia in about 1945/46. And that's how the Credit Union industry started.

So at AMF we also believe that that should be a Credit Union industry worldwide. In America, it's very big. And you'd be surprised when I tell people this, but in Australia, Australia thinks it's big but it is not as big as in other countries. The biggest Credit Union industry in the world is America, followed by Canada, followed by South Korea, followed by Japan, and Australia is number 5. We're not the leaders in the world anymore. But we need to continue to have opportunities for people in developing countries to have access to financial savings and loan institutions. And also we wanted to make sure that we could create opportunities in Australia to help disadvantaged youth and children in Australia. We set up Australian Mutuals Foundation, with the support of at that stage of Endeavour Mutual Bank, now Australian Mutual Bank, and a number of other Credit Union/Mutual Bank supporters. And we do work within Australia in Terms of Barnardos Australia, which does social work for children at risk. And looks after that within New South Wales. At AMF we're also doing international Credit Union Development and we do genuine international Credit Union development. We actually helped establish Credit Union systems in Myanmar, we did work in Bhutan. We're doing work right now in Laos and Timor Leste. By establishing a Credit Union system, which allows people to learn how to save and how to grow the system, you can teach people how to save and improve their lives. But if you've got nowhere to save your money, then you're only wasting your time.

So we're an affiliated member with the Association of Asian Confederation of Credit Unions (ACCU), which represents I think, over 40,000 Credit Unions in Asia and around Asia, and I forget how dollars in assets, but we've been doing work with them in developing countries. And lately, we've been doing work with them in relation to develop an action plan for Climate Change impacts, on COVID, which was over the last two years and also management, training, financial empowerment for women, personal finances, things like that. So we help them teach them how to do that, but also to get it out there on the ground. It's interesting, if you ever had the opportunity to go see some of these things in action, you'd be surprised.

Another thing we do with the Asian Confederation is support a program it is called the Development Education program, which has now been attended by over done by over a 1000 people from around Asia and the world. It used to be run in Australia, but it was run by another organisation. And they decided it didn't want to do that anymore, it was too hard. So they canned that. So we have now sent 16 people from Credit Unions/ Mutual banks in Australia since 2016 to Asia. Unfortunately, with Covid, we didn't send anyone for two years. But we've just sent some people just recently, three people went over there in Bangkok recently, where they get to meet and to mingle with people from around Asia from Thailand to Nepal to the Philippines in all those countries there and understand the issues and challenges facing Credit Unions in developing countries. So that is our

second program.

The third program was we have obviously getting use to natural disasters, which natural disasters can occur at any time and unfortunately, we've had a couple in the last few years. One of our objects is to raise funds for communities affected by natural disasters. One was the bushfires in southern New South Wales and Victoria and South Australia in 2020. We managed to raise \$385,000. We have a different business model, we give our grants back direct to the local communities who would not normally receive a grant because they have to fill out government organisation forms. Our grant are mainly trying to help rebuild the communities to get back on their feet. So we gave grants to help communities' recovery from the bushfires and then in 2022 we raised \$216,000 in grants to for the New South Wales and Southern Queensland areas affected by the floods. And again over 40 community organisations received grants, there is a video if you want to see it, I can send you a link to it. So we've, we've been there. And we will continue to do that, and hopefully not too many more disasters, but with the way things and the climate is changing, we expect there to be more natural disasters going forward.

The last one is we are now offering educational scholarships to employees of supporters and sponsors from Credit Unions/Mutuals/Co-operatives. To understand the values of Credit Unions and Mutuals, the values of Directorships of CEMs, and also some innovations we offered international scholarships to people from Nepal and Thailand to do the course. , So, obviously we will continue do this in 2023. I have managed AMF for the last six years. So I'm still involved with Credit Unions and in relation to the Asian Confederation of Credit Unions we received in 2022 year a recognition award for our Credit Union work in development and supporting Credit Unions in Asia. So it's been an interesting journey. But I think it'll be as of next year something like 52 years I have been associated with Credit Unions and Mutuals.

**BB:**

I'll give you one example of what Credit Unions mean to me. It was my first personal experience with Credit Unions. When I joined the Registry in 1971 I didn't have a clue what a Credit Union was, straight out of school, banking was something which you did with the Commonwealth Bank through their school savings account for everyone had a Commonwealth Bank account. But when I joined the Registry, someone said to me, oh, you got to join the local Credit Union and the Registry had its own Credit Union. And oh, okay. All right I joined.

So, and you contributed so much per fortnight to the Credit Union, and I didn't think much about it. And then in 1973, unfortunately, my father died suddenly. And in Queensland, and in those days, to get to Queensland was not a cheap flight as it is today. It was I mean, there was TAA I think which is now Qantas and Ansett. It was expensive and so how do I get myself and my brother to Queensland which was at Coolangatta. So to help my mum, to get my dad's funeral organised, to get my mum back to Sydney. And at 19 years of age, when you're 19, you haven't really saved any money. You're too busy partying. But my boss was a director of the local Credit Union. He said, no worries, we'll give you a loan. I said, but I don't have any money. He said, don't worry, we'll give you a loan. I said, Okay.

So the local Credit Union gave me sufficient money to fly up to Queensland, get my mother back, organise a funeral. And that was my first experience. But at that stage and I can show you that I've

actually got a pay docket that says I was earning only \$50 a week. And I think they lent me something like \$2,000. And I said, why are you doing this?? they said because we trust you. And we're here as your Credit Union, we are here to help people. So that was my first experience dealing with a Credit Union. And I thought this is not a bad philosophy, not a bad value.

So they were my values from then on. This is something I like to be involved with. And I've been involved with it ever since. So it was very interesting journey, because I was only a youngster, I didn't really understand Credit Unions. I didn't understand the values. But you know, I will say this. I say this, quite rightly, is that if we don't value our members, the Credit union/Mutual won't exist. Unfortunately, some of my current colleagues think it's got nothing to do with members. It's got something to do with how big your organisation is. And without customers, you won't exist.

There's have been too many corporate failures around the world where they focused on the product, rather on the customer. As I said earlier, if we didn't change our business models to accommodate the customers, we would have not been here. We had to continually evolve, continually change, we had to continually listen. You know, one of my values were that I, I loved to go out and visit different areas, talk to different people, get to different functions where the members were. And you're talking, when you're talking about the Railways, you're talking from fettleers up to the Chief Executive Officer(although not very often to the CEO), but I've met a lot of people in between, and you listen to what they want. And they say, oh, yeah, I don't save with you because you don't give me what I want. What do you want? So, you've got to be, you've got to, you know, I never did surveys of members satisfactions, because there are always ways to design the survey to give you the answers you want, not what the customer wants. The best answer is go out and talk to a member and find out.

If you want to know what they think of you, go and ask him/her, but don't go and ask him/her through a survey, because most surveys are written and designed to give you the answer you want. So you want to know how the best do things, what the Credit Union needs, you to understand that they only exist if they cooperate, unfortunately, someone thinks because you're a big Credit Union/Mutual, you don't need to cooperate anymore. You can do things on your own, but your competitors are not other Credit Unions/Mutuals, your competitors are the big four banks and stop trying to be big 4 banks, because if we become like a big four bank, you're no different to them and you're will get the same criticism as what the big four banks get. You've got to have a point of difference.

**BW:**

I just have one last question unless you want to say something else. And that's, earlier, you mentioned you didn't have any management experience, just as a Credit Union CEO, what's the most difficult part? Managing people or regulation and other things? What was the hardest?

**BB:**

Well, in Terms of my experience, it was like, learning how to deal with people and different personalities, management is all about managing people, and managing people is trying to understand their personalities, understand what they think and what is good for them. There are many different management styles. And I'm not saying which is right or wrong. I've seen where a

CEO would walk in the front door of his office and walk straight into their personal office and never see him/her again, for a whole day. Others you would never see anytime. They never came in the office. There was one manager I learned from very early on, he wasn't the CEO but he was a very bright manager. He just said, you've got to get to know everyone who works in your organisation. And it's pretty hard now when you got 1,000 or 2,000 people working here. But one of the people I really did admire because I used to hear a lot about what she's doing was a lady called Gail Kelly from St. George Bank. And she was always very approachable, personal, I actually did meet her a number of times at functions and she was always willing to talk to you, no matter who you were.

But other CEOs they don't look at you because you come from a small organisation. And that's not the right way to treat people. Managing people is hard, sometimes people can change, for whatever reason, there can be a problem at home or something else, sickness or illness. Which they don't want to tell you or mention to you, but it's interesting that you've got to try and understand and be sympathetic and empathetic to their needs. Try to get them to work for you, not I will say that people have to like you, they have to respect you. You're not going to get every person in the whole wide world to like you.

Because that's the way personalities are everyone's got a different personality. But they got to respect you and if they respect you they'll work for you. And I think that's important going forward.

I tried to always encourage staff to participate in functions, send them to conferences, or educational training programs. Hence I we sent people to the Development Education programs, study tours, that is an eye opener for anyone who's been to one because they really just get to see what other people are experiencing, not what you're experiencing in your own organisation and in Australia is a bit isolated. Australia tends to think it's the top of the world and in some ways we are the leaders is banking innovations. Americans will tell you they're the best. But when I've talked to them and listened to them, sometimes we're streets ahead. They still have personal cheques. We don't have cheque books here anymore. I was talking many years ago that the next wave of banking development will be the mobile phones, where you have a phone where you pay all your bills, everything's done on your phone, that's now here. Where we go in the next stage, I don't know. Right now, it's yeah, you can pay bills on your phone or you can do everything you need to do on your phone. Australia is well and truly advanced in this technology than most other countries, but some countries have gone to the next stage, and that is to get rid of cash. I'm not sure that's the way to go. But who knows where we all end up.

I think there's always going to be a need to have an alternative banking system. And Credit Unions/Mutual Banks are the ones that are going to fill void that as long as they keep understanding why they exist. If you don't know where you come from, you don't know where you are going. And I think unfortunately, that's why the history is so important, a lot of the people don't know where they come from. And they certainly don't know where they're going. That's my criticism, and if some people don't like it, well, that's unfortunate. That's the way I am.

I've seen over my many years, I've seen all sorts of different management styles I've seen people have come in and told you how to run the organisation. And I would say to them you'll last about 12 months and in 12 months' time they're gone. They don't understand, I'm a listener. You listen, you learn by listening, you don't learn by telling people what to do, when you don't know what you have to do yourself.



So I listened to what the members, other managers, Directors and business people say. You just got to listen and understand. But in the end as a Manager or CEO, you have to make decisions. And some decisions are not always easy, some are tough, but you have to make the tough decisions. Because the tough decisions may not be in the best interests of a particular person, but it may be in the best interests of the organisation. And that's, you can't just simply say, I'll put my head in the sand and hope that this issue will go away because issues don't go away.

You've got to confront them and then try and resolve them. And if you can't resolve them, you've got to take some action and move on. Once you've moved on. That's it, you move on, don't go back and say, oh, I shouldn't have done that. Well, once you made a decision, you can't change history, history is there. Unfortunately, some people think we should change history. But history is there. The Credit Union movement has been great for helping people. There has been a lot of great people in Credit Union industry who I've met over the years. And I must admit, they were quite willing just to give you advice and assistance, others wouldn't give you the time of day.

Being a good manager is not easy. Sometimes you make mistakes, we all make mistakes. But you got to learn from it. If you learn from your mistakes and I would say you are a good manager, if a manager has an employee or someone who comes into their organisation and leaves with the same level of knowledge as when they first started then they're a poor manager. As far as I'm concerned a manager is there to increase the level of knowledge and expertise of the person underneath. They should leave the organisation with more knowledge than when they started with. If they don't and a lot of managers are insecure they get worried about someone being a bit smarter than them and more intelligent than them but that's not something I used to worry about. I was hoping to learn from that person. We all have expertise and my expertise is different than someone else's but if you can use their expertise, IT for example, it's a different world and if you can get someone to help you with it, it's good. Let's face it, what are you going to do without IT? You just have to listen and learn and pass on your knowledge.