

Accomplish

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Committee members:

- Dr Sue-Anne Wallace
(Chairperson)
- Patricia Langham
(Industry Representative)
- Prof Gail Pearson
(Consumer Representative)

Upcoming CCC meetings for 2013:

- 25 Oct Melbourne
- 13 Nov Teleconference
- 3 Dec Sydney

New Industry Representative will be appointed by January 2014.

All of the 2013 Annual Compliance Statements have been received.

A message from the Code Compliance Committee

The Committee has been very busy since the appointment of the new Chairperson Dr Sue-Anne Wallace consulting with the independent Reviewer and COBA about the revised Mutual Banking Code of Practice (the Code) and the development of a new governance structure.

The Committee is looking forward to working together with COBA and all Code subscribers on the transition to the revised Code.

The Committee is also currently analyzing the annual compliance data provided by Code subscribers. The outcomes of this analysis will be published in the Committee's 2012-2013 Annual Report. This year the Report will also include a checklist for Code subscribers to assist them in their transition to the revised Code.

In view of the changes to the Code governance structure proposed by the independent Reviewer, a new appointment for the Industry Representative to the Committee will be made by January 2014. In the meantime, Patricia Langham has been appointed to 31 December 2013 to fill the casual vacancy.

2013 Annual Compliance Statement (ACS)

As at 9 October 2013, the CCC has received all of the 2013 Annual Compliance Statements (ACS) from Mutuals. This is a much improved response rate to previous years and indicates that the new format has been welcomed by all Code subscribers.

The results of the 2012-2013 ACS program will be published in the Committee's Annual Report, which is due to be released in December 2013.



Proposed governance structure for revised Code

An ongoing issue which has already been identified is the diverse quality of Code breach and complaints reporting across Code subscribers. The Committee will work with COBA and Code subscribers in transition to the revised Code to develop common industry practice to ensure accurate and meaningful identification and reporting of Code breach and compliance data.

Revised Code and governance structure

The Committee has held ongoing discussions with COBA as it finalises the revised Code and develops the new governance structure.

The key points made by the Committee in regards to the revised Code and the new governance structure are to:

- develop a Charter which is linked to the Code;
- insert a purpose to the Charter (i.e. Charter is made pursuant to the Code and together with the Code sets out the terms on which the Committee is established and operates, for the purpose of exercising its powers, functions and duties);
- arrange guidelines for the transition period;
- express independence and transparency of the Committee;
- confirm functions and responsibilities of the Committee; and
- enhance delegation powers of the Committee.

The Committee has been advised by COBA that it will develop guidelines and a training program to assist Code subscribers with transition to the revised Code.

ASIC Discussion Paper – Credit Hardship Obligations

The Committee has prepared a submission to ASIC in regards to its Discussion Paper “Credit Hardship Obligations – Outstanding Issues”.

This Discussion Paper invited comments on the effectiveness of and possible changes to the operation of transitional hardship arrangements set out in sections 69A and 69B of the National Consumer Credit Protection Regulations 2010.

Two key objectives of its consultation were to:

- ensure that consumers have genuine, flexible and easy access to vary or change the terms of their credit contract or lease on the grounds of hardship; and
- minimise the administrative burden on industry, including providing consistency between the previous and current hardship arrangements so credit providers and lessors can streamline their administrative systems.

Mutual Banking Code of Practice requires Code subscribers to respond to financial hardship requests in writing.



The Code deals with financial hardship in particular in part C key promise 8 and part D section 24.

In its submission to ASIC, the Committee noted that the Code:

- does not differentiate between financial hardship arrangements and 'simple arrangements';
- does not provide a definition of financial hardship;
- does not provide specific timelines to respond to a financial hardship request;
- commits Code subscribers to comply with Consumer Credit laws or any changes to it;
- does not prevent Code subscribers however from applying higher industry standards; and
- requires Code subscribers to respond to financial hardship requests in writing.

COBA Conference

Dr Sue-Anne Wallace, CCC Chairperson, Dr June Smith, Executive Manager, and Daniela Kirchlinde, Compliance Manager, will be attending the COBA Conference in October 2013 in Melbourne. They would be happy to meet with you to discuss any Code compliance issues that your organisation may have.

Please email info@codecompliance.org.au to schedule a meeting or contact June on 0478 402 506.

Contacting the CCC

If you have a general enquiry or want to provide feedback –

You can write to, call or email the CCC using the details to the left.

If you have a media enquiry –

All media inquiries regarding the CCC should be referred to Dr June Smith, Executive Manager, at jsmith@codecompliance.org.au.

Copies of the Code and information about the Code are available on the [CCC's website](#) and the Customer Owned Banking Association ([COBA](#)) website.

Arrange a meeting with us at the COBA Conference in Melbourne.

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