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Autumn 2013

LCU *news*

LCU wants to strike balance in banking

LCU is supporting a new national campaign to change the face of banking in Australia.

Abacus Australian Mutuals launched the Balance Banking Campaigns, backed by consumer research showing banking competition is a major issue for Australian voters.

The polling by D&M research of 1000 Australian voters revealed two out of three want an independent inquiry into the country's banking system.

"The research shows that many Australians are concerned about banking competition."

LCU supports the Balance Banking campaigns and joined this important national debate for change. An independent inquiry will leave us all between placed to compete in a stronger financial system.

The research also showed:

- Almost 80% believe the big banks make excessive profits.
- 65% say there is not enough competition in the Australian banking system.
- 71% agree the big four banks have an unfair advantage in the mortgage market.

Australians can join the campaign online and read the consumer research findings at www.balancebanking.com.au.

The Balance Banking website is interactive and offers consumers the chance to have their say on Twitter and Facebook, sign up for regular newsletters, vote on website polls and make comments about their banking experiences.

Follow the movement or have your say at:
BALANCE BANKING.COM.AU



Dreaming of
buying your first home?

Introducing LCU's Barefoot Home Loan

5.23 % p.a.

*comparison rate

Celebrating Academic

Achievement

On February 15, LCU hosted the annual luncheon to celebrate the achievements of our 2013 Tertiary Scholarship winners. On behalf of the LCU community, Chairman of the Board Frank Benito De Valle and Chief CSIRO Materials Science and Engineering division Dr Cathy Foley presented the winners with their awards and congratulated them on their 2012 HSC and TAFE results.

LCU has been awarding these Scholarships since 1991, and this year each scholarship was worth \$900. Both the successful and unsuccessful applicants were of an extremely high standard and Mr Benito De Valle wished them all every success in their chosen field of study and employment.

Those Scholarship winners present at the luncheon were Briana Attalla, Robina Day, Sandeep Deol, Sudam Dias, Summer Haidar, Rachel Murdock, Bethany Richards and Mackenzie Tweddle. Unfortunately Jonathan Swanton and Hannah Urwin were unable to attend.



Premier's Woman of the Year Award

The winner of the 2013 Premier's Woman of the Year Award is Dr Cathy Foley - one of Australia's foremost scientists.

"Dr Foley's discoveries in the field of science are unparalleled, both in Australia and internationally," Mr O'Farrell said.

"She is currently the chief of the CSIRO's Materials Science and Engineering division and for the last 28 years she has been actively promoting the role of women in physics and science".

"Dr Foley has pursued ground-breaking research in all areas of science, winning not only numerous accolades but also the respect and admiration of her peers.

"She is leading the way for women in science - a traditionally male dominated field - and inspiring a generation of young girls to follow in her footsteps."

**CONGRATULATIONS
CATHY FROM LCU!**



Change to Account & Access Facility Conditions of Use

We have replaced the EFT Conditions of Use in our Credit Union Account & Access Facility Conditions of Use as a result of our commitment to the new ePayments Code of Conduct.

The changes do not increase your liability for ePayments. The changes, however, improve and increase your rights particularly in relation to mistaken internet payments.

You can download a copy of the new ePayments Conditions of Use at our website www.lcu.com.au.

We're now
on Facebook
and Twitter!



Access Security

- The security of your access cards, PIN's, secret codes and passwords is extremely important because they give unrestricted access to your account. You must take every effort to protect the card, PIN, secret code or password from theft, loss or unauthorised use, to help prevent fraudulent or unauthorised use of the access method.
- You must not tell or show the PIN, secret code or password to another person.
- You must take care to prevent another person, including your family and friends, from seeing you enter your PIN, secret code or password.
- You must not select a PIN, secret code or password that represents your birth date or a recognisable part of your name. If you do use an obvious PIN, such as a name or date, you may be liable for any losses which occur as a result of unauthorised use of the PIN, secret code or password before you notify us that the PIN, secret code or password has been misused or has become known to someone else.
- You must not record the PIN, secret code or password on any other part of your access method or keep a record of the PIN, secret code or password on anything which is kept with or near any other part of your access method unless reasonable steps have been taken to carefully disguise the PIN, secret code or password to prevent unauthorised access to that record.
- You must not act with extreme carelessness in failing to protect the security of the PIN, secret code or password.



Offset Account V Redraw Facility...

What's the difference?

In response to several requests from our members, LCU has introduced a 100% Offset Account for all Home and Investment Mortgage loans.

Offset accounts and redraw facilities are two Home/Investment loan features that allow you to use any extra income or savings to reduce the balance of your loan, thereby reducing your interest repayments.

Offset

The offset account is a savings account (\$40) that can be used as your main transaction account and run in conjunction with your loan account. This offset account operates as a regular transaction account, giving you ready access to your funds via your Visa Debit card (ATM and EFTPOS), linking direct debits and any other activities that you normally transact on your everyday savings account. The \$40 earns zero interest, however at the close of business each day the \$40 balance is offset against the balance in your linked Home/Investment loan account. The interest you pay is calculated on the loan principal less the balance in the \$40.

This can be very tax effective and can also help you pay off your loan faster.

Redraw

The redraw facility allows you to deposit any spare income you have directly into your Home/Investment loan and withdraw the funds in advance as they are needed. While your loan was in advance the interest was calculated each day on the reduced principal amount (loan balance less funds in advance). The redraw has a limited advantage for Investment loans as the tax office regards each redraw as a new loan and usually fails the purpose of the loan test.

Conclusion

Both are excellent products and can be used in conjunction with each other. Both products achieve similar outcomes and will save you money. The biggest limitation with the redraw facility is that your loan must be in advance and access to funds is limited. Because the offset account is essentially a savings account and operates as such, you'll have easy access to your funds. Ideally, you can arrange to have all of your salary paid directly into the offset account. This ensures that any income not spent is being used to reduce the balance of your loan. While receiving the interest savings you have peace of mind knowing that you can access your funds at any time.

How you choose to use these two products will depend on your needs and goals.

Coonabarabran Bushfires

One of our members had a very close call during the recent bushfires in Coonabarabran. These photos were taken during and after the bushfire—showing just how close the fire came to the property.

In light of the recent spate of natural disasters across Australia, LCU encourages all members to review their Home and Contents Insurance to ensure they are fully covered for such events.



3.99% pa

Fixed for 6 months

LCU Home Loan Sale

- ✓ **Special discounted interest rate fixed for 6 months!**
- ✓ **Offer ends 31st May 2013 and is only available for new money over \$150,000.**
- ✓ **Funds available for home purchase, refinancing or investment loan.**
- ✓ **No monthly or annual account keeping fees.**
- ✓ **Free unlimited redraw**
- ✓ **No application fees.**
- ✓ **100% mortgage offset available.**

5.50% pa

*Comparison Rate

*Comparison rate based on a \$300,000 secured loan over 30 years.
WARNING: This comparison rate is true only for the examples given and may not include all fees and charges. Different terms, fees or other loan amounts might result in a different comparison rate. Minimum loan amount \$150,000. Offer only available for new money and all loans must be funded no later than 4 months after approval. *LCU reserves the right to withdraw or amend this offer at any time. Terms & Conditions available on application. Fees and Charges may apply. Laboratories Credit Union Ltd
ABN 77 087 650 217 AFSL/ Australian Credit Licence 2408707



Securing yourself against smartphone phishing scams



As more and more of us are conducting our banking via our smartphones, scams via these devices are also increasing.

While phishing scams have formerly focused on internet banking, as the use of smartphones has increased, mobile banking and fake app downloads are starting to emerge as security risks. It's therefore vital that you keep informed about the best ways to stay safe both online and on your mobile.

How do the mobile scams work?

The most common method is for a fraudulent company to contact random people via email claiming to represent their financial institution.

In the past these fake emails might have asked you to 'update' your internet banking password or to login to a fraudulent internet banking site.

These days the emails can just as commonly assert that your financial institution supports a new 'security app' for your mobile phone and will invite you to download the app via a link.

But of course, fraudulent security apps like this can actually be harmful malware, able to corrupt your phone and intercept important activity, such as mobile banking sessions or SMS tokens - potentially allowing the fraudster to skim funds from your account.

How can you stay safe?

Firstly, be as vigilant on your smartphone as you would be on your computer. Just as you would conduct some basic research before downloading new software onto your home computer, you should be investigating new apps before you download anything to your phone.

- Make use of Google's malware scanner Bouncer to check Android software - this program scans and approves safe apps to download.
- Read through the terms of the app and permissions required by the app, be sure you understand the risks disclosed to you.
- Conduct a Google search to check up on the reputation of the app, who created it and how long it has been available. Both safe and harmful apps are likely to have a great deal of reviews and reports online, so conducting a quick search will help you make your download decisions.
- Ensure you only download apps from the authentic *Apple App* and *Google Play Stores*.

Remember that just like face-to-face and online banking, mobile banking is as safe as you make it. The little extra effort required to investigate unexpected emails or SMS contact will go a long way in keeping your phone and your funds secure.

And of course, always report any suspected fraudulent activity or malware to an LCU staff member immediately.



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Simply purchase or reload a
Multi—Currency Cash Passport™ over AUD \$1000 between
1st May & 31st July
to be automatically entered into the draw to WIN!

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- | | | |
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| • Overdrafts | • Periodical Payments | • Loan Re-Draw Facilities |
| • Visa Debit Card | • Direct Debit | • Payroll Deductions |
| • Multi-Currency Cash Passport | • Cheque Books | • On Call Savings Accounts |

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