


Serving South West Victoria for

50 years
1964-2014

An aerial photograph of a coastal city, likely San Francisco, showing a large body of water (the harbor) and a prominent bridge (the Golden Gate Bridge) extending into the water. The city is visible in the background, with dense urban development and green spaces. The image has a warm, sepia-toned aesthetic.

*'We acknowledge the hard work and
commitment that has helped make
South West Credit the success it is today.'*

Serving South West Victoria for

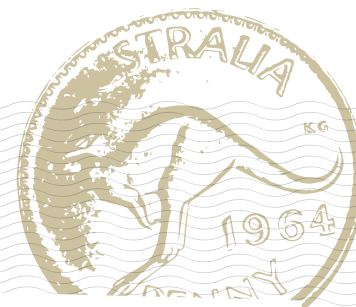
50 years

1964-2014

In 2014 South West Credit celebrates its 50th Anniversary. To mark this milestone, we have recounted the stories and perspectives of key players in this organisation's evolution to paint a picture of how South West Credit has carved a special niche in its local community.

The following is a series of interviews with former and current Directors, Members and Staff who over the decades have been instrumental in the management and growth of South West Credit, from its very beginnings in a small meeting room in 1963, to what stands today.

This year we celebrate the achievements of the organisation, and reflect on the down times from which we learned. We also acknowledge the hard work and commitment of these individuals - and many more who aren't mentioned on these pages - and the community that has helped make South West Credit the success it is today.



Mayor Jack Daffy and Credit Union
Chairman Fred Baulch



Introduction

There is not much that won't grow in the volcanic soils around Koroit but some things take longer than others.

Like the idea that affordable credit should be available to anyone to buy some of life's basic necessities – tyres for the car, a washing machine, maybe even a home – and not just for the already well-off who have sufficient collateral to satisfy their bank manager.

On a moral level, it is difficult to argue against such a worthy ambition.

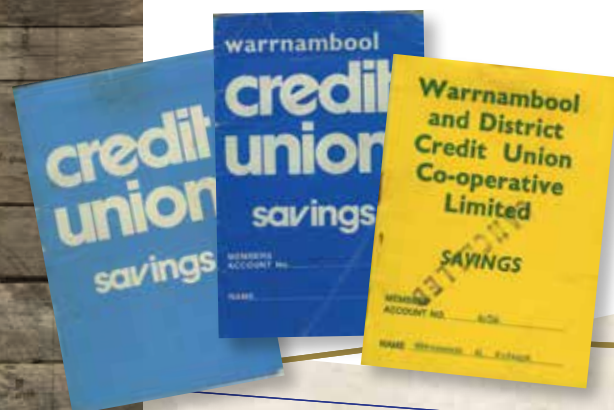
In reality, however, a combination of the time and place and the prevailing attitudes of the day meant the initial enthusiasm for a community credit union at Koroit did not translate into an overnight success.

The seed had been planted in 1963 by visiting Young Christian Workers members, whose campaign for more equitable access to finance at all levels of society had prompted an almost missionary-like drive into rural communities, where meetings would be called to explain the concept behind it. In the years after the Second World War, the YCW in Victoria had held an inquiry into the problems facing young workers and found a need for financial support for the purchase of homes and basic services.

The YCW Co-operative Trading Society was formed in 1948. The energetic Ted Long became the YCW's long-serving secretary in 1951 and the following year, when the YCW Central Credit Union was formed, became its most ardent advocate, travelling the length and breadth of the state during the next two decades to spread the word – including to Koroit.

At a time when conventional, conservative banking practices often made it extremely difficult for anyone not blessed with sufficient assets or capital to secure a loan, there were many people prepared to listen and consider the possibilities of an alternative system of credit.

It was at a gathering in the Koroit Theatre late in 1963 that the idea took root among members of the town's Catholic community.



But it was more than a year later, in December 1964, before the Koroit Co-operative Credit Society – a grand name for a very modest enterprise - was formally incorporated, the theatre's supper room becoming the venue for meetings of its directors.

An era had begun, although not even the most optimistic of the first seven board members could have envisaged the ultimate success of what they had helped create.

The first registered office was a local farmer's house and payments were taken over the counter at the town's pharmacy.

Six months after its formation, the credit society had signed up 52 registered members, had seven non-member depositors and held a princely 450 pounds in assets.

Its first annual report in March 1965 proudly reported it had made two loans totalling 390 pounds. The district's established banks were not exactly in a panic over the new competition.

But if the time and place were not quite right, the idea was. Within a decade, after transplanting to the more fertile financial soil of Warrnambool and a name change or two, South West Credit had entered a period of growth that continues to underpin its operations today.

From a purely voluntary organisation which only took on its first full-time worker in the early 1970s, South West Credit now employs more than 30 professionals and has over 8000 names on its members list.

It is now a truly 21st century financial organisation, firmly and fondly entrenched in the community it serves.

It could be said to be close to reaching its optimal size, apart from keeping pace with the seemingly ever-expanding growth of Warrnambool and district.

That's not a criticism, nor a problem: it simply means South West Credit's directors know that its past and future success is based on doing what it does well, on appreciating its limitations and not over-reaching itself in a bid to be more than its members need.

Quality of service is what counts, not size. South West Credit has built a reputation as a good corporate citizen – its support of the community takes many forms, both public and discreet – and it has never lost sight of its fundamental purpose.

It was born from an altruistic ambition, not a profit motive, and thanks to an enviable tradition of long-serving, public-spirited directors, chairmen and CEOs, the business has held true to the core principles of those first pioneering members at Koroit in 1963.

The Koroit Co-operative Credit Society's essential philosophy has been passed on from one decade to the next.

Today, half a century later, it is echoed clearly and concisely by the two slogans South West Credit has used to promote its services: "A different kind of banking", and perhaps more significantly – "Where you matter".

*With that remaining the key
the focus, the first 50 years
are only the beginning.*

In the Beginning



1963

Visiting Young Christian Workers (YCW) introduce the idea of a credit co-operative to parishioners at Koroit's Church of Infant Jesus.

Trace the flourishing branches of today's South West Credit Union to their roots and you will find yourself at John Shanley's dairy farm at Kirkstall, a few kilometres west of Koroit.

The cream brick house beside Penshurst Road (or, if you're a local, the Port Fairy Road, or Three Chain Road) was the first registered office of the infant Koroit Co-operative Building Society back in late 1964, with John bearing the title of its first secretary.

Seated at the kitchen table of that same home, John, now 76, does his best to recall how it all came about.

The passing of half a century can play tricks on the memory but, fortunately for this publication, half a dozen or so of the "founding fathers" are still about and happy to share their recollections, providing the most accurate first-hand (if occasionally conflicting) account possible of the credit union's conception, birth and growth.

One fact not in dispute is that the local Catholic Church – Koroit's Church of the Infant Jesus – figured prominently in the story.

The credit union was not a church initiative, nor was there any religious agenda behind its formation.

But it was certainly within the church's community that the idea first germinated, the seed apparently planted by the Young Christian Workers (YCW) movement.

The then-priest at the Church of the Infant Jesus, the late Father Brendan Smith, more than once sermonised on the subject of how such a community-based financial service was a more charitable way to meet people's credit needs than traditional banking, while at the same time the YCW organisation was sending members around the state pushing much the same message to communities large and small.

"There were a number of people interested in the formation of a credit union," John said.

"Some of them were ex-YCW people and others just interested.

(The YCW) were the ones who really got it started – they came up from Geelong or Melbourne or somewhere. Peter Acott was one and I think Leon Magree was the other. They talked to a group of people who were interested at a sort of general meeting, and when we had a formation meeting they came back for that."

John said the credit union idea found a small but receptive audience among locals who had limited access to credit at a time when banks demanded a high price before handing over any cash.

“People were looking for reasonable credit and you didn’t have to have any security – that was the thing about it.

There was no such thing as a mortgage in those days, just your good name.

The people who were borrowing were mainly young people borrowing to buy cars and extensions around the home and small items.”

John said his appointment as inaugural secretary was a matter of circumstance rather than ambition. “Actually, when I went to the formation meeting we had a bloke lined up to be secretary. This bloke from YCW asked him how old he was and he said ‘I’m 20’. He told him, ‘Well you can’t be secretary because you’ve got to be 21’.

So he said to me ‘you’ll have to be secretary’. I knew nothing about it, but I was 27.”

Frank Rock, who went on to work for the credit union for nearly 20 years and become its first manager, was the young man who was first choice to be secretary.

Although still under the obligatory 21 years of age, he said he actually took on the role in an “ex officio capacity, with John the nominal secretary for legal reasons until Frank became of age (but more of that later).

The venue for the formative meeting was the Koroit Theatre supper room. John said he seemed to recall there was to be a send-off for a local priest immediately after their meeting and a lot of people called in early “just to see what this credit union was all about”.

Forming a credit union was one thing – funding it was another.

John said there was a state co-operative organisation that they applied to for an advance of money, while those present kicked in about 20 pounds each which scratched up about 150 pounds in capital after the first night.

He even has a vague memory of the fledgling service’s first loan: “Somebody wanted to buy a set of tyres.”

Jack Daffy, Fred Baulch



Pioneers

1964

The Koroit Co-operative Credit Society is formally incorporated and operates from Wilf Amarant’s Pharmacy in Koroit.

“As people paid their loans the money was loaned out again straight away, so it snowballed like that.”

“John Matthey (one of the original directors, and a Koroit policeman) did a good job. He sort of went around asking people for money.”

A shrewd business move - after all, who was going to say ‘no’ to the local copper?

Word of mouth was the main means of soliciting support, he said, and most investments were modest in amount, with the occasional 100-pound or even rarer 500-pound contributions regarded as ‘large’.

John remembers a small but steady stream of people enquiring about loans, which the board members would consider at their monthly meetings, which were rotated around the homes of directors.

Others who filled early roles as board members included the late Fred Baulch, who worked at The Union station at Woolsthorpe (and would go on to become a long-serving director and prime mover behind the credit union), Michael Stevens from Warrong, and Pat Dobson, Bill Hulm and Pat Quinn in Koroit. John also recalls meeting at the home of Dom Howley at Hawkesdale, although he was not among the original seven directors.

Their decisions were occasionally based more on the nature of the request rather than strict business principles, in line with the semi-charitable philosophy behind the credit union’s formation.

“I remember there was a bloke who had health problems and who’d lost his job – he was looking to borrow. I’m not sure how he got on but there were situations like that where we were able to help people.”

None the less, its proponents remained optimistic. Inaugural chairman John Matthey stated in the first annual report that: “The progress of the society is steady and over the past few weeks has shown a rapid increase.”

Perhaps he meant that when the second loan was made, business had doubled.

John Shanley said Koroit’s National Bank branch approached the credit union to do its own banking there.

The incentive, he said, was that the National Bank would provide it with free stationary. The offer was accepted, although John said Father Smith was apparently disappointed – apparently he’d been in negotiations with the local State Bank.

John became a director after the original young aspirant for the secretary’s position became old enough to legally take it on, but within a few years had stepped aside.

“I lasted a couple of years. It was never my intention to stay in it, just get it started and then I’d be off,” he said.

“When I pulled out they decided to go into Warrnambool, which I thought might be a bad move, but it turned out to be a winning move.”

After operating briefly without a formal ‘home’ – one account has the earliest transactions taking place in a stall outside the Koroit Catholic Church after morning Mass – the co-operative’s business was shifted to the more convenient location of Wilf Amarant’s Pharmacy on Commercial Road in the centre of town.

While never a director, Wilf was literally central to the credit union’s early existence, attending to its admittedly undemanding transactions from behind the counter between serving customers at his own business.

He was happy to help out, providing space in his premises free and kicking in to help establish the credit union’s cash base.

1965

The first annual report states the KCCS has 52 members and issued two loans totalling 390 pounds. A new junior school for boys is opened at Albert Park in Warrnambool.

But the local chemist was also kept very busy trying to keep the-then struggling Koroit Football Club alive, which limited his involvement in the co-operative society.

Now 81, Wilf recalls he had come to Koroit in 1957 from Melbourne, buying the pharmacy that had been run by the Corson family for decades before building his own home with a new chemist's store next door.

He remembers Koroit as a much different place back then. Many of the roads were gravel, the town's water almost undrinkable, no sewerage service and the one street light, outside Mickey Bourkes pub, switched off promptly at 12.30am each night.

It was a different time and, for today's 'buy now, pay later' credit card generation, almost a different world.

"In those days, there were next to no credit facilities, for anyone," Wilf said.

"And on top of that a very large proportion of the population were, by today's standards, very poor. And because of that there was a need across the whole strata of society."

He said many people 50 years ago had a different attitude to life and borrowing money: they may not have had as much, but they lived within their means, saved for what they needed and had an aversion to debt.

As a result, despite the need for better access to credit, many people were unwilling to embrace the Koroit operation once it opened for business, perhaps seeing it only as a service of last resort.

Wilf, who was the man handling the transactions, said the credit union suffered as a consequence.

"There were very few people around here who dealt with the credit society and it was very shaky.

Because first of all, people didn't have much money and they didn't want to get into much debt."

He said "property owners could go to their bank manager and negotiate from a position of some power, but the average wage earner (and this was when most households were single-income) faced a real battle. "

"People had to be "educated" into a new way of looking at borrowing," he said.

"The credit society, to my mind more than anything, educated people into using credit as it should be."

Wilf sees no reason why the credit union should not still be around to celebrate its centenary, provided it remains true to its initial ideals. And he is quietly proud to have helped it on its way.

"All I did was play a very small part in an organisation that has endured for 50 years."

Lifelong Koroit resident and former Nestles, post office and Sungold Milk employee Pat Dobson was another of the seven original directors.

He corroborates the accounts of his contemporaries as to just how small-scale the operation they ran in those formative months and years truly was.

"There was definitely a limit to what we could loan. You might have got a hundred bucks, say, something like that. It wouldn't have been much more."



1966

Decimal currency is introduced in Australia. Murray Goulburn takes over the Grassmere Butter Factory.

1960-70

“But then a hundred bucks back in 1964 went a long way. You put a hundred bucks in your hand today and you turn your back and it’s gone.”

Pat also backs up Wilf Amarant’s statements about the reluctance of people back then to borrow, even from a local credit union and in such small amounts. In fact, he said he and his wife Veronica (“Ronnie”) had the same attitude.

Even though they were credit union members and Pat a director, they never took advantage of it to take out a loan.

“We were one of those people who if you didn’t have the money to buy something you didn’t get it. You saved for it, you didn’t go and put yourself into extra debt just to buy it.”

The Dobson’s eventually closed their account about the time of the credit union’s move into Warrnambool, although there is still a strong family connection via their children, who are SWC members.

Pat and Ronnie agree the shift out of Koroit was inevitable and essential for the venture’s survival, its home town simply not big enough to sustain any sort of viable growth.

“Population-wise, Koroit was probably only a third the size of what it is today,” Pat said.

“It’s only in the last 25 years or so that it’s really taken off. It’s gone mad.”

A final observation of how Koroit - and society generally - was 50 years ago came from Ronnie, when it was pointed out that all the figures involved in starting up and running the credit union were men – the complete absence of women starkly apparent to the modern observer.

“We were out the back, making the cups of tea. That was our job,” she said.

Long-time friend of the Dobsons, Bernie Brennan, left Koroit for Melbourne two years after the Koroit Co-operative Credit Society was formed, ending his role as one of the original board members.

But despite the passing of half a century he retains memories – some clear, others less so - which add valuable detail to the accounts of others and help flesh out the overall story of those early days.

Speaking from his Mount Waverley home, Bernie confirmed the involvement of the YCW in getting the credit union started, particularly through its esteemed former national secretary and president Ted Long.

“There are two things: Ted Long from Melbourne came down and spoke to us – he was involved with the YCW or CYMS, one of those young organisations – and I think one person that would probably have been involved was J. J. Russell, “Snifter” Russell,” Bernie said.

He was involved with the (Democratic Labour Party) and they were going to start up a fund-raising insurance thing, (to provide) a cheaper rate. But I think when they looked into it they realised that if a fire swept through the place (Koroit) they wouldn’t have enough money to cover it all.

But from what I can remember I reckon Snifter Russell might have had something to do with it.”

(The brief, first annual report confirms the involvement of the YCW in getting the credit society up and running. A notice of motion was put to discontinue its association with the YCW trading co-op and essentially go it alone.)

Bernie, a former seasonal spud picker and employee at Allansford Artificial Breeders (along with the likes of Ray Eccles, Pat Gleeson and Bill Quinlan – the latter going on to found the very successful and now much lamented Warrnambool Co-Op), was only recently married at the time and knew from personal experience how difficult it could be for young people in particular to get ahead in life.

1967

KCCS members and directors continue to promote the credit society to the wider community. A landmark water tower is erected at the Fletcher Jones Factory.

“I was struggling to get a house. Port Fairy had a housing co-op then and I looked at that, but anyway the State Bank manager came to the party.”

Despite a clear community need, Bernie said it was not easy to convince locals to invest in the credit union.

“A major hold-back was getting people to put money in,” he said.

“I had to go and see one man twice who I thought was pretty well off – although he probably wasn’t as well off as I thought, just a lot better off than we were – and I remember the second time we went his wife wasn’t keen at all.

It would have been a hundred pound that I was after for him to put in for our customers and she was concerned it might have finished up as a donation. That was a restriction we had – there just wasn’t a lot of money invested in it for us to loan out.

There was a credit squeeze on then too, I think – the Bob Menzies credit squeeze, so that was another reason. We really struggled to get money in.”

After 12 months of operation the Koroit Co-operative Credit Society’s total assets amounted to the princely sum of 450 pounds and by June 1965 it had 52 shareholding members.

So low were its reserves that Fred Baulch, a driving force behind the credit union, would tell the story of how the directors would have to get together and inject some cash to boost funds if a member came in to borrow money.

In the 12 months to March 1967 (a year after the change to decimal currency) the credit society handed out 12 loans totalling just over \$6000. An increase, but still a very modest operation.

No wonder Wilf Amarant had little trouble finding the time to incorporate the credit society’s transactions into his own daily pharmacy business.

One of the more colourful characters among the first board members was the imposing figure of John Matthey.

There are still many people in and around Koroit who remember his arrival in the town in the mid-1950s as the area’s new policeman – some more fondly than others, depending on their subsequent dealings with him.

He may have been the newly-formed credit co-operative’s founding chairman, but the 84-year-old former copper said time had diminished memories of his involvement and he was content to defer to the recollections of others.

Born in Hamilton in 1928, John’s father was a policeman who went on served at Port Fairy before retiring in 1955, and John’s own oldest son Jim retired in Geelong in 2012 as an inspector with Victoria Police.

John had joined the force in 1948 and was stationed in Warrnambool before the shift to Koroit, where he and his wife Patricia bought a house.

The town had four pubs in those days, with another half-a-dozen or so in the surrounding small towns, and with six o’clock closing and plenty of thirsty spud pickers about he spent a lot of time on the road keeping tabs on them all.

John spent close to 15 years in Koroit, with a couple of breaks away, and was already well known when the idea of a credit union first began being discussed in 1963.

Pat Dobson said the decision to appoint the local senior constable as chairman helped give the infant credit society some authority.

1968

Loans issued by the KCCS increase to almost \$7000. The new school in Albert Park becomes North Warrnambool Technical School.

"Everyone looked up to him in Koroit. Actually, they were frightened of him!" Pat said.

"Especially the young fellas."

He said it was John who did the initial assessment of loan applicants, making sure they appeared legitimate and deserving of help.

"Say you wanted a loan and had come to us (the credit union), I used to have to go with him and as soon as they saw John Matthey there they sort of started shivering! He had that sort of demeanour about him. But you knew where you were with him. You didn't tell a lie to him."

Not all accounts tally, but if any further confirmation was needed of the YCW's involvement in the birth of the credit union, it comes in the form of Frank Rock, who in 1964 was a 19-year-old Koroit footballer, basketballer and tennis player and (as he remains) a keen horse racing enthusiast.

"I was involved with the YCW," Frank said.

"Freddie Baulch and Alan Beattie came up to me one night – I was sitting in a car outside of our place with one of my mates, I think I was 18 or 19 – and I wound the window down and they said 'How would you like to be secretary of the credit co-operative?'

I'd never heard of it. I didn't know what a credit co-operative was. I was studying but I was young and naive said 'Oh, OK, I'll do it' and so that's how it started.

But I was the unofficial secretary because I wasn't old enough so John Shanley officially held the position."

According to Frank the first transactions, before Wilf Amarant's pharmacy was enlisted as an office, were very humble indeed and quite possibly unique in the history of financial institutions.

"We used to sit outside (the Church of the Infant Jesus) in a little stall after the 10.30 Mass and people would deposit and withdraw money, and that's how it started. I don't know how you would describe it now, but it was very, well, archaic."

Frank attributes most of the credit for establishing the co-operative to the late Fred Baulch, who he described as "a pioneer".

Having got the bug for credit unions, he said Fred set

about finding out as much as he could about them, taking young Frank along for the journey.

"I don't know where he got it from but he got it ... and he and I travelled stacks of miles to find out information about it. I'm talking about going up to Ballarat, which was a two or three-hour trip in those days, Geelong and everywhere else.

He was really the instigator of it. He donated probably 20 years of his life (to the credit union) and never got a cent. When I started in 1975 as the first manager we got him a set of golf clubs for everything that he'd done."

Fred took over as chairman of the credit society in 1966, filling the role several times during his 15 years as a director.

Frank himself is unique among that small band of early volunteer credit union workers in that he actually went on to make a career out of it, eventually moving on to become an investment advisor with the Moe Credit Union in Gippsland, where he still lives, and later as an accountant before retiring a few years ago.

1969

KCCS struggles to secure sufficient funds to meet the demand for loans. As a result, only \$791.55 in loans is issued for the financial year.

Now 68, he returns to Warrnambool every year for the May racing carnival and holds many happy memories of his days with the credit union, of which he was variously secretary, treasurer and first chairman - and only its second full-time employee.

While membership and business had slowly grown, the perennial problem of sourcing sufficient funds remained, Frank said.

Baulch is adamant, however, that it was only the decision in the early 1970s to shift the credit union's focus from its home base of Kororoit to the much more lucrative business opportunities in Warrnambool that saw it survive beyond its first decade.

Change & Growth

In the 1970 annual report, chairman Fred Baulch reported that the total loans for the year of just \$791.55 was “much less than previous years, but this was due to the fact that we did not have the money to lend”.

The board was now finding that supply was their greatest problem, not demand.

Much door-knocking was required and farmers were usually a generous source of contributions, but this was during a time when their own income was unreliable.

“We’d go out and they’d give us a hundred quid and we’d give them a receipt for it. Then one year, when spuds were bad, it just didn’t happen,” Frank said.

“And that’s when we sort of thought ‘OK, this is no good, this is no way to run a credit union.

And at roughly the same stage there was a group of guys from west Warrnambool, I think from the St Pius parish, they were interested in forming one (a credit co-operative) and they’d heard about us so we went in there and spoke to them, Freddie and I.”

After a special meeting of members to obtain the required three-quarter majority, the result, in August 1971, was the Korbool Credit Co-operative, a name change that encompassed the business’ new bond – that is, its permitted area of operation, which was now a 25-kilometres radius of Warrnambool.

The name was something of a compromise, designed to appease those who felt the credit union was straying from its base while trying not to alienate potential new members in Warrnambool by having the name Koroit in the title.

On reflection, it can now be seen to represent both the past and the future of the credit union.

It was a time of change. Some of the original board members stepped aside and to be replaced by fresh blood – such as Tony O’Hurley, former farmer and rate collector with the Warrnambool City Council, who would be a director for the next 24 years.

Spreading the net to take in Warrnambool started to pay immediate dividends.

1970

Target opens its store in Koroit Street. The saleyards shift from Raglan Parade to Caramut Road. Loans issued by KCCS bounce back to \$1600.

1970-80



Les Faulkner, Clare Cannon, Frank Rock

The annual report for 1972-73 makes mention of plans for a Warrnambool office and a full-time manager, with Amarant's Commercial Road pharmacy remaining the venue for Koroit transactions and another Warrnambool "depot", as it was referred to, at Tom Hyland's produce merchants at 183 Fairy Street.

Twelve months later and the relocation was complete, the credit union having shifted into a leased office at the National Mutual Building at 104 Liebig Street in 1974.

The site, on the south-east corner of Liebig and Koroit streets, used to be known as the National Mutual Plaza (and prior to that, Suggett's chemist) but more recent generations know it as the location of the Bendigo Bank.

That year also brought two other significant changes, both signs of a gradually improving outlook: the appointment of Clare Cannon as the credit union's first full-time employee (and, it would seem, the first woman to be actively involved in the organisation), and another name change.

It was time to shed the somewhat clumsy Korbool moniker and fully embrace the city that was the key to its future and become the Warrnambool and District Credit Co-operative.

Frank Rock said that issue was the only time he and Fred Baulch never quite saw eye-to-eye – Frank was pro-change, Fred against it.

"But we worked it out. Korbool – what the bloody hell does that mean?" Frank said.

"Whereas Warrnambool and district – take the Koroit out of it – that's where we were going to grow."

For Frank, newly married and living in Warrnambool, the new office was a convenient arrangement, especially since he was now both secretary and treasurer.

Within 12 months, in fact, he had joined Clare Cannon as a full-time employee after accepting an offer to become the credit union's first manager, having served as either secretary or treasurer for 12 years.

1972

KCC makes plans for a Warrnambool office and full time Manager.

1971

The KCCS changes its name to the Korbool Credit Co-operative (KCC), now taking in Warrnambool and a 25 mile radius. The ANZ bank opens in Liebig Street, having moved from the old Bank of Australasia at the corner of Timor and Kelp Streets.

1970-80

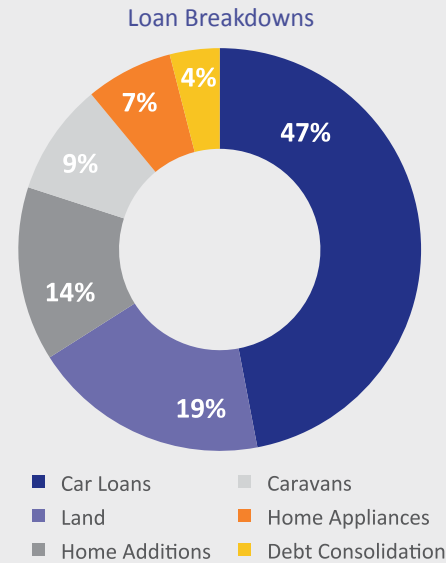
As a previous short printed history of the credit union explains, a permanent central office and staff heralded an era of sustained growth.

The year 1976 was something of a milestone: deposits climbed 125 per cent and loans 155 per cent on the previous year, while passbooks and direct crediting of accounts were introduced.

In June 1976, in its 13th year of operation, the credit co-op started offering housing loans.

Business was on an upswing and the time was right to expand. Chairman Tony O'Hurley and the other board members decided the credit union was ready for a stand-alone head office of its own.

1977-78 Financial Year Reporting



In 1977 they paid \$52,000 for the former Lancaster Batteries centre at 117 Lava Street and set about transforming it into a modern office and banking centre more befitting the organisation's growing status.

The doors opened on December 22, 1977, and it remains the head office to this day, having undergone its third major renovation in 2013 following previous works in 1987 and in 1999, when a second storey was added.



1976

The WDCC start offering housing loans.

1974

The Korbool Credit Co-operative is now known as the Warrnambool and District Credit Co-operative (WDCC)

A glance at the 1978 annual report provides an interesting insight into the nature of the credit union's business at the time.

Cars accounted for 47 per cent of its loans, blocks of land 19 per cent, home additions 14 per cent, caravans 9 per cent, home appliances 7 per cent and debt consolidation 4 per cent. Membership had grown by more than 200 to 921.

In 1978-79 South West Credit amalgamated with the defunct Glenelg Credit Co-op in Hamilton and opened an office there on February 15, 1979, and a company car was purchased – no doubt because of the increasing amount of travel demanded of Frank.

Business was robust and would only get stronger for the rest of the 1970s and most of the 1980s.

As the Eighties dawned, the workforce at the Warrnambool office had grown beyond Frank Rock and Clare Cannon to include David Woithe as loans manager, Maree Lenehan as ledger machinist, Diane Casey as teller and Veronica Madden and Rhyll Maloney as part-timers.

Savings were up to \$2,578,428, having passed the \$1 million mark the year before – much to the delight of founding member Fred Baulch, who was forced to retire from the credit union due to ill health.

The business Baulch had been so instrumental in creating had never been fitter, although the decade ahead was to be marked by departures, tragedies and change...

1970-80

1979

WDCC opens an office in Hamilton. Savings pass the \$1m mark for the first time. Warrnambool wins Victoria's Premier Town Award.

1970-80

Highs & Lows



The WDCC's Warrnambool staff has grown to six full-time and two part-time employees and savings soar to over \$2.5m. The Warrnambool Standard is sold to John Fairfax.

1980

1982

The Warrnambool and District Credit Union changes its name to South West Credit Union.

In 1980-81 the maximum loan limit was raised from \$12,000 to \$16,000 and the interest rate on loans was increased for the first time in five years, from 1.25 per cent to 1.4 per cent.

Unfortunately, it was also the year that chairman Ken Peterson died, while local tyre dealer and aspiring politician John McGrath was welcomed on to the board.

The credit union was moving into its third decade and a new era. In the 1981-82 financial year Frank Rock's long association – from teenage founding member to first manager – ended after nearly 20 years when he resigned to take up a position at Moe.

His position was filled temporarily by the capable Clare Cannon before the appointment, briefly, of Ian Smyth and then John Carroll the next year.

It was time once again for a new name, the updated title designed to reflect the expansion of the credit union's area of operations - the South West Credit Union Co-operative, shortened to South West Credit for trading purposes.

More improvements were carried out to the office, including a children's play area, and computerisation of some functions began, although a deteriorating national economy meant the number of loans issued actually fell.

The most notable feature of 1983-84 was the resignation of Doug Issell as manager of the Hamilton branch, where teller Christine Pevitt stepped into the role.

Financial year 1984-85 marked another milestone - the credit union's 21st "birthday" – but it also saw another significant departure.

SWC director John McGrath, a National Party member, was elected in March 1985 as MLA for Warrnambool and took with him Clare Cannon as his electorate secretary, ending her pioneering role with the credit union.

But business went on, and within a year the credit union had introduced its first ATM cards for use at any NAB branch, and a Portland branch became operational from June 1985.

The following year brought further renovations of the office and the purchase of new computers, passbook printers and office furniture.

It also brought tragedy. On a Sunday afternoon in October 1986, 13 years after she became the public face of the South West Credit as its first full-time employee, Clare Cannon was killed in a car crash at Illowa, only a few kilometres from the Yangery farm where she had grown up and her home in Koroit.

Although Clare had left the credit union nearly 18 months earlier, the death of the popular and extremely competent 39-year-old – who was also an accomplished top-grade and representative netball player, administrator and coach – came as a blow to all who had worked with her.

Her connection to South West Credit went beyond her own employment there: Fred Baulch was her brother-in-law and one of her sisters, Margaret, took over from Moyne McCombe at the short-lived Portland branch in the mid to late 1980s.

John McGrath summed up Clare's personality in a tribute he penned shortly after her death for the National Party magazine, in which he praised her "enormous organisational ability".

"She was a highly motivated, talented lady who had a wonderful gift of communicating with people from all walks of life," he wrote.



Clare Cannon South West
Credit's first full-time employee

A new year soon rolled around and in 1987 the Lava Street office underwent another freshen-up and a new computer, passbook printers and office furniture purchased.

As its 1988 quarter-century milestone approached the credit union was well established in its much-improved home, business continued its upward trend and the future beckoned with promise of better things to come.

But potential disaster is only ever one or two bad business decisions away, and perhaps it was a sense of complacency that resulted in the ensuing near-calamity.

Former long-serving director Glen Riddle said the credit union had always taken the greatest care with its decision-making and bad or 'delinquent' loans were rare, but management had momentarily dropped the ball with one particularly large loan, leaving the business dangerously exposed to a run on its remaining funds and at risk of takeover.

For the first and only time in its history, the credit union slipped into deficit – a big deficit.

One large debtor had gone into liquidation and with the overdraft accounts of several members substantially above the approved limits, the bottom line was an operating loss of almost half a million dollars for 1988-89.

The vultures began circling and the annual general meeting held at the RSL attracted a large turn-out of concerned members, to which chairman Gerald Gray could only regretfully apologise and promise immediate action would be taken. It was a time for tough decisions.

After much agonising, the board resisted an approach by a Ballarat-based institution to merge and instead set about rebuilding the business.

There was a review and rewrite of loan and financial policies and the Credit Co-operatives Reserve Board stepped in to get the business back on track and start rebuilding its reserves.

It took some four years to achieve that target and recoup what had been lost, but at least by the end of the following financial year the credit union's manager John Carroll was able to report "our best financial result ever" and an operating profit of \$90,312, even if total members' funds were still in deficit.

1986

Clare Canon is tragically killed in a road accident at Illowa.
SWCU undergoes renovations.

1980-90

A New Era



By 1994, when veteran director Tony O'Hurley retired, aged 74, John Carroll had departed the manager's position, the massive loss of 1988-89 had been absorbed and profits and memberships had resumed their upwards trajectory.

Two years earlier, as the rebuilding was still underway - and with many in the south-west community still reeling from the dramatic \$1 billion crash of the Geelong-based Pyramid Building Society in 1990 - fresh blood had been injected at the top of SWC.

The new chief was an American with Wall Street experience. And although he would be the last person to acknowledge it, those who were there will readily tell you the most profitable investment South West Credit probably ever made was employing Wayne Krause as chief executive officer.

The experienced American business graduate arrived when the organisation was arguably at its lowest ebb, precariously poised at the edge of a financial cliff.

At a time of great uncertainty – and not without his detractors – Wayne turned the ailing operation around and steered South West Credit into an era of growth and prosperity which continues to this day.

Jack Daffy, who was chairman of the SWC board at the time of Wayne's appointment, has no doubt as to his lasting legacy.

"That was quite a significant change at the time because they more or less got away from local management and had someone who was from completely outside," Jack said.

"He had worked with large banking corporations around the world, I think he'd come from America. He retired to Port Fairy and was more or less in slow-down mode.

It was a bit of a come-down for him to come to South West Credit, I would think, but at that particular time I think it was a breath of fresh air.

It was being run successfully with good management prior to that, but with Wayne's appointment I think it got that bit more of a professional touch because he was used to a banking system on a different scale.

And he would have fought with the board on a number of occasions, I would have thought, because he would have seen the need for change.

1990

Geelong based Pyramid Building Society collapses. Warrnambool's population reaches 25,000. SWCU turns around its financial position increasing total members equity (TME) from \$25k in debt to over \$134k in credit.

A lot might disagree with me but I think he was the right man at the right time.”

Perhaps the key to the positive impact Wayne Krause had was his blend of international and local experience in the fields of banking and business.

He came to SWC after four years as business manager with Fletcher Jones and Staff Pty Ltd, and for two years before that was area accountant for the Portland aluminium smelter.

Born and raised in New Jersey, his working career began even before graduating in 1973 from New York University’s School of Management, having started the year before in International Marketing and Business Development with the Chase Manhattan Bank on Wall Street.

His career with Chase (of which he would be appointed a vice-president) would later take him into other fields of financial expertise and out of New York - to Los Angeles, Melbourne and Helsinki in Finland.

It was that wide experience in international and local retail banking, plus time as a director and consultant with the Fletcher Jones Credit Society, which caught the eye of South West Credit when looking for a new manager.

Wayne smiled as he recalled his initial meeting with the full board of directors, which he described as “interesting” - and not a little confronting.

“There was about seven of them, plus an HR consultant and the assistant general manager, so we had an interesting conversation for about an hour and a half,” he said.

“Anyway, the upshot of that was a few days later they said ‘Would you like the job?’ and I asked ‘Do I know where all the skeletons are?’ and they said ‘Yes’, which was only half the story ...”

Asked what he encountered when he first settled behind his desk at the head of the SWCU in October 1992, Wayne is typically diplomatic, describing its financial position as “capitally inadequate”.

A capital crisis might be a more accurate description, for the late 1980s and early 1990s had not been fruitful years for SWC. Quite the opposite, in fact.

External factors – foremost among them the spectacular, controversial and expensive crash of the Pyramid Building Society in 1990, which created an understandable lack of confidence in non-bank institutions – combined with ill-advised loans and mounting bad debts, meant SWC held “little or no capital” in relation to the company’s size – probably no more than two or three per cent, as opposed to the then required level of eight per cent, Wayne said.



1991

The Cobden Credit Union is absorbed by SWCU and its TME increases to over \$260k.
CBC and St Ann’s merge to form Emmanuel College.

1990-99

Back then, SWC dealt mainly in personal loans, not yet being big enough for the mortgages which he estimated would today comprise close to 80 per cent of its business.

Vulnerable to a Pyramid-style run on funds, South West Credit was under the direction of the Reserve Bank of Victoria and faced a “sink or swim” scenario, he said.

It was clear to all that something needed to be done – but what, and how?

The new CEO's priorities were to build up a healthier capital base, get out from under the administration of the state's reserve bank, recover as many bad debts as possible and rebuild confidence among members and the wider community.

A key step in turning around the fortunes of SWC was the merger in 1992-93 with the Fletcher Jones Building Society. Unlike the credit union it held a healthy cash reserve but, with the decline in the Australian textile industry, had an ever-decreasing membership as employees were let go.

There had been a failed bid to merge the two entities some years earlier, but this time Wayne managed to get the directors of FJs and SWC together in “neutral territory” – the Brierly boardroom – and on a whiteboard outlined his plan for the merger, which (not without serious reservations, if not outright opposition, by some present) was approved.

One man who witnessed the rise, stumble and triumphant revival of SWC is former long-serving Warrnambool city councillor and ex-mayor, Jack Daffy.

He has been a prominent figure in civic circles for more than 50 years but for all his high-profile roles, he has had countless behind-the-scenes involvements with scores of groups, clubs, organisations and services.

Not least among them was 16 years as a director of South West Credit, having been first elected after he was invited to attend an annual general meeting in 1986.

By 1991 he had been elected vice-chairman and the next year took over as chairman of the board.

“It was Tony O’Hurley who invited me along and it was Tony who some years earlier who had encouraged me to change over to the credit union from the old State Savings Bank.



That was pretty typical of people in those days because that’s started with the State Savings Bank while they were at school.

Jack said he had little idea of how the credit union began or operated when he first joined the board.

“Not a lot, only that it had started out at Koroit by a few blokes from the church and had moved to Warrnambool.

“It was growing. Credit unions all seem to have started from churches somewhere.

1992

SWCU merges with the Fletcher Jones and Staff Credit Society. Wayne Krause is appointed CEO. Fletcher Jones is sold. Kraft Foods leaves Allansford after 57 years.

“But then they realised that you couldn’t run a business, and that’s what it was, after church on a Sunday morning, so they slowly but surely grew bigger, and think Tony and a few others saw that they weren’t going to go anywhere out at Koroit so they encouraged the move to Warrnambool, which wasn’t resisted.”

It was in 1991 that SWC absorbed the Cobden Credit Union, which Jack believed had been established by the large Dutch community in and around that town.

He said the Cobden business was struggling and having “trouble with its paperwork”. The merger not only secured the funds of Cobden members but further bolstered the position of South West Credit, which was rebounding from a very low ebb of its own in the late 1980s and the 1990 Pyramid Building Society disaster, which hit hard many south-west investors.

Jack said it was a time when all financial institutions were coming under increasing scrutiny.

“And of course the regulatory authorities were taking more control, too, and showing more interest in them (building societies) because they didn’t want them going belly-up.”

He concurs with others that the merger with The Fletcher Jones Credit Society in 1993 was a further boost to the credit union, bringing with it not only much-needed cash reserves and members but extra experience and expertise to the SWC board in the form of former FJCS directors John Hogan and Alan O’Connor.

Jack said: “That was a good thing because Fletchers was ultimately going to disappear too, and they had a large number of members also.”

Jack believes the role of and need for South West Credit remains essentially the same today as it did during his time on the board and, indeed, when it first started. It is a smaller, more user-friendly and personal alternative to the Big Four banks.

“I think it fulfils all the functions that you can get at the banks. Maybe not to the same degree – they don’t handle the same amount of money as the banks, of course, so not by way of huge loans or whatever.

But certainly for community residents who need small loans but who won’t get them from banks.

I know of one lady who, when I was there, had 30 loans. It was only for a thousand dollars each year and I know that she used it for a holiday – but she was a dear old pensioner who had no money.

That’s how she would have a holiday with her daughter each year in Queensland. She’d use it to pay for her expenses while she was away, then spend the next 12 months paying it off.

The powers that be, in Melbourne or wherever, would say you shouldn’t be lending to her. They said she’ll die one day and owe you a thousand dollars. But how can you stop when she’s always been a good customer and always paid?

But she couldn’t have got that from a bank (and there were many people like that. The credit union was able to provide those services to people that they wouldn’t have got from the bank.”

Jack further commented “I know several people who’ve started up a business after getting a loan there. And that good part about it is, if the management team knocked a loan back – and I think it’s still the same today – two or three board members would meet every Thursday, go through the list and may approve some of the ones who’d been knocked back – only because they knew the people, whereas management and staff may not know them.”

1993

Memberships rise to 8180 (up from 5715 five years earlier).
Poker machines are introduced at Warrnambool hotels.

1990-99

As South West Credit powers into the 21st century in good health, Jack foresees that the personal touch the institution offers will continue to be its greatest strength.

“As far as the staff is concerned a number of them have been there forever ... so the personal touch is still there.

During my time they had a couple of approaches to amalgamate – one was with Ballarat, and fortunately that was resisted. It’s interesting to note that Ballarat has since changed its name two or three times whereas ours is still South West and still independent, because a lot of the others have amalgamated.

Sandhurst would be an example of that. It became the Bendigo Bank and now it’s tied up with some other organisation.

I think that with good management and good boards (South West Credit) has been able to show a profit each year.

They’re always under scrutiny of course, by the regulatory authorities, and they’ve always managed to satisfy them and get their approval when inspections take place, and I guess if you are successful and always making money you don’t need to join others in order to expand.”

The name arguably most central to any account of the South West Credit union in the late 20th and early 21st century is that of Gary Parsons.

In 2013 Gary clocked up his 18th consecutive year of service as a board member, including a lengthy term as chairman during which he was key to reshaping and repositioning the organisation as it entered a challenging new era.

The financial and wider business environment was becoming increasingly regulated and, as would become apparent, dangerously volatile.

A relatively small credit union, however successful, could not afford to drop its guard and would have to commit to becoming more adaptable and professional or risk becoming a takeover target and losing its identity and independence or – even worse – its relevance to its community.

Although his time as a board member began in 1995, Gary’s connection with SWC dates back a couple of decades earlier to when he was an 18-year-old truck driver with Peter Cook Freighters.

(Coincidentally, that’s the same business for which Frank Rock handled the accounts before leaving to become SWC’s first manager, and which also employed a young Les Faulkner, whose own story appears elsewhere in this history).

“It was Les who took me in and I opened a savings account at the credit union – it was the first bank account I’d ever had, apart from school ones,” Gary explained.

“I’ve always banked there ever since... as you progress through your life, different jobs and so forth, and even when I went into the advertising agency, RPM, it ended doing work for the credit union, so I always maintained a business relationship with the credit union as well as a personal one.”

“So I’ve always had a great affinity with the credit union movement, hence my love for the organisation and I suppose the commitment to what it does and what it delivers.”

As Gary’s own career in advertising and marketing became more successful, an invitation was extended in the mid-1990s for him to become a SWC director.

Two years after he was elected as a Director, Gary assumed the role of chairman, a position he held for nearly six years. But it quickly became clear that the time was right for growth and to capitalise on it some things would have to change within the credit union.

1994

Local government mergers begin under the Kennett Government. Warrnambool City is managed by three Commissioners. SWCU memberships rise again to 8631 and staff numbers reach 13.

"That was when there was some real change, we really did lift the organisation.

It was a really good time for the economy and Australia... we (SWC) were experiencing tremendous growth. When I first joined the credit union we were \$18 million in size, I think, and by the time I'd finished as chairman we were getting close to \$100 million.

I can remember one of the really funny things that happened – we introduced strategic planning days.

We'd had directors, the CEO (Wayne Krause) and senior management there. The facilitator was Shane Manley and he wanted everybody to have a little say as to what they wanted the credit union to be.

It came to my turn and I said that I'd like to see the credit union by the year 2000 to be \$50 million in size – we were \$18 million at that time.

Well, Wayne's glasses fell off the end of his nose and all the senior management sat back in their chairs and said 'Whoa, how the hell are we going to be 50 million!?!'. And it's been a real laughing point ever since, every time we go to the strategic planning days everyone has a dig at me: 'You and your 50 million ...' They can still see the glasses falling of Wayne's nose."

It might have seemed pie-in-the-sky to some, but Gary believes that aiming high and setting up the credit union to capitalise on the overall economic growth was the way forward.

Once the board and management got behind the vision it marked a turning point from which today's credit union can trace its robustness and professionalism.

"One of the biggest things we did was one of the member surveys – we went to the members and said 'righto, what do you want your credit union to be, what sort of services do you want?'"

"And there were things that came back like an ATM, we want an ATM, so those were the sort of things we went out and worked really hard to get."

That auto teller machine was installed in June 1998, accessed by members using their new Redicard.

Also introduced that year was the credit union's own credit card – MyCard – which was wholly owned by SWC.

Incidentally, it was in early 1998 that the South West Credit Union officially dropped the "union" from its name and its familiar red/yellow/green corporate colours were replaced with a new yellow logo with black text.



Gary said the ATM was the step towards trying to match the technological services of the banks.

"We've always tried to have all the services that a member would want from a bank provider... You look now at internet banking, SMS alerts on your phone – all that sort of stuff, we've got it now."

1995

Colleen Rose is appointed as the SWCU's first Chairwoman. The ailing Fletcher Jones is sold again. Midfield Meat opens a new abattoir.

1990-99

His enthusiasm, optimism and desire to be progressive happily coincided with period in which SWC was in a position to invest in its own future, the dividends from which continue to be reaped today.

"I think growth just for the sake of growth can be bad in a lot of instances, but when you are providing services and giving things back to the community and to members, that's what it's all about.

"We weren't necessarily ground-breakers, but I always took a lot of pride in the fact that whenever we'd go away to our conferences, with our CEOs and managers, to credit union meetings, we were always miles ahead of everyone else, even though we were only small fish in a big pond among all the other credit unions."

Like his board colleague Jack Daffy, Gary credits the genuine local interest of its decision makers as the secret of the organisation's success.

"That commitment to be here for the people of Warrnambool; that's always been the case, and sometimes when you get taken over or you merge with bigger entities that doesn't happen.

"But to be honest, we've been in talks with other credit unions and we came very close at one stage to coming back and recommending that we do merge with Gold Credit, which was in Ballarat.

"We had a long, exhaustive process that took quite a significant toll on people in the organisation, and in the end we had all the information in front of us and we made the calculated assessment that, no, we weren't going to go with Gold Credit.

"We decided that we'd go it alone and that we'd resource the organisation and be a viable, long-term service provider for our members. And we've done that."

However, Gary is not blind to the ever-present threats facing any business and which could threaten the viability or independence of SWC.

"There are two things that could impact on that. One would be regulation – if we get regulated out of the industry, if compliance and regulation becomes too onerous, which is what's happened to a lot of the credit unions. They've gone by the wayside, not because they're not profitable but they really haven't had the resources or the ability to meet the regulations and the compliance, so they've merged with bigger entities who've got the back-office people who do all that.

"One of the biggest saviours I think was when credit unions were granted an ADI (Authorised Deposit-taking Institution) status, that's the banking licence, whereas other types of institutions don't have that, so we come under the government guarantee.

"That's a huge win for credit unions and a bonus for us. That keeps you in the game."

Gary says the other main threat to SWC is simply the cost of doing what it does.

"It's just becoming more and more – the cost to borrow money, the cost to lend money. It's just become a huge impost – on any business – and we're not immune to that. That is a big issue for the credit union moving forward and whether we can sustain that and keep our costs under control, that is going to be a big one for us."

It was that need to run as lean an operation as possible that the decision was taken some 10 years ago to close the SWC agencies which had previously operated in Cobden, Hamilton and Portland focus strictly on business within the 3280 postcode.

Gary explained: "We were growing, we were in a really good position and we said, OK, if we open up a branch instead of just an agency – if we open up a branch in Hamilton and in Portland, go to that next level – what are the benefits, what are the costs?

1996

Commissioners step aside for a new Warrnambool City Council. A new post office opens in Koroit Street.

"And when we did the analysis on it we decided it's probably too risky, because at that stage there were a lot of credit unions that had branches everywhere and once we started talking to those credit unions the cost of keeping them open was horrendous and a lot of those branches were dragging everything down."

Interestingly, the most monumental financial catastrophe ever to sweep the world, the 2007-08 global financial crisis, aka the GFC, passed over South West Credit with barely a ripple.

"Actually, we got through it pretty good," Gary said.

"That's not trying to gild the lily or anything, we did get through it very well, and I think it's purely and simply because we had plans in place and we had a good reserve, which we've always worked on.

That's the thing with a lot of other credit unions, they're very big on 'we're not for profit'. While we held that same philosophy, we understood that we had to have reserves to make sure that we were securing the members' funds and the members' commitment to us.

We wanted to make sure we were here long-term. That's been the strategy all through. That was instilled right from the early days and it's something that's carried right through and something we are proud of."

Whatever his own achievements, when Gary looks back on his time with South West Credit it is upon his fellow directors that he bestows most praise for its success. Almost without exception, he said, they kept the best interests of members as their number one priority.

He maintains that any organisation is only as good as the people who run it and SWC has always had some of Warrnambool's best at the helm.

"We have our fun as well. That's been one of the greatest things, because I've been on committees and on boards where people don't get on.

Over the near 20 years I've been on the board, we've had some really rigorous debates, really rigorous, which you have to – but once they're finished, once that's over and a decision has been made, everybody gets on to the next thing. And everybody works together to ensure that whatever that decision was, it gets carried out and it does work."

A major strength of South West Credit has always been its tradition of long-serving directors who have provided a level of continuity, expertise and stability that would be the envy of any business.

*F*or almost a quarter of a century from the early 1980s former Warrnambool policeman Glen Riddle filled one of those positions, putting him near the top of the credit union's list of stalwart board members.

Now retired from both Victoria Police and his SWC duties, Glen looks back with pride and satisfaction on his time as a director and the way the credit union matured and grew during the 1980s, '90s and into the new century.

Arriving in Warrnambool from Melbourne in 1973, joining the local credit union was for him a natural step, since he was already a fan of the concept.

"In Melbourne I was involved as a member of a credit union," Glen said.

"You used to just take all your bills in to the credit union and they would pay them. They would post them away, send them away, put stamps on the envelopes, and if you were short for that 12-month period they would give you a little loan."

1997

SWCU introduces a new fee structure for previously free member accounts. A mini branch operating at the Fletcher Jones Factory is closed.

1990-99

“So when I came to Warrnambool I became a member, then I was approached around 1982 and asked would I like to stand for directorship, which I did.”

Glen went on to become vice-chairman under John McGrath and took over the role when the local businessman decided to pursue a political career. He ended up having a couple of stints in the chair during his 24 years as a director.

Since he'd become a member nine years earlier Glen had seen the organisation grow from what he described as a “parish credit union” servicing Koroit to a “family credit union” taking in Warrnambool and district – bigger, but still quite intimate in its membership and operations.

“Gradually over the years it has gone further and become a very, very professional business. It's got assets well over \$50 million now. It's gone from strength to strength.

Luckily, it still maintains that friendliness, that sort of family-type relationship. Because it is a local business and it's our only local financial business, really.

But that same ethos has been maintained with the directors. As it has become more professional you need more professional directors – you've got to have people with qualifications and so forth – but they've maintained that ethos right through.”

Glen said the prudent oversight and local knowledge of the directors meant the credit union had enjoyed a particularly low level of delinquency – that is, the rate of bad loans.

“We probably have the lowest delinquency rate around, because we had input from directors. There was always two or three directors, I think, every fortnight at the loans meetings and with our local knowledge it was quite important that they had input into who got loans and who didn't.

Having said that, we did fall foul there at one stage with a fairly big loan. For a number of reasons we weren't paid out on that and it took a number of years to get that money back, which we did.”

Having been introduced as a young policeman to Warrnambool's dark underbelly by veteran detective Jack Manley, Glen's inside knowledge was probably sharper than most.

But he learned not to rush to judgement on any particular potential customer, just because he may have encountered them while wearing his police uniform.

“The interesting thing that went with the loans is that in my job, of course, I knew the dark side of Warrnambool. Some of those people would come in for loans and you'd think ‘oh ...’, but you'd give them a loan and they would be the ones to pay.”

“Most people are very honest and we gave loans to people who would not have got a loan at a bank. And smaller loans, too – that really helped people out at different times.”

Glen said the value of experienced and dedicated directors also came to the fore when one CEO thought it was time to sell off the credit union's Lava Street office and lease premises elsewhere.

“Luckily all the directors said ‘no way known’ and now we still own the building, so we've got that asset there and we are not subject to exorbitant rents.”

1998

South West Credit Union undergoes another name change, dropping the 'Union' and a new black and yellow logo is introduced. An ATM is installed and MyCard is introduced.

After 50 years in business and never in more robust business health, Glen, like Gary Parsons, believes South West Credit's toughest challenges may yet be ahead, with increasing competition from the major banking players, ever more complex regulation and the costs of doing business always rising.

But whatever decisions future directors may be called on to make, he is certain of one thing – those decisions will be based on what is considered best for the members.

"Because that is the main thing. We are not there to make money to pay the shareholders, we're there to benefit the members and I think that is the great ethos and advantage that credit unions will always have over banks and so forth."

Personally, he is still a SWC member and still closely connected with many of the people he worked with, and for, at the credit union.

That is perhaps why Glen still words such as "us" and "we" when talking about the present-day credit union, even though he has not been a director for more than seven years.

"I can't understand why the average person – because we've done home loans for a number of years now (and we were the first to go electronic in Warrnambool, by the way) – if they've only got home loans or car loans, why they don't join the credit union. They'd be far better off."

Glen Riddle's association with SWC credit ended early in the new millennium, by which time the business was riding high.

"Over the years you do make great friends, both customers and people who've been directors and staff, and those friendships remain, and that's a great thing. They've still got that sort of encompassing friendship attitude." Glen Riddle

A second story is added to the Lava Street office.
Preparations are underway for the forecast Y2K bug.
The first Fun4Kids Festival is held.

1999



A New Millennium

Nearly 40 years after its unspectacular birth, South West Credit entered the 21st century well and truly established as the leading alternative to traditional corporate banking in and around Warrnambool.

It was on its way to becoming the \$100 million business it is today, about a quarter of all residents were members or connected to it in some way and its involvement with the community through sponsorship and support spanned all levels of society.

As a business it had learned from and built on the lessons and experiences of the past, evolving to become a pacesetter in introducing new technology, continually broadening its range of services and products and restructuring its operations to meet the ever-changing demands of its members.

It had survived and thrived while others had gone under and it seemed nothing short of a global financial meltdown could threaten its viability.

As it turned out, South West Credit emerged unscathed from just such a catastrophic event.

Current chief executive officer David Brown and Robert Lane – who recently completed four years as chairman of the board - have each been involved with SWC since the early 2000s.

For David it began in 2002 after a 32-year career with the ANZ Bank.

His move to South West Credit was a new challenge, but also a welcome lifestyle change.

“I was a local, from Port Fairy/Warrnambool – as my wife was – and due to family circumstances we were not interested in moving around with the ANZ Bank,” David said.

“Timing is everything and the credit union was looking for somebody with a banking background to help them with some policy development and so I joined the organisation. I carried out roles with policy development, human resources and was appointed the deputy CEO pretty soon after that.”

By 2006 he was in the top job and he relished the flexible, autonomous management structure after decades of the necessarily more cumbersome and hierarchical procedures of a large corporate bank.

“The big surprise was that decisions could be made here and enacted and you could see the results in a reasonably short period of time, whereas working in a large bank like the ANZ, bureaucracy reigns supreme and rarely do you see the direct impact of any contributions you may have made.

2003

Strong growth continues and assets top the \$42m mark.

“At South West Credit it’s very much about what the members’ needs are and the delivery or service can be tailored to suit the individual – that was the big difference, to be able to do that without the rigidity of a large bank.”

Robert Lane’s association with SWC credit began about the same time, initially through his advisory business in 2001-02 when he did some strategic planning for the credit union under the then CEO Wayne Krause.

“Gary Parsons was the chairman at the time ... and he formally asked me to come on board in 2005, so that’s when I became a member of the board,” Robert recalled.



2013-2014 Board (from left): Gary Parsons, Michael Beks, Alan O’Connor (deceased), John Harris, Jenny Waterhouse, Robert Lane, Deborah Porter

He also had something of a corporate background, having worked for several years with BP – a job that took him far from his Tower Hill roots to the other side of the world – before starting the regional advisory firm SED and later forming GenR8 Marketing and Advertising in Warrnambool.

As with David, SWC was a fresh experience for Robert, but not an entirely new field.

“I’d had some background of it from some time working as company secretary for the Warrnambool Co-op, so I had an interest in co-operatives, and I’d had a little bit to do here just on a sort of mutual co-op sort of basis.

But going way back, I was actually born the year it (SWC) was formed out in Koroit and my father was involved as a spud grower at Koroit back then – he’d often talk about the first meeting ... and Bernie Brennan, who was one of the first board members, is a good family friend.”

He also had an uncle who was a SWC director, and his aunt Rhyll Maloney had also once worked under the South West Credit name as a part-time teller.

Having accepted the invitation to join the board, Robert said he quickly came to enjoy the professional, yet friendly, nature of the organisation.

“It sounds a bit trite but it’s really all about the people. It’s quite an enjoyable and congenial place to be involved with. Generally, there is nothing you can dislike about being part of an organisation like this.

I came from BP – this big, international company that somehow puts other things ahead of people: you never get that sense here. Just the dynamic of the place, it’s quite engaging.”

Even the serious work at board and management level retains that same spirit, he said.

“It’s not cosy – the discussions certainly can get robust – but you feel everyone is rowing the same canoe.”

“From the point of view of intellectual stimulation it’s just fantastic, because you are engaged basically right through the process, from a transaction through to board reporting.

But you’ve got that capacity, as David said, of seeing the results quite quickly of some of the decisions you take.”

Wayne Krause retires as CEO after 14 years. A five year Vision 2010 strategic plan is developed. Warrnambool Cheese and Butter is listed on the sharemarket.

2004

2000-10

David said SWC now employed the same number of people – the equivalent of 19 full-time positions, and 23 people all up – as it did a decade earlier.

“That’s not to say we haven’t grown (as a business), it just means that we have kept pace with technology.”

Improved technology and changing demands by the public has meant SWC’s employees have become increasingly higher-skilled. Many of the processes previously done manually are now automated, and employees can focus more on sales and marketing and servicing the needs of customers rather than routine transactions.



Staff member Kylie Brookes

As for the business itself, both David and Robert believe SWC has avoided the general trend towards rationalisation that is prevalent within industry generally – and evident in the financial sector in particular through numerous mergers and takeovers – for two main reasons: it does what it does well, and is lucky enough to be based in an economically stable region.

“We feel that we have our niche in south-west Victoria and that we have a sustainable future,” David said.

“We are well supported by the population and we see a long future, but we are ever vigilant.”

Robert said the key was to remain forward-thinking and responsive to changes in the needs of members so as to stay a viable alternative to the big banks or other financial institutions.

“I think we’ve been very aware of that, because the day that stops is when you become vulnerable. So it has kept us on our toes for positive reasons rather than out of any feeling of threat.”

David said a history of prudent management was a major factor in the credit union’s long-term success.

“They have never over-reached, they have always kept themselves relevant to their member base and invested in the future whenever appropriate, whether that’s in technology or regulatory requirements.”

Both men agree it was precisely such careful management and prudent governance that allowed the tsunami of the Global Financial Crisis of late 2008 to wash over SWC as little more than a ripple.

What the GFC revealed most starkly was that those organisations that were illegally overstretched and had not saved for the proverbial rainy day – however large or worldwide their reach – had nowhere to hide when the crunch came.

South West Credit, meanwhile, had for many years been meticulous in retaining reserves more than adequate to meet any contingency – the lessons learned in the late 1980s still fresh in the memories of many.

SWC begins a 5400 hour project to convert its IT platform to a new system. Glenn Riddle resigns his role of Director after 23 years. The City Council offers the Fletcher Jones building for sale. Nestle at Dennington is sold to Fonterra.

2005

"We had a strong balance sheet and we were in a sound position in respect to our regulatory requirements in terms of liquidity and capital that enabled us to withstand what many couldn't," David said.

What the global crisis did bring was even more stringent operational requirements.

In his 2009-10 annual report as chairman, Robert said the post-GFC environment was one of increased compliance, higher banking costs and a much more competitive environment for funds.

One response to that by SWC was to again refresh its corporate branding, adopting the current logo of a white forward-moving arrow inside an orange circle beside new-style lettering.



Today, Robert says the south-west region's inherent stability and robustness works in the credit union's favour.

"Warrnambool is a remarkable resilient area and we haven't been exposed as some other towns have that are reliant on a particular industry or are subject to extremes of weather.

"We are going through pretty tough times in the region at the moment, but it's only tough by our standards –it's not debilitating." Robert Lane

The Global Financial Crisis hits bringing down major financial institutions in the USA, Europe and the UK. SWC loans continue to increase by about \$10m annually, reaching \$71.3m in 2008-09. A profit of \$375,000 is recorded in a challenging year.

2008

2000-10

A Strong Future



David Brown CEO

If surviving the ups and downs of almost half a century, including the Pyramid collapse and the GFC, had not already proved the durability of South West Credit, then the recent demise of two non-banking lenders with strong local connections certainly did.

The disappearance of Banksia and Southern Finance might have been expected to send investors scurrying away to the perceived security of the traditional big four banks and erode confidence in smaller lenders.

Not so – in Warrnambool, at least.

“Absolutely not,” David said.

“In fact, many of the customers of those impacted institutions chose to come to South West Credit, and one of the reasons was that they were choosing to trade with other than a major trading bank and they chose South West Credit.

And that really was an endorsement of how we were viewed in the community and the safety and security of a government guarantee and the status we have.

I won’t say it was surprising, but it was reassuring.

“We put a lot of time and effort in communicating to our members our safety and security ... and our members hardly blinked. We’ve established a trust with our members.”

Building from that solid foundation, the future holds only challenges - not fears,” David said.

“The digital age is going to challenge all traditional financial institutions – the demise of cheques and payments that we’ve become accustomed to are being replaced by electronic payment systems.

Not just for us, it’s happening in retail as well, but what we see now is just the tip of the iceberg.”

The new and next generations of customers will expect to do most of their financial business electronically.

“The branch will always have its place, but more and more of the business will be done online.”

Robert said electronic banking threw up challenges other than the technology: “Traditionally we’ve always been a relationship business, with personal contact with members, so adapting to that will be important.”

Profits reach \$433,000, total assets pass the magic \$100 million mark for the first time.

2010

David agrees, but said the electronic age need not spell the end of personalised service.

“Online doesn’t mean that it’s without the personal touch, the contact that’s required in any business relationship, it just means it’s delivered in a different way.”

“I think all online business, whether it be in the retail area or whatever, you’ve still got to deliver and understand what your customers’ needs are.”

That understanding, and SWC’s flexibility, was never more apparent than in the wake of the devastating fire at the nearby Telstra exchange building November 2012.

While most retailers and other banks ground to a halt for days, if not weeks, because of the meltdown of most internet and electronic services, the credit union simply reverted back to manual over-the-counter services and carried on in almost business-as-usual style.

Robert said he believes there has been a significant change in the general public’s perception of South West Credit - particularly over the past couple of decades.

He believes it has gone from being considered “a little bit quaint” and outside the mainstream to occupying a central place in the thinking of most local CEO’s, company boards, businesses and organisations, while also playing a significant role in Warrnambool’s business community.

David said the credit union’s policy to embrace the latest technology had helped level the playing field with its competitors and eradicate the perception that it offered a lesser service.

“With that came the ability to provide a full range of products and services equal to any of the banks. We never had EFTPOS, the cards. In fact, now we have the technology that the banks don’t offer to their general customers, such as one-time passwords, and we are proud to be able to say we do have that capability.”

“I can remember when I first came here, the queues would be out the door and that always amazed me. Now we are doing more transactions but the queues are nowhere near what they used to be. People have changed the way they do their transactions.”

“The fact that we did that I think goes right back to boards of bygone eras, where they made good decisions about the future – including getting together with Fletcher Jones and forming the one credit union and building their capital the way that they have – that has given us the foundation for the next 50 years.”

After seven years as CEO, David said the credit union’s focus was very much on the future.

Although today’s SWC is very much the product of all that went before, it has also changed in almost every aspect of its operations to the extent it would be almost unrecognisable to its founders and early employees.



A Member Value Program is introduced, offering benefits for members who broaden their range of products. A strong emphasis is placed on local sponsorship of sporting clubs, the Wunta Fiesta and the Healthy Moves program in schools.

2011

Except, that is, for the one consistent, enduring philosophy that has guided management's every decision – the members come first.

“There is rarely a decision made that the question is not said out loud at the board table: Is this in the best interest of our members?”

“Never is a big decision ever made where that does not come in to the conversation.”

As a long-serving board member and chairman, Robert said all directors were mindful of the legacy they had inherited and what was expected of them.

“I think there is a way of thinking around the board table that we are responsible for the present, with a gratitude for the legacy we have been granted, to ensure that we do our bit to leave the place in better hands and in a better situation than when we got here.

And I think that's been a continual theme. Talking to past directors they often say ‘oh, I couldn't do it today,’ but they got it to there and then passed the baton on and I think that still exists today.”

“And of course the needs of today's members are different from those of yesterday, so sticking to that philosophy of doing what's in the customers' best interests keep you current in your thinking.”

Both men also see encouraging signs in what they believe is a trend in the wider community towards the community co-operative philosophy and smaller-scale, personal institutions such as community banks – perhaps as a backlash against the failures highlighted by the GFC and the “corporatisation” of much of the modern world.

In 2008-09 the credit union carried out what was described in the annual report as “extensive qualitative research” into how it was perceived among its members and the general public and their opinion of its products and services.

There was an overwhelming thumbs-up for the personal service received when dealing with SWC, which was “above and beyond any bank”.

If that continues to be the case, South West Credit's best years are surely yet to come.

SWC celebrates its 50th anniversary. **2014**

The new Rate Crusher Home Loan is declared an outstanding success. Banksia Securities goes into receivership, shocking investors and depositors. Southern Financial Group collapses in its wake.

2012

South West Credit Union

“Serving our local Community”

Directors		Directors		Chair Persons		Chief Executive Officers	
1964-1966	John W Matthey	1979-1986	Kevin Chiller	1964-1966	John W Matthey	1975-1982	Francis Rock
1964-1966	William J Hulm	1979-1980	Jeff Dennis	1966-1974	Frederick Baulch	1982-1983	Ian Smyth
1964-1965	B Brennan	1979-1992	Peter Shanley	1974-1978	A (Tony) O’Hurley	1983-1992	John Carroll
1964-1967	Patrick J Dobson	1980-1984	Ray Primmer	1978-1980	Ken S Peterson	1992-2005	Wayne R Krause
1964-1979	Frederick Baulch	1980-1984	John McGrath	1980-1983	Peter Shanley	2005-2006	John Karasinski
1964-1974	Patrick S Quinn	1982-2006	Glen Riddle	1983-1984	John McGrath	2006-	David Brown
1964-1965	M Stevens	1984-1998	W (Bill) Edwards	1984-1988	Glen Riddle		
1965-1967	William H Gleeson	1984-1989	Neville McNeil	1988-1990	Gerald J Gray		
1966-1971	D Howley	1986-2002	Jack Daffy	1990-1992	W (Bill) Edwards		
1966-1971	T Mugavin	1989-1992	Robert Gass	1992-1994	Jack Daffy		
1967-1975	B A O’Shannessy	1992-1994	Erle Dakin	1994-1995	Glen Riddle		
1966-1968	J Evans	1992-2008	Colleen Rose	1995-1996	Colleen Rose		
1967-1968	John F Shanley	1992-2014	Alan O’Connor	1996-1999	Alan O’Connor		
1968-1971	J Quinlan	1994-2005	John Hogan	1999-2006	Gary Parsons		
1971-1976	R L Gray	1994-	Gary Parsons	2006-2009	Alan O’Connor		
1971-1992	Gerald J Gray	1998-	Michael Beks	2009-2013	Robert Lane		
1971-1994	A (Tony) O’Hurley	2002-	John Harris	2013-	Deborah Porter		
1974-1979	A (Park) Conheady	2005-	Robert Lane				
1973-1976	Arthur Drew	2006-2013	Damian Goss				
1976-1980	Ken S Peterson	2008-	Deborah Porter				
1976-1982	Ray K Maloney	2013-	Jenny Waterhouse				
1975-1979	John Knott						

A Member's Story:

Les Faulkner

For a lad who couldn't get out of school soon enough Les Faulkner has done pretty well for himself.

Dennington born and bred, he bailed out of Warrnambool's Christian Brothers College after just one term and went to work at Nestles until he was 21.

It was steady employment, but what he really wanted to do with his life was be involved with trucks and transport.

Today, aged 66, he owns and operates Whalers Freight Services, its base a bustling depot in Strong Street in the Warrnambool industrial estate.

With a fleet of 18 trucks and vans and 21 staff, Whalers services the entire western district and makes deliveries to and from Melbourne overnight.

Credit for its success rest almost entirely with Les himself - a friendly, hard-working man who knew what he wanted to do and set about doing it.

But you can't conjure a thriving business out of thin air and Les is quick to point out that it was the backing of South West Credit that made it all possible.

Sitting in his office during a rare break between deliveries, Les recounts how it all came about.

"I wanted to always be in the trucking industry, always interested in trucks," he said.

"So I left Nestles and went to work for Jim McCarthy, carting potatoes, then I went to Tommy Richards, back in the early days when we were carting out of the (railway) station.

Then I got married to Julie in 1961, had five beautiful children – one girl and four boys – and educated them."

(Transporting those children, incidentally, later required the Faulkners to purchase a Mitsubishi van, financed by a SWC loan).

All the while Les was a driver, but in the late 1970s he said the opportunity arose for him to start his own small business and he became an agent for Comet overnight transport.

Even a small courier needs transport, however, which is where South West Credit comes in.

"Back in the early days Frank Rock and Clare Cannon (later Haberfield) were in charge then, down in Liebig Street," Les said.

"We were with the Bank of New South Wales, as it was then, and I just found it hard for loans and so forth.

So I went in to see them because I knew Frank through other areas, sport and what have you, and he had some interesting things to tell me and got me to move over to the South West Credit Union, so I joined with them.

I was starting from scratch so I got a loan for two little vans and some office equipment. And that's how it all started."

His first depot was in Strong Street, a block away from his current site, which was followed by three more relocations over the years.

As his business grew Les had cause to return to SWC for further help on many occasions.

"We've got numerous amounts of loans from them for trucks – as you know, trucks and vans are always wearing out – and the biggest loan we got was for the premises here."

Whalers moved to its current Scott Street nine years ago, bought for \$235,000 thanks to SWC.

"The staff have been wonderful down at the credit union," Les said.

"Absolutely, wonderful. Any time I've wanted a loan they've bent over backwards."

"And they treat you as a person, not a number. I don't like to be harsh on banks—banks are good, but I've always found the credit union very good. Very helpful and obliging."

Perhaps the ultimate demonstration of his faith in the credit union is that it was to SWC Les went for the thing he loathes most – an overdraft.

"We've always run the business on budget and I had to go and get an overdraft, which I absolutely hated. Never done it before, didn't really want one, but Sharon Thomson was the one who set me up with an overdraft."

It is a reflection of Les' relationship with the credit union that Sharon, the one who guided him safely through the horrors of an overdraft, today works for him in the Whalers depot office.



Les Faulkner

Helen Boyd:



South West Credit is the kind of business that seems to attract quality, long-serving employees – from floor staff to management.

Quite a few staff, past and present, could claim a longer association than Helen Boyd's 17 years.

But few could match the breadth of her experience, having started as a part-time teller and working up to her appointment as branch manager almost three years ago.

That career path gives her a unique insider's perspective of the credit union's operations during one of the most challenging and successful eras in its history.

It spans a period in which technology became increasingly sophisticated and important, industry regulations and compliance ever more stringent, a new millennium rolled around and looming unexpectedly ahead was what we now look back on as the global financial crisis.

"Having worked in the Commonwealth Bank for about 10 years, the Credit Union appealed to me as an alternative work place. My mum (Bessie McGrath) had worked for the credit union relieving for Clare Cannon in about 1975. At that time there were only 2 employees, Clare and Frank Rock, so mum used to work so Clare could take holidays. I recall going and sitting at the credit union after school and watching mum write up transactions in the members 'pink' books. And so, in 1996 I applied for a part-time job" Helen explained.

"Initially I only worked one, maybe two days a week under the CEO at the time, Wayne Krause.

In the later part of the 1990s, before computers became as omnipresent as they are today and before the credit union had ATM and online banking services, its foyer and tellers' counter was a much busier place," she said.

"The majority of our transactions were done over-the-counter and I think we had up to six tellers working during peak hours. There was no ATM at our office, no internet banking, Redicards had just been launched, therefore excellent customer service was paramount to the credit union remaining successful."

Helen's first impression of what remains one of the credit union's proudest characteristics, – friendly, personal service – is, to this day, a characteristic that Helen expects her staff to display.

"It became apparent to me very early in my career that the Credit Union had a real "sense of the local community" . From employing locally, to supporting local businesses and wanting to be an attractive alternative for locals to "bank locally"

Helen said "Our staff knew by name the majority of the people who walked through the front door...that friendly, welcoming atmosphere is still very much apparent today."

As the business has grown so have the staff numbers. “When I first started work at the credit union we had a receptionist, the tellers, two loans officers, an accountant and the CEO. Tellers opened new accounts, the receptionist doubled as a teller, the CEO did the mail run; our day consisted of doing various jobs depending on how busy it was. Times have certainly changed and as financial regulations have become more complex and the services offered more varied, the number of administrative and management staff has also grown.

Specific roles within the organisation have warranted employing specialists and we now employ staff who we ensure a ‘good fit’ within the organisation and are up to the challenges that our Regulators and the industry continue place on us.”

Helen is full of praise for the credit union's past and current CEO and directors, “We are very fortunate to have always had people who care about the wellbeing of the credit union members and its staff”

After only three months behind the counter as a teller, Helen was asked if she would like to try her hand at marketing – an area SWC was becoming increasingly conscious of thanks to the influence of long-serving director Gary Parsons, whose background was in the marketing/advertising field.

“It was an area that I had no experience in but I liked the idea of the challenge, and so, with the help of Gary (Parsons) I started to help develop some posters and ads and lift the profile of the credit union.”

Marketing became her full-time role for the next five years, launching new products, identifying marketing opportunities, renovating the premises and basically changing the branding of the credit union as it evolved towards the 21st century.

Helen was then asked to take over the management of the client services area, taking over responsibility for the telling line, and a few years later was appointed Manager of Compliance, Product Development and training.

“I found that role to be the most challenging” Helen says. “We had to predict the direction of banking and make decisions on products and services that we felt our members would want and need. Each new product we launched meant changes to the banking system, educating members, ensuring we were fully compliant and then training our staff. It was a real challenge, as it seemed that every couple of months something was changing or being introduced.”

For the past two-and-a-half years she has been Branch Manager, a position which has brought her back to a ground-floor office and closer to her first love – mentoring and training the front-office staff, and having contact with the customers.

“I think to a certain extent South West Credit has defied the trends of ‘face-to-face’ service. The larger banks have encouraged their customers to move away from Branch contact and have many a customer disgruntled with ‘off-shore’ call centres. Our members are fortunate that we still have a branch that they can visit if they have a problem, and after 50 years we still answer our phones and know our customers!!

It’s a great place to bank and a wonderful place to work - I’m so proud to be part of such a successful business.”



Helen Boyd

Memories— Darryl Gunther.



In 1981 Darryl Gunther was a rangy 17-year-old Casterton schoolboy and handy footballer when he left the classroom behind to start his first job as a teller with the old CBC bank in Warrnambool.

He spent the next four years there, playing football for Old Collegians and later South Warrnambool over winter before being sent north for 12 months to work at branches in Edenhope and Mildura.

In 1985 he was lured back to Warrnambool by South Warrnambool, who were keen to re-enlist the lanky youngster and had been searching for a suitable job for him to slot in to. As luck would have it, that job turned out to be at the South West Credit Union, where John McGrath was chairman of the board at the time.

Darryl went straight behind the counter at a time when the credit union was about to take another step into the future.

“When I started they didn’t have cheque books. It was probably within the first six to 12 months that they introduced cheque books and ATM cards,” Darryl said.

“It was computerised but it was green slips to put money in, pink slips to take money out and the payrolls would come in and you’d have to process them all manually and Thursday and Friday afternoons the queue would be going out the door because the tellers would be going flat out. It was an interesting time.”

Darryl described the credit union’s major function then as being “a real piggy bank – money in, money out”.

He had two years as a teller, then the next two beside the then lending manager Mick Rantall. After the latter’s departure, and at a time when some major loan defaults had left the business in a fairly precarious position, Darryl was asked to take over the role.

It was a position he was to make his own for the next 19 years until his amicable departure from South West Credit, by which time he was also handling insurance as well as lending.

Now a financial planning advisor with SHB in Warrnambool, Darryl holds fond memories of his days at the credit union.

After his appointment as loans officer he was sent for training at classes run by the national credit union organisation in Box Hill, but it was to be some time before he was allowed the decision-making authority he later enjoyed.

Having come so close to financial grief, the credit union’s board of directors assumed control of all lending matters until the ship was back on an even keel.



Deciding on loans at that time was a more personal, judgemental and flexible process and Darryl said the experience and local knowledge of the directors was invaluable.

“That evolved over time, but at that time that local knowledge was very important. It wasn’t always about the criteria that you might have now, where a lot of them are point-scoring systems to get a loan. It’s very robotic in a way - you either meet the criteria or you don’t get it.

But back at the time there was certainly a lot of input from all the parties involved to get loans through.”

Through their weekly meetings Darryl soon got to know the directors well – including their dietary preferences.

“What used to happen was that every Thursday – maybe the day of the week would change but every Thursday lunchtime, for example – there would be two or three directors come in and we’d gather around a table ... and there might be 20, 25 loans a week.

And I’d know that Gerald Gray always had double ham and mustard toasted sandwiches, so we’d get the lunches for them and we’d sit around and have an hour to decide on all of these loan applications.”

Each was given due consideration, even if the amounts involved were usually quite modest.

“We would be doing 80 to a hundred loans a month, but we would only be writing \$400,000. So if you divide that by 100, the average loan size at that time was only three or four thousand dollars.

Obviously those type of loans have all gone by the way – they’re all credit cards now. That’s where the lending side of the business changed over time to be much more housing loans and car loans.

My role initially might have been myself and one other lending officer. By the time I finished there were probably six people on the lending and insurance department, so your role changed to

be much more focused on staff management and there was more responsibility given over time to be making the decisions to approve loans.”

And the compliance demands grew, of course – getting the system to generate the documents you needed.”

Darryl admires the way South West Credit has survived and thrived in the face of all sorts of challenges, during which many other institutions have floundered.

“They’ve done an amazing job to survive as a stand-alone credit union.

When you look at the industry, you go back and there was a Fletcher Jones credit union, Cobden had their little credit union, Ballarat, Softwoods in Mount Gambier, and I think there was another bigger credit union over there as well – so we had quite a network that we could reach out and touch.

So there was a group, you know, and we would have quarterly meetings I think it was, maybe three or four times a year you’d get together and have this regular contact with the others.

Whereas now they are very much left on their own down here. There’s probably FCCS in Geelong and that’s about it.”



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