



**DISCOVERY
CREDIT UNION LTD**

ABN 48 087 650 977
Australian Financial Services Licence No 240781

IMPORTANT NOTICE TO MEMBERS

***Notice of Changes to
Products and Services***

October 2007

Why more change?

As a result of:

- the proposed merger with Queenslanders Credit Union Ltd ABN 85 087 651 063 (QCU); and
- the introduction of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Cth (AML / CTF Act)* by the Australian Government

there are a number of changes we need to tell you about.

What are the changes in summary?

In summary, the changes are:

- The merged entity will be known as Queenslanders Credit Union Ltd ABN 85 087 651 063.
- The name Discovery Credit Union Ltd ABN 48 087 650 977 will no longer be used.
- Product Disclosure Statement will become Terms and Conditions Statement.
- DCU brochures, terms and conditions and fees and charges will be replaced with QCU brochures, terms and conditions and fees and charges.

The QCU brochures (all effective from 1 December 2007) are:

- Financial Services Guide
- Account & Access Facility
- Summary of Accounts & Availability of Access Facilities
- Fees and Charges & Transaction Limits

These brochures can be found at www.discoverycredit.com.au by following this link:

- > Merger with Queenslanders Credit Union
 - > Financial Services Guide and Terms and Conditions Statement

- New products Redicard PLUS and Visa Debit Card will now be available to DCU members.
- The terms and conditions of other products will remain essentially the same, though product names and "S" types may change. Further, QCU interest rates and fees and charges will apply.
- Three (3) new branches – Brisbane City (Head Office), Townsville and Cairns - will now be available to DCU members.
- The BSB will change to 804-059.
- The way we identify you will change considerably as a result of the *AML / CTF Act*.
- The way we will advise you of changes has been clarified to adopt the QCU process.

When will the changes happen?

Proposed merger with QCU

If the proposed merger with QCU is approved by the members of both Credit Unions at the General Meetings in November 2007, the merger changes will take effect on and from 1 December 2007.

If the merger is not approved, those changes will not take effect at all.

Introduction of AML / CTF Act

AML / CTF Act changes will take effect on and from 12 December 2007 and will happen even if the merger with QCU does not proceed.

What are the specific changes?

Financial Services Guide brochure dated 1 March 2004

Proposed merger with QCU

1. This brochure will be withdrawn and replaced with the QCU brochure *Financial Services Guide* with effective date 1 December 2007.

The terms and conditions of the QCU brochure *Financial Services Guide* are essentially the same as the DCU brochure *Financial Services Guide*.

2. Under the heading "What financial services can we provide?" the products "Redicard PLUS" and "Visa Debit Card" will be added to the sub-section "non-cash payment products".
3. Under the heading "What remuneration or other benefits do we receive for providing financial services?":
 - the following dot point will be added to the sentence "We also may receive commissions":
 - when you carry out certain transactions using our Visa Debit Card – at a range of rates between 0.5% to 1.75% on the AUD\$ of all sales by merchants; the commission rate varies depending on whether sales are made inside or outside Australia;
 - the dot point "when you make payments using BPAY® – a commission of between \$0.49 and \$0.55, depending on the account used" under the sentence "We also may receive commissions:" will be replaced with:
 - when you make payments using BPAY® - at a rate of \$0.55 per payment – paid to us by BPAY®;
 - the sentence "The minimum amount that will apply is \$10.00." under the dot point "when we arrange to issue traveller's cheques" will be deleted.
4. The following sentence will be added at the end of the section "What should you do if you have a complaint?":
 - We have an easy to read guide to our dispute resolution system available to you on request.
5. Wherever it is required "Product Disclosure Statement" is replaced with "Product Disclosure Statement or Terms & Conditions Statement".
6. Wherever it is required "PDS" is replaced with "PDS or TCS".
7. Branch and contact details will be updated to include details for all of our Branches:
 - Brisbane City (Head Office)
 - Brisbane City
 - Booval
 - Booval Fair
 - Brassall
 - Cairns
 - Townsville
 - Yamanto
8. The BSB will change to 804-059.

Introduction of AML / CTF Act

No changes applicable.

***Terms and Conditions for
Discovery Credit Union
Accounts brochure dated
1 March 2004
and
Terms and Conditions for
BPAY View dated
31 December 2005***

Proposed merger with QCU

1. These brochures will be withdrawn and replaced with the QCU brochure *Account and Access Facility* with effective date 1 December 2007.

The terms and conditions of the QCU brochure *Account & Access Facility* are essentially the same as the DCU brochure *Terms and Conditions for Discovery Credit Union Accounts* and the DCU brochure *Terms and Conditions for BPAY View*.

However, it should be noted that, whilst the general meaning of the content is essentially the same, the structure of the documents is very different.

We have not detailed here any changes as a result of the differences in structure as they would, in our view, be very confusing.

2. The products covered will change from:

- Easy Access Savings
- Christmas Club
- Pensioner Account
- Special Savings Accounts
- Term Deposits
- Internet banking (NetTeller)
- Direct Debits
- BPAY
- Redicard
- Member Chequing
- Telephone Banking (Smart-Teller)

to

- The Queenslanders Credit Union Account & Access Facility is a facility that gives you transaction, savings and term deposit accounts as well as facilities for accessing these accounts, including:
 - Redicard and Redicard PLUS
 - Visa Debit Card
 - Member chequing facility
 - BPAY[®]
(registered to BPAY Pty Ltd ABN 69 079 137 518)
 - Phone and internet banking
 - EFTPOS and ATM access
 - Direct debit and credit facilities

3. The heading "Identity" will be replaced with "Provide Proof of Identity".

Further, the current content will be replaced with:

The law requires us to verify your identity when you open an account or when you become a signatory to an account. Up to and including 11 December 2007, you can prove your identity by bringing four of the following documents:

- Drivers licence
- Credit card
- Medicare card
- Electricity or gas bill
- Current rates notice

Alternatively, you can bring any two of the above documents along with one of the following:

- Birth certificate
- Passport
- Citizenship certificate

At least one of the documents you provide must contain your photograph. Other forms of identification may be acceptable.

The law does not allow you to open an account using a false name. However, if you are commonly known by more than one name you can open an account in any one of those names, but you must give us all the other names that you use.

The same rules apply to becoming a signatory to an existing account.

If you change your name, for example, upon marriage, you will need to give us a change of name statement. We will give you guidance on how to go about this.

4. The headings “Changing the conditions” and “Telling you about the changes” will be combined and renamed “Changing Fees, Charges, Interest Rates and Other Information”. The current content will be replaced with:

We may change fees, charges, interest rates and other information at any time. The following table sets out how we will notify you of any change:

Type of change	Notice we must give	Manner of giving notice
a) Increasing any fee or charge	30 days	In writing
b) Adding a new fee or charge	30 days	In writing
c) Changing the minimum balance to which an account keeping fee applies	30 days	In writing
d) Changing the method by which interest is calculated	30 days	In writing
e) Changing the frequency with which interest is credited or debited	30 days	In writing

Type of change	Notice we must give	Manner of giving notice
f) Changing the balance ranges within which interest rates apply	30 days	In writing
g) Increasing your liability for losses in relation to EFT transactions	20 days	In writing
h) Imposing, removing or adjusting daily or periodic limits in relation to EFT transactions <i>Note: If you do not want your daily limit on transactions via BPAY® or Internet Banking or Visa Debit Card or Redicard or Redicard PLUS to be increased, you must notify us before effective date of the change.</i>	20 days	In writing
i) Changing interest rates (other than interest rates linked to money market rates or some external reference rate)	Day of change	In writing or advertisement in the media
j) Changing any other term or condition	Day of change	In writing or advertisement in the media

5. Throughout the document “Redicard” has been expanded to include “Redicard PLUS”.
6. The heading “EFT ACCESS FACILITIES AND CONDITIONS OF USE” will be renamed “EFT ACCESS FACILITIES AND EFT CONDITIONS OF USE”.

Further, the contents of this section have been updated to include terms and conditions of the following additional facilities:

- Redicard PLUS
- Visa Debit Card

Also, “Telephone Banking” has been renamed “Phone Banking”.

If you wish to obtain a Redicard PLUS or Visa Debit Card facility, please contact us to make the necessary arrangements.

7. Wherever it is mentioned “Product Disclosure Statement” is replaced with “Terms & Conditions Statement”.

8. Wherever it is mentioned "PDS" is replaced with "TCS".
9. Branch and contact details will be updated to include details for all of our Branches:
 - Brisbane City (Head Office)
 - Brisbane City
 - Booval
 - Booval Fair
 - Brassall
 - Cairns
 - Townsville
 - Yamanto
10. The BSB will change to 804-059.

Introduction of AML / CTF Act

The entire contents under the section "Provide Proof of Identity" will be deleted and replaced with:

From 12th December 2007

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) dictates how you must identify yourself from and after 12 December 2007.

If you are an individual you must give us your full name, date of birth and residential address. To verify this information you must provide us with one of the following as a minimum:

- your drivers licence issued by an Australian State or Territory;
or
- your passport issued by the Australian Government; or
- your proof of age card issued by an Australian State or Territory which contains your photograph.

There may be occasions when the law requires you to provide us with additional identification documentation to that listed above.

If you aren't able to comply with the above requirements, please contact us so we can discuss alternatives.

If the account is not to be in your individual name (eg. Company, Trust, etc.), the law requires you to provide us with certain additional identification information and documentation. Please contact us for details.

Under the Anti Money Laundering and Counter-Terrorism Financing Act 2006 (Cth):

- We may be required to disclose Money Laundering / Terrorism Financing (ML / TF) information by law;
- We may be required to release information regarding internet banking transactions to overseas regulators;
- We may be prohibited from effecting some internet banking transactions to overseas jurisdictions and involving certain persons (in addition to the prohibitions required by Australian law);

- Your transactions could be delayed, blocked or frozen if we believe on reasonable grounds that making a payment may be in breach of the law;
- You agree that we will incur no liability to you if we do delay or block any transaction, or refuse to pay any money in the reasonable belief that a transaction may contravene any such law;
- We may need to collect additional information from you in order for it to comply with ML / TF laws; and
- We may suffer loss from you entering into transactions that would breach the ML / TF laws or acting on someone else's behalf (unless they are a trustee) in breach of the ML / TF laws. We may seek a customer warranty and indemnity based on the warranty.

The law does not allow you to open an account using a false name. However, if you are commonly known by more than one name you can open an account in any one of those names, but you must give us all the other names that you use.

The same rules apply to becoming a signatory to an existing account.

If you change your name, for example, upon marriage, you will need to give us a change of name statement. We will give you guidance on how to go about this.

**Product Features for
Discovery Credit Union
Accounts brochure dated
1 March 2004**

Proposed merger with QCU

1. These brochures will be withdrawn and replaced with the QCU brochure *Summary of Accounts & Availability of Access Facilities* with effective date 1 December 2007.

The terms and conditions of the QCU brochure *Summary of Accounts & Availability of Access Facilities* are essentially the same as the DCU brochure *Terms and Conditions for Discovery Credit Union Accounts*.

2. Specific changes are:

- The DCU "Easy Access Account (S1, S2, S3, S4)", DCU "Big Deal Account S11" and DCU "S97 Account" will change to the QCU "S1 Savings Account".
 - Interest will be paid half yearly on 30 June and 31 December (currently interest is paid quarterly on the DCU "Big Deal Account S11").
- The DCU "\$500 Min Acc Balance S5" and "\$5,000 Min Account Balance S6" will change to the QCU "S5 MoneyMaker Account".
 - Interest will be paid monthly (currently interest is paid quarterly).
- The DCU "Kidds Club S8" will become the QCU "S4 Junior Savings Account".
 - Interest will be paid on 30 June annually and calculated on minimum monthly balance (currently interest is paid on 31 December and calculated on daily balance).
 - When the account holder reaches 11 years of age, the account automatically converts to an "S1 Savings Account".

- The DCU “High Interest Investment Account (11 – 13)” (Term Deposit) will become the QCU “Term Deposit”.
 - Terms of up to 3 years (currently 1 year) and interest payment frequencies of monthly, quarterly, six-monthly, annually or at maturity (currently monthly or at maturity) will now be available.
3. The following transaction limits will apply:
 - Cash Withdrawals:
 - Daily over-the-counter cash withdrawals up to \$1,500 are permitted. Larger withdrawals may be permitted with prior arrangement.
 - Daily EFT Access Facility Transaction Limits
 - The Credit Union may limit the amount of BPAY® payments you may make on any one day.
 - A daily limit of \$1,000 per card applies to Queenslanders Redicard, Redicard PLUS and Visa Debit Card transactions performed at Automatic Teller Machines.
 - An individual transaction limit of \$300 applies to EFTPOS transactions performed using the “Savings” account option;
 - A daily limit of \$1,000 applies to EFTPOS transactions using the “Savings” account option.
 - EFTPOS transactions performed using the “Credit” account option are limited by the availability of funds in the linked account.
 4. Wherever it is mentioned “Product Disclosure Statement” is replaced with “Terms & Conditions Statement”.
 5. Wherever it is mentioned “PDS” is replaced with “TCS”.
 6. Branch and contact details will be updated to include details for all of our Branches:
 - Brisbane City (Head Office)
 - Brisbane City
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 - Townsville
 - Yamanto
 7. The BSB will change to 804-059.

Introduction of AML / CTF Act

No changes applicable.

***Schedule of Fees and Charges
for Discovery Credit Union
Accounts brochure dated
1 May 2007***

Proposed merger with QCU

1. This brochure will be withdrawn and replaced with the QCU brochure *Fees and Charges & Transaction Limits* with effective date 1 December 2007.
2. **A number of fees and charges will change.** These are listed in Attachment 4 of the Information Document which accompanies this Notice. The Attachment also details the “before” and “after” position.

For full details of fees and charges, the above brochure can be found at www.discoverycredit.com.au by following this link:

- > Merger with Queenslanders Credit Union
 - > Financial Services Guide and Terms and Conditions Statement

3. The section "Loan Charges" will be removed. In future, these charges will be detailed in the QCU brochure *Credit Fees and Charges*.
4. Wherever it is mentioned "Product Disclosure Statement" is replaced with "Terms & Conditions Statement".
5. Wherever it is mentioned "PDS" is replaced with "TCS".
6. Branch and contact details will be updated to include details for all of our Branches:
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7. The BSB will change to 804-059.

Introduction of AML / CTF Act

No changes applicable.

Where can I find the current brochures?

You can obtain the current brochures by visiting any Discovery Credit Union branch or by calling us on (07) 3816 3307.

Where can I find the new brochures?

The new brochures can be found at www.discoverycredit.com.au by following this link:

- > Merger with Queenslanders Credit Union
 - > Financial Services Guide and Terms and Conditions Statement

How can I contact you if I have any questions?

Discovery Credit Union Ltd

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