



Mine Super

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8 August 2018

Committee Secretary
Standing Committee on Industry, Innovation, Science and Resources
PO Box 6021
Parliament House
CANBERRA ACT 2600
Email: iisr.reps@aph.gov.au

Inquiry into how the mining sector can support businesses in regional economies

Please find enclosed our submission in relation to how the mining sector supports businesses in regional economies.

Should you require further information in relation to our submission, or would like Mine Super to participate in a public hearing, please do not hesitate to contact me on or

Kind regards,

Adam Shultz
Executive Manager, Policy
Mine Super



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Submission by Mine Super

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About Mine Super

Mine Super is a profit to members, public offer superannuation fund dedicated to serving the retirement needs of all Australians. Its shareholders are the Construction, Forestry, Maritime, Mining and Energy Union (**CFMMEU**), the NSW Minerals Council (**NSWMC**) and the Queensland Resources Council (**QRC**). Mine Super (formerly known as Mine Wealth + Wellbeing and AUSCOAL Superannuation) has been delivering exceptional retirement outcomes to members for 75 years through a comprehensive range of superannuation and pension products, insurance and financial advice. Mine Super was awarded a Platinum rating by SuperRatings along with Chant West's Five Apples for both super and pension products in 2017. Mine Super employs approximately 200 staff and manages \$11bn in assets for more than 63,000 members.

Executive summary

We welcome the opportunity to provide a submission to the Standing Committee on Industry, Innovation, Science and Resources (**Committee**) on the inquiry into how the mining sector can support businesses in regional economies (**Inquiry**). We hope that this submission (**Submission**) is afforded adequate consideration and assists in the development of appropriate policies to ensure regional economies and the mining sector continue to support each other. The following is an outline of the key points contained within this submission:

- we offer group life, total permanent disability (**TPD**) and income protection (**IP**) insurance to all members on a default basis which covers risks associated with their challenging work environment;
- our members are well remunerated and contribute to the regional economy through investment of their earnings back into their local area;
- we provide a holistic financial service offering (superannuation, pension, insurance and financial advice) to members working in the mining industry and residing in regional Australia;
- our presentations at regional mine sites, business chambers and other mining industry events focus on improving financial literacy, financial health in the workforce, redundancies and superannuation fundamentals;
- we service the needs of our members through our network of regional offices, with our financial advisers regularly travelling across regional Australia to offer in home appointments to members (via a drive in, drive out and fly in, fly out service);
- the annual direct contribution made by the mining, minerals and energy sectors into communities across regional Australia is \$10.4 billion in New South Wales (**NSW**) and \$25.5 billion in Queensland (**QLD**); and
- we are conscious of the need to increase the number of women in the mining sector (and within organisations associated with the mining sector) and are committed to gender diversity in the workplace.

Our regional focus

We have a distinct regional focus. We provide employment in the financial services industry for more than 200 employees and support our members across regional Australia. Our offices are located in Newcastle West, Sydney, Brisbane, Wollongong, Warners Bay, Mudgee, Mackay and Rockhampton, allowing members the ability to access face-to-face services, regardless of where they reside. The



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majority of our members are equally spread between NSW and QLD, with over 90% residing in regional areas.

Our members face a challenging work environment daily, as employees within the mining industry. Given this context, it is essential for our members to have appropriate insurance cover in place which provides adequate coverage, should a tragedy occur. Insurance acts as a safety net from the significant impacts that can occur from the loss of life, disability or loss of income, particularly to members with dependents or large financial obligations. Our members primarily work in underground or open-cut mining environments, with employment conditions which are largely characterised as dangerous by insurers, due to the heavy machinery which members operate and the workplace dangers that they are exposed to. Without group insurance, our members would face difficulties in accessing an appropriate level of coverage across life, TPD and IP cover, particularly at a reasonable cost (retail offerings are often inadequate for participants in the mining industry). Due to these challenges, we offer group life, TPD and IP insurance to all members on a default basis (with over 90 per cent of claims having been paid out to members since inception).

Membership profile and importance to regional economies

There are limited employment opportunities in regional Australia. Employment in the mining industry within regional communities (where available) often provides a standard of living which exceeds that of the average Australian. Mining employment underpins both the regional economy and aids in forming cohesive communities through investment of an individuals' earnings back into their respective local communities.

In NSW, a large quantity of Mine Super members reside in the regional areas of the Hunter, Wollongong, Lithgow, Mudgee and Gunnedah. In QLD, a large quantity of Mine Super members reside in the regional areas of Mackay, Fitzroy/Rockhampton, Northern Queensland, Wide Bay-Burnett and the Darling Downs. We have a significant number of members residing in and injecting individual earnings back into regional communities.

In both NSW and QLD, the average salary of our members is twice as high as Australia's median salary¹. Any cyclical downturn in mining, increased automation or further carbon constraints could have a significant impact on regional economies (and policy settings should be adjusted to account for these scenarios).

Financial services offering in regional Australia

We provide a holistic financial service offering (superannuation, pension, insurance and financial advice) to members working in the mining industry and residing in regional Australia. We provide a range of presentations at mine sites, business chambers and other mining industry events, which often centre on improving financial literacy, financial health in the workforce, redundancies and superannuation fundamentals.

¹ [Characteristics of Employment](#), Australia, August 2017, ABS.



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In addition to servicing the needs of our members through our network of regional offices daily, our financial advisers travel across regional Australia to offer in home appointments to members (via a drive in, drive out and fly in, fly out service) on a regular basis.

Contribution mining makes to regional areas

Our shareholders include the NSWMC and the QRC. We refer to both the NSWMC's 'NSW Mining Industry Expenditure Impact Survey 2016/17' and QRC's 'Economic Contribution of the Minerals and Energy Sector to the Queensland Economy 2016/17' to illustrate the contribution made to regional communities and economies across both states, through mining.

In NSW, a total annual direct contribution of \$10.4bn is made by the mining industry² which includes:

- \$2.9bn in wages to 22,821 full-time employees;
- \$5.9bn in goods and services and community contributions purchased locally from 6,681 businesses; and
- \$1.7bn in state government payments (including royalties, stamp duty, payroll and land tax).

The following table outlines the direct contributions in the regions (within NSW)³ where the majority of our members are employed:

Region	Wages	Full-time employees	Purchases of local goods and services	Local businesses supported
Hunter	\$1.7bn	12,604	\$2.8bn	3,070
Illawarra	\$180m	1,650	\$483m	459
Central West	\$393m	3,549	\$169m	872

Across NSW, the total economic contribution made by the mining industry equates to 4 per cent of Gross State Product (GSP). In the three regions identified, the percentage of Gross Regional Product (GRP) is 19.1 per cent for the Hunter, 7.2 per cent for the Illawarra and 8.5 per cent for the Central West.

In QLD, a total annual direct contribution of \$25.5bn is made by the minerals and energy sector⁴ which includes:

- \$5.1bn in wages to 38,150 full-time employees;
- \$16.4bn in goods and services and community contributions purchased locally from 16,400 businesses; and
- \$3.8bn in state government payments (including royalties, stamp duty, payroll and land tax).

² NSW Mining Industry Expenditure Impact Survey 2016/17, April 2018, Lawrence Consulting.

³ Ibid.

⁴ Economic Contribution of the Minerals and Energy Sector to the Queensland Economy 2016/17.



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The following table outlines the direct contributions in the regions (within QLD)⁵ where the majority of our members are employed:

Region	Wages	Full-time employees	Purchases of local goods and services	Local businesses supported
Greater Mackay	\$1.1bn	8,661	\$2.5bn	2,458
Fitzroy / Rockhampton	\$1.2bn	9,858	\$1.8bn	2,763
Northern	\$230m	1,823	\$244m	866
Wide Bay-Burnett	\$215m	1,788	\$122m	320
Darling Downs	\$144m	1,204	\$916m	704

Across QLD, the total economic contribution made by the minerals and energy industry equates to 17.4 per cent of GSP. In the five regions identified, the percentage of GRP is 41 per cent for Greater Mackay, 34 per cent for Fitzroy / Rockhampton, 8 per cent for Northern, 5 per cent for Wide Bay-Burnett and 14 per cent for Darling Downs.

Empowering women in mining

Mine Super is conscious of the need to increase the number of women in the mining industry. We are committed to gender diversity in the workplace and empowering women to build successful careers. We are proud that 58 per cent of our employees are female and that we provide employment opportunities to a large number of women in regional Australia. Further to this, we have actively sought to provide presentations and network with women in the mining industry through the NSW Women in Mining Awards and the QRC International Women's Day Conference and Awards.

⁵ Ibid.

