

A Guide to Maximising Employee Benefits in Mining & Resources

How a best-in-class benefits program could boost financial wellbeing and engage a remote workforce



Maxxia

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The untapped value in employee benefits



Attracting and retaining employees is a challenge for most industry sectors. In mining and resources (M&R), where demand for skills continues, the pressure of renewed industry growth on a limited skills pool is perhaps one of the greatest challenges for HR leaders in the sector. Securing the head count to meet rising production targets calls for competitive incentives.

So what does this mean for employee benefits? Attracting employees to the far reaches of Australia would be a tall order without incentives on top of a generous salary. And as we've discovered through our partnerships with clients in the industry, competing on earnings alone is becoming increasingly difficult.

Building a trusted employer brand

What we're seeing instead is an opportunity to forge stronger connections between mining companies and their employees. By providing employees with a comprehensive benefits program that brings a better lifestyle, as well as more disposable income, these employer brands in M&R are becoming known for their commitment to the financial wellbeing of their people, regardless of where and how they work.

Not only does this guide reveal an exceptional range of benefits available in the M&R industry, it also brings you our insights on what M&R employees truly value in a comprehensive benefits program. By sharing these learnings, we think you'll begin to see how a best-in-class benefits program can boost financial wellbeing and engage a remote workforce.

Getting (and keeping) the best from the talent pool

After reaching the depths of industry decline in 2014, M&R has come back strong, and industry leaders are positive about the future. According to the 2019/20 KPMG Australian Mining Risk Forecast, two thirds of global mining leaders feel confident about growth in the sector.

Access to talent is major risk factor

Here in Australia, the report found that access to key talent is in the top three concerns for M&R companies, highlighting just how important the HR role has become in the industry. But with budget constraints still in place following the sector slump of five years ago, HR leaders are seeking smart and cost-effective strategies to engage and retain employees.

Going beyond salary incentives

Competing for talent on the basis of salary alone has long been a problem in the industry. M&R professionals are fairly mobile within remote areas where potential employers operate and it may not take much of a salary increase for an employee to move on to their next role. According to a senior HR leader for one of our major clients in M&R, it's now harder than ever to differentiate their candidate offering on pay alone. To make their best bid for available talent they've found employee benefits to be a critical part of the experience and value they're known for in the job market.

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Recent growth in mining activity at the same time as universities are reporting reduced enrollments for mining engineering related courses has increased the importance of talent acquisition and retention.

KPMG Australian Mining Risk Forecast – 2019/2020

10.3% growth in M&R job vacancies.

SEEK employment report, July 2019

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Employee benefits and the brand equation



As with many other industries in Australia, M&R companies are coming around to the idea of winning talent by investing in a more positive employee experience. From health and wellbeing to training and education, more organisations are focussing on the total value they deliver. In the Maxxia 2018 Employee Experience report, we found 76% of companies surveyed expect employee experience to become increasingly important in the future.

What an M&R employer brand stands for

Our clients in the sector tell us they're experiencing a shift towards a human-centred approach as they become more focussed on what's best for their people as well as their business. In this context, it's interesting to see wellbeing emerging as a top priority for the industry at a global level. In the 2018 Deloitte Global Human Capital Trends report, 85% of energy and resources industry leaders saw wellbeing as important or very important to their organisation.

An absolute commitment to occupational health & safety on behalf of employees is already a given in M&R. Extending this duty of care to the overall wellbeing of their

workforce is a natural step for an industry where long hours and remote living are known to take their toll on mental health.

Transforming financial wellbeing

Employee benefits such as gym memberships or health insurance certainly have a role to play in improving the physical health of an M&R workforce. But supporting both their lifestyle aspirations and future security can make a big difference to their sense of financial wellbeing and mental health.

Initiatives such as financial education programs on budgeting, debt management and saving could be a great starting point. Alternatively, helping employees pay for everyday expenses using their pre-tax salary (salary sacrifice) could help make a real difference in their lives.

Benefits such as mortgage interest and the cost associated with purchasing or building a property in a remote area can make an important lifestyle goal possible. Benefits such as novated leasing are just as popular in mining as in other industries. It gives remote employees an affordable way to buy the ideal lifestyle vehicle for exploring all their remote location has to offer.

“ Supporting both their lifestyle aspirations and future security can make a big difference to employees’ sense of financial wellbeing and mental health. ”



Employer brand brownie points

Employee engagement can be strengthened substantially by employees enjoying important lifestyle extras thanks to their benefits package.

When your employer's duty of care extends to helping you buy a home and vehicle you can be proud of, you get bragging rights for being with the best mining company for lifestyle and take-home pay. This can go a long way towards building a strong and positive reputation for an M&R company, among both employees and candidates for future jobs.

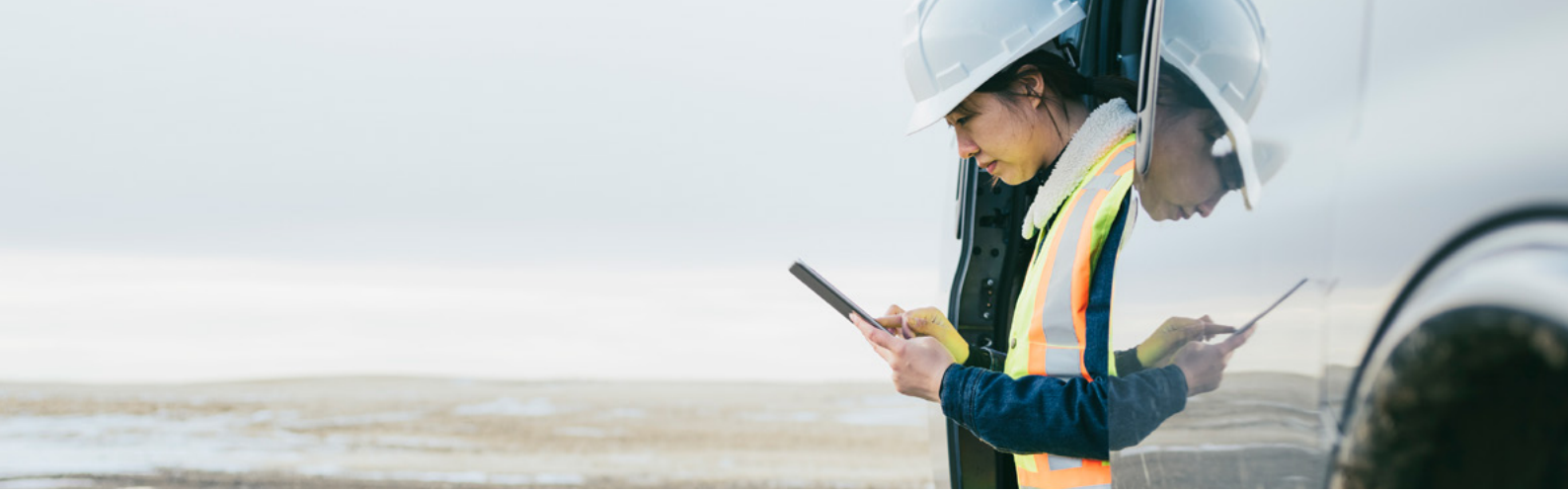
How benefits provide a lifestyle lift for M&R employees

> Living in the temporary housing provided in remote locations sometimes means making do with a house that doesn't really feel like a home. With salary packaging benefits available for remote area housing, employees can take steps to secure a home of their own and enjoy the pride and peace of mind that comes with being a home owner.

> Making a longer-term commitment to a remote area role could be less appealing when you have limited control over your living conditions. By helping to make it easier and more affordable for employees to buy or build a home of their own, you may be giving them a significant incentive to put down roots.

> Helping employees buy their vehicle of choice through a salary packaging arrangement may also help them make the most of the remote living experience. With the right car or SUV, employees and their families can explore all their region has to offer in style and comfort.

> Substantial potential tax savings from salary packaging things like utilities, and mortgage interest over the life of a home loan, can become a critical factor in the retention equation. The more salary packaging benefits an employee takes up, the more reasons an employee may stay put when another job offer is on the table.



The full suite of M&R salary packaging benefits

M&R employers fall into the category of Full FBT from a salary packaging perspective. The range of potential benefits to employees fall into two categories – Concessional Taxed benefit items and FBT Free items. Maxxia provides a single sourcing solution for all available benefits as outlined below. With guidance from a Maxxia specialist, M&R employers can design a compelling benefits program that delivers both financial wellbeing and lifestyle benefits.

Family & Home

- Relocation expenses
- Remote area housing (employer provided)
- Remote area rental assistance
- Remote area reimbursement of interest
- Remote area reimbursement on purchasing or building a property
- Remote area provision of gas/electricity

Financial Wellbeing

- Additional superannuation contributions
- Disability / income protection insurance
- Financial counselling fees
- Interest only investment loan

Fly In Fly Out (FIFO)

- Airport lounge membership
- Airport parking
- Work related travel

Lifestyle

- Associate lease
- Novated lease (new or used car)
- Electronic devices, including laptops, smartphones and iPads

Work Related

- Eligible work related items such as briefcase, software, tools-of-trade
- Home office expenses
- Newspapers and periodicals
- Professional memberships and subscriptions
- Self-education expenses

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Employee financial wellbeing is on the radar for many organisations and by offering salary packaging benefits, your employees could reduce their tax bill and enjoy a higher disposable income. ”

Maxxia 2018 Employee Experience Report

The communication challenge

How to engage a remote and diverse workforce

When it comes to spreading awareness of employee benefits to drive greater participation, the M&R industry has some unique challenges to overcome.



Email and online content isn't an option

Few people in M&R are desk-bound and working from an office. Sharing educational content through digital channels isn't viable when much of your workforce are onsite for long periods and only have a mobile device for personal use.



Employee and onsite access to M&R sites can be complex and challenging

Given production targets are of paramount importance, time available to speak to employees during working hours is very limited. Anyone visiting the mine must be supervised and across all safety protocols which all takes up valuable time for HR and onsite employees.



Face-to-face education on complex salary packaging benefits matters

Access to onsite education and engagement is a key element of a successful benefits program. A face-to-face conversation with a salary packaging specialist can help answer employees' questions about their choices.



Easy self-service digital channels are important for ongoing benefits program management

Once the program of salary packaging benefits have been set-up, the ongoing management of claims and any adjustments to arrangements needs to be simple and easy. Having access to a fully functioning mobile app and online portal is important to delivering a differentiated employee experience.

Creating a buzz around benefits

Our education programs for M&R clients

Working with major M&R companies nationally, Maxxia take a very hands-on approach to getting remote area employees up to speed on benefit choices at a range of mining sites. Team members have the local area and industry insights it takes to build a strong rapport with M&R people and clearly explain how benefits can make a difference to their lifestyle and finances.



Through a blend of online and onsite education programs, Maxxia has proudly introduced and onboarded thousands of M&R employees to the value of salary packaging - including a consistently strong uptake of remote housing benefits.

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General Managers at mine sites who enjoy the benefits of salary packaging themselves quickly become ambassadors for the program. Not only does this drive uptake by other employees, it also adds to the importance and influence of the HR team at the site level.

Tanya Fisher, Maxxia Relationship Manager, WA

It's a challenge to get access to all our employees, with many working 12 hours a day for eight days straight. But with the strong engagement we've had from Maxxia to get individuals across all the bits and pieces about benefits, it's driving some positive stories among our people, so everyone gets to hear about it.

Senior Benefits Adviser for Maxxia M&R client

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Measure up with Maxxia's Benefits Assessment

The Maxxia approach to employee benefits is all about maximising the value to businesses and their employees. But it can be hard to know whether you are getting the most from your existing program.

At Maxxia, our goal is to ensure that you are measuring up to the best-in-class programs available. We have developed a comprehensive review that enables organisations to assess the performance of their existing program and benchmark its effectiveness against other

organisations in their industry sector. Starting with a detailed review and assessment of your current benefits offering, we can benchmark the performance of your program against industry best practice including the unrealised financial value opportunity. A summary of key findings and recommendations highlights key strategies to optimise your program.

Maxxia's Benefits Assessment



Step 1 - Assess

We review and assess your existing program across 5 key pillars and benchmark against industry best practice.



Step 2 - Diagnose

We diagnose the unrealised financial value opportunity and highlight key strengths versus growth opportunities.



Step 3 - Recommend

We then present our key findings and strategic recommendations on ways to optimise your program.

About Maxxia

As a specialist provider of employee benefits, Maxxia helps your organisation deliver more value to your people, through competitive and measurable employee benefits programs.

At Maxxia we're on a mission to enhance the impact of employee benefits for Australian organisations. Using proven methods to find the performance gaps in your program, we design employee benefits that bring genuine value, to you and your team, to your people and potentially your bottom-line. Our expert support and services are designed to help you be confident in taking action that drives results.

We're here to help make life easier for you and your people. Whether we're helping you promote your program, educate your people or providing you with general guidance on complex tax and payroll issues, Maxxia are with you every step of the way. Our fully resourced programs focus on tracking the complete value employee benefits deliver to your organisation, from time saved among your team to the potential tax savings for each employee.

Expert support in every location

Our national team of specialists includes significant M&R sector expertise, delivering comprehensive support for our clients and their employees in Australia's biggest mining centres.

Speak to us today

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