

28 November 1997

Mr D Porter
Deputy Executive Director
NSW Minerals Council
227 Elizabeth Street
SYDNEY 2000

Dear Sir

Further to our telephone conversation this morning regarding the reference to United Mining Support Services in the report prepared by the Council and presented to the Industry Commission Enquiry, I again express my concern at what are unfortunate inaccuracies contained in that reference.

In that regard I very much appreciate your invitation to address my concerns in writing and your commitment to forward this letter to the relevant parties.

As a brief background, United Mining Support Services (UMSS) was formed in 1992 in response to the large number of retrenchments in the Hunter Valley at that time. The company was formed with the participation of the Northern District Branch of the United Mineworkers and has operated to provide casual employment opportunities for all retrenched mineworkers as well as sponsoring training courses for potential new entrants into the coal industry.

The service has been almost universally embraced by employers of the Hunter, particularly in the underground sector, and in addition to providing a professional competitive labour hire service of skilled mineworkers we also provide a free of charge employment service to the industry.

Obviously I am aware that the use of UMSS has been written into some Enterprise Agreements in the District. I am also aware that that use is dependent on our service and price competitiveness. At all times the use of UMSS is at the option of the employer. Further, there is no doubt that, given the prevailing industrial climate, if our company's ethics, service and professionalism were not beyond reproach we would not be receiving the support we currently enjoy.

We have always received a more enthusiastic approach from employers than employees who in general regard the use of casual labour in the industry with great suspicion.

With regard to the hourly rate quoted in the report I can only express my gravest concern as to how such a figure could have been derived. The hourly chargeout rates for day shift employees which are all inclusive of 30% casual loading, on-costs and administration under the Coal Mining Industry Consolidated Award Open Cut Work Model are as follows:

<u>Level</u>	Weekly Rate	Hourly Charge	Double time Overtime
0	526.50	33.20	41.60
1	552.40	34.60	43.60
2	578.30	36.10	45.60
3	604.20	37.50	47.60
4	630.10	39.00	49.60
5	663.90	40.80	52.20
6	707.90	43.30	55.60

In addition to these rates the agreed bonus for each site is paid together with on-costs and administration but in no instance would the combined chargeout be even remotely in the order of \$55.00 per hour plus on-costs.

I must also emphasise that UMSS only operates in the Northern District of New South Wales with a similar company having been recently formed in Queensland. Any rates obtained from other Districts which may have separate arrangements are not to be confused with UMSS.

In closing, I very much appreciate the opportunity to respond in writing and if any of your members in any area wish me to explain our company's activities or services in more detail I would be pleased to assist at any time.

We at UMSS are proud of the role we have played in assisting the industry in the Hunter during the last five years and believe we can provide a model for the co-operation between employers and employees so essential for the future health of our industry.

Yours faithfully ,
DICK MACLEAN
MANAGING DIRECTOR