

Friends in Finance

Creating collaborative alliances is a pivotal part of Maritime, Mining & Power Credit Union's business strategy.

Images courtesy of Maritime, Mining & Power Credit Union

"We've been able to leverage off each other's organisations in terms of getting members and making sure that we're very in tune with the members' needs."

- Mark Genovese

In the finance game, Maritime, Mining & Power Credit Union has found that there are many benefits in teaming up with other culturally aligned organisations. Three mergers in the past five years have significantly opened up new opportunities and markets, enabling the business to expand and provide a better service to its customer base. Chief Executive Officer Mark Genovese has been involved for over a decade and has witnessed the growth firsthand. He says the credit union would not have been able to expand anywhere near as fast as it did without the alliances.

"When I started here, we were an organisation with around \$90 million in assets," Mark says. "We were doing home loans, really focused on just the maritime industry full stop. Since that time, the credit union has grown to close to \$800 million in assets. We've broadened our membership base to miners, in particular

coalminers and their families. We've also extended it to energy workers and people in the power industry. And we also have a significant operation in central New South Wales, with our major retail centre being Bathurst.

"In terms of our alliances and partnerships, the two critical ones are certainly the ones we have with both the Maritime Union of Australia and the mining and energy division of the Construction, Forestry, Mining & Energy Union. They've been great supporters of ours. We've been able to leverage off each other's organisations in terms of getting members and making sure that we're very in tune with the members' needs."

Over the past 10 years, there has been increased pressure on the cost of doing business, something Mark says Maritime, Mining & Power Credit Union has been able to alleviate by collaborating with like-minded companies and

sharing resources. This has enabled it to meet regulation requirements, put on additional expertise, and also maintain the value proposition which has been provided to members for four decades.

The associations with the Maritime Union of Australia and the Construction, Forestry, Mining & Energy Union originated from the trade unions but have since extended into industry superannuation funds—Maritime Super and AUSCOAL respectively. These have been skyrocketing over the past couple of years, allowing for mutually rewarding strategies to be set up for all involved.

"The industry super funds have been doing fantastically well for their members and, through our alliances with them, they've been a great source for us in terms of accessing funding because we've been able to use those funds to lend out to our members for home loans and personal loans, so we have a great funding source," Mark >



As featured in
The CEO Magazine
For more info visit
theceomagazine.com.au

AUSCOAL Super and MMPCU, partners in fuelling members' financial future



Because life matters...

Your future is shaped by all the little decisions that you make today. It's shaped by living today with an eye on your destination.

The combination of AUSCOAL Super and MMPCU has helped generations of people fuel their financial future. We've helped them create a bigger future than the one they could see. Helped them turn their small trips into big adventures.

Because what matters to you, matters to us.

Grow through life.



Find out more...

- W** www.auscoalsuper.com.au/fuel
- T** 1300 AUSCOAL/ 1300 287 262
- E** enquiries@auscoal.com.au

Perth | Mackay | Rockhampton | Warners Bay | Mudgee | Wollongong

This is general information and doesn't take your needs into account. Before acting, consider if the information is right for you and read our PDS available at www.auscoalsuper.com.au. AUSCOAL Superannuation Pty Ltd | ABN 70 003 566 989 | AFSL 246864 Trustee for the AUSCOAL Superannuation Fund | ABN 16 457 520 308.

CANT40639 11/14



says. "Their members are our members, so you've got this great economic relationship where the members are benefiting from both organisations. It's a great model.

"The industry super funds don't want their members going to the four major banks to get advice on super because what the major banks are going to do is try and convince the super out of the industry fund and into the banks. We don't want our members going to the major banks about super funds because they'll try and get our members to move their mortgages across. So what we're trying to do collectively is have a one-stop shop for our members. Whether it is superannuation, whether it is financial services, banking services—they can come to either the super fund or the credit union and we can look after all their needs in the one spot."

Mark says it's quite natural for people to see a credit union and industry super fund working together because they are often members of both. Maritime, Mining & Power Credit Union is not an ASX-listed company, which means there are no shareholders who expect to be paid dividends. While it still meets the same regulatory and performance requirements as listed companies, its real focus is on the member.

"The origin of the super, of the union, of the credit union has always been to look after the best

"The number one job of any CEO is to surround themselves with quality people, people who have the same passion, same commitment to what we're trying to do."

- Mark Genovese

interest of the members, and that's it. That's why we set up in the first place, and nothing has ever changed. The super fund has actually been in existence longer than the credit union. I think both of those organisations are getting close to their fiftieth year, if they're not already there, and the union goes back even further. It's a great model for us. It's about sharing, it's about aggregating, and it's about ensuring you get great commercial and strategic benefits through collaboration so that ultimately, at the end of the day, your member is better off. That's why everyone is very keen and supportive of that approach."

Over the next few years, Maritime, Mining & Power Credit Union will continue to look into merger opportunities, with a couple already in the works. Mark says it's not something that will be pursued aggressively, but rather the company will take a considered approach targeting businesses with similar values and ideas in markets such as maritime, transport, or coal. It is also considering a change in branding from a credit union to a mutual bank. While the benefits of doing this are still being assessed, Mark says it could potentially provide clarity for the next generation of members who don't really understand what a credit union is.

"Our existing members clearly understand what a credit union is all about. They've been members,

they support it, and they get it. The challenge we have is breaking into new markets, especially the youth market—a lot of these people haven't had the associations with credit unions. Everyone, basically from the day they're old enough to know, knows what a bank is. There's this communication issue. So what a number of the 'mutuals' have decided to do is to take that issue away. They will just go with the name 'mutual bank' or 'bank' and that takes that discussion away. While they still promote the fact they're a 'mutual', they're going to be able to do that a lot easier."

From a commercial point of view, there are other benefits too. Only businesses with over \$50 million in capital have the option to change names to have the title of 'mutual bank'. Mark says there is a more favourable perception in relation to organisations dealing with banks, making it easier to get a rating and perform treasury operations.

Mark has worked in the credit union industry for 33 years, starting as a loans clerk. Over a 20-year period, he worked his way up in different roles which ultimately led to his taking on a general manager position in the late 80s. Following that, he spent roughly eight years working for a peak credit union body, and then started at Maritime, Mining & Power Credit Union. He has made it a priority to build a strong executive team.

"The number one job of any CEO is to surround themselves with quality people, people who have the same passion, same commitment to what we're trying to do. At the end of the day, the financial services market is very tough. We've got four major banks that own over 85 per cent of the banking business. They own a significant portion of the superannuation business. They're our competition. So it's tough when we're dealing with those 'gorillas', if you like. It's important from a management perspective that we've got a strong management team who are prepared to take up the fight" •

Revolutionise your business...

...with cloud and managed services from Harbour IT and business process and document solutions from world leaders, Canon.

In October Canon acquired a major stake in leading cloud and managed services provider Harbour IT. Now businesses like yours can benefit from this partnership. Discover how our IT solutions can open up new opportunities and enable savings across all aspects of your IT infrastructure.

