



Coal Services

100 Years of Protecting

Annual Report 2021-22





Performance highlights 2021-22

Operating coal mines in NSW

18 underground
22 open cut



3,883

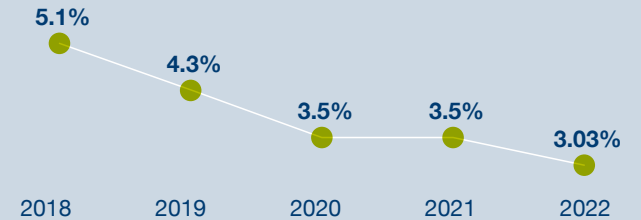
Statutory respirable and inhalable
dust samples taken

9,779

Periodic health surveillance
medicals to monitor and protect
against occupational disease

Claim frequency rate

3.03%

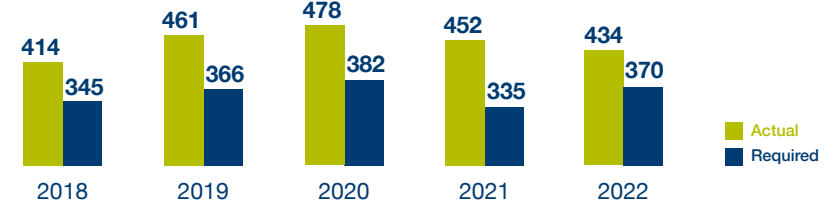


B2B customer
satisfaction

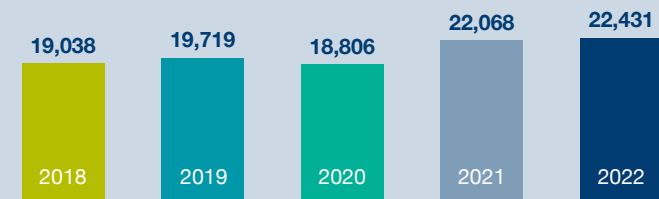
79-95%

for all business units

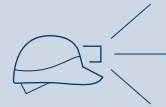
Trained volunteer brigades personnel



Overall attendances at Mines Rescue courses



37,602



Average exposed to risk workers

Compliance

No material
compliance
breaches
reported

Statutory
obligations

Requirements met

2021-22
Culture roadmap

Delivered

Sustainable
Scheme

Fully-funded
Coal Services
Health & Safety
Scheme

100 Years of Protecting

Coal Services is an industry-owned organisation committed to providing critical services and expertise to the NSW coal mining industry. This commitment is steeped in history, having been involved in the industry in one form or another since the 1920s.

Our history is an important part of who we are today. Our Specialised Health and Safety Scheme provides a suite of services aimed at preventing injury and illness in the workplace. These include occupational health and safety, workers compensation, mines rescue and training. Together with our industry partners we work to protect the health and safety of those working in the industry through prevention, detection, enforcement and education.

We are jointly owned by two shareholders, the NSW Minerals Council and the Mining and Energy Union (MEU). Our purpose, vision and values are aligned to focus on the continued safety and health of our industry and its workers.

OUR PURPOSE

To protect

OUR VISION

To partner with industry for a safe workplace and a healthy workforce

Our Centenary Year

100
years of protecting

Mine Owners Insurance issued its first policy in 1922. The company's aim was to underwrite workers compensation risks in the NSW coal industry.

The first mines rescue station in NSW began operations at Abermain in 1926. Stations were opened shortly after at Newcastle, Wollongong and Lithgow.

The Joint Coal Board (JCB) was established in 1947. At the time, dust-related lung disease was prevalent in the NSW coal mining industry.

The JCB established medical bureaus in each major coal mining region in 1947 to conduct medical health surveillance and occupational hygiene services to protect those at risk and promote dust control at mines.

The Standing Dust Committee on Dust Research and Control (the Standing Dust Committee) was established by the JCB in 1954 to drive the strategic monitoring of dust levels and to support research on methods of dust suppression.

Order 34 was introduced by the JCB in 1979 to ensure mine owners developed training plans for their workers that would improve safety in the workplace.

Coal Mines Technical Services was established at the Southern Mines Rescue station in 1983 to provide high quality technical support and expertise in the event of an incident at a mine site.

Mines Rescue became a Registered Training Organisation (RTO) in 1996.

1920s

1940s

1950s

1970s

1980s

1990s

Today

Today, Coal Services' operations are spread across the major coal mining regions of NSW and Mackay in Queensland to help protect the health and safety of more than 37,000 workers.

2020s

In 2021, Mines Rescue opened a training facility in Gunnedah to deliver training to the industry.

Mines Rescue Consulting was established to offer safety and emergency management consulting and compliance services to industry.

In 2022, CS Health opened in Gunnedah to provide occupational health services to the North-Western region.

Mine Safety Laboratory commenced operations to complement services provided by our other businesses and to help mining operations meet regulatory compliance.

2010s

Orders 41 and 42 were introduced in 2011 to formalise workers' health assessments and to monitor airborne dust at coal mines. Order 43 replaced Order 41 in 2018.

In 2012, CS Health expanded operations into the Mudgee region to provide occupational health services to workers in the region.

Moolarben Mines Rescue station opened near Mudgee in 2017 to service the growing mining industry in the region.

2000s

In 2002, the JCB and NSW Mines Rescue Boards were dissolved and Coal Services Pty Limited was created under the *Coal Industry Act 2001* (NSW).

The first Virtual Reality Technologies simulator was officially opened at the Newcastle Mines Rescue station in 2004 to provide immersive training experiences in a simulated environment.

Message from the **Chairman** and **Managing Director/CEO**



Peter Jordan
Chairman



Lucy Flemming
Managing Director/CEO

2022 marks the twentieth anniversary of the formation of Coal Services. In 2002, the Joint Coal Board and NSW Mines Rescue Boards were dissolved and Coal Services as we know it today was created under the *Coal Industry Act 2001 (NSW)*.

Yet our history extends much further. It was in 1922 when the first Mine Owners Insurance policy was issued. When the Joint Coal Board (JCB) was formed in 1947, Mine Owners Insurance was the largest insurer of workers compensation in the NSW coal industry. The JCB bought the company and changed the name to Coal Mines Insurance – which continues today.

While many changes have occurred over the last 100 years the essence of our purpose remains the same – to protect workers from the day they enter the coal industry in NSW until the day they retire and beyond.

There were 22,974 production workers at NSW coal mines at 30 June 2022. This was an increase of 4.5 per cent over the previous year; many of whom are new workers to the industry.

This is supported by attendances at the Generic Underground Induction for coal mines which increased by 127.34 per cent; as well as an increase in the number of Order 43 pre-placement medicals which were up by 24.28 per cent on last year's figures.

Ensuring these new-to-industry workers are well supported with essential safety training and health monitoring is critical as we should not underestimate that there are still hazards inherent to our industry.

Message from the Chairman and Managing Director/CEO

The industry's strong incident and injury performance during the year resulted in fewer claims for workers compensation, contributing to a claim frequency rate of 3.03 per cent – the lowest it has ever been.

Turmoil in global energy markets have pushed coal prices to record highs and led to a buoyant NSW coal industry during 2021-22. The resultant increase in employment numbers had a positive impact on group revenues for the year. The yield curve also trended upwards during the period which had a positive impact on the outstanding claims valuation; but negatively impacted our investment performance. Overall, Coal Services performed better than budget during the year.

However, the market forces that caused the favourable performance during the year will put pressure on the Scheme in the longer term. Most notably, inflation has put upward pressure on industry wages and medical costs which will lead to rising claims costs now and into the future. We are actively implementing measures to reduce the impact of these factors and are committed to maintaining a sustainable Scheme over the longer term.

During the year, our business welcomed new opportunities to work with our customers and industry stakeholders to improve services and delivery. We are proud of the progress that our business

has made in this regard. Getting the foundations right in an ever-changing environment and addressing some of the issues raised by our industry stakeholders continued to be our focus with many initiatives being part of that process.

We looked at ways to improve the bookings process and overall experiences in CS Health, including recruiting additional medical officers to address the challenge of medical appointment availability. We also implemented a system to enable Mines Rescue training participants to find, book and pay online for courses; and we

established a permanent presence for Mines Rescue in Gunnedah to ensure customers in the region have access to specialised safety training and expertise.

While these are just examples of how we have been working to improve our service provision and customer experience, these achievements have been significant and will enable us to build on these in the year ahead.

We would like to thank our industry, the communities in which we operate and our other stakeholders for their ongoing

support including the Hon. Paul Toole, Deputy Premier and Minister for Regional New South Wales, Minister for Police and his staff; Stephen Galilee, CEO of the NSW Minerals Council and Tony Maher, General President of the Mining & Energy Union.

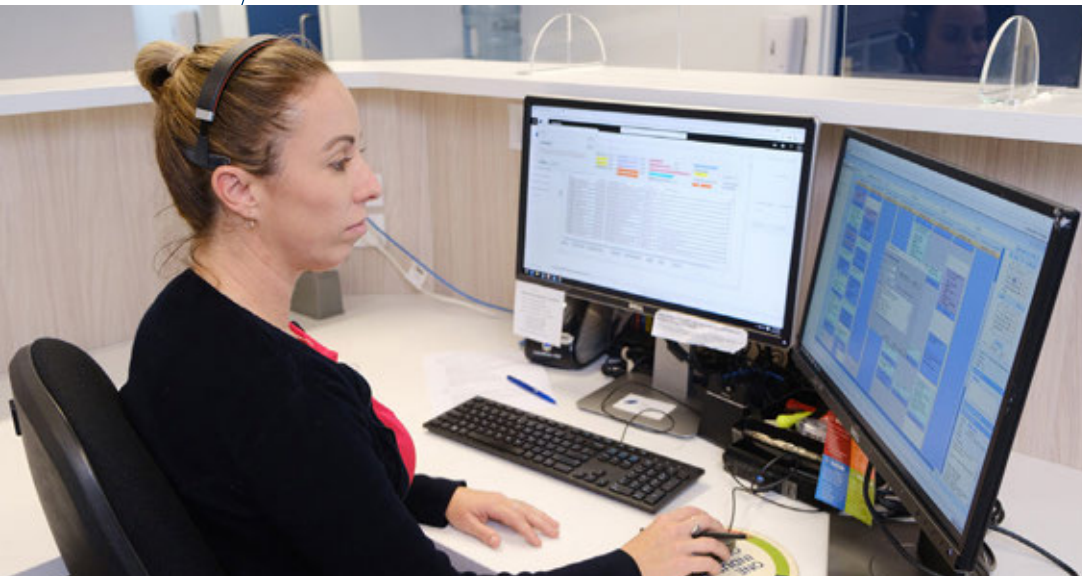
We also extend our sincere thanks to Coal Services' employees, management teams and Board of Directors for being part of our journey and, in particular, for continuing to work through the challenges of COVID-19, absenteeism and weather events to meet the demands of our customers and industry.

Financial Overview for the year ended 30 June 2022	2022 \$'000	2021 \$'000
Consolidated Comprehensive Income		
Total revenue and investment income	194,960	227,938
Total expenses	(180,254)	(249,092)
Net profit/(loss) from ordinary activities	14,706	(21,154)
Other comprehensive income	841	2,322
Total comprehensive income/(loss) for the year	15,547	(18,832)
Consolidated Financial Position		
Total assets	696,463	718,856
Total liabilities	(522,447)	(560,387)
Net assets	174,016	158,469



Our people

The shared knowledge, expertise and experience of our people enables us to deliver on our purpose, to protect.



CULTURE, WELLBEING AND DEVELOPMENT

Culture

Coal Services' Culture Network, consisting of culture leads from across each business unit, continued to identify and drive initiatives to improve culture across the business. Activities have focused on our cultural DNA themes of innovation, excellence, collaboration, integrity and customer centricity while aiming to address the causal factors identified through culture surveys conducted in 2018 and 2021.

Flexible working

Like most organisations, the COVID-19 pandemic forced us to adapt our ways of working and how we serviced our customers. Technology enabled many of our employees to work remotely from home where their roles enabled them to do so. Since then, Coal Services has adopted hybrid working arrangements to assist employees to balance their work and personal lives.

Wellbeing

The changed work and social conditions imposed by the pandemic prompted the need to develop an overarching strategy to support employees' wellbeing during this time and work continued throughout 2021-22.

The program for the year included a digital wellbeing program through The Resilience Project to introduce the concepts of gratitude, empathy and mindfulness; reinforced by a 10-week campaign. Recognising that leaders needed skills to support their teams as well as manage their own wellbeing, Dr Adam Fraser facilitated a one-day 'Aspire to Thrive' workshop for leaders. A new campaign was launched in March 2022 and introduced the 'Five Ways to Wellbeing'. The program focuses on different areas of wellbeing and includes support resources and tools to help employees manage their wellbeing.

Other mental health initiatives were supported throughout the year including presentations by Gotcha4Life and Mental Health First-Aid training. Employees also have access to a 24 hour confidential Employee Assistance Program.

Our people

Organisational development

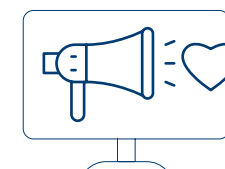
Key development programs facilitated during the year include the new starter program; compliance modules including privacy of information and code of conduct; as well as cyber security education. The Digital Champions initiative was launched in September 2021 to support the adoption and use of digital technology across the business.

DIVERSITY AND INCLUSION

Our commitment to diversity and inclusion is aligned to our company values. We aim to attract and retain the right person for the right role regardless of gender, race, age, religion, political beliefs, sexual preference or any other factor that does not impact on their ability to perform the role.

In accordance with Workplace Gender Equality Agency (WGEA) legislative reporting and compliance obligations, we lodged our 2021-22 Public Report in June 2022.

at 18 March 2022			
	Total	%	
		Women	Men
Managing Director/CEO	1	100	0
Key management personnel	7	29	71
Senior managers	21	33	67
Other managers	24	42	58
Professionals	235	57	43
Technicians and trade	38	11	89
Clerical and administrative	120	96	4
Labourers	1	0	100
Total	447	61	39
	Total	Women	Men
Board	7	29	71





Our customers

WORKING WITH OUR CUSTOMERS AND INDUSTRY STAKEHOLDERS

Coal Services continued to provide support and guidance to the NSW coal industry on current and emerging health and safety issues through direct engagement with our customers and stakeholders as well as industry committees.

Voice of Customer

The Coal Services Voice of the Customer Program enables our customers (both workers and employers) to provide informal and formal feedback through different channels regarding their overall experience on specific elements such as services, processes or people. The program aims to formalise, action and track all feedback received.

Our Voice of Customer program provides the following benefits:

- Drive continuous improvement of our operations and services
- Identify and mitigate any risks associated with our people, services or products
- Build trust and advocacy
- Formally identify and respond to complaints

Stakeholder engagement

Coal Services facilitates various committees, such as the NSW Mines Rescue Working Group and the Standing Dust Committee to provide a platform for industry representatives to discuss and consult on evidence-based considerations with the goal of keeping workers safe. We also provide guidance and advice to the Mine Safety Advisory Council and sub-committees and have representatives sitting on various Australian Standards committees.

Each of our businesses continued to focus on improving stakeholder engagement post-COVID-19, maintaining regular contact with mine operators, contractors, the MEU, NSW Minerals Council and the NSW Resources Regulator at key shareholder events, working groups, workshops and forums.

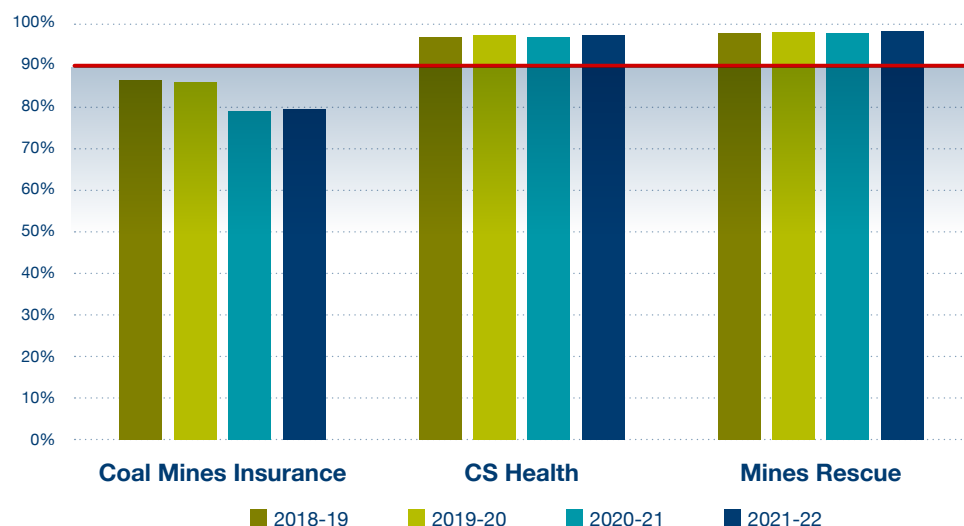
In May 2022, the Coal Services Board initiated a review of Coal Services' Stakeholder Engagement Framework and to adopt the AA1000SES 2018 principles. The work commenced and the updates were approved in August 2022.



Our customers

Worker Satisfaction Score

Target: 90%



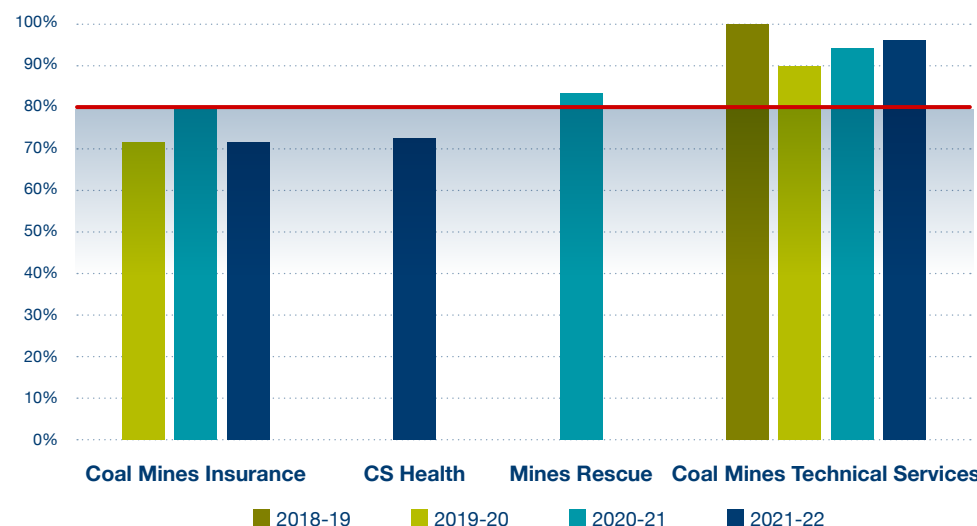
Worker Satisfaction Score Participation rates for 2021-22

Coal Mines Insurance 20.24%; CS Health 8%; Mines Rescue 25.45%.

15% participation rate for worker compensation insurance is considered an industry average.

Employer/Contractor Satisfaction Score

Target: 80%



Employer/Contractor Satisfaction Score Participation rates for 2021-22

Coal Mines Insurance 36.67%, account managed policyholders only; CS Health 35%.

No survey conducted for CS Health or Mines Rescue in the reporting year.

CMTS survey conducted post-service for relevant customers; overall annual average shown.

Survey Participation Rates (all channels): Baseline target $\geq 20\%$. Stretch target/goal $\geq 30\%$.

Community partnerships

Coal Services establishes strong ties with NSW coal mining communities through support of not-for-profit organisations and industry and community events.

These sponsorships and community partnerships aim to:

- communicate and support programs to change or influence behaviours that lead to better health, safety and wellbeing outcomes
- increase awareness of Coal Services and our range of services.

Our purpose, vision and values have the central theme of protecting the health and wellbeing of the NSW coal mining industry and its workers. This includes giving back to mining communities and extending support to local initiatives and events.

Community events were impacted by COVID-19 restrictions during the year; however, where possible, outdoor events continued to proceed with safety measures in place such as the Westpac Rescue Helicopter Service Leaders Leap.

Coal Services welfare grants

Welfare funds are granted for the benefit of workers and former workers of the NSW coal mining industry, their dependants and communities. While some organisations chose to cancel or postpone their events due to COVID-19, eleven grants were approved to thank retired mine worker communities for their contribution to our industry; and to support special needs children in communities aligned to our regional coal mining communities (the latter being held as virtual events).





Caring for the Environment



We continue to review and implement policies and programs that meet community standards and help us to conduct our business in an environmentally conscientious manner across each of our sites, including:

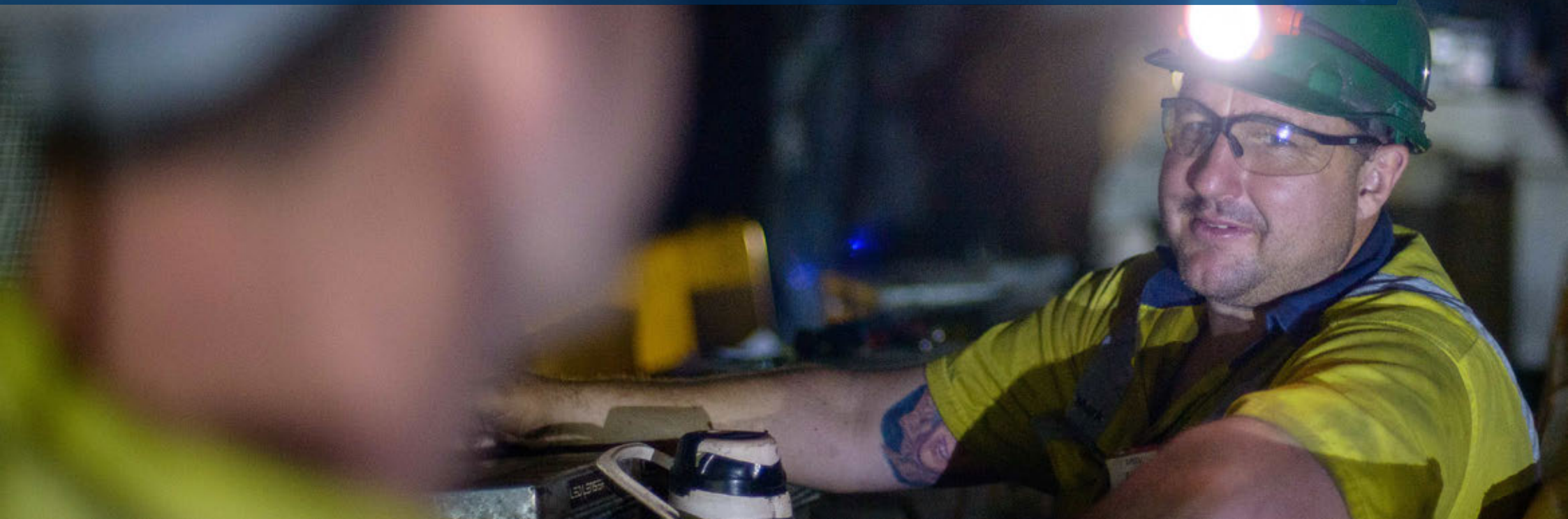
- Increased use of online tools and paperless work practices, including e-learning and video conferencing functionality, thus minimising our environmental footprint by reducing paper usage and the need to travel.
- The introduction of hybrid and remote working arrangements, where possible, which has reduced the need for office space and lessened the need for some of our employees to commute.
- Installing recycling bins for plastics, paper and cardboard as well as water bottle refill stations to reduce the number of plastic water bottles entering landfill.
- Endeavouring to save energy when possible by installing motion sensors and LED lights that are more energy efficient and last longer, producing less landfill.

NSW Environment Protection Authority PFAS investigation program

Mines Rescue voluntarily entered the Environmental Protection Authority's Per- and Poly-Fluoroalkyl Substances (PFAS) investigation program in April 2017, following legacy use of firefighting foams containing PFAS in small quantities at some training facilities prior to 2002.

Monitoring is ongoing at affected sites. Environmental management plans have also been implemented to manage any PFAS-related impacts.

Specialised Health and Safety Scheme



Specialised Health and Safety Scheme

Insurance

Coal Mines Insurance (CMI) is responsible for administering the workers compensation scheme for the NSW coal mining industry.

CMI must ensure there is a supportive and sustainable workers compensation scheme for the coal mining industry workers of today and the future.



Insurance

CMI has two customers: workers and employers.

Employers pay a premium in exchange for workers compensation coverage, which funds the cost of claims that provide medical and financial support to injured workers to return them to health and work. Premiums also support Coal Services' provision of statutory services that protect workers' health and safety including health surveillance and dust monitoring, and other Work Health and Safety requirements.

Workers are the primary beneficiary of our Scheme.

Claims, injury management and return to work

CMI aims to ensure all notifications and claims are managed to an optimal outcome through a focus on early intervention, person-centred case management, reasonably necessary treatment, an emphasis on return to work (RTW), and meeting legislative obligations.

Of the 1,141 new claims received in 2021-22, 56.3 per cent (642) were significant injury claims, when a worker is likely to be incapacitated (either partially or totally) for a continuous period of more than seven days. This is an improvement from 2020-21 where of the 1,283 new claims received, 66.6 per cent (849) were significant injury claims.

Positive injured worker outcomes have in part been achieved due to opportunities for suitable duties being made available and the timely notification of injury by employers. This was reflected in improved RTW rates and led to lower claims costs for the year.

Key drivers for claim payments in 2021-22:

- Weekly Payments reduced by 11 per cent compared to prior year.
- Medical Expenses yearly spend decreased by 7 per cent. This positive result is partly due to a stronger focus on reasonably necessary treatment and improved processes related to the timely payment of medical invoices.

Scheme overview as at 30 June 2022

2,006
active policies

\$167.45 million
Premium revenue

\$4.527 billion assessable wages

Wages covered for the financial year.
Wages declared are used as the basis for calculation of premiums.

37,776 exposed to risk workers
37,603 exposed to risk workers (2021-22 average)
(Up from 36,544 as at 30 June 2021 and 37,132 average for 2020-21)

1,925 active claims
1,141 new claims received
\$94.12 million net claims paid

Insurance

COVID-19

CMI received 57 duly made direct COVID-19 claims during the year, with an average cost of \$4,226, primarily relating to the provision of weekly compensation during the infectious/isolation period.

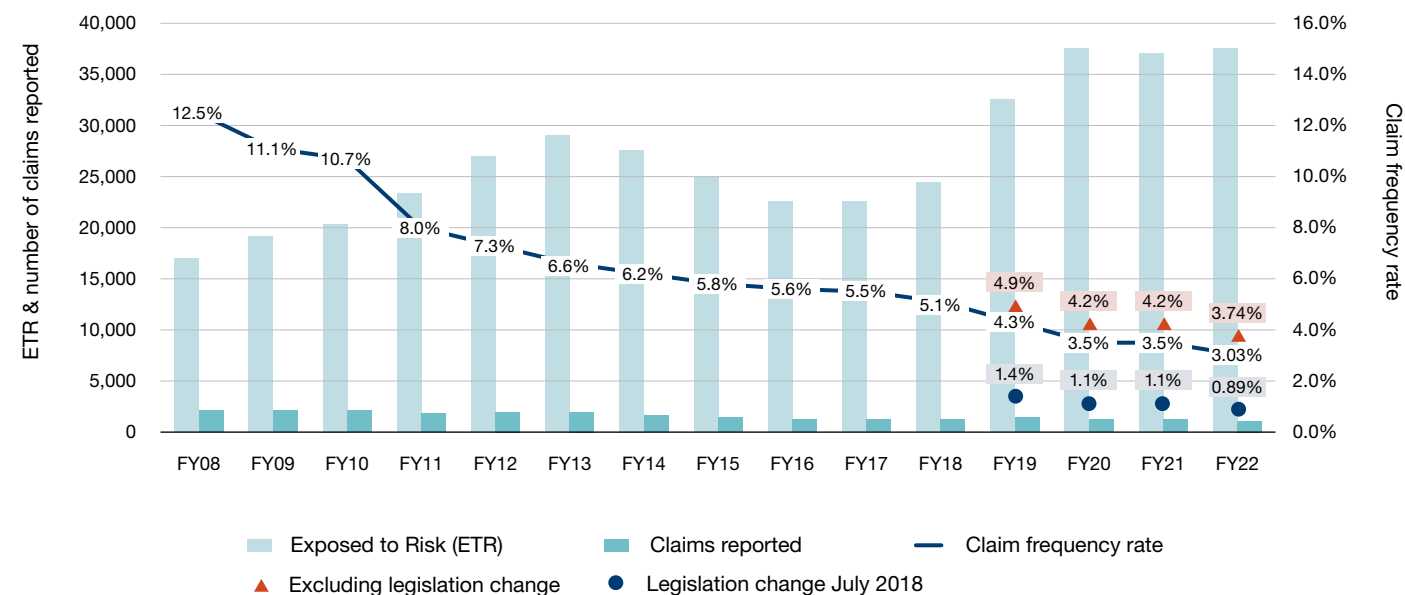
Claim frequency rate

The overall claim frequency rate for the Scheme was 3.03 per cent (based on an average exposed to risk (ETR) of 37,602 and 1,141 new claims reported for the year). The rate has improved from 2020-21, where the claim frequency rate was 3.46 per cent (based on an average ETR of 37,132 and 1,283 new claims reported as at 30 June 2021).

The graph below shows the performance of new risk covered by CMI arising from the change to the *Coal Industry Act 2001* (NSW) on 1 July 2018, which introduced a definition of employer in the coal industry. The new risk has delivered a claim frequency rate of 0.89% for 2021-22 (based on an average ETR of 9,329 and 83 new claims).

The reduction in the claim frequency rate over time has been achieved through technological advancements and worker education, a focus on providing safe systems of work, and the mining industry regulator's focus on monitoring performance.

Claim frequency rate (by financial year)



Insurance

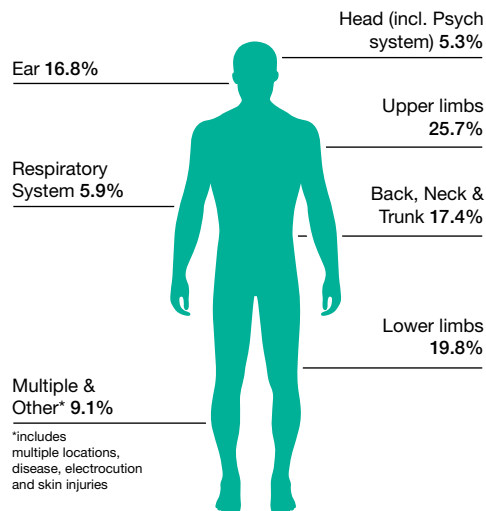
Nature of injury

Soft tissue injuries accounted for 47 per cent of all new claims received in 2021-22, which is consistent with workers compensation schemes generally where sprains and strains and musculoskeletal are the most common injuries.

Location of injury

The body map shows the parts of the body affected for all claims received during 2021-22.

Location of Injury



Mechanism of injury

The mechanism of injury is best described as the circumstance in which an injury occurs and helps the doctor and/or the allied health professional to understand what mechanical forces may have been in play to cause it and therefore assist in its diagnosis. This information gives an indication as to the potential recovery timeframes and guides the most appropriate treatment. This information also

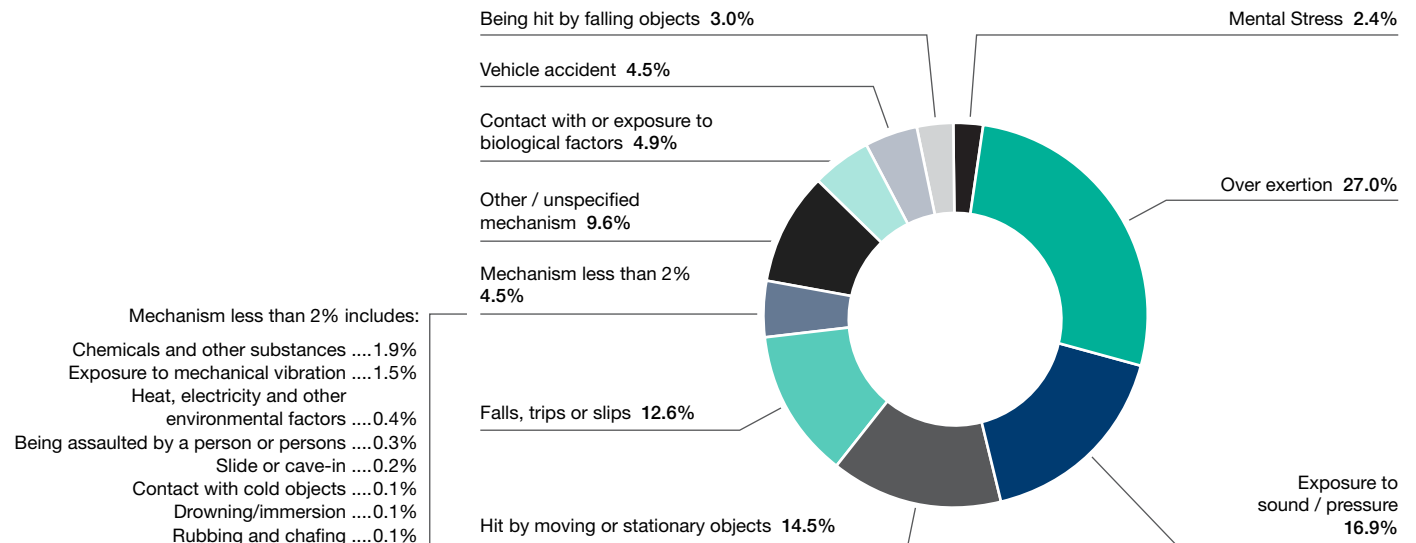
assists the employer to better understand risks within their workplace that need to be addressed or mitigated.

Notable changes from the 2020-21 mechanism of injury include:

- 'Hit by a moving or stationary object' – 4.4 per cent increase
- 'Contact with or exposure to biological factors' – 4.9 per cent increase due to the onset of COVID-19 claims.

- 'Falls, slips and trips' – 3.1 per cent reduction
- 'Mental Stress' – 1.7 per cent decrease
- Fatigue-related vehicle accidents remain a concern with several incidents occurring during the year. The NSW Resources Regulator is specifically focussing on these types of incidents.

Mechanism of injury (all claims received 2021-22)



Key initiatives and outcomes

Injury Prevention and Injury Management (IPIM) program

The deployment of the new CMI IT system (IPIM Phase 4) is nearing completion and will provide a modern platform to improve policy and claims administration and management.

Education and awareness

CMI continued to collaborate with and support employers and workers on programs relating to claims and injury management.

CMI supports employers to improve notification of injuries within 48 hours (in line with legislative reporting requirements) and availability of suitable duties through bespoke training and awareness campaigns. This collaboration has improved the Scheme's notifications of injury rates in comparison to 2020-21.

The CMI Prevention team continued to work with employers to deliver workshops on topics including mental health, managing chronic pain and the role supervisors play in supporting workers in their return to work and recovery at work.

This has been supported by six short, animated videos designed to help employers understand their obligations regarding claims and injury management. Popular topics have included 'Bullying and Harassment', 'Incident Reporting' and 'Supporting Injury Recovery & RTW'. Industry have used these videos for site-based awareness in toolbox talks.

Specialised Health and Safety Scheme

Health

CS Health delivers a range of services to support coal mine workers, contractors, mine operators, their families and the wider community with an emphasis on managing health risks and optimising workforce health and wellbeing.



Health

9,779

periodic medicals
were completed
across the NSW
coal industry

11,557

pre-placement
medicals were
completed
across the NSW
coal industry

NSW COAL ORDER 43: MONITORING WORKERS' HEALTH

Under NSW Coal Order 43 (Order 43), all employers of coal mine workers in NSW must ensure that their workforce, both employed workers and contractors, undergo pre-placement medical assessments and periodic health surveillance medicals.

A pre-placement medical assessment serves as a baseline for future health surveillance and is required before an individual commences work or changes employers in the NSW coal industry. The medical assists an employer to determine if they are fit to carry out the inherent requirements of a role.

Every coal mine worker in NSW must undergo periodic health surveillance (known as a periodic medical assessment) every three years. The periodic medical assessment ensures that workers' ongoing health is protected and monitored for any adverse health risks as a result of their employment.

In the period 1 July 2021 to 30 June 2022, Order 43 medicals identified workers at risk in the following instances:

14 workers

identified with cardiovascular disease where 11 were certified as temporarily unfit for work and 3 were restricted from safety critical roles.

Where applicable, these workers have health plans in place to assist them to return them to health and to full duties.

34 workers

identified as having medical conditions requiring further investigation and/or treatment.

- 27 certified as temporarily unfit for work
- 1 restricted from dust environments pending investigation
- 5 temporarily restricted from safety critical work
- 1 permanently restricted from safety critical work

Health

KEY INITIATIVES AND OUTCOMES

Working with our customers and other stakeholders

CS Health continued to engage and collaborate with customers and other stakeholders throughout the year through Order 43 education sessions, General Practitioner forums and regular meetings.

Enhance Order 43

Order 43 plays a critical role in ensuring that NSW coal mine workers are adequately screened for health risks that may be associated with their work, such as Coal Mine Dust Lung Disease.

CS Health facilitated a consultation workshop with stakeholders in January 2022 to understand their views on areas of the Order that could be improved. Order 43 consultation continues to progress with a dependency on the recommendations from the independent review by the NSW Mine Safety Advisory Council, with further sessions planned for 2023.

Operational transformation

CS Health commissioned an independent review of its operations in 2020. The review returned 14 recommendations to optimise operations to improve customer experience, operational efficiencies and increase medical appointment capacity.

Throughout 2021-22, CS Health commenced a series of significant transformation activities to implement these recommendations. These included moving towards a functional operating model; expanding the Medical Officer workforce, establishing an office in Gunnedah and conducting a review of Order 43.

Establish CS Health in Gunnedah

Growing demand for occupational medical services, coupled with customer feedback on service provision in the region, turned our focus towards establishing a permanent presence in Gunnedah. The Coal Services Board approved the establishment of a CS Health office in Gunnedah in May 2022. The office was officially opened in September 2022.

Expanding Medical Officer workforce

Medical Officers are key to delivering on our Order 43 statutory obligations. Several strategies were implemented to attract and retain Medical Officers during the year resulting in a positive shift in Medical Officer capacity across all regions.

Complete the CS Health Centralised Administrative Support Services (CASS) trial

The CASS trial commenced in April 2021 and was designed to improve efficiency in the delivery of health and administrative services leading to an improved customer experience. The trial confirmed the benefits of a centralised approach and CASS was adopted by the business as normal activity to deliver improvements to call response rates, medical certificates processing times and doctor utilisation.

Complete the Better Health System implementation

CS Health completed the implementation of a new health assessment system in April 2022. The new system addresses legacy system limitations and supports continued improvements in data capture and management, as well as improved reporting capability.

Specialised Health and Safety Scheme

Occupational hygiene, gas detection and compliance

Coal Mines Technical Services (CMTS) and Coal Mines Technical Services-Occupational Hygiene (CMTS-OH) provide a range of gas-related technical and occupational hygiene services that help protect workers against harmful exposure to the hazards inherent in mining and other industries.

CO₂
CH₄



Occupational hygiene, gas detection and compliance

CMTS-OH

Order 40 – Abatement of Dust on Longwalls

Order 40 requires NSW coal mine operators using longwall mining methods to submit to Coal Services a dust mitigation plan outlining the controls they intend to have in place to limit personal exposure to airborne dust. The plan must be approved by the Coal Services Board prior to production starting on a new longwall face.

An audit of the dust mitigation plan must be submitted once production commences to ensure that all provisions of the application, and any conditions within the approval, are in place and operational.

Coal Services received and approved 21 dust mitigation plans during the year.

Order 42 – Coal Services – Monitoring Airborne Dust

Order 42 gives powers to Coal Services inspectors to enter coal mine operations for the purposes of monitoring airborne dust, collecting dust samples and other functions and activities necessary to monitor airborne dust.

A comprehensive, targeted monitoring program is conducted in NSW to determine whether dust levels at coal mines are maintained below the workplace exposure standard (WES). Regular onsite dust monitoring and analysis provides essential data for mines to review the effectiveness of dust control measures and identify areas or tasks that potentially present a respiratory health risk for workers.

Statutory respirable and inhalable dust samples were taken from the breathing zones of 3,883 NSW mine workers in 2021-22.

Any results found to have exceeded prescribed airborne dust workplace exposure standards were reviewed to identify potential exposure contributing factors and opportunities for exposure control.

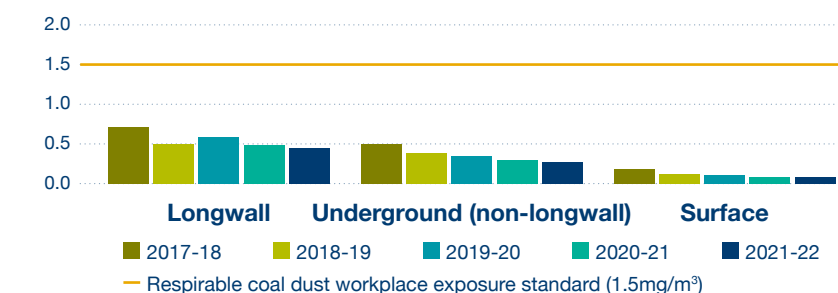
Order 42 Airborne Dust Exposure Results Collected



Order 42 Airborne Dust Rate of Occupational Exposure Limit Exceedances



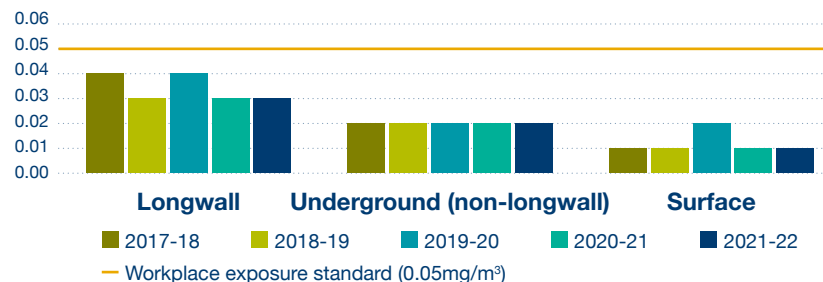
Order 42 Average Respirable Dust Exposure (mg/m³)



Graph showing average exposure against the workplace exposure standard over the same period. These are raw results – additional significant protection is provided by wearing RPE. WES of 1.5mg/m³ effective from 1 February 2021.

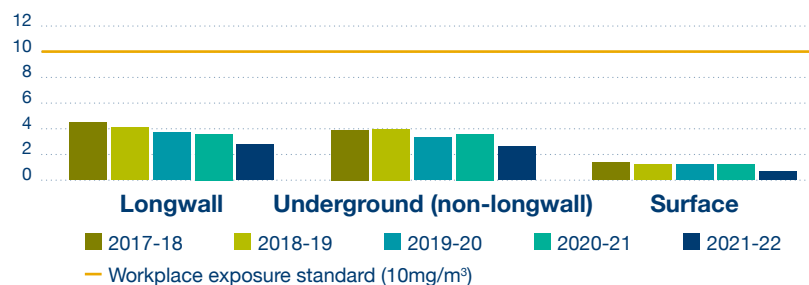
Occupational hygiene, gas detection and compliance

Order 42 Average Respirable Quartz Exposure (mg/m³)



Graph showing average exposure against the workplace exposure standard over the same period. These are raw results - additional significant protection is provided by wearing RPE. WES of 0.05mg/m³ effective from 1 July 2020.

Order 42 Average Inhalable Dust Exposure (mg/m³)



Graph showing average exposure against the workplace exposure standard over the same period. These are raw results - additional significant protection is provided by wearing RPE.

Airborne dust control assistance

CMTS-OH worked closely with individual mine operators to understand their site's airborne dust exposure risk and to assist in the review and improvement of airborne dust management plans. This included:

- Conducting real-time dust monitoring and dust mapping to identify dust sources and best practise operator positioning
- Pre and post control monitoring and verification assessments
- Providing extensive education programs to workers on airborne dust management across all regions. CMTS-OH delivered 55 customised airborne dust awareness presentations and reached around 1,800 workers. The aim of these sessions is to ensure workers are better informed to make smart choices every day at work in relation to dust control standards, operator positioning, and respiratory protection use.

Diesel particulate matter (DPM)

The exhaust fumes from diesel-powered equipment pose a potential health risk for workers. Mine operators can better understand the risk profile of their workers by using personal monitors to measure DPM exposures. The data can assist in identifying areas of risk and implement effective controls.

CMTS-OH collected 449 individual DPM samples during the year.

These samples included personal exposure monitoring and static positional monitoring.

Occupational hygiene, gas detection and compliance

THE STANDING COMMITTEE ON AIRBORNE CONTAMINANTS AND OCCUPATIONAL HYGIENE

The Standing Committee on Airborne Contaminants and Occupational Hygiene (known as the Standing Dust Committee or SDC) is comprised of representatives from Coal Services, the NSW Resources Regulator, the MEU, NSW Minerals Council and Mine Managers Association and two independents offering additional expertise.

The SDC met six times during the year to investigate and inspect issues that had been identified through routine statutory dust monitoring.

Standing Dust Committee information forums returned in May 2022. Sessions were held at Newcastle, Singleton, Gunnedah, Wollongong and Mudgee to share updates and learnings regarding workplace exposure standards, insights from health surveillance and dust data trends and observations. Approximately 140 coal mine industry stakeholders attended the forums.

CMTS-TECHNICAL

Service Department

CMTS' service department conducts statutory gas monitoring and analysis services to ensure equipment is operating safely and effectively. Services are conducted on customer sites using mobile workshops and at the workshop headquarters in North Wollongong. CMTS has regionally based Technicians who service all NSW and Qld coal mining districts.

Services provided this year include:

- Diesel emission tests
- Gas detector NATA calibrations
- Supply of gas detection equipment
- Overhaul and repair of gas detectors
- Maintenance of SMARTGAS gas chromatographic systems
- Gas detection training and consultancy services

Laboratory Services

CMTS is accredited by the National Association of Testing Authorities (NATA) to perform analysis of mine gas, diesel particulate matter, coal dust and quartz samples. This critical service assists to keep mine environments at safe levels of airborne contaminants.

During the year CMTS:

- Conducted 15,409 NATA calibrations for both NSW and Qld mining operations
- Performed 550 mine atmosphere gas analysis services
- Performed 3,341 respirable quartz analysis
- Performed 527 diesel particulate analysis
- Maintained 8 SMARTGAS systems

MINE SAFETY LABORATORY

In May, Coal Services commenced services from Mine Safety Laboratory, to complement services provided by other service streams. This followed the closure of the Department of Regional NSW's Mine Safety Technology Centre.

The Mine Safety Laboratory offers essential laboratory and testing services to the mining industry.

These services include:

- Design registration testing of breathing apparatus
- Design registration testing of gas detectors
- Materials testing
- Roadway dust testing

Specialised Health and Safety Scheme

Mines Rescue Emergency Response

Mines Rescue is responsible for ensuring that rescue services and equipment are available to respond to and manage emergencies or incidents arising at coal mines in NSW.



Emergency Response

INCIDENT RESPONSE

On 29 June 2022, Hunter Valley Mines Rescue responded to a request from a local mine where an amphibious excavator became immobilised on an active tailings dam; leaving the operator stranded for seven hours. Mines Rescue provided technical advice, personnel and equipment to conduct risk assessments and implement controls. The rescue team, comprising Mines Rescue and mine members, returned the excavator operator safely to the shore. The operator was uninjured.

Maintaining response capability

The Mines Rescue Board determines the minimum number of brigade members required from each underground mine site to be available for mines rescue purposes. This is currently set at 5 per cent of the workforce plus full-time equivalent contractors. At the end of June 2022 there were 434 colliery-nominated brigade members in NSW, which is above the minimum requirement.

Brigade members must attend six rounds of training each year to maintain their skills and active status. New recruits are required to complete a ten-day induction at Mines Rescue stations. 46 new recruits completed this training during the year.

Emergency preparedness

Mines Rescue works with industry to organise, manage and respond to emergency simulations and management reviews as required by mining industry legislation. This ensures employees maintain a current knowledge of all emergency response requirements.

Mines Rescue competitions provide an opportunity for emergency response personnel to practice their skills and emergency preparedness in a realistic, high-pressure but controlled environment.

The Newcastle and Hunter Valley Mines Rescue competitions were held in June 2021; however, the Southern, Western and Australian underground Mines Rescue competitions as well as the Hunter Valley open cut competition, were cancelled due to COVID-19 restrictions. All competitions recommenced in June 2022.

AT THE END OF JUNE 2022



434

**Colliery-nominated
brigade members in NSW,**

which is **above** the
minimum requirement.



46

**new recruits completed
this training during
the year.**

Emergency Response

KEY INITIATIVES AND OUTCOMES

Enhance the Mines Rescue response model

The NSW emergency response model has not substantially changed since the formation of Coal Services. Mines Rescue, in collaboration with the wider Mines Rescue Working Group and key industry stakeholders, identified improvements and implementation roadmaps towards a more contemporary Mines Rescue response model during a design-thinking workshop.

Enhancements implemented to date include revised brigades training that now incorporates a Certificate III in Emergency Response and Rescue; providing brigade members with a nationally-recognised qualification.

Mines Rescue is also in the process of implementing equipment upgrades, including new gas detection and emergency communication systems.

Establish Safety and Emergency Response advisory and assurance services

During the year, Mines Recue continued to build a dedicated function to offer safety and emergency management consulting and compliance services to industry. The focus of this group is to support industry in the development, auditing and testing of safety, crisis and emergency management systems.

Mines Rescue has completed an extensive range of consulting work in NSW and Qld, as well as to international customers.



Specialised Health and Safety Scheme

Industry Education and Training

The NSW coal industry maintains one of the highest safety records in the world for a hazardous industry. Mines Rescue, as a Registered Training Organisation (RTO) and provider of specialist industry training, plays a critical role in assisting workers and employers to manage risk and operate safely.



Industry Education and Training

Order 34 – Ensuring training plans comply with statutory provisions

The Coal Industry Act 2001 (NSW) provides for Coal Services to approve training plans for safety management systems as required under the general mining legislation.

The process is aided by the provision of various resource materials including a Guideline for the preparation of Training Competency Management Systems. An industry working group reviewed the Guideline and was made available in September 2021.

COVID-19 restrictions affected two main functions of Order 34:

■ Audits

All scheduled audits were completed; however, most audits undertaken in the first half of financial year 2022 were conducted remotely. Additional steps were taken to ensure the quality of observations and recommendations. The majority of audits undertaken in the second half of the year were completed face-to-face.

■ Workshops and conferences

While the central Order 34 conference originally planned for December 2020 was postponed, consultation workshops took place as scheduled across five regions. These sessions were well attended by industry training representatives. The central conference has been re-scheduled to take place in November 2022.

11

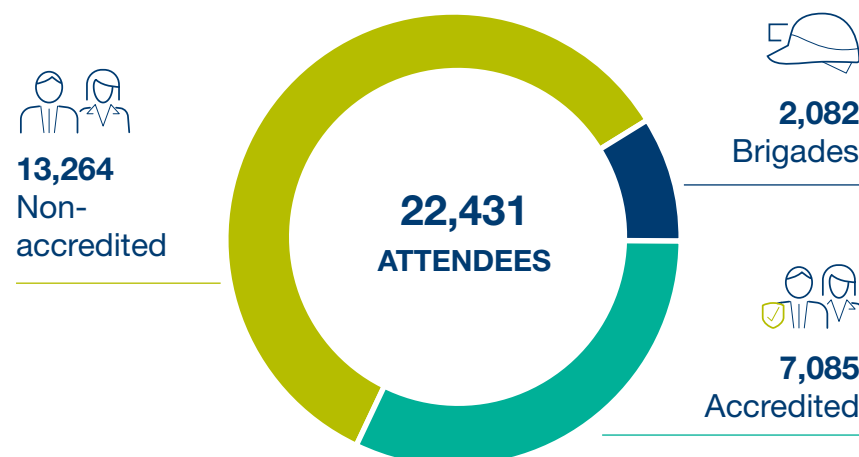
Order 34 training plans approved

Training numbers

Attendances at Mines Rescue training courses continued to grow, with a 40 per cent increase in overall attendances since 2015-16 (at that time, the number of mines was comparable to today's mining operations).

Increased attendances at accredited training offset the slight reduction in brigades and non-accredited training numbers.

Attendances at the Generic Underground Induction for underground coal mines grew 127.34 per cent to 814. This follows a period heavily affected by COVID-19 restrictions which saw numbers drop to 358 in 2020-21. Enrolments for statutory courses (Deputy and Undermanager) were down on the previous year.



Industry Education and Training

Expand our Gunnedah service provision

To date, training and emergency response services to the Gunnedah Basin coal fields have been predominantly managed from the Hunter Valley Mines Rescue station. In 2021, an interim training facility was opened in the Gunnedah region with a full-time Training Coordinator and Training Officer employed to deliver training to industry. A dedicated training facility to service the region will open in 2023.



Expand our blended learning offering

During the initial phase of the COVID-19 pandemic, Mines Rescue training moved to encompass online/e-learning (where possible and practical) to resume full access to learning and to continue service provision.

Mines Rescue implemented a Learning Management System (LMS) in 2021-22 to support multiple modes of training delivery. Since its implementation, Mines Rescue has commenced incorporating electronic assessments for a range of courses via the LMS.

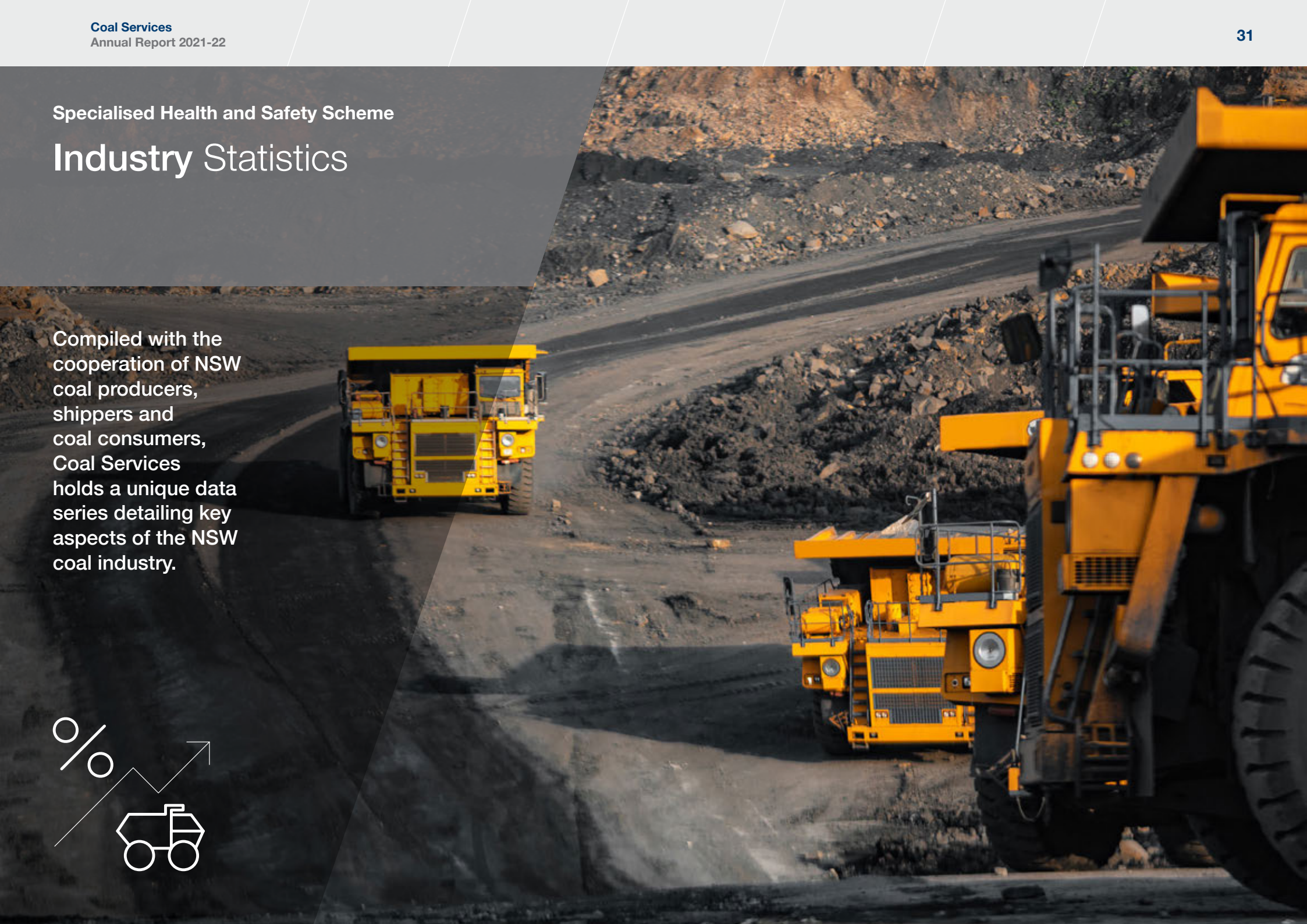
Mines Rescue have worked with the Virtual Reality Technologies team to develop portable virtual reality training delivery and are now able to deliver immersive virtual reality training on mines sites using portable training equipment.



Specialised Health and Safety Scheme

Industry Statistics

Compiled with the cooperation of NSW coal producers, shippers and coal consumers, Coal Services holds a unique data series detailing key aspects of the NSW coal industry.



Industry Statistics

NSW MINING OPERATIONS

**At 30 June 2022, there were
40 coal mining operations in NSW**

18 underground mines

(14 longwall operations)

22 open cut mines



Coal production

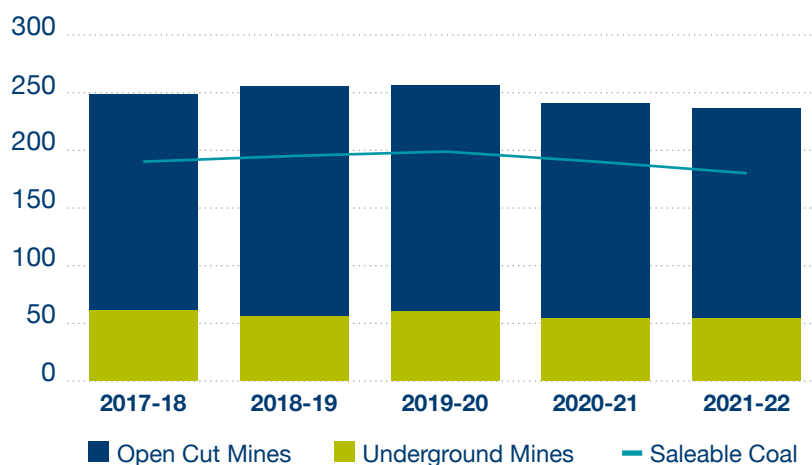
Overall raw coal production was 236 million tonnes, a 2.5 per cent decrease from the 242 million tonnes produced in 2020-21.

Saleable coal production is calculated by subtracting rejects from raw coal production and adding or subtracting

unexplained adjustments at the mine site. Saleable coal production is a combination of raw (unwashed) and clean (washed) coal.

Saleable coal production was 177.8 million tonnes, down from 186.2 million tonnes in 2020-21.

Raw Coal Production (million tonnes)

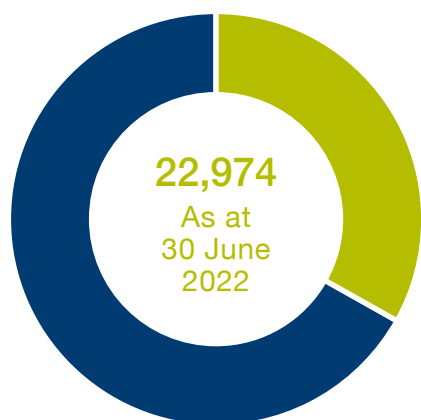


Industry Statistics

Production employment

NSW coal industry production employment is defined as all persons working in or about the coal mine or coal preparation plant, pertaining to its operation, whether employed directly by the mine owner or the mine operator or by a contractor.

Production Employment



- Underground mines
- Open cut mines

7,607

Workers at
underground
coal mines

15,367

Workers at
open cut
coal mines

Contractors
represented **39.3%**
of the industry's
workforce

Sales

Coal from NSW coal mines was exported to 29 countries. Export tonnage for the year was 162.8 million tonnes, up 0.5 per cent when compared to 2020-21.

Sales to domestic markets fell by 10.4 per cent to 21.8 million tonnes.

NSW Coal Sales (million tonnes)



- **18.7** NSW Power Stations
- **3.1** Other Australian Consumers
- **74.9** Japan
- **24.8** Republic of Korea
- **25.6** Taiwan
- **11.4** India
- **26.0** Other Countries



Governance

Coal Services maintains an important set of values that recognise its responsibilities to its stakeholders, including the Deputy Premier, Minister for Regional New South Wales, Minister for Police (the Minister), shareholders, customers, employees and suppliers.

The Coal Services Board places great importance on maintaining the highest standards of governance and continually reviews its governance practices. Coal Services has adopted the Australian Stock Exchange (ASX) Corporate Governance Council's 'Corporate Governance Principles and Recommendations' (4th Edition) and AS 8000 – 2003: Good Governance Principles. This has been adopted by Coal Services to comply with Clause 1, Schedule 2 of the Company's Notices of Approval and provides a structure for implementing good governance. Full disclosure is made to the Minister as well as the Mining and Energy Union and NSW Minerals Council as shareholders of Coal Services in accordance with the above.

GOVERNANCE FRAMEWORK

The separation of responsibilities between the Minister, Managing Director/CEO, the Board and the General Management Team is governed by the *Coal Industry Act 2001* (NSW) and the *Corporations Act 2001* (Cth).

Board nominations and appointments

The Minister is responsible for overseeing Coal Services' operations in respect of its statutory functions including the appointment of Directors to the Coal Services Board. Specific details on Board nominations and appointments can be found in Schedule 5 of the *Coal Industry Act 2001* (NSW).

Governance

Board independence

Board members have a range of relevant general financial knowledge, as well as specific skills and expertise in the coal industry, financial services and workers compensation sectors. Specific details for each individual Director are set out in the Board of Directors section. Four of the six Non-Executive Directors are directly nominated by Coal Services shareholders, as required by the *Coal Industry Act 2001* (NSW). In relation to independent Non-Executive Directors, independence is assessed prior to nomination to the Minister and all Directors are subject to a Probity process performed on behalf of the Minister prior to appointments being made.

All Directors must comply with the Directors' Code of Conduct and Coal Services' Conflict of Interest Procedure. At the time of appointment and every year thereafter, all Directors must complete a Fit and Proper Responsible Person Assessment as per the Coal Services Fit and Proper Policy.

Board induction and continued professional development

On appointment, all Directors are provided with an induction program by the Company Secretary/Legal Counsel. During the induction program, each Director is provided with a Board Information Pack on a Coal Services secure platform (Diligent Board Books) and is provided with verbal information through meetings with the appropriate Company officers including the Managing Director/CEO and Chief Financial Officer. This includes relevant information for the Director to familiarise themselves with the governance framework that Coal Services operates within, our Strategy and any current issues relevant to the proper functioning of the Board.

Company Secretary/ Legal Counsel

The Company Secretary/Legal Counsel is appointed and can be removed by the Board of Directors. The Company Secretary/Legal Counsel reports to the Chairperson and to the Managing Director/CEO (from a day-to-day operational perspective).

PERFORMANCE EVALUATION

Board performance

The Board performance evaluation process is conducted approximately every two years.

ETHICAL FRAMEWORK

Code of Conduct

Coal Services is committed to conducting business with integrity and accountability in accordance with the highest ethical standards and in compliance with all applicable laws, rules and regulations.

The Code of Conduct describes the expectations from Coal Services in relation to the desired level of professionalism and excellence that supports Coal Services' business reputation and corporate image within the community.

It highlights the seven key principles that aligns with Coal Services mission and values being:

1. We act honestly, ethically and with integrity.
2. We value our customers and community.
3. We treat each other with respect.
4. We are accountable and transparent.
5. We respect and maintain privacy and confidentiality.
6. We recognise and declare any conflicts of interest.
7. We obey the law and comply with all company policies.

Governance

Conflict of interest

All Directors are required to disclose any conflict of interest upon appointment and are required to keep these disclosures to the Board up to date. Any Director with a material personal interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, may not be present during the boardroom discussion or vote on the relevant matter.

All employees are expected to disclose all conflicts of interest and have appropriate controls in place around the particular conflict.

FINANCIAL REPORTING AND RISK MANAGEMENT

Financial reporting

The Coal Services Board receives regular reports from management about the financial performance of Coal Services and all controlled entities.

The Board is supported by the:

Board Finance Investment and Audit Committee (FIAC) which monitors the financial and investment performance against strategies and targets, oversees the internal and external audit process, as well as financial reporting.

Board Risk Management Committee: oversees Coal Services' compliance with corporate policies, corporate governance and risk management policies, by monitoring implemented internal controls in line with the risk management framework and relevant legislation.

Board Insurance Committee: oversees the operation and effectiveness of the specialised workers compensation scheme for the NSW coal industry, administered by Coal Services.

Board Remuneration Committee: oversees Directors' remuneration and the remuneration and employment conditions of all Coal Services employees.

Risk management

The recognition and management of risks is a critical function within Coal Services. The risk management framework has been developed to manage:

- Capital and earnings – targets
- Reputational, political and regulatory risk
- Insurance risk
- Operational risk
- Investment risk
- People risk
- Information technology and cyber security risk

Whilst Coal Services is not required to comply with the Australian Prudential Regulation Authority's (APRA) Prudential Standards, Coal Services has adopted these Standards where appropriate.

The Coal Services Board is responsible for reviewing and approving the overall risk management strategy, including the Risk Appetite Statement.

Internal audit

The Internal Audit function is governed by the Internal Audit Charter which is reviewed and approved by the FIAC.

The Internal Audit Function is authorised to:

- Have unrestricted access to the FIAC.
- Have unrestricted access to all functions, property, records and employees of Coal Services.
- Allocate resources and apply such techniques as may be required to fulfil the requirements of the annual audit plan and any additional audit activities that may be agreed.

The annual audit plan is resourced internally by the Internal Audit function and by other outsourced audit providers, as appropriate.

External audit

Coal Services' external auditor is KPMG and has been appointed by the Coal Services Board. The role of the external auditor is to provide an independent opinion that Coal Services' financial reports are true and fair and comply with applicable accounting standards and the *Corporations Act 2001* (Cth).

Governance

2021-22 BOARD ATTENDANCE (SUMMARY)

Director	Position	Board Meetings Coal Services ¹ (inc. CMI & Mines Rescue)		Board Finance, Investment and Audit Committee		Board Risk Management Committee ²		Board Insurance Committee ³		Board Remuneration Committee	
		Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Lucy Flemming	Executive Director	7	7	0	0	0	0	4	4	0	0
James Barben ^{4,5,6}	Non-Executive Director	7	7	0	0	3	3	0	0	3	3
Linda Bostock	Independent Non-Executive Director	7	7	7	7	0	0	4	4	0	0
Jamie Frankcombe ⁷	Non-Executive Director	0	0	0	0	0	0	0	0	0	0
Mark Genovese	Independent Non-Executive Director	7	7	7	7	4	4	0	0	0	0
Peter Jordan ⁸	Non-Executive Director / Chairperson	7	7	0	0	0	0	4	4	3	3
David Moul ^{9,10,11}	Non-Executive Director / Chairperson	7	7	7	7	0	0	3	3	0	0
Graeme Osborne	Non-Executive Director	7	7	0	0	4	4	0	0	3	3

¹ The Boards for Coal Services Pty Limited, Coal Mines Insurance Pty Ltd and Mines Rescue Pty Limited are opened concurrently as one meeting (Coal Services Boards).

² Vacant role on Risk Management Committee from 1-16 August 2021.

³ Vacant role on Insurance Committee from 1-16 August 2021.

⁴ Appointed to Coal Services Boards on 1 August 2021.

⁵ Appointed to Risk Management Committee on 17 August 2021.

⁶ Appointed to Remuneration Committee effective from 1 January 2022.

⁷ Resigned from Coal Services Boards on 31 July 2021.

⁸ Appointment as Chairperson commenced on 1 January 2022.

⁹ Appointment as Chairperson expired on 31 December 2021.

¹⁰ Appointed to Insurance Committee on 17 August 2021.

¹¹ Removed from Remuneration Committee effective from 31 December 2021.

Governance

Board of Directors



Peter Jordan

Non-Executive Chairperson

Nominee for the Mining & Energy Union

Term of appointment

1 January 2012 – Current



Lucy Flemming

Managing Director/CEO

Term of appointment

19 December 2011 – Current



Mark Genovese

Independent Non-Executive Director

Term of appointment

1 January 2013 – Current



James Barben

Non-Executive Director

Nominee for the NSW Minerals Council

Term of appointment

1 August 2021 – Current



David Moulton

Non-Executive Director

Nominee for NSW Minerals Council

Term of appointment

1 January 2015 – Current



Graeme Osborne

Non-Executive Director

Nominee for Mining & Energy Union

Term of appointment

6 June 2019 – Current



Linda Bostock

Independent Non-Executive Director

Term of appointment

1 January 2019 – Current

Governance

General Management Team



Paul Barnicoat

Chief Financial Officer



Bruce Grimshaw

Company Secretary
/Legal Counsel



Wayne Green

General Manager,
Mines Rescue and
Regulation & Compliance



Pieter Marais

General Manager,
Transformation and Strategy



Sheila Krishnan

Chief Risk Officer



Kirsty Bates

General Manager, Health



Dean Polly

Deputy General Manager,
Insurance



Lynette Harper

Program Director,
CMI Scheme Review



Mick Jones

Chief People Officer



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