One Industry One Team

CS Coal Services

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

2

Performance highlights

Operating coal mines in NSW

21 open cut

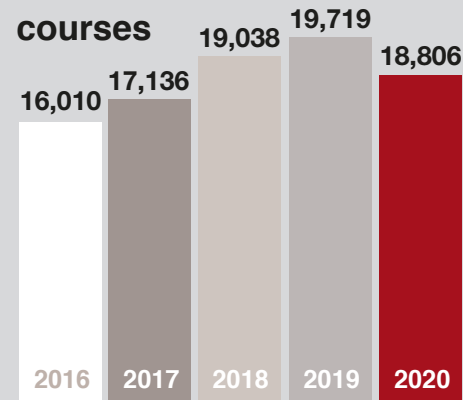17 underground
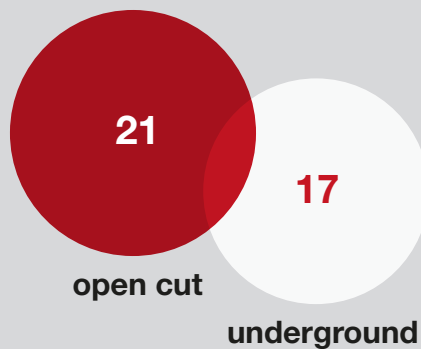
37,637

Protected an average of 37,637 exposed to risk workers throughout the year

Overall attendance at Mines Rescue courses

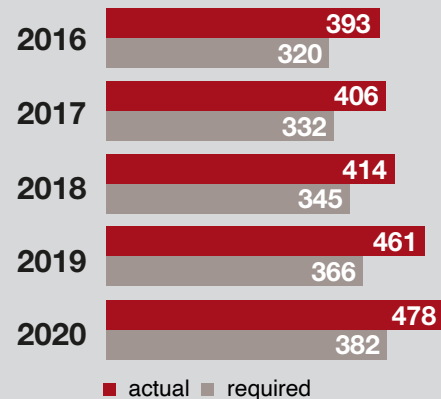| Year	Attendance
2016	16,010
2017	17,136
2018	19,038
2019	19,719
2020	18,806

4,151

Statutory respirable and inhalable dust samples were taken from the breathing zones of 4,151 workers

85.9%

of workers returned to work within 0–13 weeks of injury

Trained volunteer mines rescue brigades personnel

Year	actual	required
2016	393	320
2017	406	332
2018	414	345
2019	461	366
2020	478	382

■ actual ■ required

8,114

periodic health surveillance medicals to monitor and protect against occupational disease

Claims Frequency Rate

Year	Rate
2016	5.6%
2017	5.5%
2018	5.4%
2019	4.3%
2020	3.5%
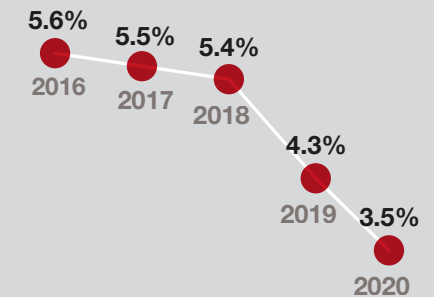
3.5%

To protect workers and mining

Coal Services is an industry-owned organisation committed to providing critical services and expertise to the NSW coal mining industry. We are a Specialised Health and Safety Scheme that provides an integrated suite of services aimed at preventing injury and illness in the workplace. These include occupational health and safety, workers compensation, mines rescue and training.

We work in collaboration with employers, workers, Government departments and other industry partners to help identify, assess, monitor and control many risks inherent in the NSW coal mining industry. Together, 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 Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU). Our purpose, vision and values are aligned to focus on the 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

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

4

Message from the Chairman and Managing Director/CEO

David Moult and Lucy Flemming

The safety and wellbeing of our people, customers and wider communities has been of the utmost importance to us.

Our purpose 'to protect' has never been more relevant.

Like many organisations, COVID-19 forced us to adapt to new ways of working and servicing our customers.

The safety and wellbeing of our people, customers and wider communities has been of the utmost importance to us. In response to the pandemic crisis we implemented precautionary measures in line with government recommendations and have been monitoring this regularly.

Where practicable, our businesses remained open and continued to operate as normal albeit with some modifications to service delivery and routine practices. For example:

- In March and April, any Mines Rescue training course that was deemed to be non-essential for mines to continue operating was either postponed or cancelled. This accelerated the development of online/e-learning where possible and practical for some of our courses.

- While Order 43 medicals were temporarily suspended, CS Health continued to look at ways to support customers with pre-employment medicals. Telehealth was introduced to offer medical assessments via video conferencing and telephone.

- Technology also enabled many of our employees to work remotely from home where their roles enabled them to do so.

The interruptions caused by COVID-19 compounded some of the service delivery and capacity issues we had been working hard to resolve prior to the pandemic.

As we progress through the recovery phase towards the 'new normal' we will continue to work together with our customers and industry groups to codesign new ways to offer services that meet the needs of their workforce and their operations.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

5

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

David Moult and Lucy Flemming

Financial Overview for the year ended 30 June 2020	2020 $'000	2019 $'000
Consolidated Comprehensive Income		
Total revenue and investment income	229,484	236,044
Total expenses	(232,750)	(259,163)
Net (loss)/profit from ordinary activities	(3,266)	(23,119)
Other comprehensive (loss)/gain	261	(1,865)
Total comprehensive (loss)/income for the year	(3,005)	(24,984)
Consolidated Financial position		
Total Assets	716,515	676,786
Total Liabilities	(539,214)	(496,480)
Net Assets	177,301	180,306

Business performance

Strong business performance in the period up to March 2020 helped us weather the impact of modified operations imposed by the pandemic.

The 2019-20 average exposed to risk workers covered by Coal Mines Insurance (CMI) grew 15.2 per cent; attendances at CS Health periodic health surveillance assessments increased by 20.8 per cent and attendances at the Generic Underground Induction for Coal Mines continue to improve for the fourth consecutive year. Training numbers at Mines Rescue courses were down by 4.6 per cent and there was a 38.5 per cent decline in pre-placement medicals performed by CS Health.

Overall, our Specialised Health & Safety Scheme remains in a strong, sustainable position. This, and the importance of supporting the industry during unique health, social and economic circumstances affecting all businesses at this time, motivated the Board's decision to hold the CMI Scheme target premium collection rate and retain premium rate capping arrangements for the 2020-21 policy year.

Our financial performance improved compared to 2018-19 despite the challenges of COVID-19, and the effects of fluctuations to yield curve and investment performance.

Strategic focus

2019-20 saw the conclusion of our 2020 Strategy and the foundation of the next phase of our strategic journey. I am confident that our new strategy provides us with a solid roadmap that enhances our value proposition despite the countless unknowns facing our business, community and industry at this time. Our projects, initiatives and overarching strategy are designed to improve customer experiences and increase optimisation and efficiencies to support our customers in the post-COVID space.

Thank you to the Hon. John Barilaro, Deputy Premier and Minister for Regional New South Wales, Industry and Trade and his staff; Stephen Galilee, CEO of the NSW Minerals Council and Tony Maher, National President of the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) for their support throughout the year.

Our people have continued to demonstrate resilience and have adapted to the numerous changes this year has presented. We are extremely proud of our employees, management teams and the Board of Directors and thank them for their unwavering commitment to our vision, values and purpose.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

6

Our People

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

Culture

We continued to embed our cultural DNA across Coal Services. Our initial culture survey, completed in November 2018, served to baseline our culture and identify areas for improvement. The Culture Network, consisting of culture leads from across each business unit, was formed to drive action planning and implementation of culture initiatives. A culture pulse survey was undertaken in November 2019 and achieved a 92 per cent response rate. More than half of respondents indicated they felt that culture had improved since the initial culture survey.

Organisational learning and development

We support our employees by providing a suite of blended learning programs through custom eLearning modules, LinkedIn Learning and classroom training to help develop the skills, capabilities and knowledge to perform their duties.

Key programs include a new starter program, compliance training and leadership essentials.

As well as formal training modules, the development of our people is enriched through informal on-the-job training and harnessing the depth of experience that exists across the business.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

7

Our People

Employee safety and wellbeing

We care about the safety, health and wellbeing of our people and strive to improve our health, safety and environmental (HSE) performance; values which are embedded in our culture and operations.

HSE training forms part of Coal Services' induction program for all employees. A refresher course is required every two years thereafter. Employees also have the opportunity to complete accredited First Aid, CPR refresher and Fire Warden training through Mines Rescue.

During the year we worked with Lifeline Australia to launch our Mental Health Program. The program offers Mental Health First Aid training and other online modules that focus on identifying and managing risks to mental health in the workplace such as work-related stress. The program also provides employees general mental health awareness skills to help them recognise the signs and support someone who might be struggling.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

8

Our People *continued*

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.

Gender diversity is a key part of our overall diversity policy, ensuring that women are represented in senior roles and on the Board. In accordance with Workplace Gender Equality Agency (WGEA) legislative reporting and compliance obligations, we lodged our 2019-20 Public Report in July 2020.

Figures are as at 20 March 2020. Total employment at 30 June is 416 (full time equivalent is 347).

WORKPLACE PROFILE 2019-20

	Total	Women %	Men %
Managing Director/CEO	1	100	0
Key management personnel	9	44	56
Senior managers	22	32	64
Other managers	19	26	68
Professionals	239	61	39
Technicians and trade	37	11	89
Clerical and administrative	88	99	1
Other	2		
Total	**417**	**61**	**39**

	Total	Women %	Men %
Board	7	29	71
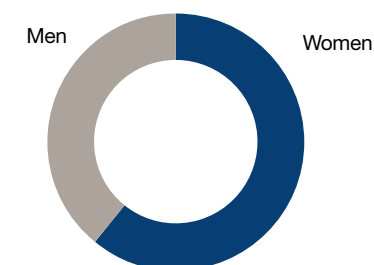
The *Workplace Gender Equality Act 2012* focuses on promoting and improving gender equality and outcomes for both women and men in the workplace.

The Act requires all non-public sector employers with 100 or more employees to report annually to the WGEA on their outcomes against six gender equality indicators, including submission of a workplace profile.

Gender Diversity

Men

Women

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

9

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.

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 Mine Safety Advisory Council sub-committees and have representatives sitting on various Australian Standards committees.

Each of our businesses continued to focus on improving their level of industry consultation and have established working groups and/or regular engagements with mine operators, contractors, the CFMMEU, NSW Minerals Council and the NSW Resources Regulator.

Voice of Customer Program

Coal Services' Voice of Customer Program continues to mature as we progress on our journey towards a more customer-centric business. The program enables our customers (both workers and employers) to provide informal and formal feedback through different channels regarding their overall experience or on specific elements such as services, processes or people.

The data and insights allow us to identify areas for continuous improvement and provides evidence-based considerations to guide our strategy and business planning to address customers' needs and emerging industry issues.

Feedback mechanisms utilised to facilitate this process include our website, 1800 LISTEN, face to face and surveys (email, SMS and phone).

The process of designing and implementing formal feedback programs continues. Programs have been embedded for:

- All workers (injured and non-injured) who utilise any of our services.

- Employers/contractors: formal programs are in place for Coal Mines Insurance and Coal Mines Technical Services with all businesses to have formal programs in place by the end of calendar year 2020.

Worker satisfaction score	2019-20	2018-19
Coal Services (overall) (target >90%)	93.5%	93.4%
Coal Mines Insurance (target >90%)	85.8%	86.3%
CS Health (target >90%)	96.9%	96.5%
Mines Rescue (target >85%)	97.8%	97.4%

Employer/Contractor satisfaction score	2019-20	2018-19
Coal Mines Insurance – Stakeholder Management/ Employer Satisfaction Survey (target 90%) (annual formal survey commenced August 2019 – account managed policyholders only)	72.5%	N/A
CMTS-Technical – Customer Engagement Survey (target 90%) (survey post-service for relevant customers – overall annual average)	90%	100%

Coal Services
Annual Report 2020

People and
Customers

**Community and
Environment**

Specialised
Health and
Safety Scheme

Governance

10

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.

During the year these included: events supporting the Westpac Rescue Helicopter Service; Procare Charity Cricket Challenge and the Sparke Helmore Triathlon as well as attendance at open days to support our mine site customers.

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. Grants were approved to thank retired mine worker communities for their contribution to our industry; and other beneficiaries included special needs children in communities aligned to our regional coal mining communities.

Our purpose, vision and values have the central theme of protecting the health and wellbeing of the NSW coal mining industry and its workers.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

11

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 our eleven sites, including:

- Increased use of online tools and paperless work practices, e-learning and new video conferencing functionality has reduced our environmental footprint by reducing paper usage and the amount of travel. We expect some of these practices to continue beyond the COVID-19 pandemic.

- Recycling bins for plastics, paper and cardboard have been installed as well as water bottle refill stations to reduce the number of plastic water bottles entering landfill.

Note: the water dispenser is currently not in use due to COVID-19 restrictions.

NSW Environment Protection Authority PFAS investigation program

NSW Mines Rescue (Mines Rescue) voluntarily entered the Environmental Protection Authority's (EPA) Per- and Poly-Fluoroalkyl Substances (PFAS) investigation program in April 2017, following legacy use of fire fighting foams containing PFAS which were used in small quantities at these sites prior to 2002.

In 2018-19, the Hunter Valley and Newcastle Mines Rescue stations completed additional monitoring with results showing low or negligible risk to the community and environment. Both stations have entered into a bi-annual monitoring plan that will be reviewed by the EPA at the end of the agreed two-year period. The Mines Rescue station at Lithgow continues to undergo further monitoring based on the EPA's recommendations.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

12

Specialised Health and Safety Scheme

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

13

Workers Compensation

Coal Mines Insurance (CMI) is responsible for providing workers compensation insurance to the NSW coal industry and administers the Coal Mines Insurance Workers Compensation Scheme (the Scheme).

Workers exposed to risk vs. claims frequency rate

Workers exposed to risk

Claim rates

- 40,000
- 35,000
- 30,000
- 25,000
- 20,000
- 15,000
- 10,000
- 5,000

- 10%
- 8%
- 6%
- 4%

Workers exposed to risk

Claims frequency rate

2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

14

Workers Compensation

Coal Mines Insurance (CMI) is responsible for managing and administering a 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.

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 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.

Scheme overview

1,860 active policies

38,471 exposed to risk workers (actual)

37,637 exposed to risk workers (average)
(Down from 38,732 actual and up from 32,673 average for 2018-19)

Actual exposed to risk numbers based on policyholders' wage declarations received and processed for the policy year.

The average exposed to risk is based on a rolling twelve month average.

$4.455 billion assessable wages

Wages covered for the financial year (based on year to date wage declarations and estimate wages forecast for the full year.)

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

(i.e. each policy is charged a premium as a percentage of the assessable wages for the year).

$150.9 million premium revenue

- **1,711 active claims**
- **1,319 new claims received**
- **$91.7m net claims payments**

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

15

Workers Compensation *continued*

Funding the CMI Scheme

The CMI Scheme and certain Coal Services statutory responsibilities are funded by premium paid by NSW coal industry employers. Premium collected is the key source of funding, together with investment earnings, to provide for the claims costs and associated expenses emerging from each year of coverage provided by CMI.

A key component of setting premium rates for policyholders is to ensure contributions are commensurate with the risks faced by their workforce, taking into account strategies and performance in injury prevention, injury management, and return to work – and that the Scheme should be fair, affordable and financially viable.

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 care, reasonably necessary treatment, an emphasis on return to work (RTW), and meeting legislative obligations.

Of the 1,319 new claims received in 2019-20, 64.4 per cent (849) were significant injury claims, which is where the worker is likely to be incapacitated (either partially or totally) for a continuous period of more than seven days.

COVID-19

The CMI Scheme received no COVID-19 related claims in 2019-20.

Claims Frequency Rate

The overall claims frequency rate for the Scheme was 3.5 per cent (based on an average exposed to risk (ETR) of 37,637 and 1,319 new claims reported for the year). This is a decrease compared to 2018-19 where the claims frequency rate was 4.3 per cent (based on an average ETR of 32,673 and 1,400 new claims reported as at 30 June 2019).

The graph (right) also shows the performance of new risk covered by CMI arising from the change to the *Coal Industry Act 2001* (NSW) (the Act) on 1 July 2018, which introduced

a definition of employer in the coal industry. That new risk has delivered a low claim frequency rate overall and as at 30 June 2020 is 1.1 per cent (based on an average ETR of 8,431 and 94 new claims for new policies incepted because of the legislation change).

Claims Frequency Rate
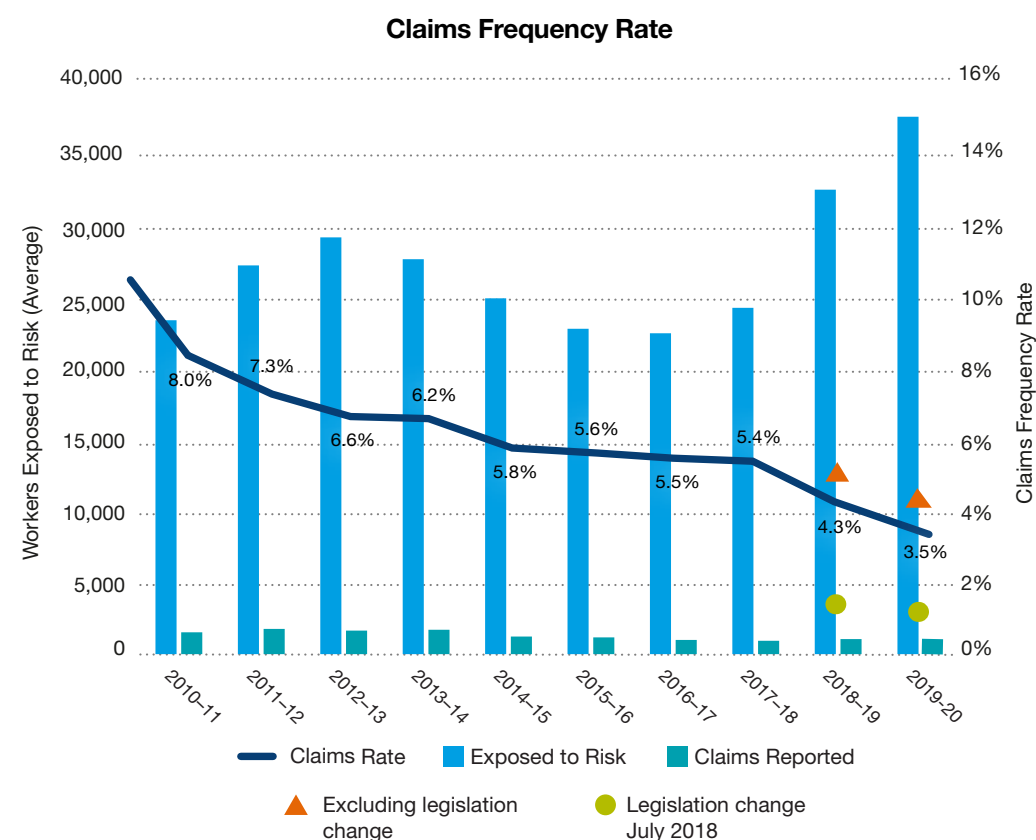
The reduction in the claims frequency rate has been primarily driven by industry's commitment to continuously improving mining methods, a focus on providing safe systems of work, and the mining industry regulator's focus on monitoring performance.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

16

Workers Compensation *continued*

Return to work

Research has consistently shown that returning injured workers to employment is better for their recovery, health and wellbeing than being away from work.

Depending on the injury, an injured worker's pathway back to work can involve a number of stages. The main aim of good case management is to tailor an individual plan for each worker with an emphasis on return to health, vocational capacity, participation, and work.

Delays in reporting of claims, lack of available suitable duties and legal intervention early in the life of a claim cause significant problems in workers compensation schemes.

The ultimate aim is to return workers to health and work as quickly as possible, ideally through recovery at work or through the provision of suitable duties, which provides better outcomes for the worker, the employer and the Scheme.

CMI is focussed on working with industry to improve return to work rates. A new operating model was implemented in 2018-19 which incorporated aspirational return to work targets. Since then, progress has been made in the 0-13 week and the 26-52 week cohorts.

Return to work

Legend: RTW Target, 2018-19 Actual, 2019-20 Actual
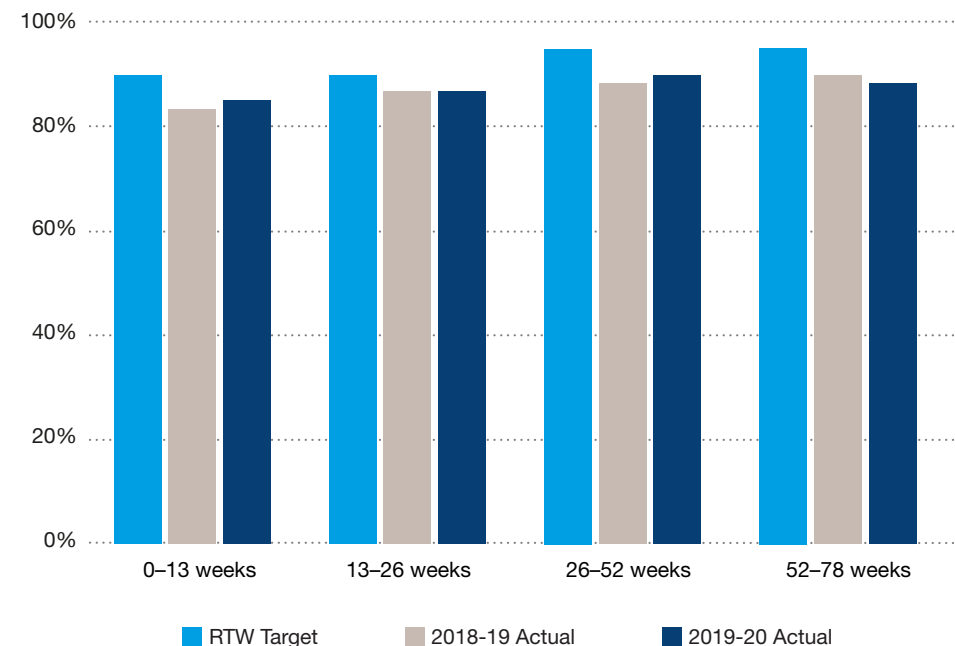
Note: These return to work outcomes are based on lost time and non-lost time injuries and each cohort is based on the number of weeks since the date of injury.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

17

Workers Compensation *continued*

Injury trends and prevention

Through strategic and operational engagement, CMI continued to collaborate with employers on a range of preventive initiatives, services and programs including:

- Trend identification (analytics) – see nature of injury and mechanism of injury

- Risk improvement opportunities

- Supporting RTW/WHS obligations

- Risk mitigation

- Reduction of injuries

- Improved early notifications

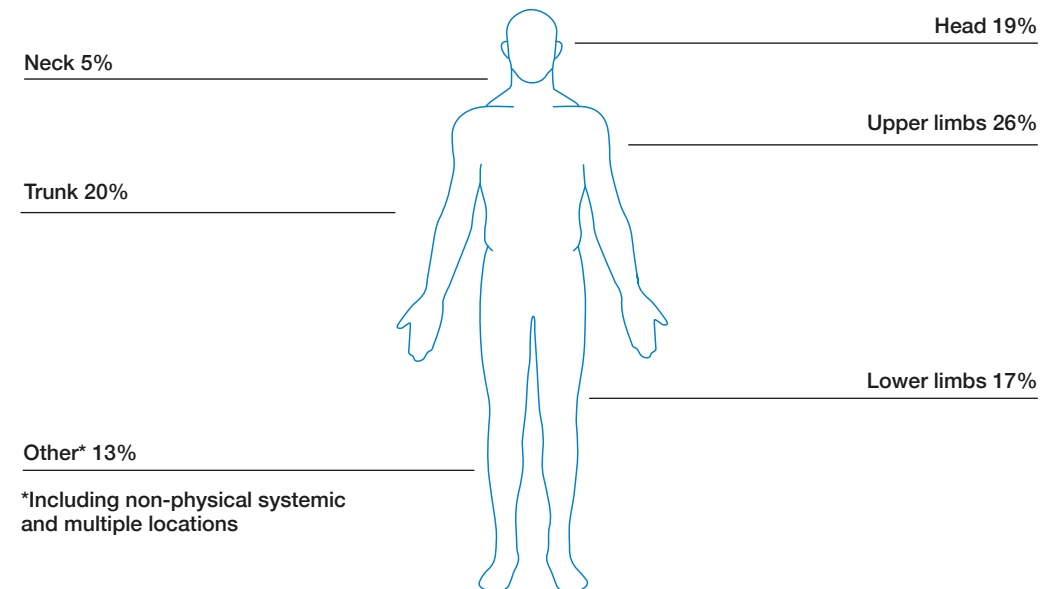- Increased provision of suitable duties

- Employer education

CMI Prevention and Worker Services teams completed site tours of underground and open cut operations to to familiarise themselves with the mining work environment and the duties typically carried out by workers. Using this knowledge and insight has assisted the teams when working with treating doctors and other treatment providers to negotiate return to work and assist in upgrading a worker's capacity.

Nature of injury

Sprains and strains accounted for 50.4 per cent of all new claims received in 2019-20 and remain the most common type of injury incurred, which is consistent with workers compensation schemes generally where sprains and strains and musculoskeletal injuries predominate.

Location of injury

The body map shows the parts of the body affected for all claims received during 2019-20.

Neck 5%

Head 19%

Upper limbs 26%

Trunk 20%

Lower limbs 17%

Other* 13%

*Including non-physical systemic and multiple locations

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme
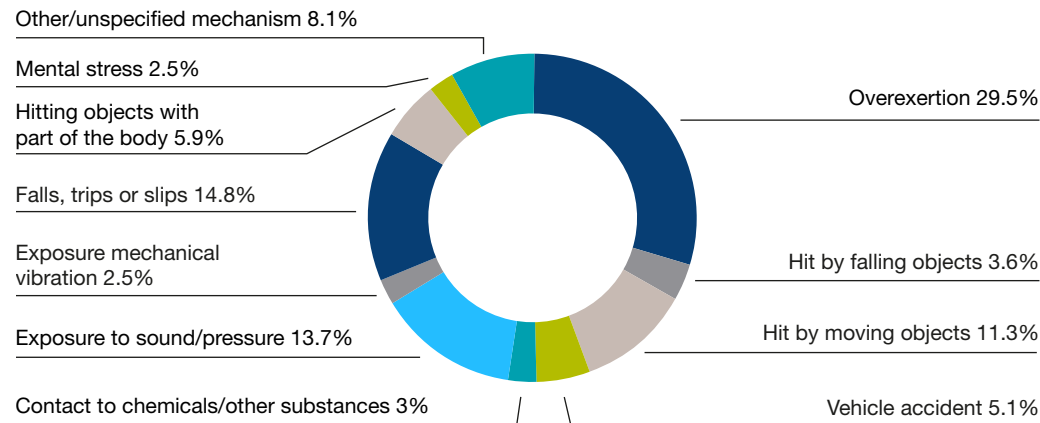
Governance

18

Workers Compensation *continued*

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 the injury and therefore assist in the diagnosis of the injury. This information gives an indication as to the potential injury 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.

Mechanism of injury (all claims received in 2019–20)

Other/unspecified mechanism 8.1%

Mental stress 2.5%

Hitting objects with part of the body 5.9%

Falls, trips or slips 14.8%

Exposure mechanical vibration 2.5%

Exposure to sound/pressure 13.7%

Contact to chemicals/other substances 3%

Overexertion 29.5%

Hit by falling objects 3.6%

Hit by moving objects 11.3%

Vehicle accident 5.1%

Skills Incentive Scheme

The Skills Incentive Scheme (SIS) was introduced in 2015-16 to support the hiring and training of apprentices and reinforce safe work practices as they enter the NSW coal industry. The SIS is designed to encourage employers in the industry to take on apprentices by providing an incentive payment of $2,000 per eligible apprentice at the end of a policy period (subject to capping and conditions).

From its introduction to 30 June 2020, Coal Services returned $2,280,189 to NSW coal industry employers in support of their employment of apprentices and achieving the above aims. In 2019-20, SIS payments were made to 103 policyholders who employed 603 apprentices during the 2018-19 policy year.

Following a review of the program's aims and outcomes, it was determined that 2019-20 would be the final year of operation for the SIS. It was also noted that there are a number of other state and federally-funded apprentice incentive programs designed to support the growth of Australia's skills base through the employment of apprentices.

For the final year of its operation, SIS payments of approximately $800,000 are expected to be paid to 115 policyholders who employed 639 apprentices during the 2019-20 policy year. This would see a total return to industry over the life of the program of around $3 million.
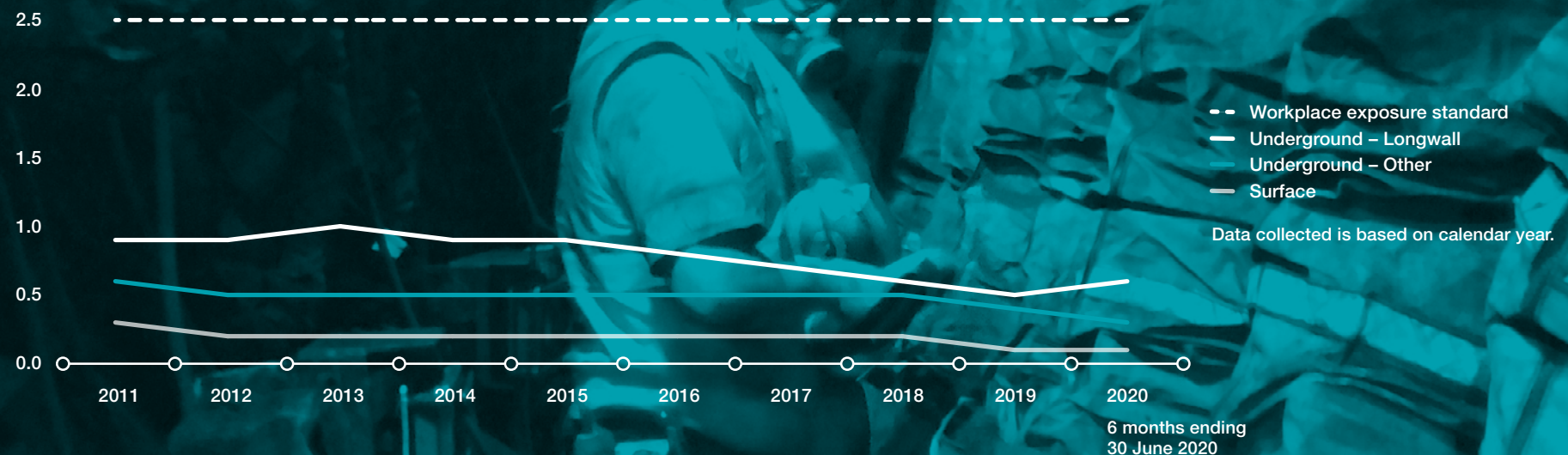
Consideration is being given to alternative employer incentive programs more closely aligned with improvements in injury prevention, injury management and return to work outcomes that could be implemented in the future.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

19

Health and Hygiene

Coal Services collect, analyse and report on workplace health risk data across the NSW coal industry. This information is reviewed on a regular basis to monitor and identify emerging trends and areas requiring focus, enabling Coal Services to partner with industry to help minimise health and safety risks.

Respirable dust exposure profile (mean) trends NSW coal

- - Workplace exposure standard
— Underground – Longwall
— Underground – Other
— Surface

Data collected is based on calendar year.

6 months ending 30 June 2020

CS Health

CS Health delivers a range of services to help workers, mine operators, their families and the wider community to manage health risks and optimise workforce health and wellbeing.

NSW Coal Order 43: monitoring workers' health

Under the NSW Coal Order 43 all employers of coal mine workers and mine operators of coal operations in NSW must ensure that their workforce, both employed workers and contractors, undergo pre-placement medical assessments and periodic health surveillance medicals. Order 43 medicals must only be performed by an approved medical practitioner and all medical assessment information verified and entered into the Coal Services Health Industry Database.

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. Across the NSW coal industry, 9,945 pre-placement medical assessments were completed.

The periodic health surveillance medical assessment is conducted every three years to monitor workers for any adverse health risks as a result of their employment. 8,114 periodic health surveillance medicals were completed during the year.

Order 43 compliance and COVID-19

CS Health medical services were temporarily suspended in March 2020 to minimise transmission risk from the COVID-19 pandemic until appropriate control measures were established. Our teams responded by implementing COVID-safe measures in accordance with NSW Health guidelines and developing alternative service delivery solutions, such as tele-health, to continue to monitor and protect workers' health. Service provision gradually resumed from mid-May; however, physical distancing and consultation room sanitation requirements reduced the maximum number of daily health appointments available.

On 25 March 2020, Spirometry and respiratory protection fit testing were temporarily suspended from Order 43 pre-placement medicals as a result of recommendations from the Thoracic Society of Australia and New Zealand (TSANZ). The suspension was lifted in May. Since that time, CS Health continues to work with industry to ensure that Order 43 requirements are met in a timely manner.

External doctor network

A requirement of the NSW Coal Order 43 (Order 43) is that all Order 43 medicals must be performed by an approved Order 43 medical provider. Medicals performed by non-CS Health medical providers (external medical providers) must be submitted to CS Health for quality assurance checks and inclusion of the medical data into the NSW Coal Industry Medical Database.

The medical portal used by external medical providers was updated in June to send email notifications to employers regarding the status of the medical and its compliance. The update also ensures consistency across all external medical providers and mitigates the risk of a potentially non-compliant medical being used within the NSW coal industry.

CS Health *continued*

Introduction of Cardiovascular Risk Guidelines

CS Health implemented Cardiovascular Risk Management Guidelines for the NSW coal industry (the guidelines) on 1 January 2020 following an assessment of medical data showed that a significant proportion of the industry's workforce had multiple risk factors for cardiovascular disease.

The assessment of cardiovascular risk has been a routine element of an Order 43 medical for many years, however; there had not been an agreed guideline for stating a worker's fitness for work on a medical certificate or report.

The guidelines apply a standard approach to the health and safety risks posed by increased cardiovascular risk.

In the six months since these were implemented:

- Four workers have been certified as temporarily unfit until further information has been supplied by their specialist or General Practitioner (GP) has been provided.
- Five workers have had restrictions placed on their role (e.g. operators are unable to work in safety critical roles) and have been referred to their GP for further information or specialist intervention.

Other workplace health services

Other medicals

In addition to statutory health surveillance required by Order 43, CS Health performs a number of workplace medicals to support the health and safety of workers in coal mining and other industries including site access medicals (typically requested for contractors to meet specific site requirements) and pre-placement medicals for workers not directly employed within the coal industry.

Mines Rescue and Emergency Response Team medicals are specifically designed assessments used to determine whether rescue personnel have the required fitness levels to perform these specialist activities. In accordance with Mines Rescue guidelines, brigades personnel must undergo a medical every two years up until the age of 40, and annually thereafter, to ensure that they are fit to undertake rescue training and service. There were 386 medicals performed under this category during the year.

Functional capacity evaluations

Functional capacity evaluations are generally conducted as part of the recruitment process or as part of a structured return to work program following injury to assess a worker's physical ability to perform tasks typical to their role. They may also help to identify focus areas for preventative strategies and education to reduce workplace injuries.

1,972 functional capacity evaluations were performed during the year.

Drug and alcohol screening

Strict drug and alcohol policies and procedures are in place across all mines sites in NSW and certain requirements must be met by the mine operations under the Coal Mines Health and Safety Regulation.

CS Health provides screening services which assist employers in meeting their regulatory obligations which require the implementation of measures to eliminate or control risks from the consumption of alcohol or drugs in the workplace and ensure workers are fit for duty. 10,069 drug and alcohol screening samples were collected during the year.

Occupational rehabilitation and treatment services

CS Health is a SIRA-approved workplace rehabilitation provider, offering injury management and occupational rehabilitation services. Working collaboratively with CMI, the team leveraged the skills within the business to improve outcomes for workers and service delivery.

CS Health completed a self-evaluation audit of rehabilitation services in November 2019. The audit reported a Level 1 conformity rating of 100 per cent compliance with the SIRA conditions of approval for workplace rehabilitation providers.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

**Specialised
Health and
Safety Scheme**

Governance

22

CS Health *continued*

Other initiatives

Order 43 education sessions

CS Health commenced a series of complimentary forums designed to assist employers understand the requirements of Order 43 and the process of follow-up medicals and reviews. More than 300 people had registered to attend the events that were scheduled throughout March and April, however; many of the sessions were cancelled due to COVID-19. CS Health plan to run these forums in 2021, subject to any COVID restrictions.

Partnering with the Primary Health Network

The Primary Health Networks (PHNs) across NSW aim to improve the efficiency and effectiveness of medical services for General Practice patients. CS Health partnered with regional PHNs to coordinate a GP Masterclass on the topic 'Health and wellbeing of a NSW coal miner', to provide a wider understanding of the mining environment and its impact on worker health and injury management. The events were targeted towards GPs who either conduct Order 43 medicals or whose patients may be referred to them as a result of attending an Order 43 medical. The sessions were postponed due to COVID-19 but will resume in 2020-21.

Hunter New England Health

Hundreds of Hunter-New England Health doctors, anaesthetists and nurses had their respiratory protective equipment fit-tested in April 2020 to ensure they provided an adequate seal and protection against potential COVID-19 and other infections. CS Health nurses conducted the fit-testing when CS Health medical services were temporarily suspended to support the health and safety of frontline health workers.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

23

Occupational Exposure Monitoring

The detection, evaluation and control of physical and chemical hazards is the core of workplace health and safety. 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.

26 dust suppression plans were received and approved by Coal Services during the year.

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.

26 dust suppression plans were received and approved by Coal Services during the year.

Order 42 – 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 4,151 NSW mine workers in 2019-20. 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.
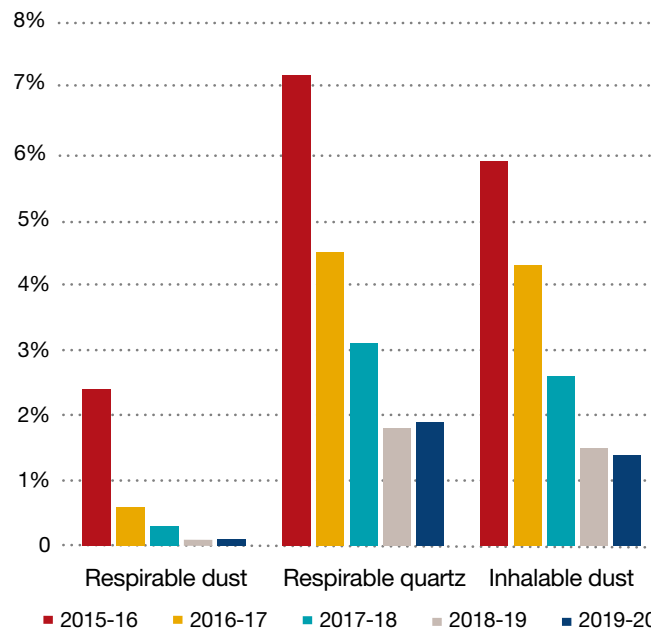
Occupational Exposure Monitoring *continued*

Airborne dust workplace exposure standard exceedance rates were similar to those recorded in the 2018-19. Respirable dust exceedances remained at 0.1 per cent, inhalable dust exceedances rates reduced from 1.5 per cent to 1.4 per cent while respirable quartz exceedance rates increased from 1.8 per cent to 1.9 per cent.

During the year CMTS gained NATA accreditation to perform gravimetric analysis of respirable and Inhalable dust to support the dust monitoring done by CMTS-OH.

Order 42 Airborne Dust Exposure Results Collected

2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20
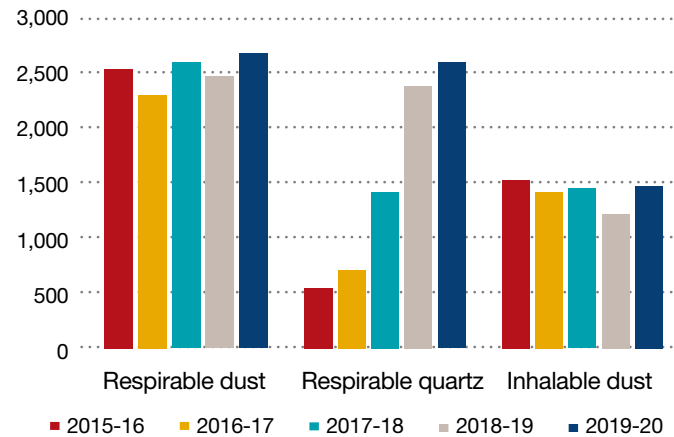
Order 42 Airborne Dust Rate of Occupational Exposure Limit Exceedances
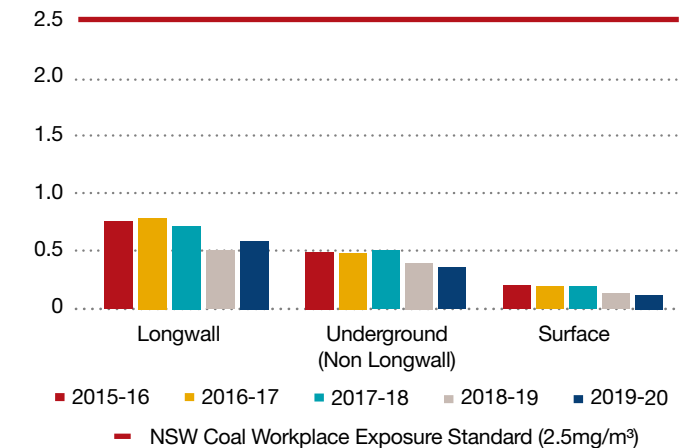
2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20

Order 42 Average Respirable Dust Exposure (mg/m³)

2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20
— NSW Coal Workplace Exposure Standard (2.5mg/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.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

**Specialised
Health and
Safety Scheme**

Governance

25

Occupational Exposure Monitoring *continued*

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.

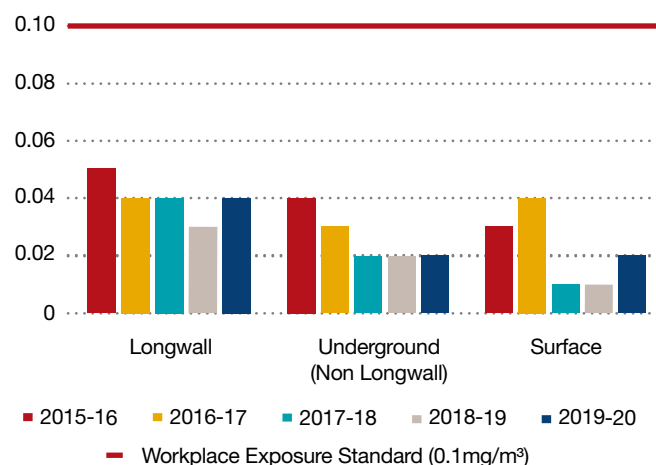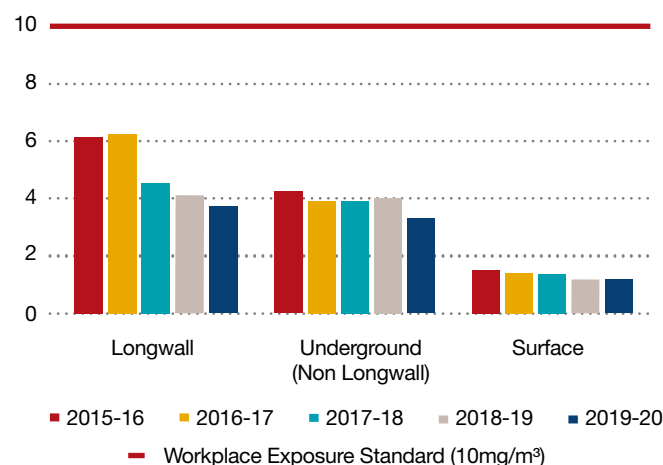### Order 42 Average Inhalable Dust Exposure (mg/m³)

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.

New workplace exposure standards

New national workplace exposure standards for respirable coal dust and respirable crystalline silica were released in December 2019, and the NSW Resources Regulator also introduced a workplace exposure standard for diesel particulate matter (DPM). CMTS-OH participated in the consultation process with SafeWork Australia and the Regulator and have been working with industry to prepare for the changes that come into effect in 2020-21.

Airborne dust control assistance

The independent, accompanied airborne dust monitoring undertaken by CMTS-OH continued to provide valuable insight into NSW coal airborne dust exposure trends. CMTS-OH worked closely with individual mine operators to help them understand their site's airborne dust exposure risk and to assist in the review and improvement of airborne dust management plans. For example:

- 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 83 customised airborne dust awareness presentations to reach around 3,500 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.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

26

Occupational Exposure Monitoring *continued*

Diesel particulate matter (DPM)

The exhaust fumes from diesel-powered equipment pose a potential 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 then be used to identify areas of risk and implement effective controls.

- CMTS-OH collected 737 individual DPM samples during the year. These samples included personal exposure monitoring and static positional monitoring.

- Mining regulators and mine operators actively seek practical measures to reduce human exposure to diesel particulate matter. CMTS conducted 1,695 diesel engine tests across NSW and Qld to assist mine operators maintain DPM levels as low as reasonably practicable.

- CMTS also provided customers with assistance to develop diesel emission management plans.

Gas monitoring, analysis and calibration of equipment

CMTS is accredited by the National Association of Testing Authorities (NATA) to perform testing, repairs and calibration of gas detection equipment. This critical service assists to keep mine environments at safe levels of flammable and noxious gases.

- Conducted 15,678 NATA calibrations for both NSW and Qld mining operations

- Performed 986 mine atmosphere gas analysis services

- Maintained 8 SMARTGAS systems

The addition of a Technical Officer in the Northern NSW region enabled NATA calibrations and monthly gas monitoring services to extend into the Newcastle, Hunter Valley and Narrabri areas.

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) comprises representatives from Coal Services, the NSW Resources Regulator, the CFMMEU, NSW Minerals Council and Mine Managers Association and two independents offering additional expertise.
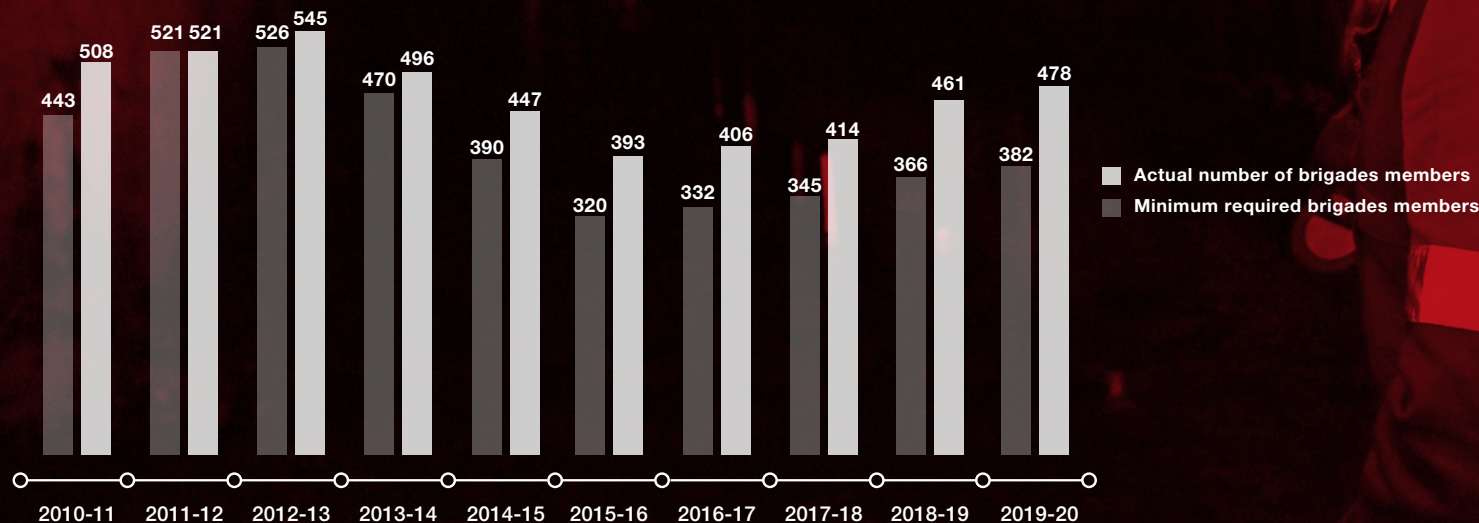
The SDC met six times during the year at various mine sites across NSW to promote the work of the SDC and to investigate and inspect issues that had been identified through routine statutory dust monitoring.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

27

Emergency Response

NSW Mines Rescue is responsible for training voluntary brigades members and maintaining systems and equipment to be response-ready for any emergency situation across the NSW coal industry. This provides peace of mind to workers and employers, knowing that help is available to respond quickly, safely and efficiently.

Mines Rescue brigades members

Year	Minimum required brigades members	Actual number of brigades members
2010-11	443	508
2011-12	521	521
2012-13	526	545
2013-14	470	496
2014-15	390	447
2015-16	320	393
2016-17	332	406
2017-18	345	414
2018-19	366	461
2019-20	382	478

■ Actual number of brigades members
■ Minimum required brigades members

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

28

Emergency Response

NSW Mines Rescue (Mines Rescue) has a statutory obligation under the *Coal Industry Act 2001* (NSW) to provide emergency response services for the NSW coal industry; and are responsible for training and maintaining a brigade of emergency response personnel including mines rescue staff and brigades members. Mines Rescue also provides expert advice and specialised equipment in the event of an incident.

Coal Mines Technical Services (CMTS) supports Mines Rescue by providing critical technical expertise when rapid, real-time data and analysis is required for Mines Rescue deployment.

Incident response

Fortunately, today's mining operations are centred on safe work practices with robust controls in place to manage occupational hazards. Mines Rescue brigades, with their specialised knowledge and skills, play an integral role in maintaining safety standards that assist in risk mitigation and incident prevention. However, should an incident occur they are ready to assist in bringing the incident under control or lead their workmates to a safe escape and, if necessary, assist in the recovery of a mine after an event.

There were no major incidents requiring Mines Rescue assistance this year which is a credit to the safety culture of the industry. The MineShield was deployed at a mine in the Gunnedah region to manage a low level spontaneous combustion event. As part of this deployment a Mines Rescue brigade was sent underground into an irrespirable atmosphere to effect repairs to an atmospheric monitoring system.

Maintaining response capability

A minimum five per cent of the underground workforce (including full-time equivalent contractors) must be trained to provide mines rescue support. At the end of June 2020 there were 478 colliery-nominated brigades members in NSW, which is above the minimum levy requirement.

A core function of Mines Rescue is to maintain response capability by training volunteer brigades in rescue techniques and other specialised tasks. Brigades 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. 55 new recruits completed this training during the year.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

29

Emergency Response *continued*

Emergency simulations

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. Simulations vary from desktop exercises and evaluating internal communications processes to those requiring a full-scale deployment to a simulated mine emergency. During the year, Mines Rescue assisted in coordinating and assessing simulations at mine sites across the state, including those events involving other emergency response agencies.

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

Competition details outlined below:

Competition	Date	Venue	No. Teams	Winners
Northern	21 June 2019	Abel mine	7	Team Orange (composite team)
Hunter Valley (underground)	28 June 2019	Ravensworth mine	6	Peabody Wambo Wedgetails
Southern	16 August 2019	Dendrobium mine	7	South32 Illawarra Appin Pink
Western	23 August 2019	Angus Place Colliery	6	Centennial Coal Clarence
Hunter Valley (open cut)	13 September 2019	Bengalla mine	9	Peabody Wambo
Western First Aid	13 December 2019	Moolarben Mines Rescue station and Moolarben mine	6	Glencore Ulan Surface Operations
Australian Mines Rescue Competition	17 October 2019	Moolarben Mines Rescue station	8	1. Anglo-American Grosvenor 2. Kestrel 3. Anglo-American Moranbah North

Note: The 2020 Northern Region First Aid competition was cancelled due to COVID-19.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

30

Emergency Response *continued*

Mines Rescue Working Group

The Mines Rescue Working Group is a collaborative forum with representation from mining companies, the NSW Minerals Council, Mine Managers Association, NSW Resources Regulator and the CFMMEU. The group is facilitated by Mines Rescue to encourage all stakeholders to keep abreast of current and emerging issues in emergency management and related fields and to participate in developing the capabilities and capacity of the Mines Rescue service.

The group met twice during the year.

Coal Services
Annual Report 2020

People and Customers

Community and Environment
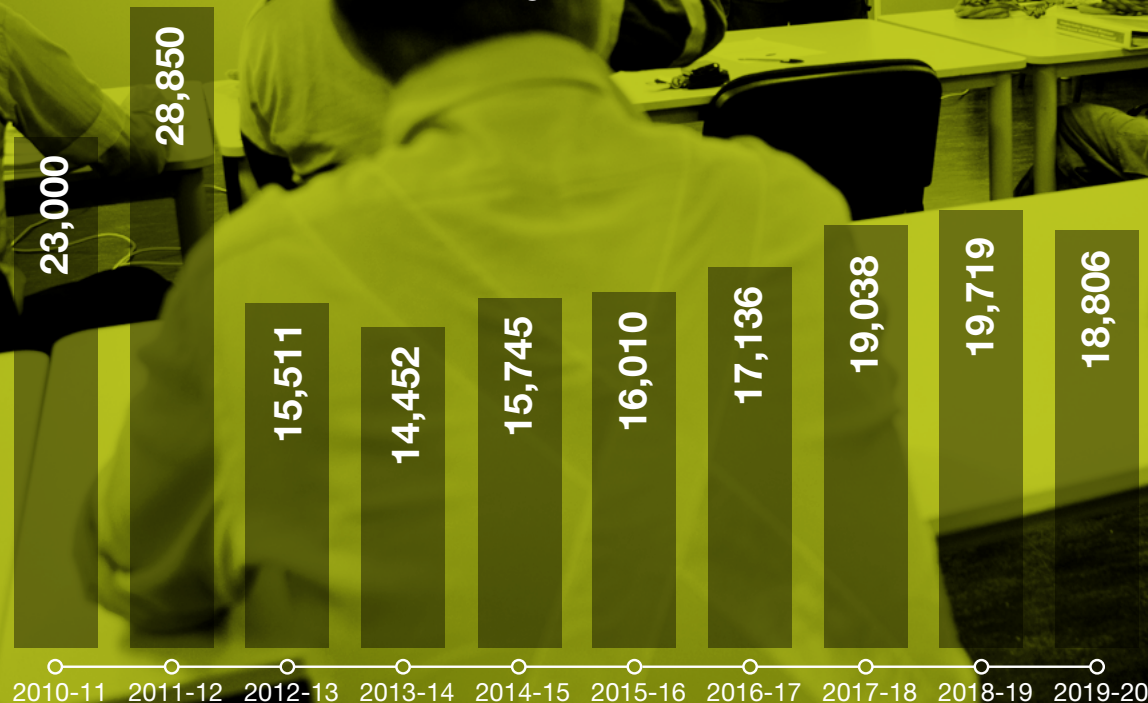
Specialised Health and Safety Scheme

Governance

31

Training

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

Attendance at Mines Rescue training courses

Year	Attendance
2010-11	23,000
2011-12	28,850
2012-13	15,511
2013-14	14,452
2014-15	15,745
2015-16	16,010
2016-17	17,136
2017-18	19,038
2018-19	19,719
2019-20	18,806

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

32

Industry education and training

Order 34 – Ensuring training plans make mines safer and 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. This is essential to ensure that mines meet the highest standards of safety and efficiency.

Thirty-one (31) training plans were approved during 2019-20. The process is aided by the provision of various resource materials including a Guideline for the Preparation of Training Competency Management Systems (TCMS), audit tools and examples of excellent industry practices. The Order 34 team offer further assistance by facilitating industry workshops involving training staff from mines across each region.

Routine audits are performed to determine compliance with each TCMS. All mines were audited during the year. One focus of these audits has been the implementation of training to support the NSW Resource Regulator's requirements for Maintenance of Competence for certain statutory officials. There has been close cooperation involving the Order 34 team, the NSW Resources Regulator and trainers from mining operations. The industry is making good progress in this area.
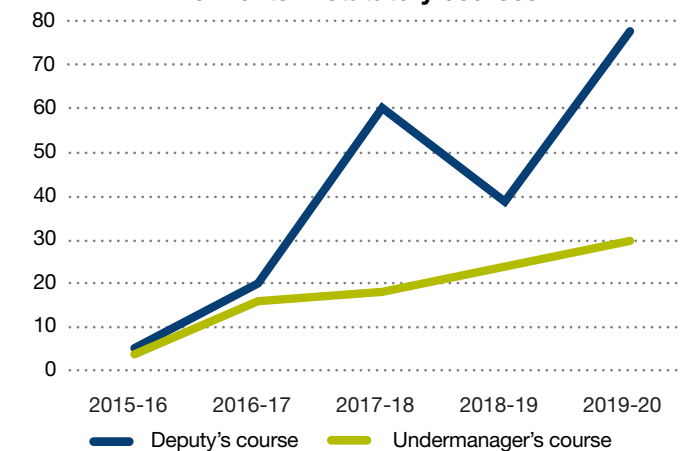
Training numbers

Overall attendances at Mines Rescue training courses reached 18,806 in 2019-20, down 4.6 per cent from the year before. The reduction in attendances can be attributed to the decision to temporarily limit training to emergency escape and other essential training in the early phase of the pandemic. This decision aimed to minimise potential COVID-19 exposures to customers and to ensure that Mines Rescue maintained an effective emergency response capability. To address the reduction in face-to-face training, Mines Rescue implemented an online delivery program for some courses to enable learning to continue.

Attendances at the Generic Underground Induction (GUI) for underground coal mines grew for the fourth consecutive year to 870. While the GUI course intake is far from the 2,489 seen at the peak of the industry boom in 2011-12, the increasing number is encouraging.

Attendance at the Generic Underground Induction for coal mines

Overall training numbers 2019-20

1,945 Brigades

4,155 Accredited

12,706 Non-accredited
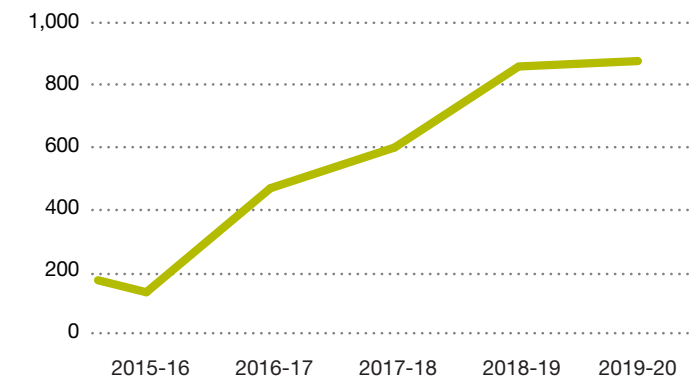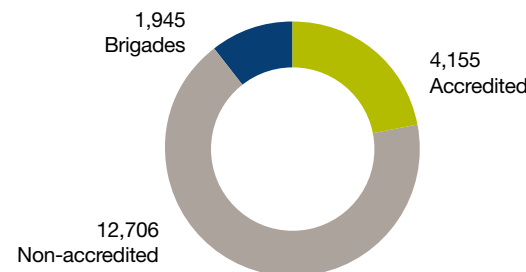
Enrolments in statutory courses

— Deputy's course   — Undermanager's course

*Undermanager's course full title: Diploma of Underground Coal Mining Management
Deputy's course full title: Certificate IV in Underground Coal Operations

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

**Specialised
Health and
Safety Scheme**

Governance

33

Industry education and training *continued*

Cadets program

Three new cadets commenced the Mines Rescue cadet program during the year. Over a two-year period, the cadets undergo extensive training in safety, equipment, maintenance and procedures including 12 weeks of underground work experience. Cadets learn the skills and competencies of a Mines Rescue Training Officer with the objective of gaining industry employment on completion of their cadetship.

Emergency preparedness

An **Incident Command and Control System (ICCS)** is a management system designed to integrate and coordinate multiple agencies to work together effectively in an emergency. ICCS is used by all NSW agencies that may be involved in a coal mine emergency response including the Police Force, Ambulance Service, Fire and Rescue and the Rural Fire Service.

Mines Rescue offers emergency management training to mines to assist in incorporating an ICCS into existing Emergency Management Systems (EMS). Mines Rescue continues to provide training in ICCS to underground and open cut mines that have adopted the ICCS.

Emergency Preparedness and Response training develops competency and confidence in preparing for, and managing, all aspects of an emergency situation.

Mines Rescue offers ICCS and emergency preparedness and response training to mines to assist in managing all aspects of an emergency situation.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

34

Industry education and training *continued*

Virtual learning and augmented reality

Access to and use of virtual reality enables Mines Rescue to provide effective, relevant and realistic training in a safe environment. As an integral part of Mines Rescue's training arm, the Virtual Reality team has developed scenarios to assist miners and emergency response personnel to better understand and react to their environment.

Animations have also been developed by the Virtual Reality team to simulate actual incidents. These animations have been used throughout industry to share valuable learnings from incidents and major investigations.

The team have continued to innovate with headset-based virtual reality being used for group scenarios at the Australian Mines Rescue Competition. Brigades worked and moved together in the virtual world to respond to an underground emergency situation.

Access to and use of virtual reality enables Mines Rescue to provide effective, relevant and realistic training in a safe environment.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

35

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.

Raw coal production vs. production employment

Production employment

25,000

20,000

15,000

Raw coal production (million tonnes)

300

250

200

150

2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18 2018-19 2019-20

Raw coal production total

Number of production employment as at 30 June
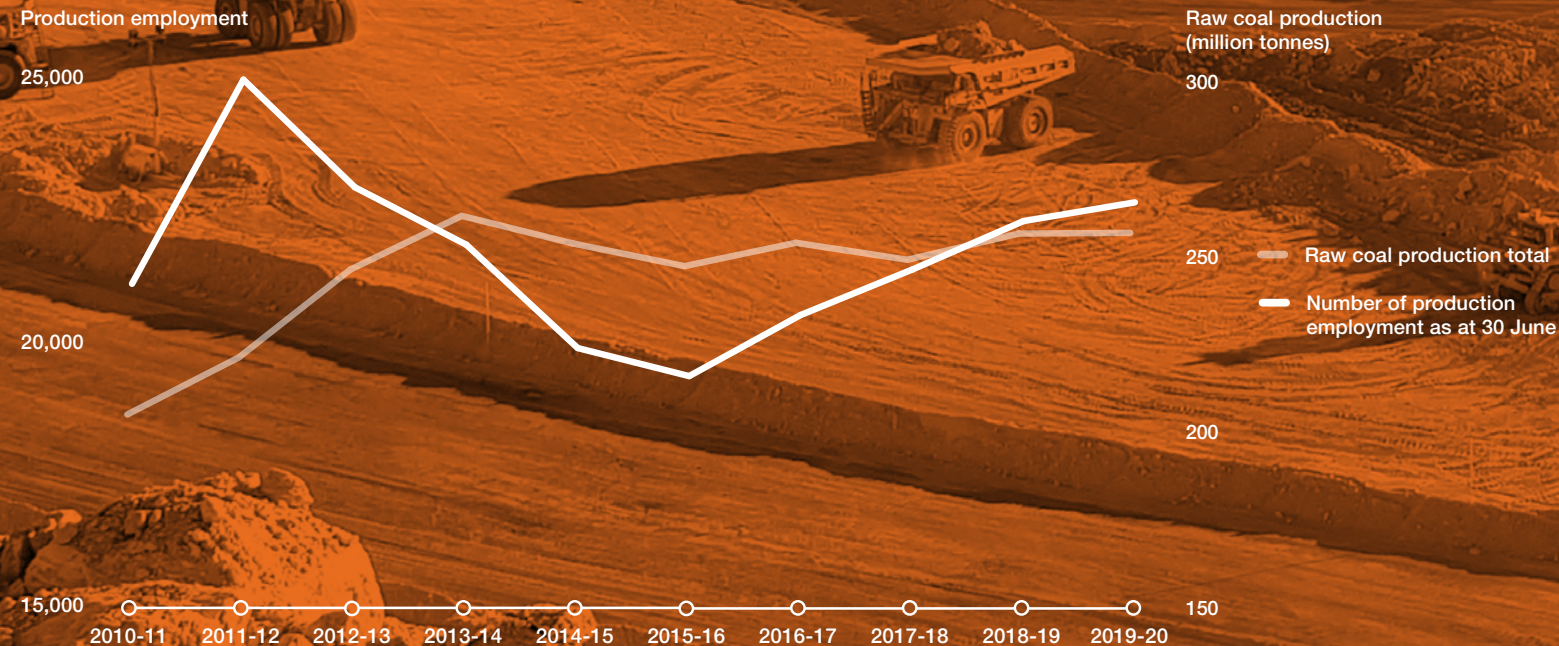
Industry statistics

NSW mining operations

At 30 June 2020, there were 38 coal mining operations in NSW.
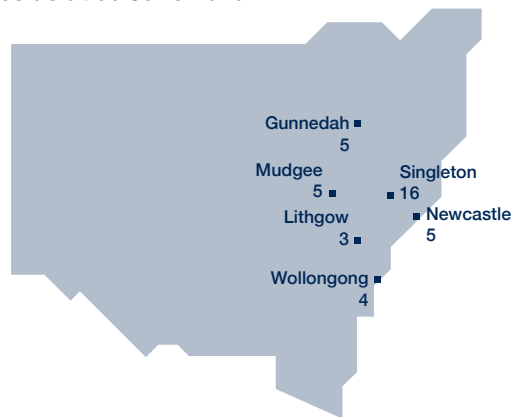
- 17 underground mines (15 longwall operations)
- 21 open cut mines

Number of coal mines in NSW
Figures as at 30 June 2020

Gunnedah 5
Mudgee 5
Singleton 16
Lithgow 3
Newcastle 5
Wollongong 4

Raw coal production

Overall raw coal production was 256.2 million tonnes, a slight increase on the production tonnage reached in 2018-19 total of 256 million tonnes.

- Underground coal mines produced 60.2 million tonnes of raw coal, up 7.4 per cent on 2018-19.
- Open cut coal mines produced 196 million tonnes; down 2 per cent from the record 200 million tonnes produced in 2018-19.

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.

As at 30 June 2020, the production workforce at NSW coal mines was comprised of 22,661 full-time equivalent workers. Overall employee growth was 1.6 per cent.

- 7,100 workers at underground coal mines.
- 15,561 workers at open cut coal mines.
- Contractors represented 38.4 per cent of the industry's workforce.

Raw coal production, million tonnes

	2015-16	2016-17	2017-18	2018-19	2019-20
Underground mines					
Open Cut mines					
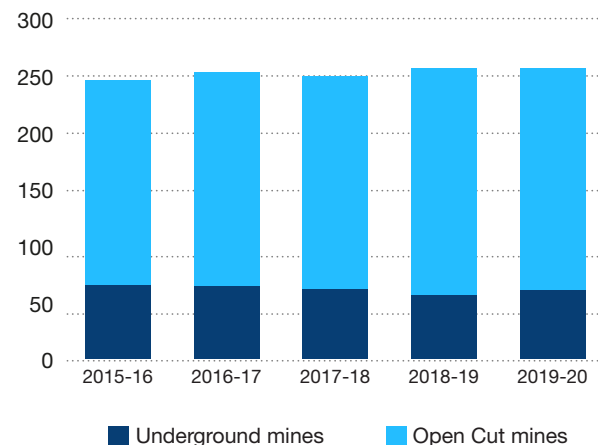
Saleable coal production

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 199.7 million tonnes, up from 196.6 million tonnes in 2018-19.

Sales

Export tonnage for the year was 171.3 million tonnes, up 2.2 per cent compared to 2018-19. Coal from NSW coal mines was exported to 21 countries.

Sales to domestic markets fell by 2.3 per cent to 28.1 million tonnes.

NSW coal industry sales, million tonnes

- 22.9 Other Countries
- 25.1 NSW Power stations
- 3.0 Other Australian Consumers
- 21.9 Taiwan
- 21.9 Korea
- 37.9 China
- 66.7 Japan
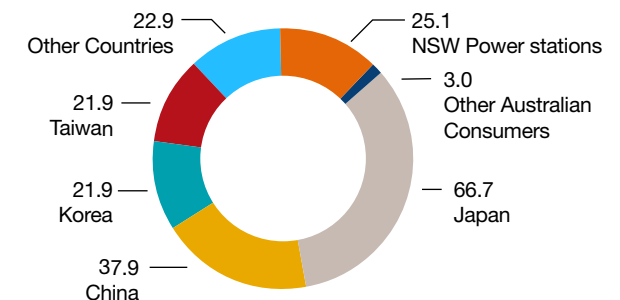
Industry statistics *continued*

NSW Coal Industry Statistics	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Number of coal mines at 30 June	61	61	55	51	44	42	41	41	41	38
Raw coal production underground mines (million tonnes)	62.2	60.5	69.0	74.4	77.4	65.5	64.3	60.7	56.0	60.2
Raw coal production open cut mines (million tonnes)	142.7	160.5	176.8	186.6	175.8	181.4	189.1	187.9	200.0	196.0
Raw coal production total (million tonnes)	204.9	221.0	245.8	261.0	253.2	246.8	253.4	248.6	256.0	256.2
Saleable coal production (million tonnes)	157.0	167.2	185.6	196.6	196.4	191.0	198.2	194.3	196.6	199.7
Coal sales to power stations within Australia (million tonnes)	27.8	23.6	24.2	23.1	21.9	22.5	22.4	25.9	25.5	25.1
Coal sales to others within Australia (million tonnes)	5.7	4.8	4.5	4.3	3.9	4.0	4.1	3.3	3.3	3.0
Coal sales within Australia (million tonnes)	33.5	28.4	28.7	27.4	25.8	26.5	26.6	29.2	28.7	28.1
Metallurgical coal exports overseas (million tonnes)	25.1	23.3	25.5	25.1	24.1	25.6	25.9	20.4	22.4	21.1
Steaming coal exports overseas (million tonnes)	96.7	113.0	129.8	142.2	148.8	144.0	144.3	141.0	145.2	150.2
Coal exports overseas (million tonnes)	121.8	136.3	155.3	167.3	172.9	169.6	170.2	161.4	167.6	171.3
FOB value of metallurgical coal exports overseas ($A billion)	4.5	4.4	3.3	2.9	2.6	2.5	4.4	3.6	4.5	3.6
FOB value of steaming coal exports overseas ($A billion)	9.6	12.3	11.7	12.3	11.8	10.7	13.8	16.1	18.7	14.8
FOB value of coal exports overseas ($A billion)	14.1	16.8	15.0	15.2	14.4	13.2	18.2	19.7	23.1	18.4
Average FOB value of metallurgical coal exports ($A per tonne)	178.85	190.49	129.01	114.49	107.73	98.38	169.91	176.61	200.24	170.84
Average FOB value of steaming coal exports ($A per tonne)	99.47	109.24	90.01	86.68	79.57	74.29	95.67	113.97	128.54	98.47
Average FOB value coal exports ($A per tonne)	115.80	123.11	96.41	90.86	83.50	77.92	106.97	121.87	138.12	107.40
Average number of employees insured (exposed to risk) at 30 June[1]	23,407	30,595	30,065	27,740	24,990	22,803	22,591	24,650	32,673	37,637
Number of production employment at 30 June[2]	21,126	24,972	22,945	21,863	19,916	19,388	20,538	21,393	22,308	22,661
Saleable coal output per mineworker per year (tonnes)	7,750	7,000	7,830	8,820	9,270	9,460	9,980	9,320	8,990	9,000
Saleable coal output per mineworker per hour (tonnes)	3.87	3.49	3.91	4.46	4.98	4.99	5.24	4.82	4.62	4.63
Days worked per mineworker per year	286.4	286.6	286.0	282.6	266.1	270.8	272.2	276.4	278.4	277.5
Lost-time injuries per million tonnes raw coal produced	1.9	2.1	2.3	2.1	1.6	1.5	1.4	1.6	1.7	1.9
Lost-time injuries per million tonnes saleable coal produced	2.5	2.8	3.0	2.8	2.0	2.0	1.8	2.0	2.3	2.4
Lost-time injuries per million hours worked	9.7	9.6	10.4	12.4	10.0	9.8	9.7	9.6	10.4	11.1

[1] The exposed to risk average is calculated on data available in the August/September of the following year.

[2] Production employment includes working proprietors, persons engaged as employees of the operator of the mine or as employees of a contractor undertaking work relating to coal production, coal preparation, overburden removal, drivers transporting coal from the mine to a preparation plant or in administration/clerical work at the mine site and is a subset of exposed to risk numbers.

FOB values for metallurgical coal and coal exports are provisional as at 22 September 2020.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

38

Board of Directors

David Moult

Non-Executive Chairperson

Nominee for NSW Minerals Council
Term of appointment (1 January 2015 – Current)

Lucy Flemming

Managing Director/CEO

Term of appointment (19 December 2011 – Current)

Peter Jordan

Non-Executive Director

Nominee for Construction, Forestry, Maritime, Mining and Energy Union
Term of appointment (1 January 2012 – Current)

Graeme Osborne

Non-Executive Director

Nominee for Construction, Forestry, Maritime, Mining and Energy Union
Term of appointment (6 June 2019 – Current)

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

39

Board of Directors *continued*

Mark Genovese

Independent Non-Executive Director

Term of appointment (1 January 2013 – Current)

Jamie Frankcombe

Non-Executive Director

Nominee for NSW Minerals Council
Term of appointment
(20 September 2017 – Current)

Linda Bostock

Independent Non-Executive Director

Term of appointment (1 January 2019 – Current)

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

40

General Management Team

Martin Linz

Chief Financial Officer

Bruce Grimshaw

Company Secretary/Legal Counsel

Wayne Green

General Manager, Mines Rescue and Regulation & Compliance

Mark O'Neill

General Manager, CS Health

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

41

General Management Team *continued*

Narelle Caldwell

General Manager,
Coal Mines Insurance

Lynette Harper

Deputy General Manager,
Coal Mines Insurance

Pieter Marais

General Manager,
Transformation and Strategy

Madeleine Love

Head of Risk,
Compliance & Legal

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

42

Gillian Kidson

Head of IT

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

43

Governance

Coal Services maintains an important set of values that recognise its responsibilities to its stakeholders, including the Minister for Regional New South Wales, Industry and Trade (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 Construction, Forestry, Maritime, 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).

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.

All Directors must comply with the Guidelines and Code of Conduct, Ethics and Confidentiality for Directors of Coal Services Pty Limited and its subsidiary entities. 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.

Coal Services
Annual Report 2020

People and
Customers

Community and
Environment

Specialised
Health and
Safety Scheme

Governance

44

Governance *continued*

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 which 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.

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.

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

45

Governance *continued*

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): 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 Coal Services' NSW coal workers compensation scheme.

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 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).

Coal Services
Annual Report 2020

People and Customers

Community and Environment

Specialised Health and Safety Scheme

Governance

46

Governance *continued*

2019-20 Board Attendance (Summary)

Director	Position	Board Meetings Coal Services[1] (inc. CMI & Mines Rescue)		Board Finance, Investment and Audit Committee		Board Risk Management Committee		Board Insurance Committee		Board Remuneration Committee	
		Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Lucy Flemming	Executive Director	6	6	0	0	0	0	5	5	0	0
Linda Bostock	Independent Non-Executive Director	6	6	5	5	0	0	5	5	0	0
Jamie Frankcombe[6,7,10]	Non-Executive Director	6	6	0	0	1	1	3	3	0	0
Mark Genovese	Independent Non-Executive Director	6	6	5	5	3	3	0	0	0	0
Peter Jordan[3]	Non-Executive Director/Chairperson (until 31 December 2019)	6	6	0	0	0	0	5	5	2	2
David Moult[4,5,8,9]	Non-Executive Director/Chairperson (from 1 January 2020)	6	6	5	4	2	2	2	1	2	2
Graeme Osborne[2]	Non-Executive Director	6	4	0	0	2	2	0	0	2	2
		42	40	15	14	8	8	20	19	6	6

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. Appointed to Risk Management Committee on 8 August 2019.
3. Appointment as Chairperson expired on 31 December 2019.
4. Appointment as Chairperson commenced on 1 January 2020.
5. Removed from Insurance Committee effective from 31 December 2019.
6. Appointed to Insurance Committee effective from 1 January 2020.
7. Removed from Remuneration Committee effective from 31 December 2020.
8. Appointed to Remuneration Committee effective from 1 January 2020.
9. Removed from Risk Management Committee effective from 30 April 2020.
10. Appointed to Risk Management Committee effective from 1 May 2020.

Coal Services