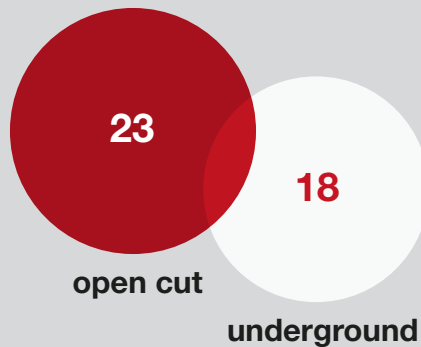
A photograph of two miners walking away from the camera down a long, dimly lit tunnel. They are wearing hard hats and high-visibility vests. The tunnel walls are lined with wooden planks and various cables and pipes are visible. The lighting is focused on the path ahead, creating a sense of depth.

# One Industry One Team



## Performance highlights

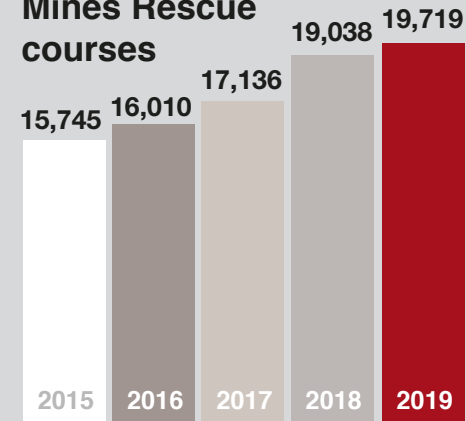
Operating coal mines  
in NSW



32,673

Protected an average of  
32,673 exposed to risk  
workers throughout  
the year

Attendance at  
Mines Rescue  
courses

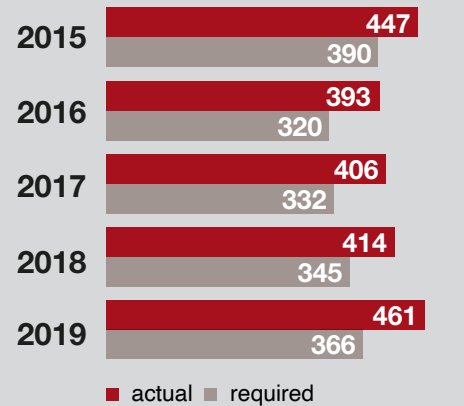


3,696

Statutory respirable and  
inhalable dust samples  
were taken from the  
breathing zones of  
3,696 workers

83.7%

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

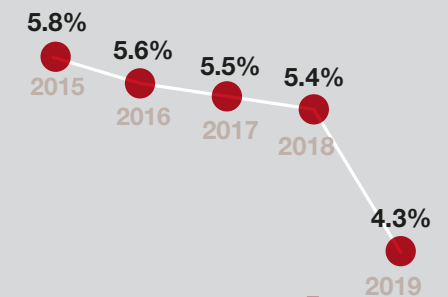


Trained volunteer mines  
rescue brigades members

5,646

periodic health  
surveillance medicals  
to monitor and  
protect against  
occupational disease

Claims Frequency Rate



4.3%



# 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



# Message from the Chairman and Managing Director/CEO

Peter Jordan and Lucy Flemming



**Year on year, we have seen the positive influence of preventative strategies such as improved safe work practices and regular health monitoring on the workforce.**

Coal Services has a proud history of working with our industry stakeholders to ensure the safety, health and wellbeing of our industry's workers.

Year on year, we have seen the positive influence of preventative strategies such as improved safe work practices and regular health monitoring on the workforce. One such example is our claim frequency rate which today sits at 4.3 per cent - the lowest in almost a century of Coal Mines Insurance (CMI). It reflects the robust health and safety standards that are our industry's strength.

Our industry's rigorous system of regulation and compliance continues to be a critical element in safeguarding against injury and occupational disease. We have worked hard to ensure that standards are maintained.

Two important changes to the *Coal Industry Act 2001* (NSW) came into effect on 1 July 2018 and served to reinforce the importance of these standards: NSW Coal Order 43 (health monitoring requirements for workers in the NSW coal industry) and the inclusion of a definition of employer to the Act itself.

Since the implementation of the definition, the number of policies covered by the CMI scheme has more than doubled and with it, an increase in the number of exposed to risk (ETR) workers. As the original Scheme

was designed to do, all industry workers who work in or about a coal mine are now protected under our Specialised Health and Safety Scheme.

While the intentions of these changes serve to better protect the health of all workers, the practical implications, as many of our customers could attest, has been a challenge. For example, multiple factors including continued industry growth have contributed to service provision and capacity challenges at CS Health and Mines Rescue. We continue to review and address our processes in this regard.

Despite these challenges, attendances at CS Health pre-placement medicals grew 15.8 per cent. Attendances at the Generic Underground Induction for Coal Mines, a foundation safety course for new entrants to the industry, increased by 43.4 per cent on the year before and is the third consecutive year where we have seen such growth.

The sustainability of our Specialised Health and Safety Scheme remains strong despite a tough year that showed the effects of significant yield curve fluctuations and increased legal provider activity and claims costs in the insurance business.

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

Peter Jordan and Lucy Flemming

<b>Financial Overview for the year ended 30 June 2019</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
<b>Consolidated Comprehensive Income</b>		
Total revenue and investment income	236,044	192,126
Total expenses	(259,163)	(173,290)
Net (loss)/profit from ordinary activities	(23,119)	18,836
Other comprehensive (loss)/gain	(1,865)	43
Total comprehensive (loss)/income for the year	(24,984)	18,879
<b>Consolidated Financial position</b>		
Total Assets	676,786	641,060
Total Liabilities	(496,480)	(435,770)
Net Assets	180,306	205,290

**We have changed our approach to how we listen and respond to customers and have genuinely set out to do this.**

Improving the experience of our customers – both workers and employers alike – has been a key theme across all of our businesses throughout the year. We have changed our approach to how we listen and respond to customers and have genuinely set out to do this. We have made inroads in some areas but recognise we need to do more to address the root cause of issues that impact our customers and look for opportunities to work together to improve these.

We have also been working at each level of the business to embed our Cultural DNA and the behaviours they represent. This has already helped to contribute to a real shift in customer experience.

In CMI we have seen positive change resulting from the implementation of the new operating model and becoming more 'person centred'. Investment in technology and digital platforms is also critical to assist us in improving the customer experience and during the year we embarked on several projects to progress our digital strategy.

We look forward to continuing to work with our stakeholders as we develop these further.

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.

We would also like to thank our employees, management teams and the Board of Directors for their dedication to our vision, values and purpose. Furthermore, we recognise their willingness to support change and their efforts to continue to make a difference.

We remain committed to working hard with, and for, our industry for the health and safety of its workers.

# Our People

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

## Developing a high performance culture

Coal Services' Shared Culture Framework (the framework) was introduced in 2018 as an approach to managing organisational culture within Coal Services. It also introduced the concept of our cultural DNA: Integrity, Accountability, Collaboration, Customer Centric, Innovation and Excellence.



## 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.

## 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.



# 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 2018-19 Public Report in May 2019.

Figures are as at 31 March 2019. Total employment at 30 June was 404 (full-time equivalent was 345.7).

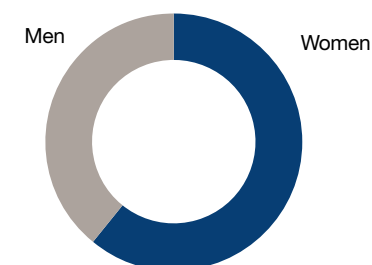
### WORKPLACE PROFILE 2018-19

	Total	Women %	Men %
Managing Director/CEO	1	100	0
Key management personnel	6	33	67
Senior managers	27	41	59
Other managers	11	27	73
Professionals	225	60	40
Technicians and trade	38	5	95
Clerical and administrative	86	99	1
Other	0		
<b>Total</b>	<b>394</b>	<b>61</b>	<b>39</b>
	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





# Our Customers

## Working with our industry stakeholders

Bringing to life our ‘Focus on Customer’ strategy remains a critical priority for Coal Services. This includes clearly defining our ‘to be state’ of what a more customer-centric business should look like to test and validate with our key stakeholders.

Our Stakeholder Insight Framework has helped to define this work and has supported a significant increase in targeted engagement with key stakeholders during the year, with a focus on education, awareness and change impacts.

### Customer satisfaction and feedback

The recordable customer satisfaction levels of workers (injured and non-injured, known collectively as business-to-customer or ‘B2C’) remained steady and positive during the year.

B2C satisfaction score*	
Coal Services (overall)	92.2%
Coal Mines Insurance	81.4%
CS Health	96.0%
Mines Rescue	97.8%

\*B2C satisfaction scores from those who completed satisfaction surveys at each Business Unit level. A qualitative feedback process is also in place to complement the formal survey mechanism.

Feedback is recorded across all business areas at different touch points as well as feedback logged through our 1800 LISTEN phone number and “Contact us” form via our website.

We have also taken the opportunity during the year to gather feedback from policyholders and workers outside of traditional feedback mechanisms. The insights gathered through these workshops have been themed into specific focus areas including: service provision, reporting, timeliness of services, customer service, communication and consultation. We have made strong progress but acknowledge we have more to do and will continue to focus on opportunities to do so.

**We have made strong progress but acknowledge we have more to do and will continue to focus on opportunities to do so.**

# Community Events and Sponsorships

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: the Westpac Rescue Helicopter Service; Newcastle Knights 'Voice for Mining' Family Day; Procure Charity Cricket Challenge and the Sparke Helmore Triathlon.

## Other community engagement

Community open days provide the opportunity for us to work together with our customers to demonstrate a range of mining-related activities for the community and other local businesses. These events provide a platform to showcase the health and rescue services we deliver to protect the NSW coal industry and its workers.

Some of the many events we have taken part in during the year include open days at mine sites and the Singleton Emergency Services Expo.

## 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.**

# Caring for the Environment

We continue to review and implement policies and programs that help us meet community standards. We have implemented practices that help us to conduct our business in an environmentally conscientious manner across our eleven sites. Ongoing initiatives include employee education, recycling, mindful paper usage and implementing energy efficiencies where possible across the business.

## NSW Environment Protection Authority PFAS investigation program

Works were carried out in consultation with the NSW Environment Protection Authority (EPA) in early 2019. This was based on the recommendations of the phase two investigations carried out in October 2017. The Hunter Valley and Newcastle Mines Rescue stations have completed the additional monitoring with results showing low or negligible risk to the community and environment. Both sites are working under an agreed bi-annual monitoring plan for the next two years, after which time the EPA will review the monitoring program. Lithgow will undergo further monitoring in the second half of 2019 based on the EPA's recommendations.

NSW Mines Rescue (Mines Rescue) voluntarily entered EPA's PFAS (Per- and Poly-Fluoroalkyl Substances) 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.

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**We have implemented practices that help us to conduct our business in an environmentally conscientious manner across our eleven sites.**

# Specialised Health and Safety Scheme





# 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 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 strong and sustainable workers compensation scheme for the workers of today but also the workers of the future.

CMI has two customers: Workers and employers.

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

Workers are the primary beneficiary of our Scheme.

## Scheme overview



**1,761 active policies** as at 30 June (compared to 692 active policies at 30 June 2018)

This increase in new policies is driven by the change to the *Coal Industry Act 2001* (NSW) (the Act) to include a definition of "employer in the coal industry" as "employer in the coal industry means any employer whose employees work in or about a coal mine".

The change to the Act commenced on 1 July 2018 with the aim of restoring the Act's original intention to ensure that all coal industry workers are covered by CMI and can benefit from the wider services of the specialised health and safety scheme managed by Coal Services.



**35,245 exposed to risk workers** (actual as at 30 June 2019)

32,673 exposed to risk workers (YTD average)  
(up from 25,161 actual and 24,650 average for 2017-18)



**\$4 billion assessable wages**

Written wages for the financial year (based on year to date wage declarations or estimates and forecasted for the full year).

This is 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).



**\$132.6 million premium pool** for the year



As at 30 June the claims activity was as follows:

- > **1,815 active claims**
- > **1,400 new claims**
- > **\$95.6m claims payments**



# Workers Compensation *continued*



## Funding the CMI Scheme

The CMI Scheme and certain Coal Services statutory responsibilities are funded by premium paid by coal industry employers. Premium collected is the key source of funding, together with investment earnings, to provide for the claims cost 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, payments and injury trends

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 and meeting legislative obligations.

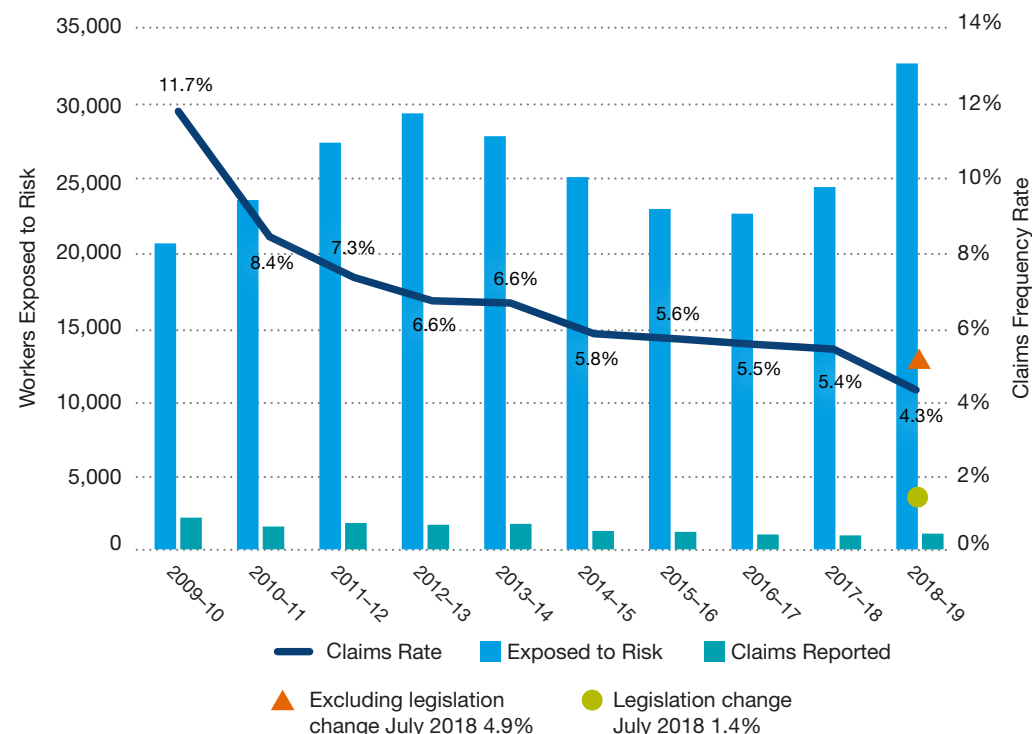
Of the 1,400 new claims received, 63.5 per cent (889) were significant injury claims where the worker is likely to be incapacitated (either partially or totally) for a continuous period of more than seven days.

## Claims Frequency Rate

As at 30 June 2019, the overall claims frequency rate is 4.3 per cent (based on an average ETR of 32,673 and 1,400 new claims reported for the year). This is a decrease compared to 2017-18 where the claims frequency rate was 5.4 per cent (based on an average ETR of 24,650 and 1,323 new claims reported as at 30 June 2018).

In comparison, the new risk arising from the change to the Act resulted in a claims frequency rate of 1.4 per cent (based on an average ETR of 5,736 and 83 new claims for new policies incepted because of the legislation change).

Claims Frequency Rate



The decrease in the claims frequency rate has been driven by industry's commitment to continuously improving mining methods, a focus on providing safe systems of work, the Resources Regulator's focus on monitoring performance, organic growth within the coal industry in NSW and an increase in exposed to risk workers that has been driven by the recent change to the Act to ensure that all coal industry workers in NSW are insured under the CMI Scheme.

# Workers Compensation *continued*

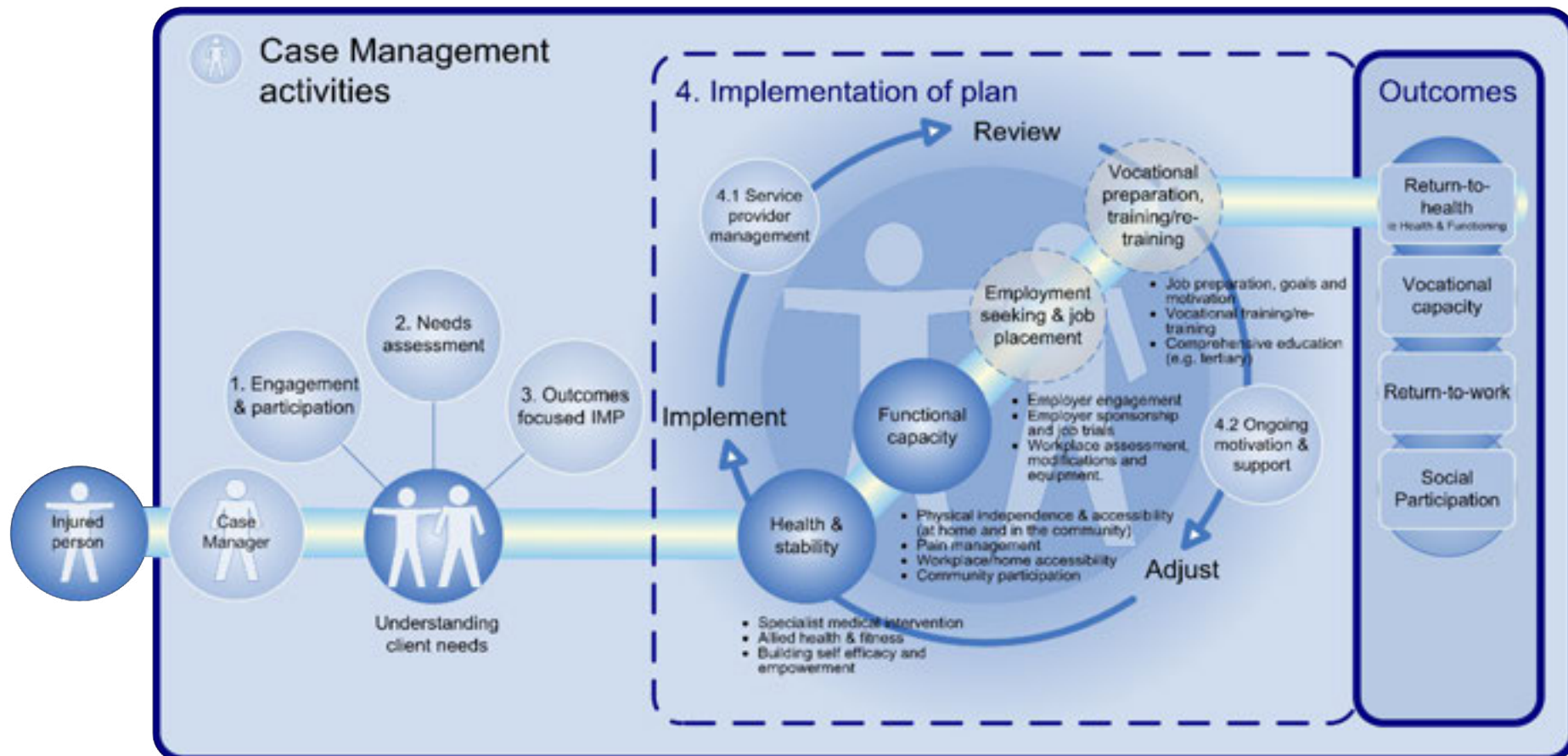


## Return to work

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 as outlined below. 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 return to work.

## Injured Worker Pathway





# Workers Compensation *continued*

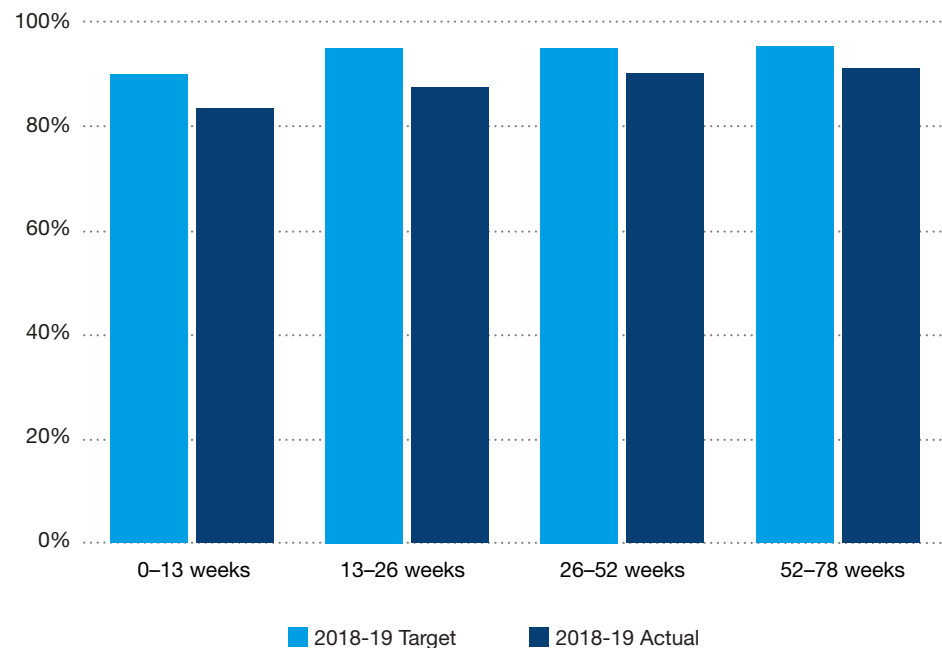


Delays in reporting of claims, lack of available suitable duties and legal intervention early in the life of a claim cause significant problems in workers compensation schemes.

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. The emphasis has been to set aspirational targets.

## Return to work



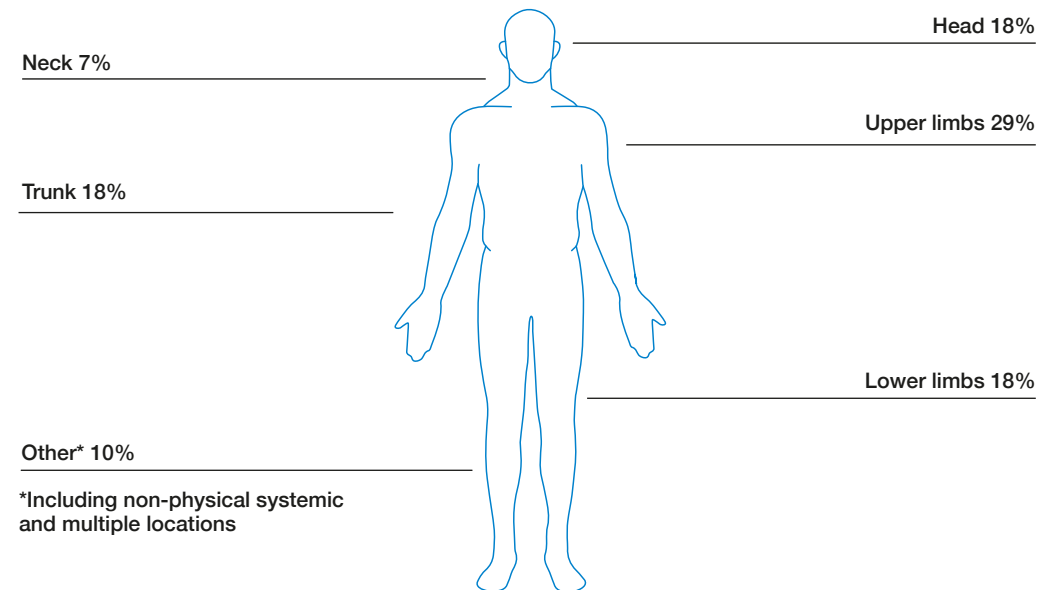
Note: These return to work outcomes are based on lost time and non-lost time injuries and each cohort is based on the number of weeks since the date of injury.

## Nature of injury

**Sprains and strains** accounted for 46.3 per cent of all new claims received in 2018-19 and remain the most common type of injury incurred.

## Location of injury

The body map shows the parts of the body affected for all claims received during 2018-19.



\*Including non-physical systemic and multiple locations

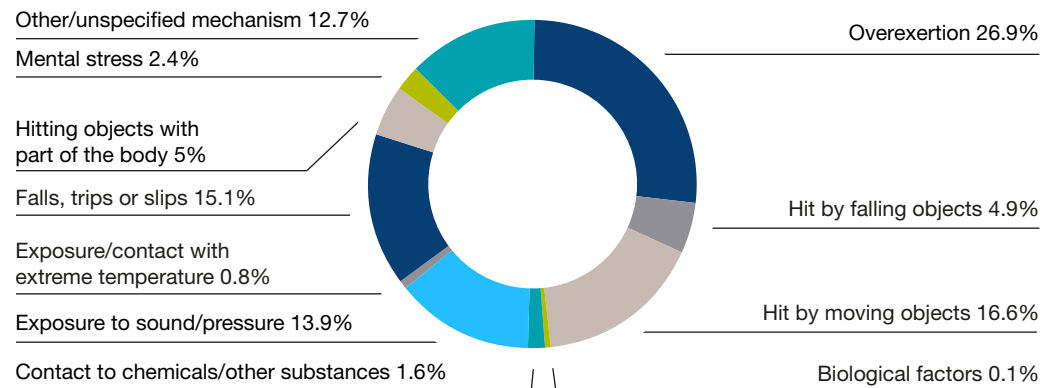
# Workers Compensation *continued*



## 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 2018–19)**



## Skills Incentive Scheme

The Skills Incentive Scheme (SIS) was introduced to support the hiring and training of apprentices and reinforce safe work practices as they enter the NSW coal mining 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).

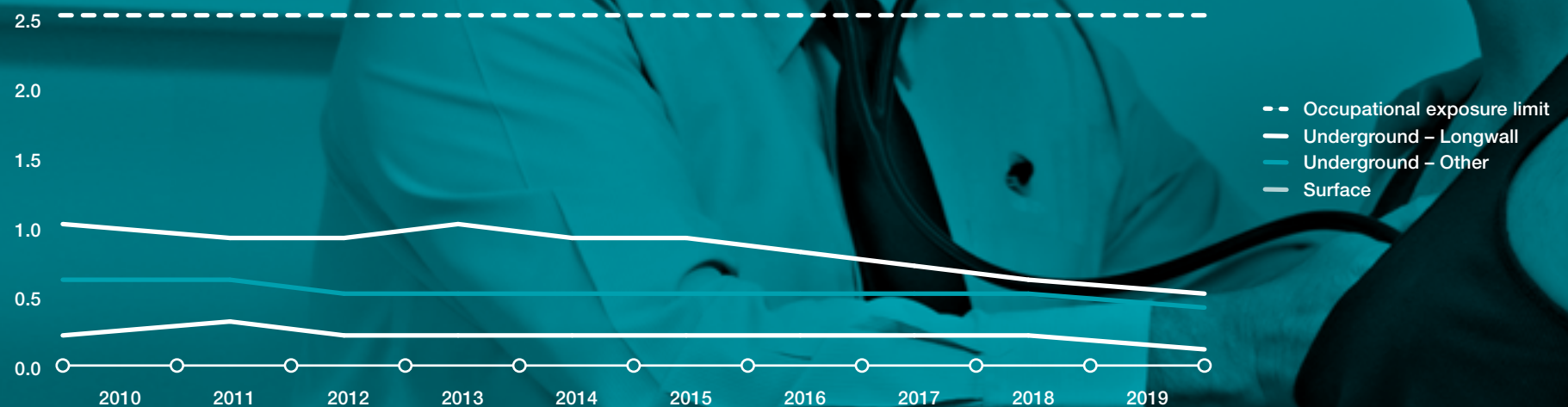
SIS payments were made to 79 policyholders who employed 498 apprentices during the 2018-19 policy period.

# 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



# CS Health



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

## NSW Coal Order 43: monitoring workers' health

NSW Coal Order 43 (Order 43) came into effect on 1 July 2018 following approved changes to health monitoring requirements for mine workers in NSW. The changes were made to strengthen the health surveillance system and to align with other workplace legislation to provide ongoing protection for the health of these workers.

The changes included:

- > Addition of respiratory FIT-testing to pre-placement and periodic medicals
- > Increased frequency of chest x-rays and formalisation of reporting standards
- > Introduction of an exit medical assessment
- > Introduction of minimum requirements for medical providers
- > The requirement for employers to provide worker lists to CS Health every 12 months

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.

### Pre-placement Medical Assessments

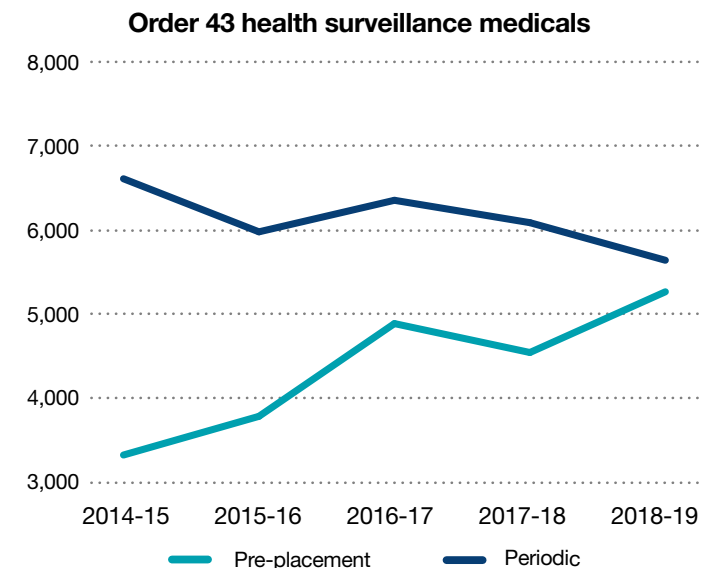
A pre-placement medical assessment is required before an individual commences work or changes roles in the NSW coal industry. This includes a chest x-ray for new entrants to the industry. The medical and chest x-ray serve as a baseline for future health surveillance.

Pre-placement medicals may be used as an indicator of industry growth. During the year, CS Health conducted 5,271 pre-placement health surveillance medicals; up from 4,549 the previous year.

### Periodic Health Surveillance

As most occupational illnesses take many years to develop, regular health surveillance allows for early detection and intervention with the goal of ensuring that workers' health is protected. In NSW, every coal worker must undergo periodic health surveillance (known as a periodic medical assessment) every three years. The periodic medical assessment monitors workers for any adverse health risks as a result of their employment.

Attendances for periodic health surveillance medicals fluctuate with numbers employed in the industry as well as the cyclic nature of the medicals following the introduction of Order 41 (now Order 43) in 2011. CS Health conducted 5,646 periodic health surveillance medicals in 2018-19.





## CS Health *continued*



### 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. The number of medicals performed under this category increased from 371 to 403 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.

The number of functional capacity evaluations increased by 45 per cent to 2,717 during the year.

A new functional capacity evaluation for mines rescue brigades personnel was implemented in 2018 to determine their fitness to perform critical emergency response activities. The assessment was developed in conjunction with the University of Wollongong to ensure that the physical aptitude tests better replicated those performed in mines rescue situations.

### 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.

12,642 drug and alcohol screening samples were collected during the year.

Education is still needed to make workers aware of the danger that drugs pose to them and their workmates, not just at work but when travelling to work and at home.

### Occupational rehabilitation and treatment services

Returning to work after an injury or illness is an important part of the recovery process.

CS Health is a SIRA-approved workplace rehabilitation provider, offering injury management and occupational rehabilitation services. Since the introduction of improved injury management practices in CMI, the types of referrals received have been for more complex injuries.

CS Health completed a self-evaluation audit of rehabilitation services in November 2018. The audit showed a Level 1 conformity rating of 100 per cent against the SIRA principles, 100 per cent compliance with the SIRA conditions of approval and 96 per cent compliance with the CS Health audit tool.

# 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.

## 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.

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

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**18** dust suppression plans were received and approved by Coal Services 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.

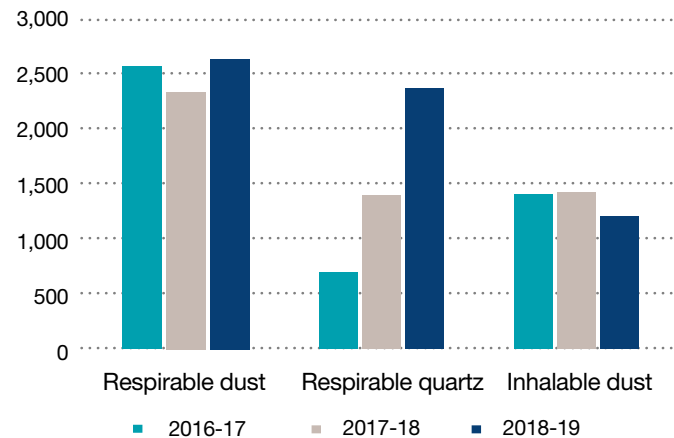
Statutory respirable and inhalable dust samples were taken from the breathing zones of 3,696 NSW mine workers in 2018-19. Any results found to have exceeded prescribed airborne dust workplace exposure standards were reviewed to identify potential exposure contributing factors and opportunities for exposure control.

# Occupational Exposure Monitoring *continued*

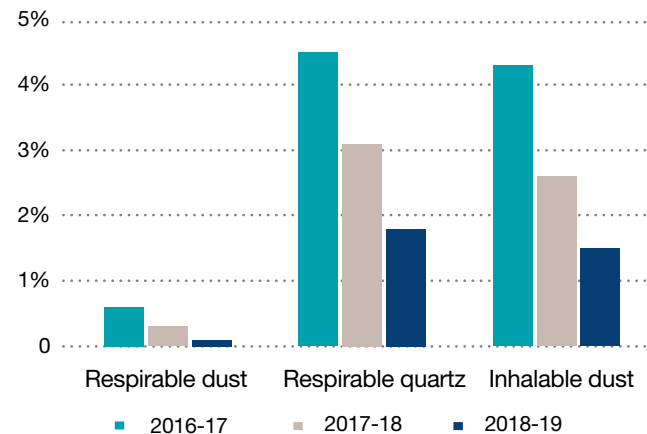


Airborne dust workplace exposure standard exceedance rates in the NSW coal industry have continued to improve on previous year's results, with respirable dust exceedances reducing from 0.6 per cent to 0.1 per cent over the last two years. For the same period, inhalable dust exceedance rates have also reduced from 4.3 per cent to 1.5 per cent. Most significantly though, from a health risk perspective, the respirable quartz exceedance rates have continued to trend downward with a 4.5 per cent exceedance rate in 2016-17, reducing to 3.1 per cent in 2017-18, now down to 1.8 per cent for the 2018-19 period.

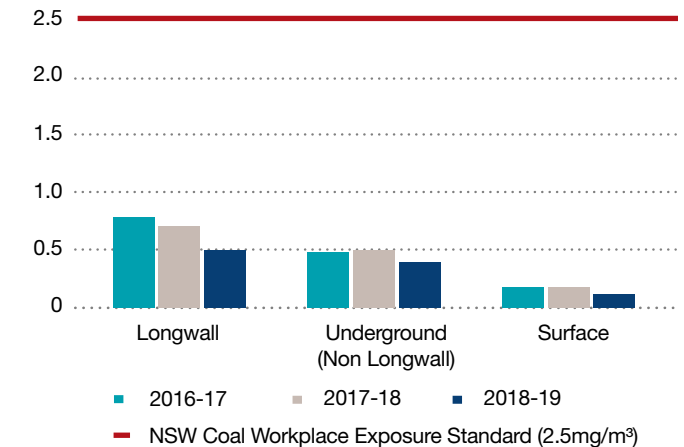
**Order 42 Airborne Dust Exposure Results Collected**



**Order 42 Airborne Dust Rate of Occupational Exposure Limit Exceedances**



**Order 42 Average Respirable Dust Exposure (mg/m<sup>3</sup>)**

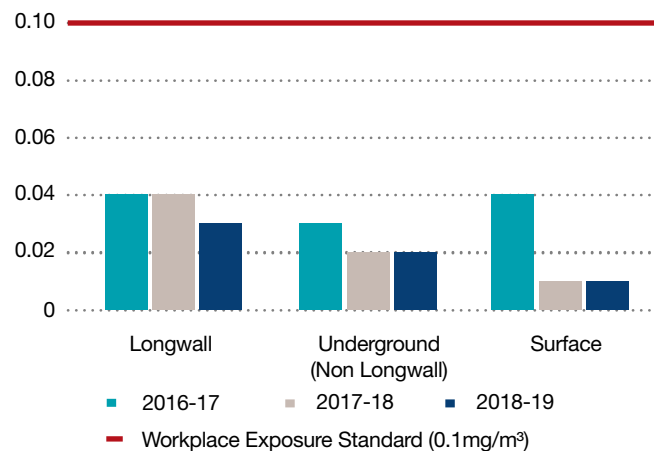


Graph showing average exposure against the workplace exposure standard over the same period. These are raw results - additional significant protection is provided by wearing RPE.

# Occupational Exposure Monitoring *continued*

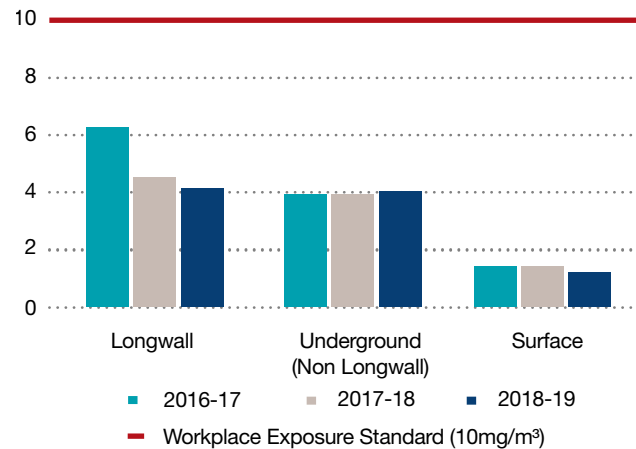


**Order 42 Average Respirable  
Quartz Exposure (mg/m<sup>3</sup>)**



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/m<sup>3</sup>)**



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

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 110 customised airborne dust awareness presentations to 14 individual sites reaching around 4,585 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.



# 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 665 individual DPM samples during the year; an increase of almost 55 per cent on the number of samples collected in 2017-18. These samples included personal exposure monitoring and static positional monitoring.
- > CMTS analysed 859 individual DPM samples during the year; an increase of almost 100 per cent on the number of samples collected in 2017-18. These samples were received from sites within the NSW coal industry as well as external customers from across Australia.
- > Mining regulators and mine operators actively seek practical measures to reduce human exposure to diesel particulate matter. CMTS conducted 1,642 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.

- > There were 14,096 NATA calibrations conducted in 2018-19 for both NSW and Qld mining operations.
- > CMTS also performed 596 mine atmosphere gas analysis services during the year.

The purpose-built SMARTGAS system provides gas chromatograph analysis to monitor mine atmospheres and identify potential or actual hazardous conditions. Maintaining the system onsite provides management with the ability to monitor mine atmospheres as frequently as required. Data acquisition and remote transfer technology also enables the system to be remotely accessed, calibrated and monitored by experienced CMTS technicians.

- > Eight SMARTGAS systems were maintained during the year.

## 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 CFMMEU, NSW Minerals Council and Mine Managers Association and two independents offering additional expertise.

The SDC met six times during the year at sites across the NSW mining to promote the work of the SDC and to investigate and inspect issues that had been identified through routine statutory dust monitoring.

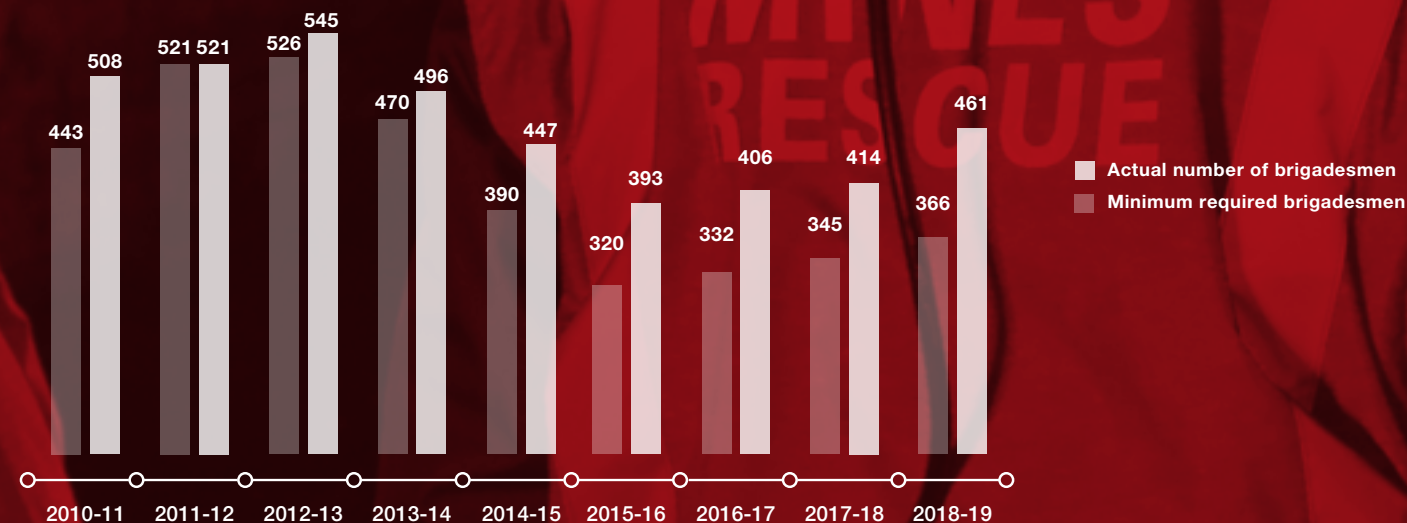
# Emergency Response



Mines Rescue are fully resourced and equipped to respond 24 hours a day, 365 days a year with trained brigadesmen, systems and equipment. This provides miners and operators with peace of mind that Mines Rescue is response-ready for any emergency situation within the NSW coal industry – quickly, safely and efficiently.

They are supported by Coal Mines Technical Services (CMTS) who provide critical technical expertise when rapid, accurate and complex data analysis is required for mines rescue deployment.

Mines Rescue brigadesmen



# Emergency Response



NSW Mines Rescue (Mines Rescue) has a statutory obligation to provide emergency response services for the NSW coal industry. They are responsible for training and maintaining a competent brigade of rescue personnel and providing expert advice and 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. The number of major incidents requiring the assistance of Mines Rescue and brigades personnel is limited which is a credit to the safety culture of the industry. 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.

Mines Rescue was called to attend two incidents in 2018-19. The Mine Shield was deployed at a mine in the Gunnedah region to help contain the effects of a spontaneous combustion until the longwall move could be completed and the goaf sealed. Mines Rescue also acted in support of the Incident Management Team when a worker was fatally injured at a Hunter Valley mine.



## Maintaining response capability

A minimum five per cent of the underground workforce (plus full-time equivalent contractors) must be trained to provide mines rescue support. At the end of June 2019 there were 461 colliery-nominated brigades personnel in NSW, which is above the minimum levy requirement.

A core function of Mines Rescue is to maintain response capability by training volunteer brigades members 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. 70 new recruits completed this training during the year.

# 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.

More than 300 brigades members, surface emergency responders and first aid personnel competed at NSW regional competitions during the year.

### Competition details outlined below:



Competition	Date	Venue	No. Teams	Winners
Northern	15 June 2018	Newstan Colliery	6	Team Orange (composite team)
Hunter Valley (underground)	27 July 2018	Hunter Valley Mines Rescue station	5	Whitehaven Narrabri
Southern	17 August 2018	Russell Vale mine	5	South32 Illawarra Appin Pink
Western	24 August 2018	Moolarben Underground mine	8	Centennial Coal Springvale
Hunter Valley (open cut)	14 September 2018	Hunter Valley Mines Rescue station	10	BHP Mt Arthur
Australian Mines Rescue Competition	18 October 2018	Anglo American Grosvenor mine	8	1. South32 Illawarra Appin Pink 2. Anglo American Grosvenor 3. Kestrel
Western First Aid	14 December 2018	Moolarben Mines Rescue station	6	Glencore Ulan Surface Operations
Northern First Aid	24 May 2019	Newcastle Mines Rescue station	10	Centennial Coal Mandalong



# Emergency Response *continued*



## Mines Rescue Working Group

The Mines Rescue Working Group is a collaborative forum with representation from mining companies, the Mine Managers Association, the 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 determining the capabilities and capacity of the Mines Rescue service.

The group met twice during the year.

## Mutual Assistance Scheme

A Mutual Assistance Scheme has been established to provide an enhanced emergency response service to respond to and manage emergencies arising at surface coal mines in the Ulan region.

The Mutual Assistance Scheme is modelled on the underground response systems and became operational in April 2019.

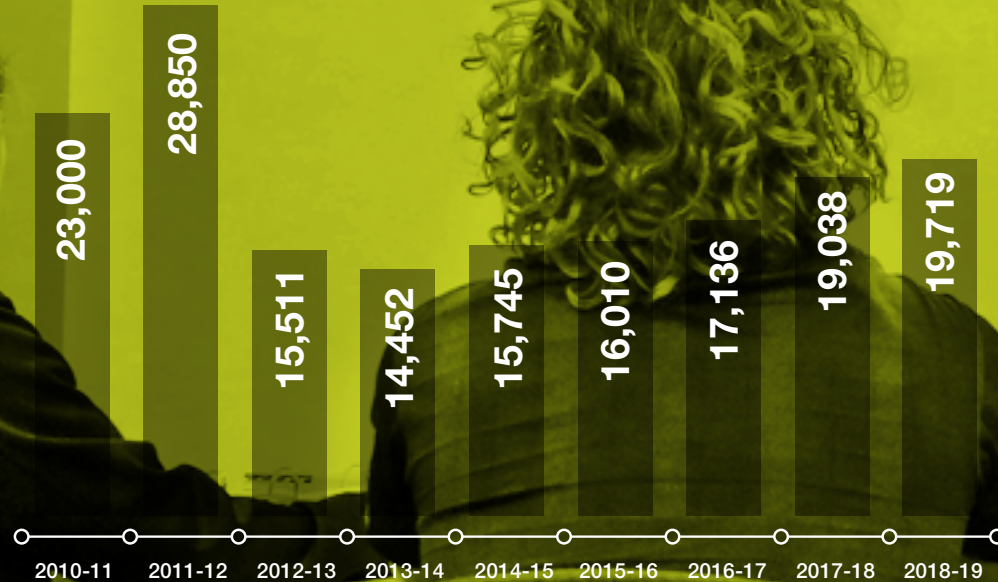


# Training



The NSW coal industry maintains one of the highest safety records in the world. 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



# Industry education and training



## Order 34 – Ensuring training plans make mines safer and comply with statutory provisions

Order 34 requires NSW coal mine operators to have a mine site Training and Competency Management Scheme (TCMS) in place to maintain a properly trained workforce. This is essential in ensuring that mines meet the highest standards of safety and efficiency.

The Order provides scope for Coal Services to issue guidelines and other tools to assist mine operators meet their legislative requirements in this regard.

Coal Services works with operators to verify that submitted training plans meet the requirements of the guideline and help identify opportunities for improvement. Twelve TCMS were reviewed and approved during the year.

This process is enhanced by routine audits of operating practices by a skilled and experienced team of auditors with wide industry and training expertise. During the year Coal Services' Order 34 team began an audit of all mines' training systems for risk assessment of routine tasks and activities. The focus on compliance with the Resource Regulator's requirements for maintenance of competence for Practising Certificates continued as part of the audits.

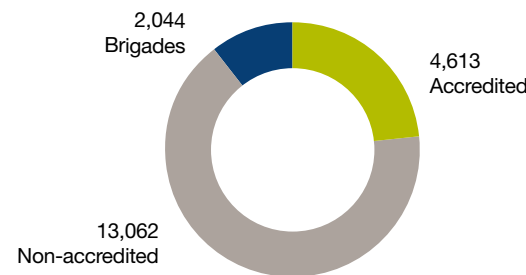
Regional communications forums and workshops were held throughout the year to provide ongoing support to mines' safety and training personnel. The sessions included participation from the NSW Resources Regulator and other industry leaders to share knowledge and advice.

## Training numbers

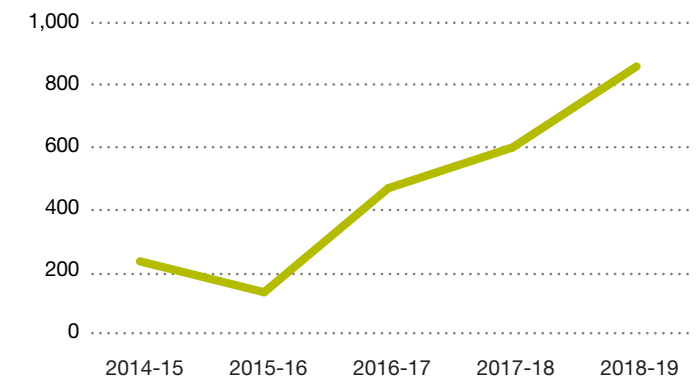
Overall attendances at Mines Rescue training courses reached 19,719 in 2018-19, increasing 3.6 per cent from 19,038 the year before. The number of attendances has been steadily increasing since 2013-14 where training numbers declined to a low of 14,452 due to the industry downturn at that time.

Attendances at the Generic Underground Induction for Coal Mines (GUI) grew for the third consecutive year to 849. 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 a slow but encouraging indicator of industry growth.

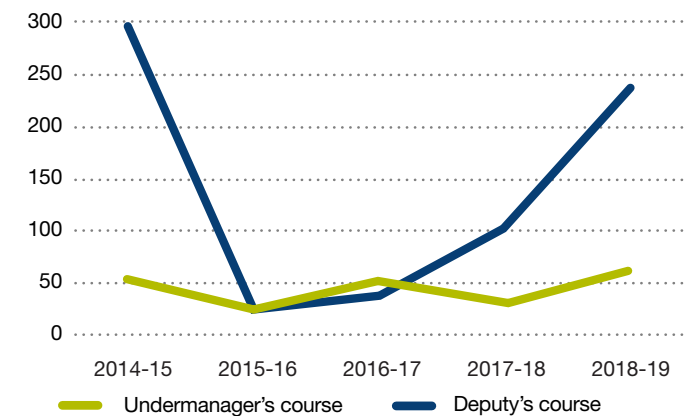
Overall training numbers 2018-19



Attendance at the Generic Underground Induction for coal mines



Attendances at statutory courses



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



## Industry education and training *continued*



### Cadets program

Four new cadets commenced the Mines Rescue cadet program in 2019. 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.

**Over a two-year period, the cadets undergo extensive training in safety, equipment, maintenance and procedures including 12 weeks of underground work experience.**



### 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 assist mines in incorporating an ICCS into existing Emergency Management Systems (EMS).

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



### 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, our Virtual Reality team has developed scenarios to assist miners and emergency response personnel to better understand and react to their environment.

Interest in the Virtual Reality Technologies (VRT) team's 'Gen4' suite of training software continued to grow during the year. It complements most course content and in conjunction with eLearning, is seen as an integral part of industry's future training needs.



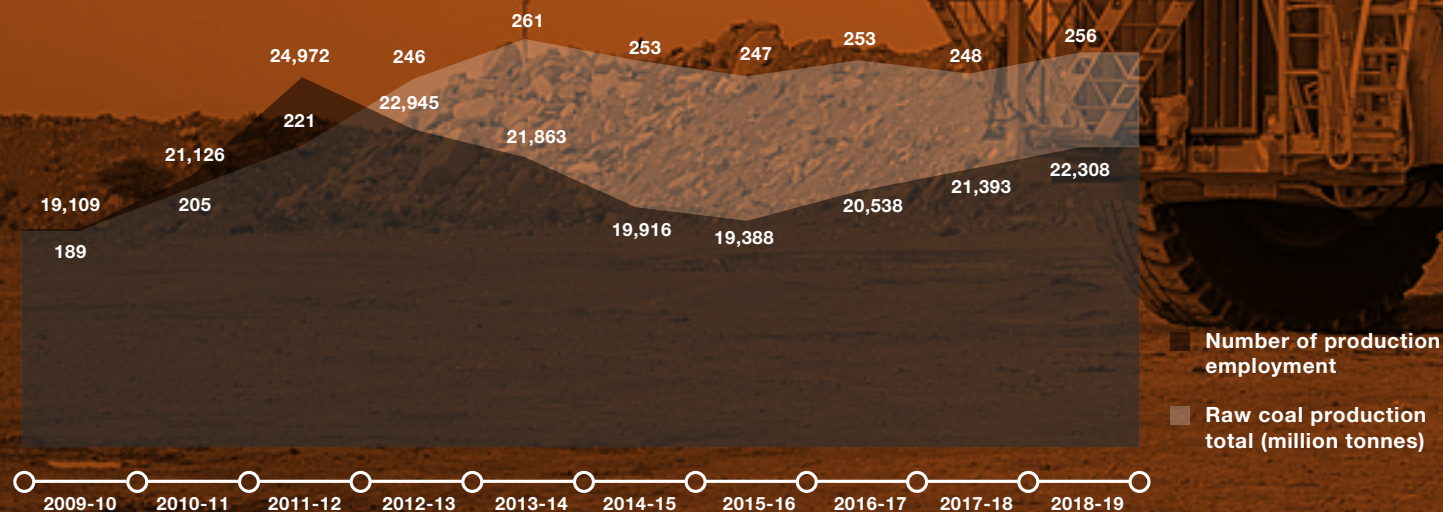
# Industry statistics



Coal Services Statistics' comprehensive current and historical data series describing the NSW coal industry provides a unique resource for all stakeholders.

With the cooperation of NSW coal producers, shippers and coal consumers, the Coal Services Statistics team is able to collect data on key aspects of the NSW coal industry.

## Raw coal production vs. production employment



# Industry statistics



## NSW mining operations

At 30 June 2019, there were 41 coal mining operations in NSW; 18 underground mines (15 longwall operations) and 23 open cut mines.

## Raw coal production

Total raw coal production was 256 million tonnes, up 7.4 million tonnes (3.0 per cent) compared to 2017-18. Production increased in all coalfields except the Newcastle region.

- > Underground coal mines produced 56 million tonnes of raw coal, down 4.7 million tonnes (7.8 per cent) compared to 2017-18.
- > Open cut coal mines produced a record 200 million tonnes of raw coal, up 12.1 million tonnes (6.4 per cent) compared to 2017-18.

## 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.

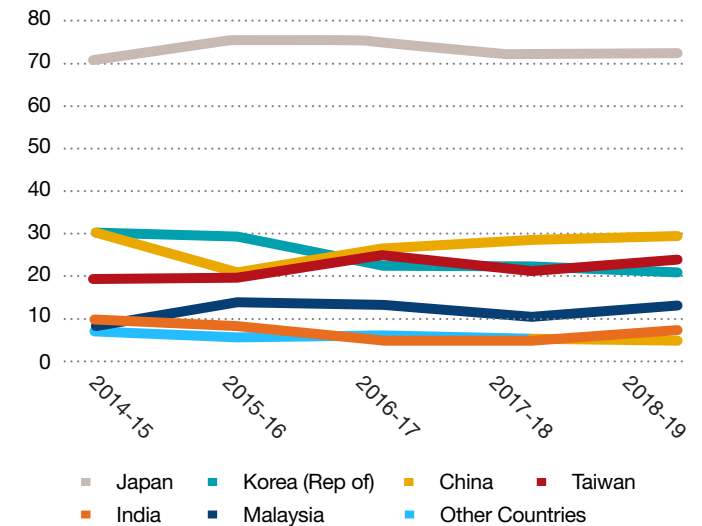
Saleable coal production increased by 1.2 per cent, or 2.3 million tonnes, to 196.6 million tonnes in 2018-19.

## Sales

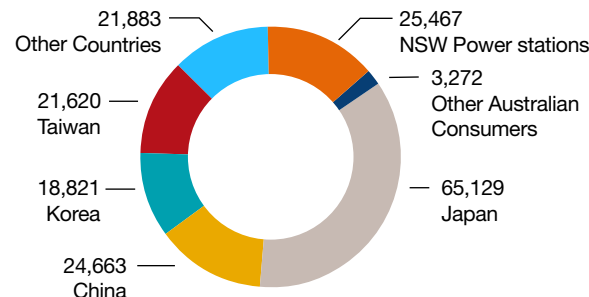
Export tonnage for the year was 167.6 million tonnes, up 6.2 million tonnes (3.8 per cent) compared to 2017-18.

Sales to domestic markets fell by 1.5 per cent to 28.7 million tonnes.

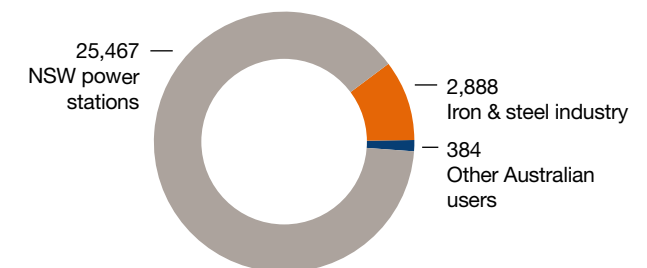
NSW coal exports by major destinations, million tonnes



NSW coal industry sales '000 tonnes



NSW coal industry domestic sales '000 tonnes



# Industry statistics *continued*

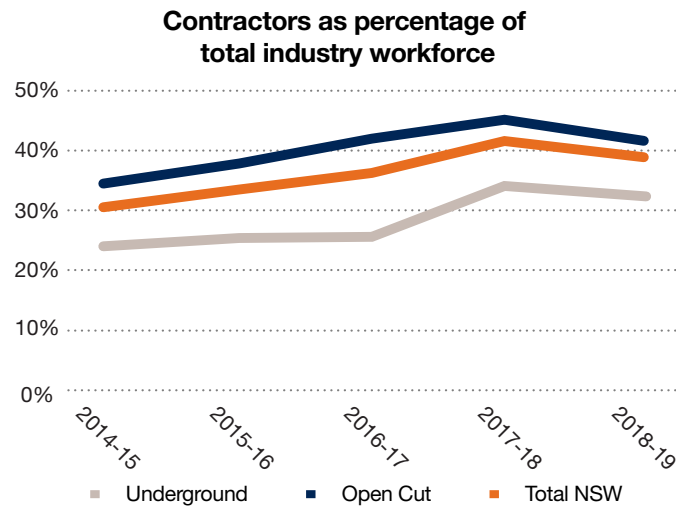


## Production employment

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.

During the 12 months to 30 June 2019, there was net job growth of 4.3 per cent (915), taking the production workforce at NSW coal mines up to 22,308 mine workers (full-time equivalent workers). Overall employee growth was strongest in the Southern region with an overall increase of 19.8 per cent, while employment in the Gunnedah region fell by 2.0 per cent.

Since 2015 the contractor share of workforce numbers had been steadily increasing across both the underground and open cut sectors. At 30 June 2019, contractors represented 38 per cent of the industry workforce compared with 41 per cent in 2018.



Industry statistics *continued*

NSW Coal Industry Statistics	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Number of coal mines at 30 June	62	61	61	55	51	44	42	41	41	41
Raw coal production underground mines (million tonnes)	62.8	62.2	60.5	69.0	74.4	77.4	65.5	64.3	60.7	56.0
Raw coal production open cut mines (million tonnes)	126.0	142.7	160.5	176.8	186.6	175.8	181.4	189.1	187.9	200.0
Raw coal production total (million tonnes)	188.8	204.9	221.0	245.8	261.0	253.2	246.8	253.4	248.6	256.0
Saleable coal production (million tonnes)	145.4	157.0	167.2	185.6	196.6	196.4	191.0	198.2	194.3	196.6
Coal sales to power stations within Australia (million tonnes)	28.5	27.8	23.6	24.2	23.1	21.9	22.5	22.4	25.9	25.5
Coal sales to others within Australia (million tonnes)	5.5	5.7	4.8	4.5	4.3	3.9	4.0	4.1	3.3	3.3
Coal sales within Australia (million tonnes)	34.0	33.5	28.4	28.7	27.4	25.8	26.5	26.6	29.2	28.7
Metallurgical coal exports overseas (million tonnes)	28.8	25.1	23.3	25.5	25.1	24.1	25.6	25.9	20.4	22.4
Steaming coal exports overseas (million tonnes)	81.1	96.7	113.0	129.8	142.2	148.8	144.0	144.3	141.0	145.2
Coal exports overseas (million tonnes)	109.9	121.8	136.3	155.3	167.3	172.9	169.6	170.2	161.4	167.6
FOB value of metallurgical coal exports overseas (\$A billion)	3.7	4.5	4.4	3.3	2.9	2.6	2.5	4.4	3.6	4.5
FOB value of steaming coal exports overseas (\$A billion)	7.5	9.6	12.3	11.7	12.3	11.8	10.7	13.8	16.1	18.7
FOB value of coal exports overseas (\$A billion)	11.2	14.1	16.8	15.0	15.2	14.4	13.2	18.2	19.7	23.1
Average FOB value of metallurgical coal exports (\$A per tonne)	129.85	178.85	190.49	129.01	114.49	107.73	98.38	169.91	176.61	200.24
Average FOB value of steaming coal exports (\$A per tonne)	92.31	99.47	109.24	90.01	86.68	79.57	74.29	95.67	113.97	128.54
Average FOB value coal exports (\$A per tonne)	102.16	115.80	123.11	96.41	90.86	83.50	77.92	106.97	121.87	138.12
Average number of employees insured (exposed to risk) at 30 June <sup>1</sup>	20,383	23,407	30,595	30,065	27,740	24,990	22,803	22,591	24,650	32,673
Number of production employment at 30 June <sup>2</sup>	19,109	21,126	24,972	22,945	21,863	19,916	19,388	20,538	21,393	22,308
Saleable coal output per mineworker per year (tonnes)	8,130	7,750	7,000	7,830	8,820	9,270	9,460	9,980	9,320	8,990
Saleable coal output per mineworker per hour (tonnes)	4.09	3.87	3.49	3.91	4.46	4.98	4.99	5.24	4.82	4.62
Days worked per mineworker per year	286.7	286.4	286.6	286.0	282.6	266.1	270.8	272.2	276.4	278.4
Lost-time injuries per million tonnes raw coal produced	2.0	1.9	2.1	2.3	2.1	1.6	1.5	1.4	1.6	1.7
Lost-time injuries per million tonnes saleable coal produced	2.6	2.5	2.8	3.0	2.8	2.0	2.0	1.8	2.0	2.3
Lost-time injuries per million hours worked	10.5	9.7	9.6	10.4	12.4	10.0	9.8	9.7	9.6	10.4

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

<sup>2</sup> 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.



# Board of Directors



## Peter Jordan

### Non-Executive Chairperson

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

Peter Jordan was appointed as a Director of Coal Services on 1 January 2012, and has been Chairman for the two-year period of 2018-19. Peter is President of the Northern Mining & NSW Energy District of the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) (Mining & Energy Division). Peter represents the CFMMEU as a Director of Unite Organising Pty Ltd, Mining & Energy Workers Services Pty Ltd and United Collieries Pty Limited. Peter is a member of the NSW Mine Safety Advisory Council (MSAC), and has been a Non-Executive Director of the Hunter Region Westpac Rescue Helicopter Service Limited since 2007.



## Lucy Flemming

### Managing Director/CEO

Term of appointment (19 December 2011 – Current)

Lucy Flemming joined Coal Services in August 2010 as Chief Financial Officer and was appointed Managing Director/CEO in December 2011.

Lucy's career spans more than 30 years during which time she has held executive positions in accounting, business, finance, investment and retail areas across both the private and public sectors. Her career includes 15 years of workers compensation experience, having spent seven years at WorkCover NSW where she managed various facets of workers compensation insurance.

Lucy holds a Bachelor of Business degree with a major in Accounting and sub-major in Law and is a qualified CPA. She is a Graduate Member of the Australian Institute of Company Directors, and has been a Director of Hospitality Employers Mutual Limited since February 2015.

## Board of Directors *continued*



### Graeme Osborne

#### Non-Executive Director

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

Graeme Osborne was appointed as a Director of Coal Services on 6 June 2019. Graeme has a senior role as District President with the Construction Forestry Mining and Energy Union (CFMEU), Mining and Energy Division (NSW). He has qualifications in WHS Management and Workplace Assessment and Training. He is a member of the Australian Institute of Company Directors, having completed the Company Directors Course.

Graeme has held and/or continues to hold directorships with various statutory bodies, financial services institutions and committees.



### Mark Genovese

#### Independent Non-Executive Director

Term of appointment (1 January 2013 – Current)

Mark Genovese was appointed as a Director of Coal Services on 1 January 2013. Mark has over 30 years' experience within the Australian Credit Union Movement, and is now Chief Executive Officer of Unity Bank, formerly Maritime Mining and Power Credit Union (MMPCU). The Credit Union officially changed its name to Unity Bank on 1 March 2017.

Mark previously worked at Australia's peak Credit Union body, Credit Union Services Corporation Australia, where he managed the retail banking products provided to credit unions. He also represented the industry on the Australian Payments Council and VISA Australia Boards.

In recent years Mark has played a pivotal role in the development of the first cooperative raising of capital, where credit unions pooled their balance sheets to secure 'mutual friendly', affordable capital. He is also a Director of Cuscal.

## Board of Directors *continued*



### Jamie Frankcombe

#### Non-Executive Director

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

Jamie Frankcombe was appointed a Director in September 2017. Jamie has been the Chief Operations Officer at Whitehaven Coal since February 2013. He was previously Director Operations at Fortescue Metals Group Ltd.

Prior to that he has had extensive senior experience in coal mine operations and development including as the Chief Operating Officer of PT Adaro Indonesia, Executive General Manager - Americas for Xstrata Coal and General Manager Operations for Xstrata Coal's Hunter Valley open cut operations.

Jamie holds a Bachelor of Engineering (Mining) from Wollongong University and a Master of Business Administration (Technology) from APESMA Deakin University. Additionally he holds First Class Certificate of Competency qualifications for both the NSW and Queensland coal industry.



### David Moulton

#### Non-Executive Director

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

David Moulton was appointed as a Director of Coal Services in January 2015. He was also appointed Chairman for the two-year period of 2016-17.

David's career spans more than 40 years; starting as a mine manager with the British Coal and RJB Mining PLC (UK Coal PLC) in 1979. In 1995, David commenced with Joy Mining Machinery; a move that took him to Pittsburgh, USA and then Australia in 1997. He joined Centennial Coal Company Limited in 1998 as the General Manager, Operations and subsequently assumed the role of Chief Operating Officer before being appointed to Managing Director and CEO in July 2011 through to April 2017.

David is currently an Independent Non-Executive Director of Yancoal Australia Limited; and a member of the University of NSW Education Trust Advisory Committee. He was previously a Non-Executive Director of Centennial Coal Company Limited; director of the Minerals Council of Australia; director (and past chairman) of the NSW Minerals Council; chairman of the Australian Coal Association Low Emissions Technologies Limited Board (ACALET); and Australian Coal Association (ACA).

# Board of Directors *continued*



**Linda Bostock**

**Independent Non-Executive Director**

Term of appointment (1 January 2019 – Current)

Linda Bostock was appointed as a Director of Coal Services on 1 January 2019. Linda has over 28 years’ experience in the insurance industry in a range of director, executive and operational management roles, specialising in workers compensation and work, health and safety. Linda is also CEO/Managing Director of StateCover Mutual Limited, NSW Local Government’s workers compensation insurer and health and wellbeing provider; a position she has held since 2011. Prior to this, Linda was the national claims and underwriting manager, across the privately underwritten jurisdictions, for one of the world’s largest general insurers.

Linda holds a Master of Business Administration, is an Associate of the Australian and NZ Institute of Insurance and Finance and a Graduate Member of the Australian Institute of Company Directors.



# General Management Team



**Martin Linz**

**Chief Financial Officer**

Martin Linz joined Coal Services as Chief Financial Officer in June 2012. Martin is responsible for all corporate services within Coal Services covering Finance; Investments; Property; Risk Management and Internal Audit; Human Resources; Work Health, Safety and Environment; Fleet Management; Records Management; Policies and Procedures; and Statistics.

Martin developed his broad range of financial and commercial skills as a Partner of 23 years with PwC. He worked in a diversity of industries across mining, energy, aluminium, engineering, construction and health services in both NSW and Queensland. He also carried out work internationally in India, China, South East Asia, West Africa and the UK.

Martin has strong leadership, mentoring and staff development skills. He holds a Bachelor of Commerce Degree, is a Fellow of the Institute of Chartered Accountants, and is a Graduate Member of the Australian Institute of Company Directors.



**Bruce Grimshaw**

**Company Secretary/Legal Counsel**

Bruce Grimshaw joined Coal Services in February 2008 as Chief Operating Officer and before becoming Company Secretary/Legal Counsel in 2010.

Immediately prior to joining Coal Services Bruce was employed by Home Wilkinson Lowry (HWL) Lawyers as Special Counsel in the Litigation and Corporate Division of the Firm since 2006.

Bruce has worked with Energy Australia as the Manager, Industrial Relations; NSW Premiers Department, as the Director Change Management; Industrial and Employment Law Section, as an Associate Partner with Turner Freeman Solicitors. He also worked as Senior Policy Adviser to the Hon. Jeff Shaw, QC, NSW Attorney General and Minister for Industrial Relations and was the Secretary of the Australian Services Union (NSW Branch).

## General Management Team *continued*



**Wayne Green**

**General Manager, Mines Rescue and  
Regulation & Compliance**

Wayne commenced with Coal Services in July 2019 as the General Manager of Mines Rescue and Regulation & Compliance. Prior to joining Coal Services, Wayne was the mine manager at the South 32 Dendrobium mine.

Wayne has extensive underground coal mining experience with over 30 years in the industry. He has held a range of senior positions covering operational, technical and project areas where he was responsible for safety, production and financial performance; as well as mine design and feasibility studies.

Wayne's qualifications include a Master's Degree in Mining Engineering, a Master of Management, a Master of Business Administration (Distinction) and a Graduate Diploma in Mine Ventilation. Wayne also holds a Mine Manager Certificate of Competence and is a member of the Mine Managers Association of Australia.



**Mark O'Neill**

**General Manager, CS Health**

Mark O'Neill joined what was then Joint Coal Board (JCB) Health in 2000. Since that time Mark has held various roles within CS Health including Regional Manager and Operations Manager. Mark was appointed to the position of General Manager, CS Health in 2008.

With a background in business and HR, Mark leads a motivated team of health professionals specialising in occupational health and injury management.

Mark's qualifications include a Degree in Business Administration & Leadership from the University of New England, as well as Diplomas in Business, Human Resources and Information Technology. Mark is a Graduate of the Australian Institute of Company Directors and is also a member of the NSW Mining and Extractives Industry Health Management Advisory Committee.

## General Management Team *continued*



**Narelle Caldwell**

**General Manager, Coal Mines Insurance**

Narelle joined Coal Services in April 2016 to lead the Coal Mines Insurance business line. Since that time, she has focussed on transforming all aspects of Coal Mines Insurance to provide contemporary, customer-focused workers compensation services to the NSW coal mining industry.

Narelle has held senior leadership roles in the public, private and non-for-profit sectors in finance, health, primary industry and environment with a strong track record in business transformation, strategic planning, change strategy, stakeholder engagement and workers compensation.

Narelle holds a Bachelor of Business from the University of Newcastle and is a guest lecturer at the University of Sydney's Faculty of Medicine and ADAPT pain management program.



**Lynette Harper**

**Deputy General Manager, Coal Mines Insurance**

Lynette joined Coal Services in October 2012 to undertake a review of the CMI Scheme's premium system, which resulted in the implementation of a number of significant reforms, ensuring the Scheme meets its objectives of being fair, affordable and financially viable.

Prior to starting with the company, Lynette spent almost 10 years at WorkCover NSW – seven as the Director, Premiums – and was responsible for the oversight and management of the WorkCover NSW Scheme's premium system.

Lynette also has non-executive director experience gained over three years as a Committee of Management member for a not-for-profit charity organisation, two of those as Chair. She is a graduate member of the Australian Institute of Company Directors.

## General Management Team *continued*



### **Pieter Marais**

**General Manager, Transformation and Strategy**

Pieter joined Coal Services in March 2015 as Financial Controller and was appointed to the role of General Manager, Transformation and Strategy in 2017.

Pieter has gained extensive experience in various senior roles across mining, financial services and construction. He spent 10 years at PwC responsible for assurance and project engagements within the mining, financial services and construction industries. Subsequent to his time spent at PwC he managed large global transformation projects for multinational companies, covered multinational companies as an equity analyst at an investment bank and was an executive board member of a listed construction group before joining Coal Services.

He is a Chartered Accountant, Chartered Financial Analyst and also has a Masters in Business Administration (MBA).



# 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' (3rd 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 referred to 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 connected with 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 Coal Services' Code of Conduct and Conflict of Interest Procedure. At the time of appointment and every two years, all Directors must complete a Fit and Proper Responsible Person Assessment as per the Coal Services Fit and Proper Policy.

# Governance *continued*

## Board induction and continued professional development

On appointment, all Directors are offered an induction program that is provided 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 a 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.

# 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 Coal Services Board delegates the responsibility of the review of the various policies and procedures associated with financial reporting to the various Board Committees.

#### 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.

Board Insurance Committee: oversees the operation and effectiveness of Coal Services NSW coal workers compensation scheme, including reviewing actuarial valuation methods.

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 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).

# Governance *continued*

## 2018-19 Board Attendance (Summary)

Director	Position	Board Meetings Coal Services <sup>1</sup> (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 <sup>2</sup>	Executive Director	5	5	0	0	0	0	4	4	1	1
Linda Bostock <sup>3</sup>	Independent Non-Executive Director (from 1 January 2019)	2	2	2	2	0	0	2	2	0	0
Jamie Frankcombe <sup>4</sup>	Non-Executive Director	5	5	0	0	0	0	2	1	3	3
Mark Genovese	Independent Non-Executive Director	5	5	5	5	4	4	0	0	0	0
John Hannaford <sup>5</sup>	Independent Non-Executive Director (until 31 December 2018)	3	3	3	3	2	2	0	0	1	1
Andy Honeysett <sup>6,7</sup>	Non-Executive Director (until 5 June 2019)	5	5	0	0	2	2	0	0	3	3
Peter Jordan	Non-Executive Director/Chairperson	5	5	0	0	0	0	4	4	4	4
David Moul <sup>2</sup>	Non-Executive Director	5	5	5	5	4	4	4	4	1	1
Graeme Osborne <sup>8</sup>	Non-Executive Director (from 6 June 2019)	0	0	0	0	0	0	0	0	0	0
		35	35	15	15	12	12	16	15	13	13

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. Removed from Remuneration Committee effective from 1 January 2019.

3. Appointed to Coal Services Boards and Committees on 1 January 2019.

4. Removed from Insurance Committee and appointed to Remuneration Committee effective from 1 January 2019.

5. Resigned from Coal Services Boards & Committees on 31 December 2018.

6. Appointed to Risk Management and Remuneration Committee effective from 1 January 2019.

7. Resigned from Coal Services Boards and Committees on 5 June 2019.

8. Appointed to Coal Services Board on 6 June 2019.





## Coal Services Pty Limited

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