

**COAL MINING SAFETY AND HEALTH AND OTHER LEGISLATION AMENDMENT BILL 2022**

**Submission No:** 9  
**Submitted by:** Peabody  
**Publication:** Submission made public  
**Attachments:** No attachment  
**Submitter Comments:**



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**21 October 2022**

Committee Secretary  
Transport and Resources Committee  
Parliament House  
George Street  
Brisbane Qld 4000

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Dear Colleagues,

***Inquiry into the Coal Mining Safety and Health and Other Legislation Amendment Bill 2022***

Thank you for providing the opportunity for Peabody to make a submission to the Transport and Resources Parliamentary Committee examining the *Coal Mining Safety and Health and Other Legislation Amendment Bill 2022* (Amendment Bill).

**Peabody Operations & Commitment to Safety**

Peabody is a leading global producer of metallurgical and thermal coal providing essential products for the production of affordable, reliable energy and steel. Peabody has 17 active coal mining operations in the United States and Australia, a global workforce of almost 5,000 employees and approximately 1,700 employees in our Australian operations.

In Queensland, Peabody operates the Coppabella Mine, Moorvale/Moorvale South Mine, North Goonyella Mine and Burton Mine. Peabody also has a 50% interest in Middlemount Mine with Yancoal. Middlemount, Coppabella, Moorvale/Moorvale South and Burton are all surface mines. North Goonyella is an underground mine which is currently in care and maintenance. Burton Mine is currently under rehabilitation.

At Peabody, Safety is our number one value and a commitment to excellence in safety, health, environmental stewardship and respect for cultural heritage is expected at every level of our business.

Peabody's Australian mines have regularly out-performed their industry peers with respect to recordable injury frequency rates and a more recent focus on safety interactions (a critical lead indicator for safety) has seen an encouraging reduction in serious incidents at our mines.

Peabody has a strong permanent work force which is supplemented by labour hire workers on a short to medium term basis to fulfil operational requirements. Peabody also engages contractors who offer specialist expertise, primarily in our underground operations.

## **Peabody comments on the *Amendment Bill***

Peabody appreciates efforts by the Queensland Government, and in particular the preparedness of the Minister for Resources, the Hon Scott Stewart MP, to address industry concerns regarding a number of provisions contained in the original *Coal Mining Safety and Health and Other Legislation Amendment Bill* previously passed by the Queensland Parliament.

In particular we acknowledge revisions made following industry consultation to employing entities for statutory position holders and recognition of the leading role Open Cut Examiners, ERZ Controllers and Ventilation Officers play in preserving a safe workplace in production environments.

However, Peabody remains concerned with the impacts of key sections of the current Amendment Bill on the safety of coal mine workers in Queensland and on the continuity of our operations and the industry generally.

Our specific concerns with the Amendment Bill are set out below.

### **The Amendment Bill considers *mines under care and maintenance or rehabilitation to be the same as operating coal mines* when it comes to the employment of Statutory Position holders**

Peabody believes the Amendment Bill's exemption for exploration companies from the requirement for statutory officials to be employed by the Coal Mine Operator (CMO) should also apply to mines in rehabilitation mode and mines in care and maintenance.

By way of example, Peabody's Burton mine is currently in full rehabilitation phase, employs a workforce of less than 20 employees - none engaged in the production of coal - and, as such, the risk profile of this operation is significantly different from a producing coal mine.

While Peabody understands such mines must have statutory position holders, given the very small workforce, infrequent nature of work and a shortage of suitably qualified statutory position holders across the industry, it is most practical for these positions to be filled by statutory officials employed by Peabody's Australian parent company (i.e. associated entity) or, at times, by contractors, rather than the relevant CMO. This would allow officials with the necessary qualifications to be flexibly deployed as required to these sites.

Without this ongoing statutory coverage provided by officials employed by an associated entity or by suitably qualified contractors, rehabilitation work at Burton and at other similar mines would need to cease, delaying rehabilitation and the return of this previously mined country to long-term alternative land uses.

We believe that mines such as Burton operate under a similar risk profile to exploration companies and there appears to be no good reason why the exemption for SSEs applied to exploration entities should not also apply to mines in rehabilitation and care and maintenance.

### **The Amendment Bill applies *employment restrictions to MEMs and EEMs* that precludes them from being employed by an associated entity**

The Amendment Bill proposes to restrict the employment of Mechanical Engineering Managers (MEMs) and Electrical Engineering Managers (EEMs) such that they are prohibited from being employed by an "associated entity" of the coal mine operator.

The safety rationale for this prohibition is not explained. Nor does the proposal take account of the existing employment arrangements within most coal mining companies, and the complexity

that exists as a result of the application of various industrial instruments. There appears to be no safety and health basis for the proposed prohibition and Peabody requests it be removed.

The arrangements that apply to the other statutory positions (i.e. Site Senior Executives, Underground Mine Managers and VOs) to allow them to be employed by an "associated entity" of the coal mine operator should also apply to OCEs, ERZCs, MEMs and EEMs.

**The Amendment Bill's provision that *contractors must employ greater than 80% of workers on site to employ statutory position holders in their own right will present significant safety risks and practical difficulties for the carrying out of short-term specialist contract work***

Across its global operations, including in Queensland, Peabody utilises an owner-operator business model however makes regular use of contractors to undertake specialist, short-term work programs such as longwall moves and development work, particularly in our underground mines.

In these circumstances we believe worker safety is best protected by statutory position holders directly employed by the contractor who have specialist knowledge of the risks of the work activities being undertaken (e.g. longwall moves, longwall development, shotcreting and secondary support work such as roof bolting etc.)

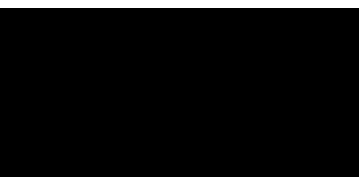
Under changes introduced by the Amendment Bill these specialist contractors will now be subject to the direction/supervision of statutory position holders employed by the CMO or an associated entity who is unlikely to have the specialist knowledge required to adequately protect coal mine worker safety.

Additionally, and as previously mentioned, given a dire shortage of suitably qualified statutory position holders across the industry, Peabody believes requiring coal mine operators and associated entities to permanently provide statutory coverage for this type of short-term specialist work is impractical, has the potential to risk coal mine worker safety and jeopardise production should positions remain unfilled.

**Conclusion**

Thank you again for the opportunity for Peabody to comment on the Amendment Bill. Our company urges Committee members to give serious consideration to the issues raised in our submission. We are genuinely concerned that the above-mentioned provisions in the Amendment Bill may critically compromise rather than strengthen the systems and processes in place to protect the safety of Queensland coal mine workers. Additionally, these elements pose practical difficulties that have the potential to disrupt, or in a worst-case scenario, halt operations at some Peabody mines.

Yours faithfully,



**Jamie Frankcombe**

President, Australian Operations  
Peabody