



TRANSPORT AND RESOURCES COMMITTEE

Members present:

Mr SR King MP—Chair
Mr LL Millar MP
Mr BW Head MP
Mr JR Martin MP
Mr LA Walker MP
Mr TJ Watts MP

Staff present:

Dr J Rutherford—Committee Secretary
Mr Z Dadic—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO COAL MINING INDUSTRY SAFETY

TRANSCRIPT OF PROCEEDINGS

MONDAY, 24 OCTOBER 2022

Brisbane

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The committee met at 9.33 am.

CHAIR: Good morning. I declare this public briefing for the committee's inquiry into coalmining industry safety open. My name is Shane King. I am the member for Kurwongbah and chair of the committee. I would like to respectfully acknowledge the traditional custodians of the land on which we meet today and pay our respects to elders past and present. We are very fortunate to live in a country with two of the oldest continuing cultures in Aboriginal and Torres Strait Islander people, whose lands, winds and waters we all share. With me here today are: Lachlan Millar MP, member for Gregory and deputy chair; Bryson Head MP, member for Callide; James Martin MP, member for Stretton; Les Walker MP, member for Mundingburra; and Trevor Watts, member for Toowoomba North, who may have to leave us during the proceedings.

On 18 August 2022 the Legislative Assembly agreed to a motion that the Transport and Resources Committee inquire into and report on current practices and activities of the coalmining industry. The purpose of today's briefing is to assist the committee with its consideration of the inquiry. The committee's proceedings are proceedings of the Queensland parliament and are subject to the standing rules and orders of the parliament. As parliamentary proceedings, under the standing orders any person may be excluded from the hearing at the discretion of the chair or by order of the committee. The committee will not require evidence to be given under oath, but I remind witnesses that intentionally misleading the committee is a serious offence. You have previously been provided with a copy of instructions to witnesses, so we will take those as having been read.

The proceedings are being recorded by Hansard and broadcast live on the parliament's website. Media may be present and will be subject to the chair's direction at all times. The media rules endorsed by the committee are available from committee staff if required. All those present today should note it is possible you might be filmed or photographed during the proceedings by the media and images may also appear on the parliament's website or social media pages. I ask everyone present to turn mobile phones off or to silent mode.

DJUKIC, Mr Robert, Chief Operating Officer, Resources Safety & Health Queensland

NEWMAN, Mr Peter, Chief Inspector, Coal, Resources Safety & Health Queensland

CHAIR: Welcome. I will ask you to make a short opening statement, after which committee members will have some questions for you. I also ask that any responses to questions taken on notice today be provided to the committee by 4 pm on Tuesday, 8 November 2022.

Mr Newman: Good morning, Chair, and committee members. I want to thank the committee for the opportunity to provide a briefing in relation to its inquiry into coalmining safety and about the coalmining industry's response to the board of inquiry's recommendations.

The board of inquiry was established by the former minister for natural resources, mines and energy following the explosion that occurred at the Grosvenor coalmine on 6 May 2020. That accident caused severe burn injuries to five coalmine workers. These injuries will have changed their lives significantly. We can only guess at the full impact it must have had on them, and my thoughts are with them as they continue to recover from this trauma. While some might say that the outcome of that explosion could have been worse, that lends no comfort to anyone, least of all to those injured workers. What happened to them is unacceptable. RSHQ firmly believes that all of us who are involved in this industry must take every available lesson from that terrible accident to prevent something similar or worse from happening in the future.

The board of inquiry made 65 recommendations, 30 of those to RSHQ. RSHQ accepted all of these recommendations and has fully implemented five, with work on the remainder well underway. An overview of RSHQ's actions on its recommendations is in our written submission to the committee. Some of the recommendations that RSHQ received relate to inspectorate operations. Some concern potential legislation and the review or development of recognised standards. Recognised standards are risk management tools which state ways for mines to manage specific risks to an acceptable

level. These standards are developed by tripartite committees and approved by the minister. For the recognised standards the board of inquiry recommended, tripartite committees have been established and have commenced work.

RSHQ has recently released for consultation a regulatory impact statement that is the first stage in the process to develop legislation which will address the board's recommendations for legislative amendment as well as other safety proposals. Consultation on the regulatory impact statement closes in late November 2022.

Insofar as the board made recommendations concerning inspectorate operations, some of the recommendations endorsed action RSHQ had already commenced prior to the board of inquiry and which I outlined to the board about the handling of reports of methane exceedances. The board, like other recent reviews, highlighted the importance of a strong incident reporting culture within the industry as a means of identifying potential failures and correcting them to prevent the occurrence of harm. I have made it very clear to industry that, as chief inspector, I expect fulsome and timely reporting of high-potential incidents which must be accompanied by thorough investigations, identification and implementation of adequate risk controls to prevent future incidents.

I have also been clear that the regulator does not penalise mines or persons for reporting incidents. We will take appropriate action where a mine fails to adequately control risks or fails to identify or report an incident, but I emphasise that we do not penalise reporting. In fact, I would prefer to see mines take a wide view of what they should report, even if it means they over-report, rather than a defensive view that results in under-reporting.

The board made 27 recommendations for the coalmining industry as a whole as well as a further three recommendations specifically directed at the Grosvenor mine. In July this year I wrote to the senior site executives of all Queensland underground mines urging them to act on their recommendations and requesting that they provide me with their implementation plans by the end of this month. With seven days to go until the end of October, sadly I have not received any responses.

The coalmines inspectorate will monitor industry's implementation of recommendations aimed at site operations for the management of methane related risks. The board directed a number of recommendations at organisational factors for coalmining operations and behaviours. I understand these recommendations to be particularly relevant to the committee's terms of reference, and I anticipate that industry will outline its actions in respect of those to the committee during the course of this inquiry. We are happy to take any specific questions that you may have.

CHAIR: Thank you. With production bonuses and lag safety indicator related bonuses—those incentives—can you elaborate on how the industry does that?

Mr Newman: Incentive schemes and bonus schemes for coalmine workers and executives within the coal industry vary across organisations and are very much a matter for those organisations. It is not part of the legislative framework. Having come from industry I can say that they can range from safety, production and business performance through to purely production bonuses. The weighting of safety, production and business performance is, again, something that varies between organisations.

CHAIR: As someone who has worked in a mine with those sorts of production bonuses—I am not asking for an opinion—does the organisation have any concerns or investigations about the correlation potentially of production versus safety?

Mr Newman: Not in relation to incentive schemes at those mines, no.

Mr WATTS: I want to ask a question about collecting statistics. The board of inquiry noted that temporary work arrangements were associated with a higher incidence of injury and fatality and QRC stated that current statistics show there is no difference. I am just trying to understand why there would be these two contrary views. Are we collecting the right statistics to be able to judge this?

Mr Newman: The committee may be aware of a report that Dr Sean Brady released to the industry and to the minister associated with looking back over the last 20 years of fatalities and high-potential incidents occurring in the industry. That report showed that there was not a deference to more incidents occurring in contractor employees against mine owner employees. In fact, there was level pegging of the two.

Mr WATTS: Just to clarify, there is no difference in that report, even though the board of inquiry noted that temporary work arrangements were associated with a higher incidence of injuries and fatalities? You are saying that other report says that is not correct?

Mr Newman: That was not the observation around contract employees. I should say that the collecting of information is around full-time employees and contract employees. The board may well have been referring to labour hire that is contracted to the owner-operator rather than to a contracting company onsite.

Mr WATTS: The final part of that question is: are we collecting the right statistics to know if the employment structure has any influence on the outcome of safety at a mine?

Mr Newman: The incident statistics we collect from industry have a requirement for people to determine whether they are full-time employees, contract employees or labour hire employees.

Mr WATTS: The evidence currently is that there is no difference in safety between those?

Mr Newman: No. The work that Dr Brady did showed that there was no difference between the two.

Mr Djukic: If I can add, within particular groups—within contract groups, labour hire groups and operators—you will of course see variation between individual organisations. There is always scope for us to improve the kinds of data we collect to get more granularity. RSHQ has commenced development of a system which will better enable us to collect that high level of granularity and make the reporting of that information more user-friendly for industry. As a general comparison between one group and another—my colleague may correct me—we do not have the ability to say that generally one group's performance is better than another.

Mr WATTS: Is there a timeline for when that system you are working on at the moment might be able to be implemented, to give us some granularity so we can see if there is a difference?

Mr Djukic: It will be a staged rollout. The first stages of that will be rolled out to the industry, we expect, in the next calendar year.

Mr MARTIN: Is the senior person on a mine site in Queensland, the senior site executive, presently required to have any qualification in mining? Can the RSHQ elaborate on that?

Mr Newman: Yes, the senior site executive is the most senior person on the site. In order to be appointed to that role by the operator, they have to have a notice which is issued by the Board of Examiners, of which I am the chair. In order for that notice to be issued, they are required to undertake and pass a written law exam to show that they have a good understanding of the Queensland legislation as it applies to coalmining. In terms of the issue with respect to other qualifications, that is not a requirement of that notice currently. The other competencies that are required in terms of experience are, again, not outlined in the requirements of the board, although it is a matter under consideration.

Mr Djukic: In line with the board's recommendation that SSEs at underground mines hold a first-class certificate of competency, that is one of the proposals contained in the regulatory impact statement which is currently out for consultation.

Mr Newman: The first-class certificate of competency does require both a qualification in terms of a mining qualification and necessary experience in the industry. That is prescribed on the board's website.

Mr MARTIN: In general, do you know what qualifications the current range of SSEs hold?

Mr Newman: From an underground perspective—I will just talk about the undergrounds—the majority of SSEs have a background in underground mining, be it in mechanical, electrical or mining, or a trade background.

Mr HEAD: Are you aware of requirements on any coalmine operations that may take supervisors and key safety personnel away from the job at hand in the name of completing safety related paperwork to the extent that it may be detrimental to site safety?

Mr Newman: I will restrict my comments to underground, being the subject of the board of inquiry. Whenever a risk assessment is undertaken at a coalmine, there is a requirement for a cross-section of the workforce to be involved in that risk assessment to ensure it is a risk assessment not just being done by people out of the office but involves people who actually undertake the task. To that extent, supervisors or statutory officials may well be required to undertake that type of work. Having said that, in general in those cases there would be a relief supervisor or statutory official who would go into the working face to relieve that person if that is the case. To answer your question, no, I am not aware of people being removed from a workplace to do other safety related matters without there being a relief put into those areas to undertake the duties that they were doing.

Mr WALKER: With regard to the high-reliability organisational principles that were recommended by the 2019 Brady review, can RSHQ comment on how they are being adopted across the industry? Has there been any resistance to the introduction of these principles?

Mr Newman: In terms of their introduction across the industry, QRC and the commissioner's office have commissioned a review of where mines are up to with respect to the implementation of HROs and the principles. That was across not only underground operations but also surface operations and the metals, mines and quarrying sector. It would be fair to say that there is a broad spectrum of where organisations are at in terms of adopting those principles. As to whether there has been any resistance, certainly from my observations there has not been any resistance. However, there have been some organisations that are mapping their current systems and processes to HRO principles to ascertain, 'Well, we do that, we do that and we do that; we are an HRO,' which is not necessarily what is meant by becoming a high-reliability organisation and living by those principles.

CHAIR: For the benefit of the committee, I want to talk about process safety versus personal safety. Can you explain the difference between the two?

Mr Newman: Simplistically, personal safety is about injury to persons. Process safety is around a breakdown in a process such as at an oil refinery or from a coalmine perspective. The coalmining process involves anything from the exploration for the coal through to the mining process. From a longwall, it is the process of degassing the seams which are to be mined, commencing production, the coal transferring from the face onto the conveyor system to surface and the health and safety processes associated with that. What are the controls in place to prevent a gas exceedance on the face? Where there is a failure that did not result in a personal injury—that is, a person being struck by something—but it potentially resulted in a gas exceedance which had the potential then to cause an explosion in the mine, that is a process safety failing.

Mr HEAD: Can you comment on the merits of self-enabling legislation in the mining industry as opposed to prescriptive regulatory instruments?

Mr Newman: I am on public record presenting to a number of conferences—the Queensland coalmining conference, the recent mine ventilation conference and the New South Wales health and safety conference—with respect to the performance of industry over the 74 years of prescription, from 1925 to 1999, and the performance of industry since the risk-based enabling legislation. While the industry came very close to having a multiple-fatality event at Grosvenor on 6 May, all of the multiple-fatality disasters that have occurred in the mining industry occurred under prescriptive legislation. There has not been one to date. There have continued to be multiple single-fatality events, but there has not been a multiple-fatality event since enabling legislation.

I was in industry when the legislation was enacted. It would be fair to say that the industry had a passion for risk-based legislation and risk management. Over the 24 years, and coming into this role, I have a view that the risk-based legislation is still very effective. The application of it in some cases is less than adequate. In those cases, my inspectorate take the appropriate action in terms of providing directives to mines, to the point of preventing mines commencing longwall production or suspending longwall production where those risk management aspects are not in place.

CHAIR: I would like to go back to the competing priorities of production versus safety. Can you elaborate on how the industry is working with that, because production and safety seem to be at opposite ends? I am not seeking an opinion, though.

Mr Newman: Coalmines run a business. Coal prices are at record levels. More tonnes coming out in a shorter period of time results in increased profits, shareholders' incentives and the like. It is a fact of life. In terms of production being put over safety, the fact of the matter is that my inspectorate have, over this year and the previous year, across a number of operations, had to suspend operations because they believed that there is evidence that those operations had an unacceptable level of risk. The number of those directives and suspensions has increased over the past 18 months compared with the previous 18 months. My view is that anytime a directive is given to suspend operations the safety of that operation has not been put in front of the production requirements of the mine.

Mr MILLAR: In response to the board of inquiry recommendations, how does the inspectorate see the coal industry is managing competing priorities of coal production rates and worker safety?

Mr Newman: With respect to the recommendations from the board, as I mentioned in my opening speech, I requested the industry to provide me with an update of where they are at. In fact, I even gave them the template to fill out. Five days from the end of October, I have not received one. In terms of my inspectors' and my inspections and audits of coalmines, I have a view that the 27 recommendations for industry and the further three particularly for Grosvenor have not all been implemented. If there is a learning from the past, be it Moura No. 2 or Moura No. 4, it is the time industry takes to implement recommendations. Hence, I am sure the committee will be asking those questions of industry. As I say, the fact that, five days out, industry has not responded to a request from the chief inspector for an update on where they are at is sad.

CHAIR: Time has beaten us. That concludes this briefing. Thank you very much. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public briefing closed.

The committee adjourned at 10.01 am.