

INQUIRY INTO COAL MINING INDUSTRY SAFETY

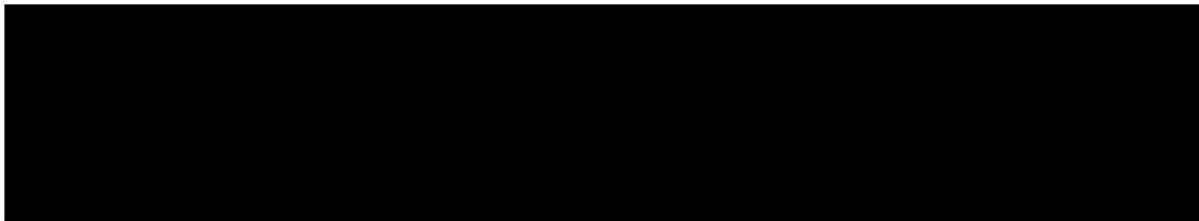
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Submission

Transport and Resources Committee Inquiry into Coal Mining Industry Safety

5 October 2022



Introduction

1. This is a joint submission made by BHP Group Limited (**BHP**) and BM Alliance Coal Operations Pty Ltd, in its capacity as manager and agent for the BHP Mitsubishi Alliance (**BMA**). BHP and BMA welcome the opportunity to make this written submission to the Transport and Resources Committee (**Committee**) in relation to its Inquiry into Coal Mining Industry Safety (**Inquiry**).
2. At BHP and BMA, we place the highest priority on the safety of our people. Our highest priority is to provide a healthy, safe and inclusive workplace where everyone is treated with respect and everyone can speak up about safety. A culture of transparency is critical to achieving continuous safety improvements.
3. We acknowledge the serious events at Anglo American's Grosvenor Mine in 2020 that led to the establishment of the Queensland Coal Mining Board of Inquiry (**Bol**), and the important function of the Bol. Whilst not directly involved in the Bol, BHP and BMA closely followed the Bol and have carefully considered and engaged with the Bol's findings and recommendations from the Part I¹ and Part II² reports.
4. We completely support the Committee's objective which is to examine what the coal mining industry has done, and what the industry plans to do, in response to the Bol recommendations to make lasting changes to improve safety culture in the mining industry.³
5. The purpose of this submission is to assist the Committee by providing the following:
 - (a) background to our Queensland operations;
 - (b) an overview of our safety culture and approach to health and safety risk management, including the work that we continue to do to manage the safety of our people and those in the broader industry;
 - (c) our response to the Bol recommendations; and
 - (d) our view on areas for potential broader industry safety improvement raised in the Bol.
6. In summary, the position outlined in this submission is:
 - (a) BHP and BMA recognise that everyone has a right to be safe at work. Our priority is to provide a healthy, safe and inclusive workplace where everyone is treated with respect.

¹ Terry Martin SC and Andrew Clough, *Queensland Coal Mining Board of Inquiry Report – Part I*, November 2020.

² Terry Martin SC and Andrew Clough, *Queensland Coal Mining Board of Inquiry Report – Part II*, May 2021.

³ Statement from The Honourable Scott Stewart, Minister for Resources, "Parliamentary Inquiry to examine safety culture in coal mining industry", 2 August 2022.

- (b) BHP and BMA have long-standing risk and safety management systems and initiatives, which are outlined below. However, we recognise there is always more to be done to continuously improve our safety performance and culture.
- (c) We are supportive of measures and government actions taken to improve safety performance across the industry and increase knowledge sharing and learning.
- (d) While the Bol was primarily directed to the events that occurred at Anglo American's Grosvenor Mine, we carefully considered the recommendations made and actively engaged with key stakeholders in relation to the actions we have taken in response.
- (e) The systems and culture that characterise our approach to safety apply across the workforce. When it comes to safety, we make no difference between employees, contractors and sub-contractors, and workers from labour hire agencies.
- (f) Nothing is more important than safety, and safety performance must continuously improve. We are committed to working with regulators, other stakeholders and the industry more broadly to achieve safety improvements.
- (g) We welcome the Inquiry as a valuable opportunity to collaborate on this critical matter.

Background

Our operations

7. BHP is a leading diversified resources company with a global footprint. BHP's global workforce currently comprises around 80,000 employees and contractors, and is among the world's top producers of major commodities including iron ore, nickel, metallurgical and thermal coal, and copper. BHP has owned and operated coal mines in Queensland for over 40 years.
8. BHP's coal assets in Queensland are operated through BMA, which is a 50/50 joint venture between BHP and Mitsubishi Development Pty Ltd .
9. BMA currently engages over 12,000 employees and contractors across our Queensland operations.
10. BMA owns and operates seven coal mines in the Bowen Basin, Queensland – Blackwater, Broadmeadow (**BRM**), Caval Ridge, Daunia, Goonyella Riverside, Peak Downs and Saraji. These are open-cut mines, except for BRM which is a longwall underground coal mine. BMA also owns and operates the Hay Point Coal Terminal which is located approximately 40 kilometres south of Mackay and is one of the largest dedicated coal ports in the world.
11. BMA also operates the Moranbah airport which is a key transport hub for the coal industry in the Bowen Basin region.
12. **Attachment 1** is a map of BMA's operations in Queensland.

Our workforce

13. We have a diverse workforce in Queensland, consisting of employees, contractors and sub-contractors, and workers engaged through labour hire agencies.
14. In 2018, BHP established Operations Services (**OS**), a production and maintenance service provider, which provides production and maintenance services across our operations throughout Australia, including to a number of BMA assets in Queensland. OS was established to increase our internal capabilities, address limitations to labour availability, and help BHP maintain its edge by leveraging best practice across our Australian operations in a highly competitive operating environment.
15. OS offers its employees permanent employment. Through this model, BHP has sought to reduce reliance on labour hire companies and directly employ more of its labour. Since its creation, OS has created nearly 3,800 permanent jobs, including delivering 31% female participation and 11.1% Aboriginal and Torres Strait Islander participation across its workforce.
16. When it comes to safety, there is no difference in the way we treat our workforce. All of our employees, contractors, sub-contractors and workers work under the same safety standards and are all encouraged to speak up about safety concerns.

Our safety culture

Our Charter

17. Our safety culture and performance is driven by the BHP *Our Charter*⁴ and associated governance framework. This framework makes safety fundamental to how BHP conducts its business operations across the globe.
18. *Our Charter* describes our purpose and values and how we measure our success. It is the most important means by which we communicate who we are, what we do, and what we stand for as an organisation, and is the basis for our decision-making. *Our Charter* places sustainability as our highest value and emphasises that we put health and safety first.
19. BHP's *Our Code*⁵ is the guide to living *Our Charter* values every day. It is a code of conduct that applies to everyone who works for BHP, with BHP, or on BHP's behalf (including BMA and its workers). It requires that all global and local BHP health and safety standards, procedures and plans, including *Our Requirements* standards, are adhered to across the BHP business. *Our Code* encourages people not to look the other way, and to speak up if they think a decision or action is not in line with the *Our Code* or *Our Charter* values.

⁴ The *Our Charter* values are listed on BHP's website: <https://www.bhp.com/about>

⁵ The *Our Code* is available on BHP's website: <https://www.bhp.com/about/operating-ethically/corporate-governance>

20. *Our Requirements* standards, specifically the *Safety - Our Requirements* and *Health – Our Requirements*,⁶ are overarching requirements for the management of safety risks and protection of BHP employees' and contractors' wellbeing. BMA's operations are required, at a minimum, to meet these requirements, and assess and implement further controls in accordance with local risk profiles, standards and regulatory requirements.
21. Management of risk, including safety risks, is governed by a single, BHP Group-wide approach known as the Risk Framework.⁷ The Risk Framework comprises elements directed to promoting and supporting the application and continuous improvement of risk management. The *Risk Management - Our Requirements* sets the minimum standards for risk management activities across BHP.
22. We apply a "three lines of defence" assurance process for risk management. The "three lines of defence" model is a way of explaining the relationship between different functions and teams within an organisation, and how the responsibilities for risk management are divided between them. The model integrates risk management, control definition, control improvement, governance and assurance frameworks into one governance model.
23. This governance framework ensures that there is specific oversight of safety and health risks that arise throughout BHP's operations, including for each of BMA's coal mines in Queensland. The framework provides a whole of system approach, which supports BMA as the statutory coal mine operator (**CMO**) of all BHP coal mines in Queensland, Site Senior Executives (**SSEs**) (the most senior individual statutory role responsible for health and safety at coal mines in Queensland, and who are appointed by BMA as CMO),⁸ and others to manage site-based safety and health risks.
24. We recognise that effective governance is critical to managing all health and safety risks, and will continue to focus on improvement of our safety performance, culture and strategies. We consider that having the right structures, controls and culture of care in place is critical to ensuring every mine worker goes home safe at the end of each day.

Safety and health management systems

25. BMA's safety and health management systems (**SHMSs**) at each coal mine are also a key factor in driving our safety culture and performance.
26. SHMSs have been carefully developed for each coal mine by the appointed SSE to ensure compliance with regulatory requirements, (primarily the *Coal Mining Safety and Health Act 1999* (Qld) (**CMSH Act**) and *Coal Mining Safety and Health Regulation 2017* (Qld) (**CMSH Regulation**) and Recognised Standards), and reflect best practice health and safety management.

⁶ *Safety - Our Requirements* and *Health – Our Requirements* are available on BHP's website: <https://www.bhp.com/about/operating-ethically/corporate-governance>

⁷ BHP's Risk Framework is discussed in further detail on our website: <https://www.bhp.com/sustainability/climate-change/risk-management>

⁸ See Division 2, Division 3 and Division 3A of Part 3 of the CMSH Act, which set out the obligations of the CMO, SSE and others in relation to a coal mine.

Engagement and collaboration with workers

27. We also engage and collaborate with our workers and statutory health and safety representatives (site safety and health representatives (**SSHRs**) and industry safety and health representatives (**ISHRs**)) to ensure a positive safety culture and strong safety performance. BHP and BMA consider that engagement and collaboration with our workforce on safety issues is vital to helping us improve our safety performance and encouraging a 'speak up' culture within our workplace.

Workforce engagement and collaboration

28. BMA engages and collaborates with, and communicates relevant safety information to, its workers in Queensland, including through:

- (a) the consultation process for developing standard operating procedures under section 10 of the CSMH Regulation;⁹
- (b) in-field leaders discussing job-specific safety risks;
- (c) daily pre-starts and Toolbox Talks;
- (d) coaching from health, safety, environment and community business partners;
- (e) digital media;
- (f) site and task-based risk assessments;
- (g) our Field Leadership Program, which is designed to drive cultural change and continuously improve health and safety outcomes, by encouraging people across BHP to engage with their colleagues in the field; and
- (h) our BHP Operating System (**BOS**), which actively encourages input from workers and problem solving at the front-line.

Workforce engagement and perception surveys

29. BHP and BMA conduct an anonymous Engagement and Perception Survey (**EPS**) and Contractor Perception Survey (**CPS**) every 120 days. These are sent, as relevant, to employees, workers of contractors and sub-contractors, and workers engaged through labour hire agencies. Both surveys include questions on safety matters. Team leaders are expected to encourage participation in the EPS and CPS. The results of the EPS and CPS are shared with the business through dashboards, and the data is anonymised and analysed so that trends and improvement opportunities can be identified and developed within our teams and actioned as appropriate.

Role of SSHRs and ISHRs

30. BMA recognises the important role of SSHRs, ISHRs and the regulator in providing external oversight of onsite safety through the exercise of their statutory functions and powers under

⁹ Section 10 of the CSMH Regulation requires the SSE for the coal mine to ensure a number of consultative steps are taken in developing standard operating procedures for managing and controlling hazards and risks at the mine, including: consulting with a cross-section of coal mine workers involved in carrying out relevant task, giving draft standard operating procedures to those coal mine workers, taking further consultative steps if coal mine workers disagree with legal or technical matters in the draft.

the CMSH Act. BMA collaborates with SSHRs, ISHRs and representatives of the regulator (including the inspectorate) to continuously improve safety performance.

31. BHP and BMA support the role of SSHRs. The BoI confirmed the importance of SSHRs and their function in overseeing health and safety issues at the site-specific level. The evidence given by SSHRs at the BoI hearings confirmed that there was a generally productive and cooperative relationship between workers, SSHRs and mine management across the industry.¹⁰
32. This is consistent with our experience. BMA actively involves SSHRs in various consultation processes. For example, SSHRs are typically included in site-based risk assessments and are informed of various matters in relation to health and safety and play an active and constructive role in ensuring a safe workplace.

Safety risk management initiatives

33. BHP and BMA have a sustained focus on ensuring the BHP values of putting health and safety first are always maintained. Below is a snapshot of some of our key safety risk management initiatives we are advancing in pursuit of our goal that everyone goes home safely.

Field Leadership Program

34. Field Leadership is a global program which drives a common approach to improving health, safety, and environment performance with a focus on preventing fatalities and developing a positive 'safe to speak up' culture of care – a key attribute of the world's best health, safety, and environment performers.
35. The Field Leadership Program was deployed within our coal operations in 2015 and a common global approach was deployed across our operations in FY2019. This included common training and a system designed to support the recording of field leadership activities. In the first two years after global deployment, more than 2 million field leadership activities involving our workforce were completed, which demonstrates that the program is being embedded into our daily leadership routines. BMA averages nearly 30,000 field leadership engagements per month. We monitor field leadership participation and quality at our operated assets to support the continual improvement and embedment of the program.
36. Through our Field Leadership Program, workers from all levels of BHP and BMA spend time engaging directly with each other, irrespective of how they are engaged on sites. The Field Leadership Program includes various activities, directed to:
 - (a) promoting a culture of care;
 - (b) verifying that critical controls that are behavioural in nature are working as intended, including through 'critical control observations';
 - (c) identifying positive behaviours, and at-risk behaviours (and correcting as needed); and

¹⁰ Part II Report, Finding 107 and Chapter 13.

- (d) ensuring there is a continuous review of HSE processes and systems, and that teams are empowered and feel safe to speak up by constructively challenging and seeking ways to simplify, standardise and improve existing risk controls.

BHP Operating System (BOS)

- 37. BOS defines a set of principles, practices and behaviours that make improvement a part of what we do at BHP. It allows us to align around our Purpose, our Charter Values and our Operating Model, providing us with guiding principles for decision making that is aimed at ensuring continuous improvement.
- 38. Our three guiding principles directed at ensuring continuous improvement are:
 - (a) **Engaging our people:** We aim to empower our people in order to engage the capabilities of the entire organisation. Our frontline employees – operators, maintainers, specialists and analysts in our Assets and Functions – often have the best understanding of the actual work and the answers to problems and ideas for how to make the work better. We trust and respect our employees' skills and experience – leveraging their insights and listening when they raise opportunities for improvement.
 - (b) **Serving our customer:** A strong customer orientation helps us to understand what each of our colleagues need, and to design and operate processes that meet these needs. We consider a customer mindset is the key to effective co-operation between and within the areas of our business that are the core building blocks of our Operating Model.
 - (c) **Pursuing operating perfection:** We consider that excellence will come through the pursuit of perfection. We do not expect to be perfect, but we believe that everything can be improved. Improvement is based on the scientific method: repeated cycles of experimentation, direct observation and learning. We consider that a consistent exploration of new ideas, including failures, will allow us to refine our understanding and find better ways of working.
- 39. Foundational to BOS is empowering and engaging the frontline to improve their work environment. BOS also ensures our frontline and senior leaders spend time in the field, understanding the work environment, our people and driving continuous improvement in safety practices.

Fatality Elimination Program

- 40. Analysis of BHP's historical safety performance, investigation outcomes and external safety best practice learnings have identified further opportunity to enable BHP to take additional steps in eliminating fatalities. In FY2021, we introduced our Fatality Elimination Program (**FEL**) to support a step-change towards our goal of zero fatalities across BHP. Over a five-year period, the program includes focusing on improving:
 - (a) controls by identifying new and improving existing controls across our top 10 safety risks, with a focus on higher order controls (for example, design and engineering controls, rather than administrative controls); and

- (b) human and organisational performance – understanding the context relating to how work gets done, and the human dependencies associated with controls and improving how people, work systems, equipment, processes and culture interact.

Integrated Contractor Management Program

- 41. Ensuring contractor safety is a global priority for BHP. Recognising the critical role contractors play in our operations, our Integrated Contractor Management Program is designed to make it safer and easier for contractors to work with us.
- 42. Introduced in FY2020, the program is focused on building long-term mutually beneficial relationships, integrating and simplifying processes and systems, and creating an inclusive, respectful and caring workforce culture. Since its introduction, the program has standardised roles and responsibilities of contract owners and promoted improved partnerships with BHP service providers through the implementation of the *Contractor Management - Our Requirements* standard for existing and new onsite service contracts.
- 43. In early 2021, we built on existing minimum contractor management performance requirements and issued dedicated mandatory minimum performance requirements for contractor management. These establish how we work with contractors (including subcontractors and consultants) across BHP globally. This is an important step in our journey to ensure contractor safety and is intended to drive best practice by guiding leaders on how they can effectively work together with contractors, subcontractors, and partners.

'Safe to Speak up' culture

- 44. BHP and BMA have done extensive work to create a culture in which all workers, regardless of how they are engaged, can feel safe to speak up about safety issues, and are assured that reprisals will not be taken in response.
- 45. This culture is created through leadership presence, engagement and curiosity in the field and through specific processes and activities such as:
 - (a) *Our Charter* and *Our Code*;
 - (b) our induction and training materials;
 - (c) the EPS process (as explained above);
 - (d) daily pre-starts and toolbox talks; and
 - (e) specific communications on the roles and responsibilities of our workforce, including expectations on reporting poor practices and hazards and feeling confident in their ability to speak up about these issues.
- 46. These materials and processes encourage workers to speak up about safety issues and give workers comfort that retaliation will not be tolerated.
- 47. In addition, following the 2019 Safety Reset across the Queensland mining sector, the Queensland Government, resources companies (including BHP and BMA) and unions made a commitment to a 2021 Safety Reset, themed 'Chronic unease: improving safety culture through better hazard and incident reporting'. This was focused on building a culture of open and comprehensive reporting and investigation of serious incidents and near miss incidents without fear of reprisal. BHP and BMA trained relevant workers on these topics in 2021.

High Reliability Organisation (HRO)

48. Both the Bol and Dr Sean Brady's *Review of all fatal accidents in Queensland mines and quarries from 2000 to 2019 (Brady Review)* emphasised that the mining industry should adopt the principles of High Reliability Organisation (HRO) theory. As explained in the Brady Review, HRO theory "focuses on identifying the incidents that are the precursors to larger failures and uses this information to prevent these failures occurring".¹¹
49. BHP and BMA support the principles of HRO. BHP and BMA have practices, standards, requirements and procedures in place that closely align to HRO principles. In addition, and following the Brady Review, we have:
- (a) undertaken awareness and learning sessions with leaders to explore HRO principles and our process to further develop them in our organisation;
 - (b) taken steps to ensure a continued focus of reporting hazards and near misses, quality investigation approach and the use of our HSE systems to assess effectiveness of controls; and
 - (c) considered how HRO principles already exist within our systems and processes, and next steps to ensure a continuous focus on HRO principles.
50. The Bol expanded on the application of HRO theory to the coal mining industry by recommending the implementation of critical control management. Critical control management is "a risk management process that focuses on identifying and managing the controls that are critical to the prevention of catastrophic or fatal events".¹²

Critical control management

51. As set out above, BHP's approach to risk identification, assessment and management aligns with critical control management.
52. Within BHP:
- (a) risks must be identified, including as either current or emerging;
 - (b) for each identified risk, the maximum foreseeable loss (the risks are categorised into one of five categories depending on severity) must be determined, which in turn informs whether it is a material risk;
 - (c) for each current risk (whether material or non-material), preventative controls and mitigating controls must be implemented;
 - (d) for each current material risk, critical controls must be identified;
 - (e) for each critical control, the critical aspects of the design and operating performance criteria required to achieve its primary objective, the verification activities required to check the critical control is operating effectively in accordance with its design, and a

¹¹ See Recommendation 6 of the Brady Review.

¹² Bol Part I Report, paragraph 6.61.

method to test that the critical control is effectively managing the risk must be determined; and

- (f) risk management must be routinely monitored and reviewed, including testing the effectiveness of critical controls for current material risks.

53. By way of example:

- (a) Our Critical Control execution process provides for certain activities associated with a critical control to be flagged in our work management system. This highlights the criticality and reduces the likelihood of work being postponed.
- (b) At the BRM level, this approach has facilitated the identification of an underground explosion, including inrush and contaminated atmosphere, as a material risk that requires critical controls. These critical controls include methane drainage, goaf sealing and inertisation. Methane levels are therefore actively monitored to ensure that these controls remain effective.

Addressing personal safety and process safety separately

- 54. The Bol Part I Report states that personal safety focuses on addressing the risk of personal injuries (and the strategy to address it focuses on human behaviour), while process safety is designed to address the risk of fatalities and catastrophic incidents (and the strategy to address it focuses on higher order controls).¹³
- 55. The Bol's use of "process safety" appears to align with how BHP and BMA manage material risk and high consequence events across our operations, through the critical control management process set out above.
- 56. BMA also has processes in place directed to personal safety. These include conducting localised risk assessments, with input from workers. As described above, our safety risk management initiatives, such as the Field Leadership Program and BOS are also directed to identifying positive and at-risk behaviours and identifying improvements.

Our response to the Bol recommendations

Overview

- 57. BHP and BMA acknowledge the 25 recommendations made in the Bol's Part I Report, and the 40 recommendations made in the Bol's Part II Report. BHP and BMA have carefully

¹³ See Bol Part I Report, Chapter 6, paragraphs 6.37 – 6.39.

considered those recommendations, their relevance to BHP and BMA's coal mining operations in Queensland, and any areas where further action could be taken in response to the Bol recommendations. Many of the recommendations made were consistent with the approach already being taken by BHP and BMA and some presented opportunities for us to continuously improve in light of the detailed findings of the Bol.

58. BHP and BMA have engaged with industry (including through the Queensland Resources Council (**QRC**)), the Minister for Resources (**Minister**), and Resources Safety and Health Queensland (**RSHQ**) in relation to the Bol recommendations and BHP's and BMA's response to them.
59. We appreciate the opportunity to explain to the Inquiry the ongoing actions and responses to those Bol recommendations relevant to our operations and which are the particular focus of this Inquiry, as set out in sub-paragraphs 1(a)-(e) of the Terms of Reference. For convenience, the recommendations are grouped by the themes in those subparagraphs.

The impact of coal production rates on safety risk management

60. The Bol made a number of recommendations specific to underground coal mines in relation to coal production rates and the impact on safety risk management. The only underground coal mine operated by BMA in Queensland is BRM, which is considered to be an industry leader in this space, and is committed to sharing best practice to improve safety outcomes across industry.
61. At BHP and BMA, nothing is more important than ensuring our people go home safely each day. Critical to our ongoing operations, is ensuring that safety is always the primary consideration. We place significant focus on ensuring our Safe to Speak Up culture is strong, with all our people empowered to speak up and stop work if they have any concerns about safety. This is reinforced by our leaders' commitment to Field Leadership, encouraging conversations about safety, critical control effectiveness and hazard reporting every day.
62. *Our Code* is clear that workers must immediately stop work that appears unsafe, comply with relevant health, security and safety requirements, use all personal protective equipment provided and help others to do the same. *Our Code* provides that workers must never undertake any work that appears unsafe. It also sets out a range of other requirements for workers on safety matters.
63. As outlined above, *Our Code* applies together with *Our Charter Values* and the SHMS in place at each particular site. This framework signals to workers that safety must at all times be the priority. We conduct site-wide safety stops to reinforce safety messages when required.

Coal production and lag safety indicator related bonuses and incentives, and their impact on safety risk management

64. At BMA, lead and lag safety metrics are closely monitored at all levels of the organisation, including in our BMA Scorecard which sets clear objectives and expectations for BMA each year. These metrics are designed to provide a consistent response and prioritisation of effort, from senior leadership to operators at the coal face.
65. Lead metrics are designed to both reinforce process discipline and provide early indication of performance gaps. These include operating disciplines for material risk metrics, coached Field Leadership engagements and potential fatality event hazard reporting.
66. Lag metrics provide an unambiguous, and consistently applied set of performance measures that allow management action to be taken to correct performance gaps. These include, for example, High Potential Incident frequency, events resulting in injury that have the potential to be fatal and exposure to carcinogens.
67. Lead and lag indicators play different roles, and both are essential to ensuring we keep our people safe. Both types of indicators are considered for measuring safety performance and the determination of executive bonuses.
68. Production related metrics are considered subsidiary to safety metrics – we firmly believe that:
 - (a) safety is critical to our success, and no production is warranted unless it can be completed safely; and
 - (b) a safe organisation is a productive organisation.
69. Following the BoI recommendations, BMA reviewed its scorecard metrics, and bonus structures, to ensure those metrics and structures do not discourage reporting of safety incidents or injuries. This review included a focus on including more lead indicators in the BMA Scorecard metrics.

Classification and reporting of, and effective responses to, incidents and failures of risk controls

70. Any incident or failures of controls are classified, reported and responded to in line with a clear process and criteria within BHP and BMA which enables appropriate escalation and response.
71. The corporate incident classification criteria used within BMA and BHP is based on the actual and potential severity of an event, and in relation to health and safety events, by reference to the actual or potential number of resultant fatalities or chronic life-threatening illnesses.

72. For example, a potential or actual Level 1 event is defined as one which results (or could result) in injury requiring first aid treatment, whereas, a potential or actual Level 4 event is defined as one which results (or could result) in 1-5 fatalities or 1-5 chronic life-threatening illnesses, and a Level 5 event is defined as one which results (or could result) in 6 or more fatalities or 6 or more chronic life-threatening illnesses.
73. Our systems require events to be linked to a relevant material risk. Through the investigation process, any failures of critical controls should be identified as potential contributing factors and any associated actions required to remedy any failures identified.
74. BHP and BMA have also deployed data tools that assist with identifying potential trends and flagging potential areas of concern following a series of similar events.
75. The recommendations of the Bol in relation to the management of incidents and risk controls were primarily made in the context of an underground operation and with a particular focus on the management of methane exceedance events. As noted above, the only underground coal mine operated by BMA in Queensland is BRM and we are of the view that our approach to management of methane exceedance events is in line with industry best practice. In order to assist the Inquiry, we have set out by way of example a high level overview of the treatment of methane exceedances under our risk management framework.
76. At BRM, reportable methane exceedance (being a general body concentration of methane of at least 2.5%) is recognised as a potential contributor to the "Underground Explosion" material risk category, which has a corporate incident classification of Level 4 at a minimum. Therefore, a reportable methane exceedance is treated consistently as having, at a minimum, a potential consequence of Level 4 (and may be regarded as having a potential consequence of Level 5 depending on the circumstances).
77. This classification triggers:
- (a) inputting the event into an internal electronic system;
 - (b) an external report to the regulator under the CSMH Act and CSMH Regulation of a High Potential Incident; and
 - (c) an internal report to senior leadership (being the BMA Asset President, the President Operations Minerals Australia and Vice President HSE), and an internal investigation.
78. At the BRM site level, a reportable methane exceedance triggers a Level 3 response under the General Body Contaminant Trigger Action Response Plan (**TARP**), which requires that normal operations are stopped to address the gas concentration, and requires the SSE to notify the CMO and further notifications are then made to BMA's owners.

Labour hire at coal mines, and labour hire workers' roles in onsite safety

79. As set out above, we have a diverse workforce in Queensland, consisting of our employees, workers of contractors and sub-contractors, and workers engaged through labour hire agencies. The systems and culture that characterise our approach to safety apply across the workforce regardless of employment status. All workers – whether employees, contractors or

sub-contractors, or workers engaged through labour hire agencies – are treated the same when it comes to safety, with the same requirements around training, competency and inductions, and the same expectations regarding their contribution to safe operations and to speak up about any safety concerns they may identify.

80. All coal mine workers at BMA sites, including contract workers and labour hire workers, undergo a comprehensive core site induction process. All of our people, including those working at our mines under contractor or labour hire arrangements, are fully informed about the fundamental importance of the reporting of safety concerns and are assured that reprisals will not be taken in response raising safety concerns.
81. The induction process was reviewed following the Bol recommendations, and further content included, to ensure it includes detailed and clear information on the importance of reporting health and safety concerns, assurances about protection from reprisals, and information about relevant sections of the CSMH Act. The information coal mine workers receive at induction reflects BHP's support for workers to speak out if they see conduct that is not consistent with *Our Charter*, *Our Code* and/or the *Our Requirements* standards. The entire workforce (including employees and contractors) is also required to complete *Our Code* training on an annual basis.
82. In addition, following the Bol recommendations, BHP has developed and has begun delivering a training course for supervisors that includes information on BHP's policies against retaliatory conduct and expressly directs supervisors to monitor their teams for such behaviour.
83. BMA's contracts with labour hire agencies already include provision for performance management and grievance issues, in respect of labour hire workers to be addressed. At a minimum, regular (monthly) performance meetings are held between the BMA Contract Owner, site representatives and labour hire vendors, in which safety and performance issues are discussed as well as KPIs, statistics and reporting metrics.

On-site safety, and ensuring appropriate measures to address process safety and personal safety separately

84. BHP and BMA already clearly define and have in place processes for defining and managing process safety risks, and personal and on-site safety, as set out above.

Areas for reform

Overview

85. BHP and BMA have already taken steps to respond to the Bol's recommendations directed at industry, and continue to consider the Bol findings and recommendations regarding legislative reform.
86. BHP and BMA also acknowledge the Consultation Regulatory Impact Statement (**CRIS**) Paper published by RSHQ on 23 September 2022, titled "Facilitating High Reliability Organisation behaviours in Queensland's Resources Sector and Modernising Regulatory Enforcement". BHP and BMA are considering the reforms proposed in the CRIS Paper.
87. For the benefit of the Committee's consideration of options for achieving the intent of the recommendations made by the Bol, we have provided our views on a preliminary basis on some specific areas raised in the CRIS Paper which overlap with issues raised in the Bol findings.

Critical control management

88. As noted above, BHP and BMA have a long-standing comprehensive approach to critical control management.
89. On this basis, BHP and BMA do not consider the Bol's recommendation¹⁴ necessary that the CSMH Act and CSMH Regulation be amended to require coal mines to develop critical controls with performance criteria in their Principal Hazard Management Plans (**PHMPs**), and which require:
 - (a) The SSE notify RSHQ of every failure of a critical control;
 - (b) The SSE to monitor and report on the effectiveness of critical controls on a monthly basis; and
 - (c) The CMO to audit critical controls under section 41(1)(f) of the CSMH Act.
90. We do not consider these requirements to be purpose-suited for every circumstance and consider they will increase complexity and create an unnecessary administrative burden that is counterproductive to effective safety management. Such requirements would also run contrary to recommendation 8 of the Brady Review, which stated that the incident reporting system should be simplified to encourage open reporting, rather than be an administrative burden to reporting.
91. Instead, BHP and BMA consider that a recognised standard¹⁵ developed by RSHQ may provide the necessary information and flexibility for CMOs to develop critical controls with

¹⁴ Bol Part I Report, recommendation 19.

¹⁵ In line with Bol Part I Report, recommendation 20.

proportionate monitoring and reporting requirements. This option could also encapsulate appropriate auditing by RSHQ.

Health and safety engagement

92. BHP and BMA strongly support active engagement with our workforce in relation to health and safety matters, as evidenced above.
93. In relation to specific matters canvassed as part of the Bol:
- (a) BHP and BMA consider that the current statutory regime for escalation and resolution of safety matters through the functions and powers of SSHRs and ISHRs is effective;
 - (b) BHP and BMA also consider that there is not a need to implement further reform to the reprisal provisions, on the basis that the existing reprisal protections within the CSMH Act and elsewhere are strong;
 - (c) BHP and BMA do not consider that it is necessary for requirements to be introduced which impose an obligation on SSEs to inform labour hire agencies of certain matters. This is especially where such requirements already exist in relation to informing SSHRs, who have a statutory function of representing all coal mine workers, including labour hire workers, and consequent powers to ensure the safety of those workers.

Training and competencies

94. The Bol made a number of findings and recommendations about specialist training in emergency response for underground coal mine workers, and the competencies required to be held by workers who hold statutory positions in underground coal mines. In particular, the Bol found that RSHQ should take steps to amend the CSMH Act to require that, in respect of underground coal mines:¹⁶
- (a) an SSE holds a First Class Certificate of Competency;
 - (b) a person appointed to act as the SSE during an SSE's absence of more than 14 days, and the person left in charge of an underground coal mine in the absence of the Underground Mine Manager (**UMM**) holds a First or Second Class Certificate of Competency; and
 - (c) an SSE holds the RIIWHS601E competency (Establish and maintain the WHS management system).
95. BHP and BMA broadly support the intention behind the Bol recommendations to ensure appropriate training and competencies at coal mine sites. This is achieved at BHP and BMA through investing resources into high quality training.
96. In relation to the proposed competency reforms relating to First and Second Class certificates, BHP and BMA consider that existing competency requirements are appropriate and that further

¹⁶ Bol Part I Report, recommendations 13-16.

consideration should be given to the following issues which may be connected with the proposed reforms:

- (a) There are only a limited number of people in the industry that hold First and Second Class Certificates, and there is a long pathway to obtain those certificates. BHP and BMA estimate that it could take more than five years to obtain a First Class certificate. For a holder of a Third Class certificate, it takes approximately two years of study to obtain a Second Class certificate, and further study to then obtain a First Class certificate.
 - (b) The UMM is already required to hold a First Class Certificate, and requiring the SSE to also hold such a certificate (and thus enabling the SSE to give technical directions) could create ambiguity in relation to the management and control of the safety aspects of the underground mine.
 - (c) These statutory positions are challenging roles with rigorous requirements in terms of training and competencies. Imposing further requirements (which in our view will not result in better safety outcomes) could introduce challenges attracting people to those roles and undermine the objective of strengthening safety culture. The priority should instead be to make statutory positions as appealing as possible to ensure that qualified professionals remain in the industry and continue to gain knowledge and skills.
97. BHP and BMA are supportive of the recommendation that an SSE holds the RIIWHS601E competency (Establish and maintain the WHS management system). This is appropriate given the obligation on an SSE under the CSMH Act to develop and implement a SHMS for all persons at the mine.

Conclusion

98. BHP and BMA are supportive of measures to improve safety performance and increase knowledge sharing and learning across the industry.
99. Whilst the BoI was primarily directed at the events that occurred at the Anglo American Grosvenor mine, we carefully considered the recommendations made and actively engaged with key stakeholders in relation to the actions we have taken in response.
100. BHP and BMA have long-established systems in place which are directed at improving safety performance, but we also recognise that there is always more to be done to continuously improve the safety of our people and those in the broader industry. We are committed to engaging with government, the community and industry stakeholders in relation to safety and to continuously improving safety performance.
101. We welcome the opportunity for further engagement with the Committee in relation to any of the matters raised in these submissions.

Attachment 1 - Map of Queensland assets

