



Planning,
Industry &
Environment

WHS undertaking

Undertaking to the Secretary,
Department of Planning, Industry and Environment
given for the purposes of Part 11 of the *Work Health and Safety Act 2011*

by

Mt Arthur Coal Pty Limited

ACN 000 181 902

ABN 83 000 181 902

Purpose

The purpose of this WHS undertaking is to document the undertaking given to the **regulator**, the Secretary of the Department of Planning, Industry and Environment, for the purposes of Part 11 of the *Work Health and Safety Act 2011 (WHS Act)* in connection with a matter relating to a contravention or alleged contravention by the person of the WHS Act.

Section A - general information

1. details of the company or individual proposing the undertaking

Name of company or individual	Mt Arthur Coal Pty Limited (MACPL)		
Registered address	Level 14 480 Queen Street Brisbane QLD 4000 Australia		
Mailing address (if different from above)	Private Mail Bag No. 8 Muswellbrook NSW 2333 Australia		
Telephone	[REDACTED]	Fax:	[REDACTED]
Email address	Ross.Carlson@BHPBilliton.com		
Legal structure	Australian proprietary company, Limited by shares		
Type of business	Coal mine operator of the Mt Arthur Coal Mine, located in Muswellbrook, NSW		
Commencement date of the entity	8 June 2000		
Workers	Full time: 954	Part time: 39	Other: 0
Products and services	Coal		
Comments			

2. the details of the alleged contravention

It is alleged that on 10 August 2017, MACPL, being a person conducting a business or undertaking at the Mt Arthur Coal Mine at Muswellbrook, NSW (the **Mine**), failed to discharge its obligations under section 19(1) of the *Work Health and Safety Act 2011 (NSW)* (the **WHS Act**) to ensure, so far as is reasonably practicable, the health and safety of workers at the Mine while the workers were at work in the business or undertaking conducted by MACPL.

3. details of the events surrounding the alleged contravention, e.g. incident details

On 10 August 2017, a worker employed by a contractor to undertake onsite tyre management services at the Mine, was refuelling a diesel-powered tyre handler at the Mt Arthur Coal heavy vehicle refuelling facility (**Fuel Farm**). The worker was using a free flow adapter nozzle attached to an 800 litre per minute refuelling hose. The adapter ejected from the tyre handler causing diesel to flow onto the worker, the surrounding ground area and engine surfaces of the tyre handler. On making contact with the hot engine surface, the diesel ignited and the flames extended towards the worker. Throughout this document, this will be referred to as the **Incident**.

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4. an acknowledgement that the regulator alleged a contravention has occurred

It is acknowledged that the Resources Regulator has alleged that MACPL contravened the WHS Act in respect of the Incident.

5. the details of any injury that arose from the alleged contravention



6. the details of any enforcement notices issued that relate to the alleged contravention

Notices received:

Yes (provide details)

No

Date issued	Notice type	Notice number	Contravention	Action taken to respond to notice
30/08/2017	Section 155	170829JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
23/08/2017 (approx.)	Section 155	171027JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
23/08/2017 (approx.)	Section 155	171027JQ2	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
07/09/2017	Section 198	170907JQ1	Non-disturbance of scene	Complied with directions in the notice. Installed monitoring camera for confirmation of non-disturbance
07/09/2017	Section 198	170907JQ2	Non-disturbance of Equipment	Complied with direction in the notice
07/09/2017	Section 155	170907JQ3	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested.
11/09/2017	Section 155	170911JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested.
21/09/2017	Section 198	170921JQ1	Non-disturbance of scene	Scene not disturbed
21/09/2017	Section 198	170921JQ2	Non-disturbance of Equipment	Equipment secured
28/09/2017	Section 198	170928JQ1	Non-disturbance of scene	Scene not disturbed
28/09/2017	Section 198	171005JQ2	Non-disturbance of Equipment	Equipment secured
5/10/2017	Section 198	171005JQ1	Non-disturbance of scene	Scene not disturbed

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5/10/2017	Section 198	171005JQ2	Non-disturbance of Equipment	Equipment secured
11/10/2017	Section 198	171011JQ1	Non-disturbance of scene	Scene not disturbed
11/10/2017	Section 198	171011JQ2	Non-disturbance of Equipment	Equipment secured
21/10/2017	Section 178	Receipt No. 171021JQ1	Seizure of items	Items provided
18/10/2017	Section 178	Receipt No. 171018JQ1	Seizure of items	Items provided
3/11/2017	Section 155	171103JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested.
14/09/2017	Section 198	171011JQ1	Non-disturbance of scene	Scene not disturbed
14/09/2017	Section 198	170907JQ2	Non-disturbance of Equipment	Equipment secured
09/03/2018	Section 155	180309JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
27/04/2018	Section 155	180427JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
07/05/2018	Section 155	180502JQ2	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
07/05/2018	Section 155	180507JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
18/05/2018	Section 155	180518JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
10/07/2018	Section 155	290710JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested.
06/08/2018	Section 155	180806JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
08/03/2019	Section 155	190308JQ1	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested

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08/03/2019	Section 155	190308JQ2	Notice to give information to the Department of Planning and Environment (the Resources Regulator)	Information provided as requested
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7. a statement of assurance about future work health and safety behaviour

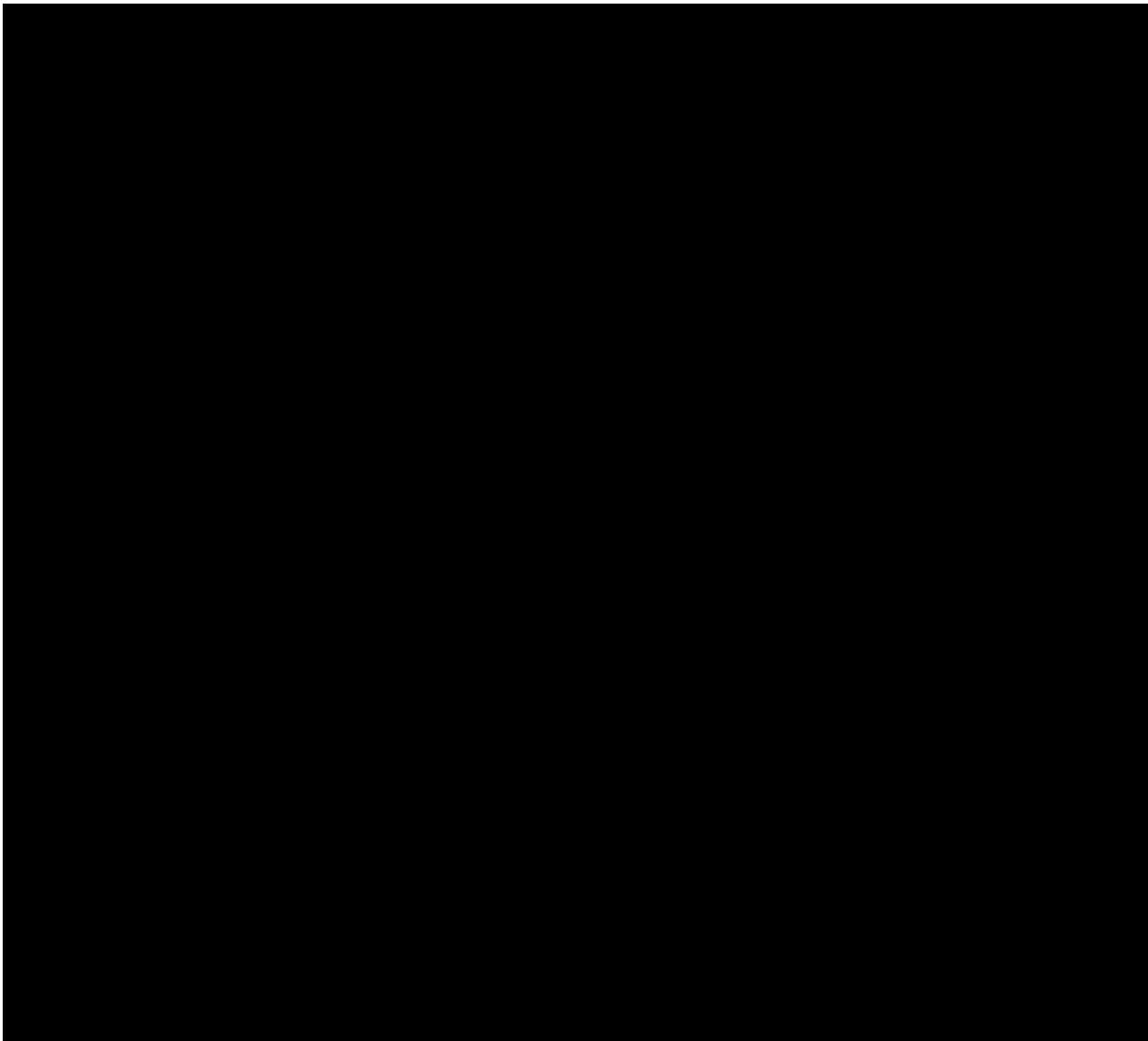
MACPL is committed to complying with its obligations under the WHS Act and ensuring, so far as is reasonably practicable, the health and safety of all workers engaged or caused to be engaged by MACPL and all workers whose activities are influenced or directed by MACPL.

8. when an alleged contravention is associated with an injury or illness

8.1. the details of the type of workers compensation provided (if the injured person(s) is a worker of the person)

As a contractor employed the worker, details of the type of workers compensation provided by the worker's employer are not known to MACPL.

8.2. details of the support provided, and proposed to be provided, to the injured person(s) to overcome the injury/illness



9. the details of any existing safety management systems at the workplace including the level of auditing currently undertaken

MACPL has a Safety Management System (**SMS**) in place to ensure the safety of employees, contractors and visitors to the Mine. The SMS has been developed using AS4808 – Occupational Health and Safety Management System model and adopts the "Plan-Do-Check-Act" methodology. The SMS has also been developed and implemented to meet the health and safety requirements of each of the following:

- *Work Health and Safety Act 2011 (NSW)*;
- *Work Health and Safety Regulation 2017 (NSW)*;
- *Work Health and Safety (Mines and Petroleum Sites) Act 2013 (NSW)*;
- *Work Health and Safety (Mines and Petroleum Sites) Regulation 2014 (NSW)*;
- *Explosives Act 2003 (NSW)*; and
- *Explosives Regulation 2013 (NSW)*.

MACPL's SMS is comprehensive and covers a range of work health and safety matters including a Transport Management Plan for the management of surface mobile equipment hazards and a Fire and Explosion Management Plan to manage the hazards associated with fire and explosion.

Under its SMS, MACPL has a process to audit the implementation and effectiveness of the SMS against agreed performance requirements. The process requires audits to be conducted at least once every three years and at other intervals, as specified under the Work Health and Safety (Mines and Petroleum Sites) Regulation 2014 (NSW), including where there is a significant change in operations that may affect health and safety and after a fatality or a dangerous incident that could have reasonably resulted in a fatality. The audit is conducted by the relevant risk owner for the relevant area. In addition, the management team of MACPL (which includes statutory position holders and Superintendents) conduct a safety management system audit to maintain the currency of prescribed elements of the system.

10. the details of any consultation undertaken within the workplace regarding the proposal of a WHS undertaking (including workers and work health and safety representatives)

Consultation about an enforceable undertaking has occurred amongst senior management of MACPL, including the Mining Engineering Manager, the General Manager, and the Asset President.

Consultation has also occurred with the Site Safety and Health Representative. Consultation with the site Health Safety Committee will continue during the execution of the Enforceable Undertaking.

11. a statement of regret that the incident occurred (ie not an admission of guilt)

MACPL regrets that the Incident occurred and that the worker suffered injury as a result of the Incident.

12. any rectifications made as a result of the contravention

Following the Incident, MACPL undertook the following steps to rectify the alleged contravention:

- **Reinspection of tyre handlers for compliance:** MACPL reinspected OT22 (a tyre handler used by the contractor of a similar type to that involved in the Incident) to ensure compliance.
- **Equipment modifications:** MACPL requested the contractor to make modifications to the engine bay cover to prevent the possibility of fuel entering into the engine bay area from outside the engine bay.
- **Equipment upgrades:** MACPL consulted with various stakeholders to identify areas of improvements at the Fuel Farm. MACPL installed a fuelling pod, procured by the contractor, at the contractor's tyre bay at the Mine. MACPL also installed and commissioned a new full control system. MACPL also requested the contractor to fit additional exhaust lagging (heat wrap) under the turbo of the OT22 to cover gaps in the exhaust system.
- **Modification and recommissioning of the refuelling facility:** MACPL completed risk assessments and upgrades to the system Programmable Logistic Computer (**PLC**) to recommission the refuelling facility.
- **Investigation:** The mine completed a comprehensive investigation in cooperation with the NSW

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regulator Major Investigation Unit to determine the cause of the event and to assist MACPL in implementing preventative and mitigating actions.

- **Upgrade to the fuel farm:** MACPL carried out a design risk assessment for an upgrade to the heavy vehicle fuel farm which was approved. Outcomes of this assessment were:
 - completing further risk assessments considering fire and the operation and maintenance of the facility;
 - implementing engineering controls from the assessment;
 - implementing access control on the facility;
 - training of workers in the upgraded facility;
 - installing monitoring systems (CCTV and PLC) for the fuel facility.
- **Risk Assessment and audits:** MACPL undertook various risk assessments in relation to the operation of the Fuel Farm, including an operability and constructability risk assessment, a fire risk assessment, and an operations and maintenance risk assessment. MACPL also completed a post-incident compliance audit of the Fuel Farm.
- **Refuelling authorisations:** MACPL issued communication to workers clarifying which roles were authorised to utilise the Fuel Farm to refuel equipment.
- **Training and education:** MACPL offered training to workers on risks associated with diesel refuelling equipment and best practices for the safe use and maintenance of that equipment, specifically, the effective use of nozzles and adapters. The use of splash fill adapters was banned at BHP Minerals Australia sites.
- **System installation:** MACPL procured the installation of a fuel control system and system hut fabrication. A summary of the improvements completed in the HV refuelling facility are:
 - The new hut has improved operational facilities such as PLC / TAMS control, CCTV monitoring.
 - HV refuelling hut located away from radiation intensity zone and SIL2 rated emergency stop (i.e. improved operator safety).
 - Improved emergency egress in a location away from line of fire.

MACPL estimates that approximately \$960,000 was spent on the rectifications outlined in the table below:

Description	Approximate Cost
Risk assessment and modification to PLC to recommission facility	\$10,000
Investigation costs - Post incident cranes, floats, building leases and fire forensic and incident investigations	\$50,000
Risk assessment and system audits to facilitate upgrades	\$50,000
Refuelling facility upgrades	\$838,000
Operator training	\$12,000
Total Cost	\$960,000

13. an acknowledgement that the WHS undertaking may be published and publicised

MACPL acknowledges that the undertaking will be published on the regulator's website and may be referenced in NSW Resources Regulator material.

MACPL acknowledges that the undertaking may be publicised in newspapers or other publications (where applicable, as specified in Section B – enforceable terms).

14. a statement of ability to comply with the terms of the undertaking

MACPL has the financial ability to comply with the terms of this WHS undertaking and has provided

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evidence with this undertaking to support this declaration.

15. statement regarding relationships with beneficiaries

There are no known current relationships with any of the beneficiaries outlined in the enforceable undertaking, other than current employees of MACPL and the broader coal mining community.

16. intellectual property licence

MACPL grants the regulator a permanent, irrevocable, royalty-free, world-wide, non-exclusive licence to use, reproduce, publish, distribute, electronically transmit, electronically distribute, adapt and modify any materials developed as a result of this WHS undertaking.

17. the company or individual may be required to provide information of any prior work health and safety convictions

The regulator requests a list outlining details of any prior work health and safety convictions or findings of guilt under work health and safety legislation² or work health and safety related legislation.

Does MACPL have any such prior convictions or findings?

Yes No

2 Subject to any local legal constraints such as spent conviction legislation.

The list is attached (if applicable)

Yes No

18. a commitment to participate constructively in all compliance monitoring activities of the undertaking

MACPL acknowledges that responsibility for demonstrating compliance with this enforceable undertaking rests with the organisations who have given this enforceable undertaking. Evidence to demonstrate compliance with the terms will be provided to the regulator by the due date for the term.

MACPL acknowledges that the regulator may undertake other compliance monitoring activities to verify the evidence that is provided and compliance with the relevant terms of this enforceable undertaking. The evidence provided to demonstrate compliance with the enforceable undertaking will be retained by the organisations who have given this enforceable undertaking until advised by the regulator that the enforceable undertaking has been completely discharged.

MACPL acknowledges that the regulator may initiate additional compliance monitoring activities of compliance with the terms of the enforceable undertaking, such as inspections, as considered necessary at the regulator's expense.

19. a commitment that the behaviour that led to the alleged contravention has ceased and will not reoccur

MACPL commits that the behaviour that led to the alleged contravention has ceased and that it will take all reasonably practicable steps to prevent recurrence of the Incident or an incident of the same type.

20. a commitment to the ongoing effective management of work health and safety risks

MACPL commits to the ongoing effective management of work health and safety risks in accordance with the legislation and regulations referred to above.

21. acknowledgment of WHS undertaking guidelines

I have read and understood:

Enforceable undertakings guidelines version 4 dated June 2018.

Section B – enforceable terms

1. Publication of information about the undertaking

MACPL must, within 30 days of receiving notification from the regulator of the acceptance of the WHS undertaking, cause a public notice to be published in the Newcastle Herald and Muswellbrook Chronicle which will be drafted using the script provided in Attachment B.

2. A commitment to disseminate information about the undertaking to workers, and other relevant parties (which may include work health and safety representatives), and in the annual report (if applicable)

MACPL must disseminate information by implementing the following:

- (a) display a summary of the enforceable undertaking on all mine, mine office and contractor notice boards at the mine for 30 days;
- (b) communicate, as far as reasonably practicable, the enforceable undertaking through toolbox talks to workers at the mine as specified in Section A-1, including all staff, workers and contractors, following acceptance;
- (c) review the implementation of the enforceable undertaking monthly at the Site Leadership Team meeting;
- (d) review the implementation of the enforceable undertaking at the monthly Site Health Safety Committee meeting.

Dissemination by each of the above methods must occur within 30 days of receiving notification from the regulator of the acceptance of the WHS undertaking and continue at regular intervals of no more than six months throughout the life of the undertaking, or otherwise three months if required by the regulator.

3. Strategies that will deliver worker benefits

As set out in 2.1 (**Initiative 1 – Engineering Upgrades to the Fuel Farm**) and 2.2 (**Initiative 2 – Engineering upgrades for other diesel distribution facilities**) in Attachment A, MACPL will implement various engineering upgrade packages to minimise hazards, reduce risks and improve mitigating controls. These packages will deliver future and long-term worker benefits by improving the safety of workers when refuelling vehicles at the Fuel Farm and across the Mine. The upgrades will take place by June 2020.

4. Strategies that will deliver industry benefits

As set out in 2.3 (**Initiative 3 – Shared learnings**) in Attachment A, MACPL undertakes to share internal learnings on best practice contract management systems with other industry members at a seminar hosted by MACPL in the Hunter Valley. The seminar will be hosted within 2 years following acceptance of this enforceable undertaking by the regulator. This will allow the wider mining industry to benefit by learning from the Incident.

5. Strategies that will deliver community benefits

As set out in 2.4 (**Initiative 4 – provision of assistance to Muswellbrook Division of the NSW RFS**) in Attachment A, MACPL will deliver community benefits through funding of the Muswellbrook Division of the NSW Rural Fire Service (RFS) for initiatives to be decided in consultation with the Muswellbrook Division. MACPL recognises that the work done by the RFS has a positive impact on the local community and believes that a broad cross-section of persons in the community would derive benefit from this undertaking.

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6. A commitment regarding linking the strategy and promotion of benefits to the WHS undertaking

MACPL commits that it will link the promotion of any benefits arising from the WHS undertaking and associated initiatives to the WHS undertaking.

7. Reimbursement of the regulator's agreed costs associated with, and any monitoring of, the enforceable undertaking

MACPL must pay the regulator's recoverable costs associated with the undertaking, as itemised below, and acknowledges that payment is due **30 days** after receipt of the regulator's invoice:

<input checked="" type="checkbox"/> investigative, legal and administrative costs	\$64,135
<input checked="" type="checkbox"/> compliance monitoring costs	\$8,500
<input checked="" type="checkbox"/> publication costs	\$5,115

Total amount **\$77,750**

8. Minimum spend

MACPL must spend a minimum of \$1,090,750 excluding GST, in carrying out its obligations as set out in this WHS undertaking, inclusive of the regulator's recoverable costs.

MACPL acknowledges the minimum spend comprises of:

Activities to deliver	Total estimated cost
Benefits to workers	\$793,000 (excl GST)
Benefits to industry	\$10,000 (excl GST)
Benefits to community	\$210,000 (excl GST)
Regulator recoverable costs	\$77,750 (excl GST)
Estimated total value of the undertaking	\$1,090,750(excl GST)

9. Project of undertaking

Where a project or projects are proposed to deliver benefits to workers, industry and community MACPL offers and will carry out the projects set out in Attachment A to this WHS undertaking.

10. Timeframe for delivery

The strategies set out in this WHS undertaking must be completed by MACPL on or before 24 months following acceptance of this enforceable undertaking by the regulator.

Section C - Offer of undertaking

BY AN INDIVIDUAL

I offer this undertaking and commit to the terms herein.

Signed:
[Person]

Name:
[Print name]

Position:

Dated at this

..... day of, 20.....

BY A CORPORATION

As a duly appointed and authorised officer or agent of

Mt Arthur Coal Pty Limited

I offer this undertaking and commit

Mt Arthur Coal Pty Limited

to the terms herein

Signed:
[Director]

Name: **Jon-Pierre Bester**
[Print name]

Position: Director

Dated at *Brisbane* this

24 day of *July*, 20*19*

Signed:
[Director or company secretary]

Name: **ELSABE MULLER**
[Print name]

Position: *Director*

Dated at *Brisbane* this

25 day of *July*, 20*19*

Section D – Regulator’s acceptance of undertaking

I accept this undertaking as an enforceable undertaking under section 216 of the *Work Health and Safety Act 2011*.

Signed:

Position: *EXECUTIVE DIRECTOR* delegate of the Secretary,

Department of Planning, Industry and Environment

Dated at *MAITLAND* this *2nd* day of *AUGUST*, 20*19*.

ATTACHMENT A

(This attachment is incorporated in and considered part of the WHS undertaking given by Mt Arthur Coal Pty Limited for the purposes stated herein, and are enforceable terms given under section B of the undertaking by Mt Arthur Coal Pty Limited)

MACPL will undertake the following:

Mt Arthur Coal Pty Limited (**MACPL**) wishes to apply its learnings from the Incident to benefit workers, the local coal mining industry and the local community. To achieve this, MACPL has identified four key initiatives to be implemented. These are:

- (a) engineering upgrades to the Mt Arthur Coal heavy vehicle refuelling facility (the **Fuel Farm**) (**Initiative 1**);
- (b) engineering upgrades for diesel distribution facilities across the Mine (**Initiative 2**);
- (c) sharing learnings from the Incident (**Initiative 3**); and
- (d) provision of assistance to the Muswellbrook division of the NSW Rural Fire Service (RFS) (**Initiative 4**).

MAC is committed to working with the regulator to deliver these initiatives.

1. **INITIATIVE 1 – ENGINEERING UPGRADES TO THE FUEL FARM**

MACPL restates its commitment to the ongoing effective management of work health and safety risks.

Following the Incident, MACPL undertook various audits and risk assessments to identify opportunities to minimise hazards around the Fuel Farm through upgrades to infrastructure and equipment.

This initiative implements changes identified through the audit and risk assessment process as potential hazard minimisation strategies. It introduces five engineering upgrade packages to be delivered by the site engineering team projects group (in accordance with the small project management framework and applicable governance frameworks) to improve the safety of workers who utilise the Fuel Farm.

Deliverables

The five packages which MACPL undertakes to implement are:

(a) Civil package

This package will increase worker safety in accessing and utilising the heavy vehicle fuelling facilities, by:

- (i) improving the access pathway from the High Bay Workshop to the Refuel Point;
- (ii) installing a heavy vehicle refuel loading pad concrete kerb;
- (iii) painting concrete pathways near the workshop bay exit; and
- (iv) installing bollards for delineation.

(b) Electrical, instrumentation and control package

This package will increase worker safety through the following improvements to refuelling controls and electrical equipment around the Fuel Farm:

- (i) improved positive truck earthing system;

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- (ii) installation of cable ladder covers to protect cables from UV damage;
- (iii) replacement of E-Stops with shrouds to meet the latest MACPL standards; and
- (iv) installation of E-Stop labelling.

(c) Mechanical package

This package will minimise the risk of mechanical malfunction or fire through the:

- (i) installation of oil water separator trash screens to improve separator performance;
- (ii) installation of oil/lubes splash trays to avoid oil/lubes splashing while cleaning;
- (iii) improved tank thickness testing, name plates;
- (iv) installation of portable water washing stations near the Fuel Farm; and
- (v) installation of a boom gate restricting access to the Fuel Farm.

(d) Piping package

This package will:

- (i) make oil/water separator piping modifications; and
- (ii) diesel lines over pressure protection piping modifications.

(e) Signage package

This package will enhance signage and labelling and will thereby reduce the risk of worker mistakes. It will do this by:

- (i) installing information name plates for oil and diesel storage tanks; and
- (ii) improving signage and labelling in the Fuel Farm and storage area.

A project plan/scope of works for the five packages will be provided to regulator within 90 days of acceptance of the undertaking. MACPL will provide regular reports to the regulator of progress and completed actions of the five packages.

MACPL will complete Initiative 1 by 20 June 2020.

1.2 Initiative 2 – Engineering upgrades for other diesel distribution facilities

MACPL has reviewed hazards and controls associated with refuelling activities performed at other sites across the Mine. MACPL has identified further opportunities to minimise hazards, reduce risks and improve mitigating controls at the mobile and in pit refuelling locations, and has further identified opportunities to improve the refuelling system to ensure machines can only be refuelled at the correct designated flow rate.

This initiative involves the supply and installation of two engineering upgrade packages to be delivered by the site engineering team projects group (in accordance with the small project management framework) to improve the safety of workers who utilise in-pit refuelling facilities to supply diesel fuel to plant.

Deliverables

The two packages are:

- (a) Engineering change to the 300 litre per minute nozzle and couplings

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- (i) change nozzles on the 300 litre per minute diesel dispensing system;
 - (ii) change the couplings to match the nozzle on all identified equipment and infrastructure; and
 - (iii) upgrade the mobile fuel carts to support the hard change between 800 litre per minute nozzles and 300 litre per minute nozzles.
- (b) Improvements to the Trans-Tank and Bell-tank diesel service areas
- (i) replace E-Stops with shrouds to meet latest MACPL standards with improved labelling;
 - (ii) install emergency showers and eye wash station standards; and
 - (iii) upgrade the hose reels and dispensing nozzles to reduce risk to workers.

A project plan/scope of works for the two packages will be provided to regulator within 4 months of acceptance of the undertaking. MACPL will provide regular reports to the regulator of progress and completed actions of the two packages.

MACPL will complete Initiative 2 by 20 June 2020.

1.3 Initiative 3 – Shared learnings

Contractor safety management is a global priority for BHP, with more than 8,800 global vendors engaged by the business. BHP is therefore in the process of developing a Contractor Management Framework to address sustainable and effective contractor management (the **CMF**). The major components to the framework are:

- (a) global minimum safety requirements;
- (b) positive approach to assurance;
- (c) process, systems and experience; and
- (d) capability and capacity.

The CMF is intended to be completed and implemented in 2020.

MACPL recognises that effective contractor management is also a priority across the mining industry and that some companies do not have the resources to undertake a review of contract management practices or implement a contract management framework on a large scale. This initiative is therefore targeted at sharing the learnings of BHP with the mining industry.

Deliverables

Following the completion of BHP's CMF, MACPL will host a seminar/webinar in the Hunter Valley to share its learnings for best practice contractor management to members of the coal industry and other industries who engage contractors to undertake work. MACPL will ensure at least 20 people attend the seminar, and expects at least three external representatives from other coal mines in the Hunter Valley to be amongst those attendees (noting that external attendance cannot be guaranteed). The seminar/webinar will cover:

- (i) a case study will be developed in consultation with the regulator of the Incident that includes a summary of the undertaking and acknowledges that the seminar is provided as an enforceable term of the undertaking. Feedback will be provided prior to a final version. The case study will include use of the regulator's published refuelling mobile plant video;

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- (ii) risk assessments for the CMF;
- (iii) processes for engaging contractors;
- (iv) roles and responsibilities in the CMF;
- (v) contractor management training package; and
- (vi) system tools to support the CMF.

Publishable versions of the CMF systems and tools, which may be adapted for industry and external use, will be made available at the seminar on a USB. Following the seminar, the documents will also be made available, on request, to other industry participants not in attendance at the seminar. Examples of the tools provided include:

Standards and Procedures

- Minerals Australia Contractor Management Framework (CMF)
- MAC Contractor Management Plan
- Contractor Management Framework WRAC

Training modules

- Module 1 - Contractor Management Framework Overview - Job Initiators
- Module 2 - Contractor Management Framework - Contract Owner
- Module 3 - Contractor Management Framework - Vendor Owner
- Module 4 - Contractor Management Framework - Execution Supervisor
- Module 5 - Contractor Management Framework - Contractors

Tools

- Contractor Management Checklist
- Off-Contract Engagement Tool (OCET)

Quick Reference Guides:

- Off-Contract Engagement Tool (OCET)
- CMF Overview Job Initiator Responsibilities
- CMF Contract Owner Responsibilities
- CMF Vendor Owner Responsibilities
- CMF Execution Supervisor Responsibilities
- CMF Contracting Partners Off-Contract Responsibilities
- CMF Contracting Partners On-Contract Responsibilities

Forms:

- Contract Owner Appointment
- Vendor Owner Appointment
- Contractor Management Annual Performance Meeting
- Contract Owner Handover Checklist
- Contract Scope of Work Template
- Contractor Demobilisation Meeting
- Contractor Management Meeting Minutes Actions
- Contractor Management Ongoing Performance Meeting
- Contractor Management Ongoing Safety Meeting
- Contractor Management Pre-Mobilisation Meeting
- Vendor Off-Contract Scope of Work Template
- Contractor Management Off-Contract Engagement Tool (OCET)
- Contractor Monitoring and Verification Plan

MACPL will arrange and promote the seminar.

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MACPL will complete Initiative 3 within two years of the date of the undertaking.

1.4 **Initiative 4 – Provision of assistance to the Muswellbrook division of the NSW RFS**

The NSW Rural Fire Service (**RFS**) relies on donations and fundraising to support the training of, and provision of equipment to, the large number of volunteer fire fighters in the Hunter Valley region. The Muswellbrook Division of the NSW RFS benefits the community by providing support to fight fires across the region. The NSW RFS also provides mitigation services such as hazard reduction fires. This service would benefit from improved funding for resources and training.

MACPL will support the development of initiatives of the local Muswellbrook Division of the NSW RFS, specifically the Hunter Valley Office, and will resource and fund the delivery of these initiatives.

Deliverables

MACPL will consult with the Muswellbrook division of the NSW RFS to determine which initiatives are in need of funding and makes a \$210,000 commitment to implement initiatives that will benefit the local community. MACPL will communicate to NSW RFS a summary of the undertaking and acknowledge that the funding is provided as an enforceable term of the undertaking.

A written report of the initiatives and funding structure will be supplied to the regulator within 30 days of final consultation with the NSW RFS.

MACPL will complete Initiative 4 within 18 months of the date of the undertaking.

2. **COSTS**

MACPL agree to pay the following minimum amounts in relation to each component of the Project: (Note: commitments include external project management and execution costs only)

Project Phase	Final Costs
Initiative 1 – Engineering upgrades to the Fuel Farm	
Definition (Design and Testing)	10,000
* Execution (Construction and Commissioning)	364,000
Sub-total	374,000
Initiative 2 – Engineering upgrades for other diesel distribution facilities	
Definition (Design and Testing)	
Engineering Design System change including updates to blueprints and risk assessments	10,000
Engineering design system change to Trans-tanks and Belly-tanks including updates to blueprints and risk assessments	10,000
* Execution (Construction and Commissioning)	
1: Engineering Change to 300l/min nozzle	174,000
2: Trans-tank and Belly-tank diesel service areas	225,000
Sub-total	419,000
Initiative 3 – Shared learnings	

WHS undertaking

Definition (Design and Testing)	
Execution (delivery of the seminar / webinar)	10,000
Sub-total	10,000
Initiative 4 – assistance to NSW RFS, Muswellbrook Division	
Definition (Consultation, scoping and agreement on initiatives to be funded)	10,000
* Execution (Construction and Commissioning) Execute the funding and resource the agreed initiative to be executed.	200,000
Sub-total	210,000
Total	\$1,013,000

ATTACHMENT B

(This attachment is incorporated in and considered part of the WHS undertaking given by Mt Arthur Coal Pty Limited for the purposes stated herein, and are enforceable terms given under section B of the undertaking by Mt Arthur Coal Pty Limited)

Public Notice of regulator's acceptance of undertaking

Notice of acceptance of a WHS undertaking under Part 11 of the Work Health and Safety Act 2011

On 10 August 2017, at the Mt Arthur Coal Mine (the **Mine**), a worker who was the employee of a contractor to the Mine, was refuelling a tyre handler at the Mine's heavy vehicle refuelling facility when diesel ignited (the **Incident**). [REDACTED]

Mt Arthur Coal Pty Limited is the mine operator at the Mine. The Department of Planning, Industry and Environment investigated the incident and subsequently alleged that MACPL contravened the *Work Health and Safety Act 2011* (the **Act**) by failing to discharge its obligations under section 19(1) of the Act to ensure, so far as is reasonably practicable, the health and safety of workers at the Mine.

MACPL entered into a work health and safety enforceable undertaking with the Department of Planning, Industry and Environment in relation to the Incident.

This notice has been published in accordance with the terms of the undertaking and acknowledges acceptance of the undertaking by Mt Arthur Coal Pty Limited.

The undertaking requires the following actions:

- Mt Arthur Coal Pty Limited will implement a number of engineering upgrades to its heavy vehicle refuelling facility and other diesel distribution facilities at the Mine to improve the safety of workers and reduce the risk of an incident of a similar nature from happening.
- Mt Arthur Coal Pty Limited will run a seminar to share its learnings on effective contract management with the wider industry.
- Mt Arthur Coal Pty Limited will consult and collaborate with the Muswellbrook division of the NSW Rural Fire Service to support the division's initiatives and training. Mt Arthur Coal Pty Limited will invest \$210,000 towards the implementation of initiatives.

The total value of the WHS undertaking is \$1,090,750.

The full undertaking and general information about enforceable undertakings is available at www.resourcesregulator.nsw.gov.au.