

Tom Bagot 15th October 1997
Helen Silver
First Assistant Commissioner
Industry Commission

Fax No: 03 9653 2302

Dear Helen,
Industry Commission inquiry into the black coal industry

call for written submissions

My career began in the South African mines, coal and hard rock, I have also held senior positions in other industries. I work as a consultant in optimising operations and planning in mining, construction and maintenance and am currently completing research for a PhD in management.

The PhD itself would ideally be a submission to your commission, since it is not yet complete, the following points are provided as seeming important from my limited perspective.

Australian Black Coal Industry

Considerations

1. Competitive situations can be useful in some circumstances. The contention found in the black coal industry is counterproductive. This is exacerbated by the mines being overstaffed in all areas from management down.
2. The industry is being shackled by jockeying for the controls and the knowledge that so many positions are unnecessary.
3. The cost of financing the highly capitalised operations needs to be examined in relation to the economy of the country and the best interests of the owners.
4. A related question is whether the national asset, represented by the black coal deposits, is being wasted?

In relation to the first question; on the mines themselves, the unions form only one component of the problem.

Management, accounting, human resources, industrial relations, engineers, and other disciplines also play their part.

Contractors would appear to be an answer but ~y solution that has, in other situations, proved unproductive, inefficient and in some cases

dangerous should be treated with caution.

Please find enclosed some indication of the research and work I have undertaken and a summary of my background.

Yours sincerely.

Tom Bagot

PhD Research Topic:

BEYOND TQM and CONTENTION:

MANAGEMENT PHILOSOPHY FOR THE THIRD MILLENNIUM

Including perspectives on the logistics of highly capitalised systems.

The coal industry in Australia is one such highly capitalised industry.

Contracting out on a major scale is occurring.

The management of either the current situation or a contracted work force presents unique challenges. A review of articles in HBR and Sloane Management Review reveals the following:

Implementation of management systems fails in as many as 75% of cases

There is a growing sense of scepticism in work forces in relation to management systems

Flavour of the month is not much appreciated

Managements and work forces alike put up with "impositions" - "to keep the peace"

CASE STUDY I - 1996

Charbon: Development of Systems needed to manage a Coal Mine;

Customer Satisfaction Model (Proudfoot). Background Systems (T Bagot)

RESULT DECLARED

Improved Communication

Meetings -Structured and Purposeful

Performance Indicators

Introduction to Backlog Management

Mining Work Standards Using Customer Satisfaction Model

Downtime halved

· Production up

CASESTUDY 2- 1997 Considerable savings were identified at Western Mining's Leinster Operation (between seven and ten million dollars per year were identified).

A major part of the cost/problem could be related to control of the contract work force.

PO Box 99 Telephone (02) 9418 8851

Hunters Hill Fax(02)9418 9734
NSW 2110
Email banot@DbDOnd.Can