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CFMEU Mining and Energy

Telephone: (+61.2) 9267 1035
Facsimile: (+61.2) 9267 3198

Level 1, 365 Sussex Street
Sydney NSW 2000

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Fax No: 02 6240 3311

Workers Compensation and OH&S Inquiry
Productivity Commission
National Workers' Compensation and Occupational Safety Framework
PO Box 80
BELCONNEN ACT 2616

To the Commissioner,

The CFMEU Mining and Energy Division would like to provide this brief submission in order to place on notice the Union's interest is making further more detailed submissions to the Inquiry once the draft report is released for comment.

In the interim, we would like to place on public record a number of issues relevant to coal industry health and safety, and, in particular, the issue of NSW Coal Mines Insurance. We anticipate that the Union will make a fuller response once the Commission's Draft report is released, but believe it is important to raise some preliminary issues.

a) National OHS Framework

The CFMEU supports the submissions of the both the ACTU and the NSW Labor Council on this matter. Moreover, with respect to the regulation and enforcement of safety in the coal industry, the Union supports the retention of state specific safety legislation that sits either within a broader duty of care framework (as in NSW) or where industry specific legislation mirrors the general OHS legislation (such as in Queensland). The special nature of the hazards in the mining industry, especially in underground coal, and the expertise required to effectively manage risk and enforce breaches supports the current approach. Notwithstanding this, the CFMEU does support the development of broad national standards and more productive federal support for exploration of international standards and research.

The CFMEU will respond in more detail depending on the recommendations of the draft report.

b) Workers Compensation Schemes

The CFMEU notes in particular the submissions made by BHP Billiton and Extrata on the issue of the NSW Coal industry Insurance Scheme- WE would like to make some brief comments by way of clarification. Again, we would like

to reserve the right to have more detailed input should in response to the draft report.

With respect to the NSW Coal Industry, the CFMEU supports the retention of a single industry insurer - Coal. Mines Insurance.

It is important to note that the administration of CMI has recently been handed from the NSW Government to the industry, with full agreement through the corporatisation of Coal Services (ex Joint Coal Board of NSW) run by a Board of industry stakeholders (ie both company and employee representatives).

The companies cited have quoted substantial increases in premiums as a way of justifying the abolition of the single industry insurer but fail to explain the reason for this cost increases, including:

- the need to improve the prudential margin within a short t timeframe of three years
- to need to cover the cost of claims lodged following major retrenchment initiated by companies across the industry in the last five years.
- the inadequacy of company based opportunities and rehabilitation management.

The CFMEU would welcome the opportunity to discuss these issues in more detail.
Sincerely

Bruce Watson
General Secretary
CFMEU Mining and Energy Division