



**QUEENSLAND MINING INDUSTRY
Health & Safety
CONFERENCE 2003**

Accepting the Challenge

CEO Presentations
Session chair: Andrew Vickers, CFMEU

John Pegler
Chief Executive Officer, Ensham Resources Pty Ltd



Making some changes ...

4 August 2003

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In mid-2002, Ensham saw a series of seemingly unrelated incidents ...

- Heavy vehicle creep and collision;
- Light vehicle rollover;
- Lighting tower collision;
- Person falling from water truck;
- Metal splinters from dragline bucket work.
- Blasting area encroachment;

... all were very high potential.

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The mine had grown quickly, then been “stable” for a number of years ...

- Stable, experienced workforce;
- Stable, experienced middle management;
- Stable mine layout, equipment and conditions;
- Good housekeeping and working standards;
- Claimed history of good safety statistics and compliance;

What had changed?

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... not much:

- A senior management and leadership upheaval had occurred
- A “hands-on” but non-systematic management process was disrupted

AND

- A new interim SSE was in place who was more cautious and very willing to report incidents

BUT

- The operational risk profile of the mine was little different

... had the existing culture obstructed recognition of risks, or worse, condoned or concealed high potential incidents?

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Scratching below the surface, emerging myths included ...

“We used to get into trouble if we reported things”
“I don’t want to be a wus – we like to get on with it”
“Why make a big fuss and paperwork if nobody got hurt?”
“What difference will it make?”

and even the unmentionables ...

“It’s a coalmine – shit happens, eh?!”
“We are trying to get people to take care”

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What do these myths signal to the new CEO?

- Leadership weaknesses
- Inevitably, systems weaknesses follow (systems are the “body language” – the silent, non-verbal signals – of the organisation)
- Team or employee weaknesses, if they exist, will be a consequence of leadership and systems weaknesses
- The aspirations, statements and actions of the organisation are disoriented
- “Surprises” are governed only by the laws of chance

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Key Questions for the CEO

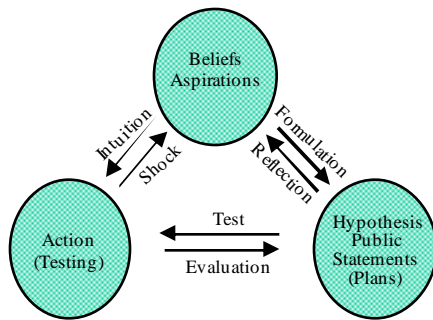
1. What do I observe about the correction of unsafe acts?
2. How do the systems work here?
3. What stops this outfit delivering the worst of surprises?
4. How will I know?
5. How do I feel about my partner or kids working here?

and if negative answers, changes are necessary, and ...

1. What parts of the leadership do I judge are adaptable and recoverable?
2. What parts of the leadership do I judge add unacceptable risk and must change?

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Balancing the change process ...

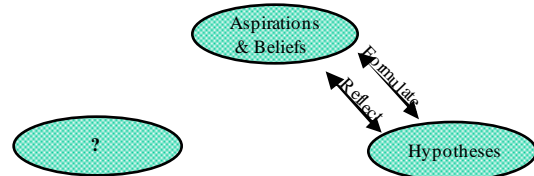


Source: Ian Macdonald

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Not this by itself ...

Academic leadership

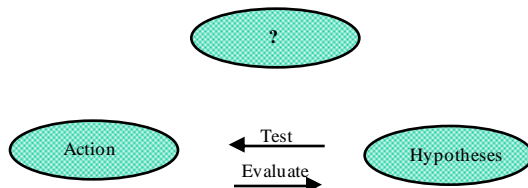


where leadership spends an inordinate amount of time philosophising and planning but where very little translates into changes in the material world of employees

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Nor this in isolation ...

Technocratic leadership

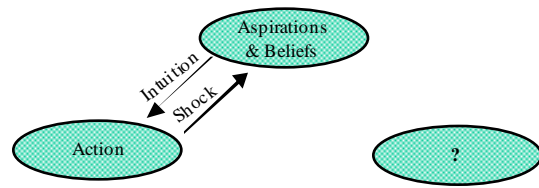


which essentially ignores employees' mythologies and which results in superficial behaviour change where people do not develop commitment to the desired changes

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Nor this in isolation ...

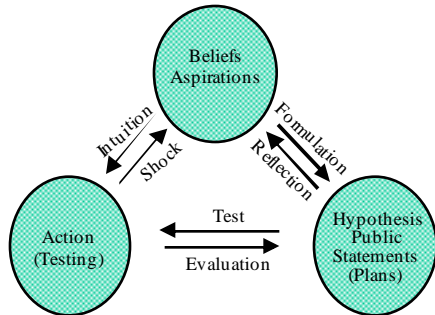
Charismatic leadership



which is based on changing behaviour through emotion and/or ideology but is not sustainable in the long term

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Balancing the change process ...



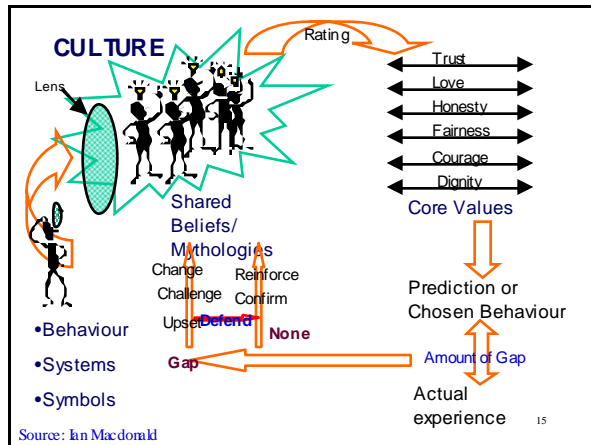
Source: Ian Macdonald

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Leadership requires ...

- the creation of a culture
- the ability to understand the social valuing processes in a group
- the ability to intervene to produce a constructive outcome.

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Source: Ian Macdonald

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The Work of a Leader

The fundamental safety work of a leader is to create, maintain and improve a group of people so that they achieve their safety objectives and continue to do so over time.

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Leadership requires excellent use of tools ...

- Systems
- Symbols
- Behaviour

used to encourage safe behaviour underpinned by appropriate new mythologies

Changing Behaviour

- * Changing behaviour is the result of resolving dissonance
- * If there is no contradiction between what people expect and what happens there will be no change.

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Creating the dissonance ...

"Production NEVER comes before safety at Ensham. If some activity carries an unacceptable level of risk we stop and we stay stopped until the risk level is adequately reduced. We DO NOT produce output from systems which we know (or should know) carry an unacceptable risk of hurting somebody. We DO NOT expose employees nor contractors' employees to risks which we would find unacceptable for our partners, sons, brothers, daughters, sisters or anybody close to us".

John Pegler to Ensham leaders
19 June 2002

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Getting the rubber on the road - SSE's Task assigned by the CEO

Identify causes, develop by (the beginning of) 1Q 2003 and implement over two years, a risk-based plan to eliminate high potential incidents as well as all injuries from Ensham site, and which includes immediate requirements for effective behaviour review processes, revision/implementation of controls including accountabilities and authorities, audits of safety and environmental management systems to test that intended controls are in place and operating renewed compliance obligations for health safety and environment

The Performance Indicators:

all incidents reported;
down-trend in all incidents; 50% progress toward goal in Yr 1;
positive feedback from internal and external reviews and from employees;
contractors accountabilities, authorities, controls, audit loops, risk assessments, in place.

What success looks like in 2 years time:

Safety mindset and systems are led by Managers, deeply embedded in all Site people -- no high potential incidents or injuries

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SSE's Task Progress Report - June 2003

- ✓ Broad Brush Principal Risk Assessment, completed
- ✓ Drill & Blast Management Plan, completed
- ✓ Revised statutory inspection scheme, completed and implemented
- ✓ Health & Safety Management System (mapped against AS 4801), development progressing
- ✓ Training Packages for Black Coal Competency Assessments, 90% complete
- ✓ Training programs currently in progress
 - Trainer & Trainer/Assessor
 - First Aid
 - Crane Operation
 - Safe slinging & lifting
- ✓ New induction package, completed to script stage
- ✓ Fatigue Management Plan
 - Feedback on the fatigue survey completed
 - Fatigue management training for Supervisors and employees 50% completed

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Safety Leadership is a Social Process



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12 noon-1.00pm

Lunch

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