



Hon. Ryan Park  
New South Wales Minister for Health  
52 Martin Place  
SYDNEY, NSW 2000

July 20<sup>th</sup>, 2023

Dear Minister Park,

We are jointly writing regarding the recent underground explosion at Russell Vale Colliery and our ongoing serious concerns about the danger Wollongong Resources (formerly Wollongong Coal) poses to their workforce and the local community. Wollongong Resources' poor track record of compliance with safety and environmental standards places the community's health at risk. This serious, almost catastrophic incident is by no means an isolated occurrence. Wollongong Resources has previously been prosecuted by government agencies for negligence and non-compliance and the mine's recurring breaches of conditions are too numerous to mention.

Protect Our Water Alliance (POWA) is an Illawarra based community organisation with over 2,000 followers and dozens of active local members. We exist to look after the water catchment on which we all rely on.

The Public Health Association of Australia (PHAA) is recognised as the principal non-government organisation for public health in Australia working to promote the health and well-being of all Australians. It is the pre-eminent voice for the public's health in Australia and seeks to drive better health outcomes through increased knowledge, better access and equity, evidence informed policy and effective population-based practice in public health.

During the PHAA's NSW Branch pre-election debate, held on February 27th, you stated: *"We have got to make sure that the mining sector is very well regulated, stringent in the measures on the environment and making sure it is as safe as possible."*

We are calling on you to make sure that this occurs.

## Recent history of serious incidents at Russell Vale mine

- On May 27, miners working at Russell Vale Colliery were lucky to escape unharmed after a large flame exploded in their faces. As we understand it from public statements and media reports, safety procedures were not followed, methane escaped from a borehole and was ignited by the picks on a continuous miner's cutting drum – causing the explosion. According to Mining and Energy Union south-western district secretary Andy Davey, the miners very nearly lost their lives. Further, Davey stated that we are "very lucky that it wasn't catastrophic," and "it has scared a lot of people there." The seriousness of the May 27 explosion has led Wollongong Resources to up to 40 per cent of its workforce at the mine being stood down. It is believed that stand downs without pay will last for at least a number of months. (Article from Illawarra Mercury: <https://tinyurl.com/4awnyb38>)
- Two other recent friction ignition incidents have also occurred at the mine. (Release from NSW Resources Regulator: <https://tinyurl.com/mpdaj3ns>)
- In 2019, the company was forced to close its local Wongawilli mine, following mining prohibition notices from the Resource Regulator. The Regulator found safety issues, which were too serious for underground work to continue. Safety issues at the mine included repeated roof collapses, one of which buried a longwall mining machine worth tens of millions of dollars, conveyor belt fires, a "catastrophic" diesel engine failure which according to the Resources Regulator created a "significant risk of igniting an explosion" (by causing methane in the mine to explode) – with potentially tragic consequences, amongst other safety issues. (Report from the Australasian Mine Safety Journal: <https://tinyurl.com/439pw8rr>)
- In 2016, the Resources Regulator launched an investigation into whether the company was "fit and proper". A number of years later, the investigation ended without making a finding. According to media statements by the Regulator: "The fit and proper investigation was converted to a process of ongoing assessment in 2019" with the Regulator "actively assessing, on an ongoing basis, Wollongong Coal's fitness to hold mining leases in NSW." (Reports from Illawarra Mercury: <https://tinyurl.com/yfdrw3sj>; <https://tinyurl.com/5dprbzdxd>; <https://tinyurl.com/4kptkrwc>)

## Financial pressures place workers and our communities at risk

A company with negative capital, that is operating at a loss, and is desperately seeking to cut costs is highly likely to be putting workers' safety at risk. It is our understanding that in NSW, if a mining company does not have the financial capacity to comply with its obligations under the Mining Act, it is - by law - not 'fit and proper' and can have its mining leases cancelled. The key points are as follows:

- Wollongong Resources is a financially stricken company whose debts far outstrip its assets. Currently the company's debts exceed one billion dollars, and the Russell Vale mine is running at a loss. After repeatedly being suspended from the Australian Stock Exchange (ASX), in 2020 the company was de-

listed, after claiming the costs of maintaining an ASX listing were too much of a financial burden. (Report from Lock the Gate: <https://tinyurl.com/m7phmnh8>)

- Previously the Fair Work Commission has questioned whether Wollongong Coal (WC) is a “going concern” and in evidence to the Commission, Chief Commercial Officer and Company Secretary at Wollongong Coal, Sanjay Sharma, stated that the company was focused on mining coal at “the lowest possible cost” (FWCFB2161, June 1, 2021).
- Wollongong Resources/Coal has a long history of attacks on mineworker’s wages and working conditions, including trying to save money through outsourcing and casualising their workforce. In the past, the company replaced its permanent workforce at Wongawilli mine with casual labour hire workers who became the lowest paid mineworkers in the district. At Russell Vale, despite past assurances from the Company that it would re-employ the mine’s previously sacked workers, they reneged on this commitment. The company also terminated the previous enterprise agreement (2011) covering mineworkers at Russell Vale, so that production could be restarted with a cheaper workforce. It argued that due to the company’s dire financial position it couldn’t afford to pay the wage rates they had previously agreed to. Under the new enterprise agreement wage rates are lower than those paid more than ten years ago.

### **Working conditions pose serious occupational health and safety concerns**

Key questions in relation to safety at Russell Vale are: how much of the workforce is employed permanently by Wollongong Resources? How many workers are short-term, contracted, or casual labour hire? How adequate are current staffing levels? Does the new workforce have the industry standard level of workforce training, experience, and qualifications? Is the company able and committed to provide required safety equipment and procedures?

Ongoing incidents demonstrate that production and cost cutting are being prioritised over safety. This puts mineworkers at Russell Vale in danger. The exploitation of an insecure and vulnerable workforce and a ruthless focus on production has major consequences for safety. Declining job security in coal mining has been identified as a major mine safety risk factor and many mineworkers fear reprisals if they speak-up about safety concerns, including the threat that casual workers find they are suddenly ‘no longer required’.

**In your capacity as Health Minister, we call on you to ensure that the unsafe practices of Wollongong Resources cease immediately.**

We believe that Wollongong Resources has failed in their duty to identify hazards and manage risks to health and safety in accordance with the provisions of the Work Health and Safety Act 2011 and Work Health and Safety (Mines and Petroleum Sites) Act 2013 and Regulations.

It remains unlikely, given the company's on-going financial losses and debts of more than a billion dollars, that it has the capacity to comply with its obligations to the NSW Government, regulators, its workforce, or the community. The lack of company resources, know-how and technical abilities, competency and commitment to safe processes and procedures, combined with cost cutting and the employment of inexperienced workers, with eroded wages and working conditions, is a recipe for disaster. Russell Vale mine management have consistently shown they are incapable of self-regulating, and the NSW Department of Planning has proven itself inadequate in monitoring and enforcing this mine's compliance with the conditions that it stipulates in its approvals.

As the NSW Health Minister and Member for Keira, you have an obligation to protect the health and safety of the Russell Vale Colliery workers, their families, and the health and safety of the local community. We call on you to withdraw your support for this company and its mining operations and to ensure that the unsafe practices of Wollongong Resources cease immediately, before people are seriously injured or killed.

Yours Sincerely,



**Protect Our Water Alliance**

A handwritten signature in black ink, appearing to read "Kate McBride", is positioned above the printed name.

**Associate Professor Kate McBride**

**NSW Branch President**

**Public Health Association Australia**