Australia: Management ignored danger warnings at Beaconsfield gold mine

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Fresh and damning evidence has emerged that the owners and management of the Beaconsfield gold mine ignored warnings of a potential disaster not long before the tragedy earlier this year that killed one miner and trapped his two companions underground for two weeks.

On April 25, mining activity at Beaconsfield produced a seismic disturbance that triggered a massive rock fall, killing miner Larry Knight and trapping Todd Russell and Brant Webb. The two men only survived the ordeal because a flimsy steel cage on the mining equipment they were operating managed to hold up a huge rock slab above them.

The warning of impending danger was sounded by geotechnical engineer Glenn Sharrock of mining experts AMC Consultants in a report on his investigation into a substantial rock fall at the mine in October last year. On that occasion, part of a level known as 915 collapsed into level 925 below, cutting the stope (or tunnel) in half. Luckily, on that occasion, no one was injured. The same levels, however, were to become the site of the fatal April 25 collapse.

Sharrock's confidential report, commissioned by the mine's management, was delivered to the company in January 2006. In it Sharrock warned: "Based on AMC's understanding of seismicity at Beaconsfield, the potential exists for further large and damaging seismic events". A copy of the report was leaked to the*Weekend Australian* at the beginning of this month.

The report also confirmed that the seismic activity that produced the October rock fall was in part linked to the "expansion of the mining front". This would have including mining at ever deeper levels and the deadly practice of not leaving sufficient pillars of rock for support between levels. The numbers 915 and 925 indicate the depth in metres below the earth's surface.

The report made a number of recommendations to strengthen support in the stopes, including overlapping steel mesh secured with razer strapping to stop rock fall and increased cable bolting (six metre cable bolted to the rock face). Another mining expert advised the use of "cone bolts" (2.4 metre bolts installed into the rock with chemical agents). Sharrock also advised the adoption of a mining method known as "chequerboard", designed to leave extra rock as support.

However, according to a number of statements by seasoned miners reported in the *Australian* early this month, not all the recommendations—despite the fact that they were devised as the most "cost effective" for the mine owners—were carried out in levels 915 and 925. Miners involved in putting in place the extra support throughout the mine said that cone bolting was not done in 925 and cable bolting was not carried out in 915.

Moreover, the chequerboard method was not adopted in those two levels—which were areas of exceptionally high ore yield—because to do so would have left too much gold behind. In fact, it was management's drive for greater levels of extraction and cost-cutting that produced the highly unstable conditions in the high-yield levels in the first place.

Whereas the amount of rock left unmined between the upper levels worked in an earlier period was around 25 metres, the amount left between 915 and 925 was approximately 10 metres. One experienced miner told the media: "Their (management's) reason was to minimise cost. It made it possible to have a lot more levels on line at once to increase production. It meant they could have a lot more areas for the jumbos (mining machines) to go to."

Jumbo operator Mick Borrill reported that the miners had continually warned management about the dangerous conditions being created in the two levels. “The miners told them again and again: ‘You’ve got to leave pillars there,’ and they (the management) said: ‘There’s too much gold.’”

Another miner with four years’ experience at Beaconsfield said that after the October 2005 rock fall, miners had implored management to allow entire areas to be left unmined to provide supporting pillars, while others specifically asked for level 925 to be left unmined. “That was brought up but because it was one of the richest levels of the mine, they (management) would not have a bar of it,” he said.

One miner described the issue of support pillars as a “stick out point” saying: “They (management) weren’t leaving crown pillars because the gold was too valuable to leave.” He confirmed that miners had continuously raised the issue of inadequate supports “at their tool box meeting with foremen and management” but their concerns were ignored. “If you take three or four levels out, you’re left with a 40 metre hole and that’s not good mining and that’s not good for mine stability,” he said.

Responding to the latest revelations, the mine’s chief geologist Peter Hills claimed that mine management had followed AMC Consultants’ recommendations. However, he admitted that although cone bolts were recommended to be installed in the mine, they were not used in level 925. The report, he said, had “not specifically” recommended their use in that area. Miners involved in the work contend that the earth in 925 was “too broken up” to accommodate the bolts, testifying again to the highly unstable conditions in the stope.

Hoping to counter growing public criticism, Hill went on to claim: “Safety has always been the first priority of management”. What has become clear, however, is that powerful economic considerations were determining management priorities.

Chief among these was the overriding concern of majority owner and operator Allstate Exploration to work its way out of administration and pay an estimated $47 million to Macquarie Bank. In 2002, the bank had bought out a large slice of the company’s debt, which Allstate needed to repay before it could begin reaping returns for itself from the mining operation.

Allstate and its junior partner Beaconsfield Gold were desperate to take full advantage of the rising price of gold that had occurred, particularly during the preceding three years. In February 2003, gold was around $370 an ounce, rising to about $420 by December 2004. Since then, the price has spiralled steeply to reach its present level of around $634 an ounce.

Little wonder the owners were hell bent on restarting production in the high-yielding 915 and 925 stopes after the October rock fall, or that management ignored the pleas and warnings of the miners. In reality, the drive for profit eclipsed concerns for safety and Larry Knight and his family paid the ultimate price.

Despite all this, the mine’s owners are again pushing to have the mine reopened—before a government commissioned inquiry into the April 25 tragedy has brought down any findings. On October 4, Beaconsfield Mine joint venture chief executive Bill Colvin told a shareholders meeting: “It (the area of the April rock fall) will only be re-accessed if it is demonstrated to be safe to do so and the geotechnical studies, from what we’ve seen to date, haven’t indicated any reason why that can’t be adequately managed.” It should be noted that the geotechnical studies were, as before, commissioned by the owners themselves.

Beaconsfield Gold chairman Denis Clarke assured shareholders shareholders that it was “reasonable to expect that we could see some limited mining operations recommence within a matter of weeks in those areas of the mine that did not suffer from rock falls” but “the critical approval in coming months will, of course, be for the recommencement of operations in the high-grade western area of the mine where the Anzac Day rock fall occurred.”