

Australia: Damning evidence surfaces in Beaconsfield mine inquest

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Testimony by miners, mining experts and inspection officials in the first weeks of the long-delayed coronial inquest into the death of miner Larry Knight at the Beaconsfield gold mine on April 25, 2006 has revealed the culpability of both the mine owners and the Tasmanian state government.

The fatal rock fall that claimed Knight's life also trapped miners Brant Webb and Todd Russell more than 900 metres underground for 14 days. They were finally rescued in a dangerous operation that could have resulted in further tragedy.

Beaconsfield Gold Mine (BGM) has gone to extraordinary lengths to undermine the inquest. BGM's lawyer Dr David Neal SC urged Coroner Rod Chandler to abandon proceedings before calling witnesses, and to simply adopt the findings of the government's Melick inquiry handed down last September.

After the mine collapse, the state Labor government rushed to head off demands for a full public investigation by commissioning a closed-door inquiry headed by former National Crimes Authority chief barrister Greg Melick. Melick's terms of reference prevented any real probing of the underlying causes of the disaster and specifically excluded any examination of the system of "self-regulation" of mine safety in Tasmania, introduced in 1998. It came as no surprise, therefore, that Melick excused both the company and the government, insisting that a seismic event beneath the mine had made a rock fall almost unavoidable.

Having failed to push Chandler to drop the inquest, the company's legal team walked out on July 22—the opening day—with Neal contemptuously declaring that he would only reappear when mine managers were called as witnesses. Earlier, Neal insisted that the inquiry should not call miners to give evidence because they were not "experts".

As the inquest proceeded it became obvious why the company wanted to gag the miners. Their testimony revealed a hot-house environment at the mine, with employees constantly under pressure to ignore safety regulations in order to achieve production targets. Management decisions were driven by the need to satisfy the demands of major stakeholders, such as Macquarie Bank, for rapid returns on investment.

At the time of the disaster, the mine was co-owned and managed by Allstate Explorations and run by the Perth-based administrator Michael Ryan, but Macquarie Bank had first draw on profits because it had bought intercompany debt of \$77 million (for just \$300,000) in 2002.

The inquiry was presented with minutes of a shift supervisors'

meeting just five days before Knight was killed, showing that the supervisors were constantly being pressured because the mine was "behind in production". A special reference was made in the minutes to work in the tunnel (stope) 925, where Knight died, as being "priority one" to meet production targets.

Stope 925 had been considered unstable since a major rock fall six months earlier, in October 2005. Just months before the April 2006 accident, Glenn Sharrock, an expert in rock mechanics employed to assist in investigating the 2005 rock fall, warned: "Potential exists for further large and damaging events and a large rock structure around the 915 and 925 levels could move further." Geotechnical expert Frans Basson recommended that the 915 and 925 levels should never be mined simultaneously. Production engineer Diego Barreau told the inquest that the company had ignored the recommendation.

Brant Webb told the inquest that he and Knight had been pulled from their regular maintenance duties and instructed to urgently build a support wall with the assistance of Todd Russell in stope 925 before that area of the gold mine started "self mining". Referring to stope 925's instability, Webb said management wanted to "drop the ore before it fell in".

Webb said miners were constantly being pushed to increase production because the mine was in financial trouble. Workers were told by management: "We will pay you more money to get more ore because we are under the pump from Macquarie Bank." Miners were shown a production graph and warned that if yields fell below a red line they would all lose their jobs. Under the 2002 deal, Macquarie had the right to withdraw finance if the mine's budget or cash shortfalls blew out by more than 15 percent for two consecutive months.

Webb referred to a lack of safety briefings and said that he and Knight would have "chucked a sickie" on the day of the collapse had management told them that stope 925 had not been blasted to relieve seismic pressure. He said everyone knew that "if you did not fire, pressure would build up" and added that stope 925 "was a dodgy stope".

Webb accused management of not acting on miners' complaints, saying they "fell on deaf ears" and that "filling out written concerns was a waste of ink". He added: "I'm still bitter. They [management] are supposed to supply a safe workplace."

Webb's fellow survivor Todd Russell referred to misgivings he had about safety in the mine, saying that ground conditions had felt unsafe but had been ruled OK by a shift boss. Russell said his

feelings of unease had returned before the fatal day because the rock wall had sounded “drummy” [hollow] “so we pulled back from that area”. Just before the collapse, however, shift supervisor Gavin Cheesman inspected the area and according to Russell “gave a thumbs up” for the work to continue. Just ninety seconds after Cheesman left the area, it caved in.

In his statement to the inquest, Cheesman admitted that production in stope 925 was “flat out” in April because the ore yielded a “filthy” 1,200 grams of gold per tonne. He said the void in the stope was very large and a pillar (or island of rock) left to provide ceiling support was “too small” and “not worth two bob”. He claimed he had not been made aware of a mine supervisor’s report that recorded a “seismic event” in the stope that morning.

Relief shift supervisor Phil Malkin revealed under questioning that just four days before the rock fall a key safety rule had been broken. He admitted that under instruction from underground mine manager Pat Ball he sent miners into stope 925 during a mandated 12-hour prohibition period after the “firing of ground [firing explosives]”. He pulled them out later after he noticed supportive mesh in 925 had stretched, suggesting the ground had moved.

An occupational health and safety specialist at the University of NSW, Professor Michael Quinlan, told the inquest he found it hard to understand why BGM management failed to undertake a full risk assessment after 24 reported rock falls between 2004 and 2006, including the major collapse in October 2005, which forced the temporary closure of the mine.

Quinlan said there was a fall of more than 50 tonnes of rock on average every 10 weeks and this was part of “a trend that was not tailing off”. He added that three geotechnical consultants called in to advise on how mining could safely continue after the 2005 rock fall “were not provided with a history of unplanned rock falls at the mine”.

Quinlan also blamed the Tasmanian government. He said the safety regulator, Workplace Standards Tasmania, was grossly under-resourced with only two mine inspectors. If the agency had given adequate attention to the mine management’s response to the 2005 rock fall, the subsequent fatal accident “would have been less likely”.

The number of mine inspectors fell from 10 in 1994 to just two. Currently the number is four.

Chief Inspector of Mines Fred Sears told the inquest he thought the adequate number of mine inspectors needed was five. He confirmed that BGM failed to report several rock falls between April 2004 and October 2005 that were large enough to “bury a truck”. Sears said he was “overworked” at the time, but had he known about the rock falls, he would “have been alarmed and would have questioned the mine more thoroughly”.

Former mine inspector Mark Smith confirmed that self regulation laws allowed management to decide whether rock falls were big enough to be reported. He had previously told the Melick inquiry that the travel allowance budget for the agency would be exhausted if each inspector spent five nights “in the field” per year.

At the inquest, Smith again pointed to the deadly consequences of government underfunding of the inspectorate. He said that on March 28, 2006 he had written a memo to Sears warning that:

“With the number of close-call events that are occurring (in mines) and no follow-up to ensure that proactive measures are implemented, then it is only a matter of time before another catastrophic event will occur.” Smith’s prophecy was tragically fulfilled four weeks later with the death of Larry Knight.

Despite the damning evidence emerging at the inquest, the underlying causes of the rock fall will not be addressed by the government or the company, whose overriding concerns remain the same profit considerations that produced the disaster in the first place.

Even before the coronial inquest got underway, BGM announced in its June quarter report that it plans to open up new sections of the mine to “ramp up” ore extraction and boost gold output by 100 percent. Ore extraction will be increased to 25,000 tonnes per month, compared to 10,200 tonnes at the beginning of the year.

At the same time, the millions of dollars that the Labor government receives in mining tax revenues will determine to a large degree its response: it will continue to protect the interests of the mining companies.

As for the Australian Workers Union (AWU), its support for the Melick inquiry and the reopening of mining operations at Beaconsfield just 12 months after the fatal rock fall, demonstrates it has no intention of waging any genuine campaign against self regulation and the unsafe conditions in the mining industry.

The role played by the AWU is in line with the deepening collaboration of the mining unions with the employers over the past 20 years to make mining enterprises such as Beaconsfield Gold “internationally competitive”, resulting in a sharp deterioration of safety standards and a string of mining tragedies.

Left in the hands of the government, the unions and employers, all the conditions for another “catastrophic event” already exist, perhaps with an even greater loss of life.



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