

# New Zealand: Drilling company admits safety breaches in mine disaster

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VLI Drilling pleaded guilty in the Greymouth District Court on July 31 to three charges of health and safety failures before the 2010 Pike River mine disaster, which killed 29 men. VLI, a subsidiary of Valley Longwall International, had been contracted by Pike River Coal (PRC) to conduct exploratory in-seam drilling at the mine.

Three VLI employees—Josh Ufer, 25, Ben Rockhouse, 21, and Joseph Dunbar, who was just 17—perished when the mine exploded, along with 26 miners employed by PRC. Their bodies have never been recovered. The mine, on the remote West Coast of New Zealand's South Island, remains sealed.

Charges were brought by the Department of Labour almost eight months ago against VLI, PRC and former PRC chief executive Peter Whittall. They allegedly failed to take all practicable steps to ensure workers' safety, such as adequately ventilating the mine and monitoring levels of methane gas.

At the July 31 hearing, the receivers for PRC, PricewaterhouseCoopers, said it would not defend the nine charges against the company, which went bankrupt after the disaster and was now a "bare shell". Charges against PRC will be heard in October, when VLI will be sentenced. Whittall, who faces 12 charges, did not attend the hearing. His lawyers were granted an adjournment to October 25. Each charge carries a maximum fine of \$250,000. A separate police investigation is continuing.

A Royal Commission of Inquiry into the disaster, due to report next month, has heard extensive evidence from mining experts and former PRC employees, who

indicated that the mine was a disaster waiting to happen. Coal production was running 18 months behind schedule and the company was under considerable pressure from investors. The evidence indicates that PRC ignored warnings about its unsafe practices and, like other companies around the world, sacrificed its workers' safety, sped up production and cut costs to be "globally competitive".

The Labour Department received repeated warnings about the unsafe conditions at Pike River, but failed to shut it down. From the early 1990s, successive National and Labour governments dismantled the Labour Department's Mines Inspectorate, effectively allowing mines to self-regulate their safety regime. Employee-elected safety check inspectors were removed from mine sites in 1992 (see: "Pike River Coal ignored mine safety warnings").

A "summary of facts" presented by the Labour Department on July 31 revealed that VLI also failed to take basic precautions. Its workers had been drilling in high-methane areas of the mine but VLI made no regular safety checks of its equipment. On November 19, 2010, the day of the explosion, the drill rig's methane gas sensor was checked for the first time in five months and found to be faulty. The Department noted that "the accuracy of the gas sensor and the protection it was intended to provide could not be relied on."

Bernie Monk, whose son Michael died in the mine, said the charges were merely a "slap on the wrist" for what happened at Pike River. "What value do you put on the lives of 29 men? Whatever they get fined in this proceeding will never be enough," he told Radio NZ.

Monk said the families were angry that PRC had refused to answer the charges, telling TVNZ the company had “walked away” from the families after a second explosion in the mine on November 24, 2010. He said PRC would “never be forgiven by the families, ever”.

Among those not charged are Gordon Ward, PRC’s former CEO, who departed just seven weeks before the explosion and now lives on Australia’s Gold Coast, and John Dow, PRC’s former board chairman, who insisted after the explosion that there had been “no slackening in safety standards”.

Almost two years later, there are no signs that mine safety has improved. The Labour Department has been merged into a Ministry of Business, Innovation and Employment, as part of National Party government cost-cutting. A new High Hazards Unit (HHU), with just four inspectors, is responsible for monitoring New Zealand’s 22 coal mines and eight gold mines, as well as several geothermal power stations and oil production facilities. There were seven specialist coal mine inspectors in 1998.

The health and safety body MinEx reported that in the first quarter of 2012, eight underground mining injuries required outside medical attention. Six were at mines owned by Solid Energy, which has bought the Pike River mine site. The coal producer is one of four state-owned companies listed to be partially privatised by the government.

Last month, the HHU shut down Solid Energy’s Spring Creek mine for two days after a worker was seriously injured by falling coal. Inspectors said he was lucky to escape with his life. In February, the same mine was closed for three days after several incidents, including a diesel generator fire that injected large amounts of carbon monoxide into the mine.

Operations at Solid Energy’s Huntly mine were suspended for two days in June after inspectors discovered dangerous levels of methane. This followed a similar build-up of gas last November due to poor ventilation, prompting some Huntly miners to compare the mine to Pike River. Last month, 28 miners were

trapped underground for about four hours at the Newmont Waihi Gold mine, after a truck caught fire. One received medical treatment for smoke inhalation.

The Engineering, Printing and Manufacturing Union (EPMU), which covers miners, is complicit in the dangerous working conditions. It is repeating the role it played at Pike River, where it took no action even after a group of miners walked off the job to protest the lack of basic safety equipment. The union did not even criticise the company until months after the disaster.

As National, Labour and Green politicians applauded PRC CEO Peter Whittall for his “leadership” in the weeks after the disaster, EPMU national secretary Andrew Little praised the company’s safety record. Little, now a Labour Party member of parliament, told Radio NZ that the mine “had a good health and safety committee that’s been very active” and said the union was not aware of any problems at the mine.

These comments allowed the *Dominion Post* to run a front-page article on November 26, 2010 denouncing “wild” rumours that the mine was not safe. “Any suggestion of obvious or known safety lapses does not find traction with unionised staff or union leader Andrew Little,” it said.

The EPMU’s record underscores the need for miners to break from the stranglehold of the union, which functions as an appendage of the corporations, set up their own rank-and-file committees, and turn to other miners and sections of workers. Such a struggle must be based on a socialist program to unite workers across the country and internationally against the deepening assault on wages and working conditions, including the erosion of safety standards.



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