

No justice for New Zealand mine disaster victims' families

Tom Peters
8 August 2013

The company, Pike River Coal, was sentenced last month on nine charges relating to health and safety violations leading to the fatal explosion at its coal mine on New Zealand's West Coast on November 19, 2010. The company, known as PRC, was fined \$760,000 (\$US605,000) and ordered to pay \$110,000 in reparation to each of the 29 victims' families and two survivors—a total of \$4.17 million.

During sentencing Judge Jane Farish stated: "There were many indicators that the mine was in a potential explosive position but the warning signs were not noted or heeded." She referred to the "total absence of remorse by the company" and stated that PRC "should never have been in operation, particularly in light of the breaches that I have found." These included inadequate ventilation and methane gas management and no emergency exit.

In other words, the company sacrificed workers' safety, and ultimately lives, by speeding up production and ignoring safety hazards.

PRC, which is bankrupt, has declared that it only has enough cash reserves to pay \$5,000 to each family. Judge Farish, however, found that "the company has the means to pay either by existing shareholders or a combination of the shareholders and directors."

Economist Brian Gaynor noted in the *New Zealand Herald* on July 13 that following the disaster PRC received \$90.7 million in insurance payouts, \$7.5 million from the sale of the mine and \$4.1 million from coal sales. Virtually all this money went to secured creditors, including PRC's biggest shareholder New Zealand Oil & Gas (NZOG) and the Bank of New Zealand, leaving nothing for the bereaved families.

NZOG chief executive Andrew Knight told the *Sunday Star-Times* on July 7 that his company, which made a \$19.9 million profit last year, had no "legal responsibility" to pay the families. NZOG supplied PRC's leading directors and was intimately involved in

Pike River mine's development.

On July 17, police told the families that—after an investigation lasting more than two years—they would not lay criminal charges over the disaster. Superintendent Peter Read stated that since the mine has not re-opened there was insufficient evidence to pursue manslaughter charges. Melissa Byrne, whose partner Sam Mackie died in the disaster, told the *Press* the families were shocked by the decision. "I don't think any of us knew what to say," she said. "[When] people are murdered ... people fight to get the guilty people charged and punished. As far as I'm concerned, it should be the same [for Pike]."

PRC chief executive Peter Whittall, the only individual facing health and safety charges laid by the Ministry of Business, Innovation and Employment (formerly the Department of Labour), has yet to stand trial. None of the company's former directors has been charged, despite last year's Royal Commission finding that "the board of directors did not ensure that health and safety was being properly managed and the executive managers did not properly assess the health and safety risks that the workers were facing."

Neville Rockhouse, whose son Ben died in the mine, told Radio NZ on July 18 that the disaster was caused by "corporate greed [and] production over safety." He declared that the directors were "still leading their lives ... out there in the big wide world, raking in the big bucks, and they've got no accountability, no responsibility, and there's going to be no justice in terms of answering a few tough questions about ... why work practices of such a heinous nature were actually allowed." The miners' families are now considering taking civil action.

No one in the current National Party government or the 1999-2008 Labour government has been held responsible for decades of cuts to safety "red tape" that allowed PRC to effectively self-regulate safety. Beginning in the 1990s, the Department of Labour's specialist Mines Inspectorate

was progressively dismantled—despite warnings from experts that this would lead to a disaster. The Royal Commission found that the department was under-resourced and “assumed Pike was complying with the law, even though there was ample evidence to the contrary.” Despite this damning finding, Prime Minister John Key told TV3 on July 9 that the government was unlikely to pay compensation to families because “we do worry a lot about precedents.”

Last November, Labour MP Damien O’Connor admitted that Labour ignored warnings to improve safety regulations. Asked whether the Engineering Printing and Manufacturing Union (EPMU) had advised Labour to change the law, O’Connor did not answer directly but blamed “coal miners themselves” for not “demanding of their own union that things should change.” This comment only reveals that the union bureaucracy collaborated with mining companies to suppress workers’ safety concerns. (See: “Labour MP blames workers for New Zealand mine disaster”)

Andrew Little, former head of the EPMU and now Labour’s Justice spokesman, released a statement on July 18 saying that the PRC board took a “cavalier attitude to health and safety, with some in management plainly negligent.” He called for a law change to allow companies to be charged with corporate manslaughter.

These statements are a cynical face-saving exercise. Immediately after the disaster, Little joined the government in defending PRC. He told the *Herald* that the company had an “active health and safety committee” and there was “nothing unusual about Pike River ... that we’ve been particularly concerned about.” The EPMU, which had 71 members at Pike River, worked with the company to ensure that production was not interrupted. The union never once organised industrial action, even after a group of workers spontaneously walked off the job to protest the lack of basic safety equipment.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact