

## **Case Study: THE BEACONSFIELD MINE**

*Source: Helen De Cieri, Robin Kramer, Raymond A. Noe, John R. Hollenbeck, Barry Gerhart, Patrick M. Wright; Human Resource Management in Australia: Strategy/ People/ Performance (3rd edition); McGraw Hill Education, 2008. P:145-147.*

The collapse at a mine in Beaconsfield, Tasmania, on 25 April 2006, killed one miner and trapped two others for 14 days. The case received a lot of media attention and sparked considerable debate about workplace safety, as the following selection of articles indicate.

### **1. Pressure applied on safety-BEACONSFIELD**

BEACONSFIELD mine manager Matthew Gill came under pressure from elements in the joint venture owners to take a less cautious approach to safety.

The Beaconsfield mine in northern Tasmania is 51.5 per cent owned and run by Allstate Explorations, which is in receivership, with the stock market-listed Beaconsfield Gold the junior partner with 48.5 per cent.

Former Beaconsfield Gold director John Miedecke said yesterday Mr Gill was 'a very cautious and conservative mine manager when it came to safety'. 'At times he was criticised for that by various people in both (joint venture) companies', Mr Miedecke said. This began at the reopening of the century-old mine in 1999.

Mr Gill was criticised over his estimates of the capital and operating expenditure required to extract gold safely, he said.

The manager's conservative approach had not been appreciated by the mine's owners, who challenged him over the need for such high expenditure. But Mr Gill got his way after his position was backed by other assessments.

Allstate, which collapsed in 2001, still owes trade creditor 17c of every dollar they lost. But it has paid about 27.5 million in mine profits to Macquarie Bank, which became the biggest creditor when it paid \$300,000 for \$77 million of inter-company debt.

Allstate chairman Rod Elvish did not deny yesterday that Mr Gill had faced pressure from elements of the joint venture companies over the expenditure needed to extract gold safely.

Such conflicts were a normal part of mining, he said. 'I don't know any mine manager who hasn't had that sort of thing, who hasn't put a proposal up. That's just standard industry practice.'

Mr Miedecke, who quit two years ago because of concerns about the joint venture's structure and management, defended Mr Gill following safety issues raised by miners and unionists.

In his time at the mine, he had never known Mr Gill to succumb to pressure to sacrifice safety to cut costs. 'I would be astounded if he knowingly put people at risk', Mr Miedecke said.

Mr Elvish would not respond to the criticisms of safety from miners and the Australian Workers Union. 'We have a policy that while the guys are still underground we're not going to comment', he said. 'There will be full inquiries and all those matters will be looked at in the proper place.'

Mr Gill has taken a similar position and did not respond to a request for comment.

Source: Excerpt from M. Denholm, 2006, 'Pressure applied on safety BEACONSFIELD', The Australian, 5 May, p. 8.

## **2. A disaster waiting to happen, Honeycombed mine ripe for collapse- No workers trained in safety**

THE Australian Workers Union has opened fire on the Beaconsfield mine, detailing for the first time a succession of safety failures before the rock fall that killed one miner and trapped Brant Webb and Todd Russell for 14 days.

After meeting miners yesterday, the A WU revealed:

- It could not identify a single underground miner who had received occupational health and safety training at the Tasmanian goldmine;
- Miners complained of a reduction in the amount of cement used to harden concrete that backfilled exploited areas of the mine;
- Key crown' pillars meant to provide support had been removed from deep workings;
- Steel safety mesh bolted to the walls of the mine-used to stabilize the working -had failed to contain rocks. The rocks were so active that they were 'blowing out'- that is, blowing the safety protection off the walls.

Mr Russell, Mr Webb and their colleague Larry Knight-who was killed in the rock collapse-had been pinning the mesh to a tunnel 925 metres underground on Anzac Day night when the disaster happened. A representative of Mr Knight's family attended the grim union meeting yesterday, where his former workmate instructed official to be unyielding in their search for the cause of the tragedy.

Tasmania's Premier, Paul Lennon, said last night the claims should be put before what is expected to be an independent judicial inquiry into the tragedy.

Mr Lennon met the WU's federal secretary, Bill Shorten, after the union meeting at Beaconsfield. Mr Shorten raised pre sure for the independent inquiry, but he held open the possibility that miners could return to parts of the mine declared safe. However, he warned: 'If the current mining methods are ought to be pursued, most of them won't go back down.'

The union also wants scrutiny of Workplace Standards Tasmania, the official regulator, after miners complained it had shown little interest in safety at Beaconsfield. Mr Shorten asked miners if they had any 'constructive interaction' with the regulator, but most 'looked at me fairly blankly, like I was asking a stupid question'.

There had been an unexplained significant 'near miss' at the mine, but Mr Shorten said 'We've heard there was no visit out to the mine, and it was all done by self regulation. Photos were taken by the mine and posted off to the regulator. '

The regulator's chief inspector, Don Schofield, described the law as 'nonprescriptive, performance legislation' where the onus was on employers to ensure a mine was safe.

The miners' claims were put to the mine's spokesman, Michael Lester, but he said the mine manager, Matthew Gill, was unable to respond. The mine and its majority owner in administration, Allstate, have been virtually silent since the miners were rescued last Tuesday.

Source: Excerpt from A. Darby, 2006, 'A disaster waiting to happen', The Sydney Morning Herald, 16 May, p. 1.

### **3. Mine survivor insists bosses must take rap**

BEACONSFIELD mine survivor Brant Webb-whose friend Larry Knight died in the Anzac Day accident-has called for directors to be jailed if their companies are found responsible for workplace deaths.

Mr Webb told a workplace safety forum in Hobart yesterday that a 'breakdown in communication' contributed to the Beaconsfield accident, which entombed him and fellow miner Todd Russell for two weeks.

He said the best way to prevent workplace fatalities was for employers to involve workers in safety decision and for company director to be held responsible. 'I think the biggest problem is we have toolbox meetings and staff meetings-all these meetings-and all these minutes are taken ... but ultimately there's not a reallocation done out of the meetings', he said.

'Throughout all industry, there's communication breakdown-from the workers to the middle management, to ... top management.' 'I think if they made not the top management but the director accountable for a life-so if you take a life, you go and sit inside a pen or jail for 15 year -things would change. Someone should be accountable.'

Mr Webb still bears physical and emotional injuries from the April 25 rock fall at the northern Tasmanian goldmine which had been subject to 'mini earthquakes' linked to mining activity.

Speaking about his experiences at a public forum for the first time, Mr Webb said the mine had seismic monitoring equipment in place and that he would not have worked there had he not believed at the time that it was safe. However, asked why the mine's safety regime had failed, he said: 'lack of communication- systems only work if information is passed on.'

Workers' concerns about safety were sometimes not acted on quickly enough. 'By the time the process goes through, it's too late', he said. Mr Webb said there was also a 'breakdown of communication' between himself and Mr Russell on April 25. Before beginning their shift in a tunnel 925m below ground, the two had spent five minutes listening for movement in the surrounding rock.

'We sat there for about five minutes and took the earplugs out and there was no noise at all ... so we thought this sounds pretty good, there's nothing happening in here, we'll just go in and attack', he said.

In hindsight, he wished they had spent more time listening to the rocks and debating safety. 'We just wanted to finish the job, get back into it', he said.

Mr Webb, who on Monday will launch a book with Mr Russell about their ordeal, also called for a change of culture in heavy industry to reward, rather than intimidate, workers who raise safety concerns.

Employers tended to treat workers' views on safety as 'not credible' and should instead seek to involve workers in work-safety decisions. 'They don't listen to the workers', he said.

Source: Excerpt from M. Denholm, 2006, 'Mine survivor insists bosses must take rap', The Australian, 28 October, p. 11.

#### **4. Drilling to deepen Beaconsfield mine**

MINING at the Beaconsfield goldmine has moved a step closer after Tasmania's work safety regulator yesterday approved a resumption of blasting and drilling to make the mine deeper.

Workplace Standards Tasmania rescinded a ban on work on the mine's main decline imposed after the Anzac Day rock fall that killed miner LaITY Knight just over six months ago.

The decline is a downwards, spiralled road tunnel off which are constructed horizontal drive tunnels to production areas.

Allowing work to resume on the main decline is the first stage toward beginning production in new areas of the mine below 1090m. WST bans remain in place on the construction of drives to production stopes and on the extraction of gold.

A return to gold extraction is expected in the next few months after further approval of safe work plans by WST.

A full return to mining must also pass a financial analysis by mine management. The Australian Workers Union has vowed to make its own judgment about safety before allowing its members to return to work. A WU national secretary Bill Shorten said he remained to be convinced the mine could be operated safely.

State secretary Ian Wakefield said the union would decide whether decline work could be done safely after receiving a briefing, most likely next week.

Mine joint venture manager Allstate Explorations welcomed the WST approval for resumption of work on the main decline, following a 'rigorous' assessment of a safe work plan prepared by consultants.

Source: Excerpt from M. Denholm, 2006, 'Drilling to deepen Beaconsfield mine', The Australian, 3 November, p. 6.