

Organisational structure

1. This chapter briefly describes Pike's organisational structure at the time of the explosion, including some of the changes that occurred to the structure in 2010. Later chapters include more detailed discussion of the roles introduced here.

Board

2. Pike's board was responsible for overall corporate governance of the company including the strategic direction, determination of policy, and matters of finance, approval of significant contracts, capital and operating costs, and financial arrangements and investments.¹ The board had overall responsibility for Pike's risk management and internal control system.

Directors

3. At the time of the explosion the board comprised John Dow (chairman), Raymond Meyer, Stuart Nattrass, Antony Radford, Dipak Agarwalla and Arun Jagatramka. Gordon Ward was an executive director from July 2006 until 1 October 2010. It appears that none of the directors had underground coal mining experience.² Mr Dow's career was in metalliferous mining, Professor Meyer was a mechanical engineer, Mr Radford was the chairman of New Zealand Oil & Gas (NZOG) and Messrs Agarwalla and Jagatramka were nominees of the Indian shareholder companies, both of which were coke producers.

Committees

4. There were three formally constituted board subcommittees: audit; health, safety and environment (HSE); and remuneration. There was also a less formal due diligence committee, meeting only when required, usually during large-scale projects such as capital raisings.
5. The audit committee reviewed and monitored Pike's financial affairs. Its members were Professor Meyer, Mr Nattrass and Mr Radford.
6. The HSE committee was responsible for ensuring Pike provided a safe workplace, monitoring compliance with environmental consents, permits and agreements, and reviewing projects. Its members were Mr Dow and Professor Meyer.³
7. The remuneration committee was to ensure Pike attracted and retained 'the right people' by offering competitive and fair remuneration packages.⁴ Its members were Mr Dow, Professor Meyer and Mr Radford.

Chief executive

8. As at 19 November 2010, Pike's management was led by the chief executive, Peter Whittall, who was based in Wellington. Before his appointment as chief executive at the start of October 2010, Mr Whittall was the general manager mines. Substantively, he had held this role since he was employed in February 2005. As general manager mines, Mr Whittall had reported directly to Mr Ward.⁵
9. Mr Ward was the chief executive from January 2007 to 1 October 2010. In his role as general manager of NZOG, Mr Ward was responsible from 1998 for all aspects of the Pike River coal project, taking it through to construction.⁶

Site general manager

10. Reporting to the chief executive was the site general manager, Douglas White. Mr White originally started at Pike as operations manager in January 2010. As operations manager, he reported to Mr Whittall and had four managers reporting to him: engineering, safety and training, coal preparation plant (CPP) and the underground mine manager. The remaining managers reported directly to Mr Whittall.
11. Around the time Mr Whittall was promoted to chief executive, the management structure at the mine was reorganised and some roles were reviewed.⁷ Mr White became site general manager, which had previously been the general manager mines role, and the operations manager role was disestablished.
12. As site general manager, Mr White was based at the mine and had general responsibility for the mine's operations. Eight managers reported to him: human resources, environment, project and planning, technical services, underground mine operations, engineering, CPP and safety and training. McConnell Dowell Constructors Ltd also reported to Mr White. He understood his responsibilities as including guiding the mine safely through the project phase into development of hydro production.⁸
13. From 12 June 2010, Mr White was the statutory mine manager, which included supervising the health and safety of the underground operation. In the absence of a dedicated ventilation engineer, Mr White also took on overall responsibility for managing the ventilation system.

Underground mine operations

Underground mine manager/production manager

14. Responsibility for underground mine operations was effectively split between Mr White, as the statutory mine manager, and Stephen Ellis, as the production manager. The production manager role was created following the resignation in June 2010 of then underground mine manager, Michael Lerch. The role was initially filled by a temporary appointee and then by Mr Ellis in October 2010.
15. As production manager, Mr Ellis oversaw the operations underground and, in particular, development operations. He was expected to become the statutory mine manager once he obtained a first class coal mine manager's certificate of competence. That occurred in December 2010, with Mr Ellis appointed to an acting role on 24 December 2010 and then later as the permanent statutory mine manager in May 2011.

Underviewers and deputies

16. There were three underviewers (or shift co-ordinators), one for each shift, and a dedicated hydro co-ordinator, who did not hold a coal mine underviewer's certificate of competence. The underviewers and hydro co-ordinator reported directly to Mr White, in his capacity as the statutory mine manager, rather than Mr Ellis, who was at the same level as them.⁹
17. The underviewers were responsible for co-ordinating activities, planning activities, managing employee attendance and issues, ensuring safety systems were implemented and maintained, and carrying out inspections and examinations.¹⁰
18. Responsibility for the hydro monitor crews' activities lay with the hydro co-ordinator who was responsible for overseeing and managing hydro production, including planning activities, ensuring safety systems were implemented and maintained and ensuring hydro production met or exceeded production targets.¹¹
19. Beneath the underviewers were the deputies, with up to three working on each shift. The deputies carried out the inspections, examinations and reporting required by the company and by law and provided supervision and guidance to their crews.¹²

Mining crews

20. The mining crews comprised, in hierarchical order, senior miners, experienced miners, miners and trainee miners.¹³ They operated the mining equipment, including the hydro-mining equipment.

Contractors

21. Pike used a number of contractors to support mining operations underground. They were involved in a range of activities, including shot-firing, in-seam drilling, electrical and mechanical work, pipe-laying and construction. Many of the contractors in the mine had not previously worked in an underground coal mine and were not miners by trade.

Coal preparation plant

22. The CPP cleaned and separated coal from waste product, ready for transport to the coal handling facility near Ikamatua. The plant was managed by Johan Klopper. His staff included a process engineer, crews working shifts similar to the mining crews, and an Ikamatua crew.

Engineering

23. The engineering department was responsible for maintaining commissioned fixed plant in the mine, mobile mining equipment and diesel vehicles. That included gas monitoring sensors, the electrical system, the surface fan and other auxiliary fans. It appears that handover of the equipment in the hydro panel to the engineering department had not occurred before 19 November 2010.
24. Robb Ridl was appointed engineering manager in August 2010. He had initiated a restructure of the engineering department, including the creation of new roles. Under the new structure, Mr Ridl would have had four staff reporting directly to him: an electrical engineer, a mechanical engineer, a maintenance engineer and a maintenance superintendent. Beneath them were a communications engineer, three co-ordinators and a maintenance planner and then shift engineers, with electrical and mechanical technicians below them.

Technical services

25. Technical services was responsible for mine design (including underground ventilation, but not gas monitoring), surface and underground exploration, strata control, scheduling, surveying and geotechnical functions. Gas drainage, which evolved from in-seam drilling for exploration, was also a function of the technical services department.
26. Pieter van Rooyen had been the technical services manager since February 2009, but resigned effective from 3 November 2010. A new technical services manager had been recruited, but was not due to start at Pike until December 2010. In the meantime, the technical services co-ordinator, Gregory Borichevsky, an experienced mining engineer, was the most senior member of the technical services department.
27. Nine staff reported to the technical services manager: a technical services co-ordinator, a mining engineer, two geologists (including a graduate), a geotechnical engineer, three surveyors and a surveyor's assistant. The contractor carrying out in-seam drilling, VLI Drilling Pty Ltd, reported to the geologist.

Project and planning

28. Underground infrastructure projects, such as building, installing and commissioning the hydro monitor and the main fan, were carried out by the project and planning department. The project/planning manager was Terence

Moynihan. The project and planning department also included a project engineer, a commissioning manager, a project supervisor, an electrical design and installation engineer, and a systems engineer. All but one were contractors.¹⁴ Many of the small contractors working at the mine reported to members of the project team.

Safety and training

29. The safety and training department was responsible for developing a health and safety system. Implementation of the system and associated plans were the responsibility of each of the operational departments.¹⁵ The safety and training department was not responsible for ensuring the health and safety of the workforce; each department was responsible for its own health and safety.¹⁶
30. Following a reorganisation in 2010, the training function was removed from the safety and training department and placed with the human resources department. Neville Rockhouse, who had been the safety and training manager, became the safety manager. He was supported by two administrative assistants, one of whom was a contractor.¹⁷
31. Before the reorganisation, Adrian Couchman had reported to Mr Rockhouse as the training and safety co-ordinator. By 19 November 2010, Mr Couchman had moved to the human resources department and his role had narrowed to training co-ordinator. Mr Rockhouse was required to pick up the safety-related duties that Mr Couchman no longer performed.¹⁸

Environment

32. The environmental department was responsible for all aspects of environmental compliance, including resource consents, access arrangements and subsidence. It was concerned primarily with surface operations. The environmental department had a total of seven staff, including the environmental manager, Ivan Liddell.

Human resources

33. Human resources was responsible for recruitment, remuneration, employment relations and, following the reorganisation in 2010, training. Additionally, the other departments were responsible for training their own staff. Richard Knapp was the human resources manager. Two staff reported to him, a training co-ordinator and a human resources adviser.

ENDNOTES

¹ Pike River Coal Ltd, Corporate Governance Manual, 1 June 2009, DAO.037.00002/5.

² John Dow, transcript, pp. 4120–22.

³ Ibid., p. 3901.

⁴ John Dow, witness statement, 23 November 2011, DAO.037.00001/22, para. 83(c).

⁵ Peter Whittall, transcript, pp. 727–28.

⁶ New Zealand Oil & Gas Ltd, Paper Phase One – Context, 25 May 2011, NZOG0067/55, para. 6.88.

⁷ Compare organisational structure at June 2010 (Pike River Coal Ltd, Organisational Chart June 2010, DAO.003.06725/1) and at 19 November 2010 (Pike River Coal Limited Organisation Chart as at 19 November 2010, PW23a/1).

⁸ Douglas White, transcript, p. 1118.

⁹ Pike River Coal Limited Organisation Chart, PW23a/1.

¹⁰ The description of the roles of the underwriters is taken from a 2008 draft company document and may not reflect their day-to-day practice: Pike River Coal Ltd, Roles and Responsibilities: Management Plan (Draft Document), 9 September 2008, DAO.002.00960/42.

¹¹ Pike River Coal Ltd, Pike River Coal Hydro Superintendent Job Role, INV.03.29025/1.

¹² Pike River Coal Ltd, Roles and Responsibilities, DAO.002.00960/50; Stephen Wylie, witness statement, 31 October 2011, WYL0001/4, para. 12.

¹³ Peter Whittall, transcript, p. 725.

¹⁴ Ibid., p. 734.

¹⁵ Neville Rockhouse, transcript, p. 4177.

¹⁶ Ibid., p. 4200.

¹⁷ Neville Rockhouse, transcript, p. 4161; Michelle Gillman, witness statement, 10 November 2011, GIL0001/3, para. 1.

¹⁸ Neville Rockhouse, transcript, pp. 4203–04.