

1914.
—
VICTORIA.

R E P O R T

FROM THE

COMMITTEE OF PUBLIC ACCOUNTS

(STATE COAL MINE).

Ordered by the Legislative Assembly to be printed, 27th October, 1914.

By Authority:

ALBERT J. MULLETT, GOVERNMENT PRINTER, MELBOURNE.

EXTRACTED FROM THE VOTES AND PROCEEDINGS.

THURSDAY, 9TH JULY, 1914.

12. PUBLIC ACCOUNTS COMMITTEE.—Sir Alexander Peacock moved, pursuant to notice, That the following Members form the Committee of Public Accounts during the present Session :—Mr. Campbell, Mr. Keast, Mr. Mackey, Mr. Membrey,* Mr. Prendergast, Mr. Toutcher, and Mr. Tunnecliffe; and that the Committee have leave to sit on days on which the House does not meet; three to be the quorum.

Debate ensued.

Question—put and resolved in the affirmative.

* Mr. Membrey resigned from the Committee on 21st July, 1914.

TUESDAY, 1st SEPTEMBER, 1914.

4. PUBLIC ACCOUNTS COMMITTEE—MEMBER APPOINTED.—Sir Alexander Peacock moved, pursuant to notice, That Mr. Menzies be a member of the Committee of Public Accounts.

Debate ensued.

Question—put and resolved in the affirmative.

APPROXIMATE COST OF REPORT.

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	8	10	0

REPORT.

THE COMMITTEE OF PUBLIC ACCOUNTS has the honour to report to your Honorable House as follows :—

STATE COAL MINE.

1. Extensive beds of coal were found in the Powlett River and Wonthaggi district early in 1909 as the result of boring operations by the Mines Department. The money expended in boring was paid out of the annual vote in connexion with the Mines Department for boring for gold and coal. When it became known that payable seams of coal existed at Wonthaggi an area of 640 acres was resumed by the Government as a site for a State Coal Mine and for the township of Wonthaggi. Of this area 320 acres were freehold property and 320 acres leasehold. The sum paid for resumption of these properties came to £4,127. Since 1892 all minerals have been reserved to the Crown, and surrounding the State Coal Mine the Government has reserved an area of approximately 10,000 acres as the State Coal Reservation. No one can get a lease to mine for coal in that reservation. Nor has the State Coal Mine obtained any claim or title as yet over the area.

2. The State Coal Mine at Wonthaggi was hurriedly opened up towards the close of 1909 in consequence of the difficulties experienced in obtaining supplies from Newcastle for the Railway and other Government departments. At the outset mining operations at the State Coal Mine were of the crudest description, and the cost of bringing coal to grass and transporting it by bullock waggons to Inverloch, and thence by steamer to Melbourne, was large. Nevertheless, the Railway Department was able by this means to obtain some supplies of coal which were urgently required. The shafts sunk then to obtain the coal within 60 feet or so of the surface have since been utilized for working and ventilating the State Coal Mine, so that it cannot be said the haste displayed to secure coal from Wonthaggi in those early days resulted in much wasteful expenditure or useless work. The mining done then was, of course, much more costly than it would have been under normal conditions. This emergency work has since been estimated by Mr. George H. Broome, General Manager of the State Coal Mines, to have cost £46,274. But against this expenditure must be credited the proceeds (about £22,000) of the sale of coal won during these opening operations, together with sundry other small receipts. Allowing for these credits, the balance (£24,160) has since been written off out of the portion of the profits made by the mine placed to the credit of the Sinking Fund. This sum was certified to by the State Auditor-General.

3. When the railway was being extended from Woolamai to Wonthaggi early in 1910 a temporary line was put down part of the way along the coast so that trains might be run as soon as possible to the mine for the transport of coal to Melbourne. This temporary line cost £10,000, and that sum has since been repaid out of the Consolidated Revenue under Division No. 177 of the *Appropriation Act* 1909–10, No. 2283. Prior to the opening of the State Coal Mine £5,500 was expended by the Mines Department in boring for coal on the site now occupied by that mine. No portion of that sum has been repaid by the State Coal Mine, but the mine has paid the full cost of boring on its area since its opening up, with the exception of two deep prospecting bores—one to a depth of 1,380 feet, and the other to 1,518 feet. These two bores proved nothing beyond that coal did not exist at a depth of 1,000 feet or more. The then Minister of Mines (the Hon. P. McBride) considered that as they were purely prospecting bores, and had not revealed payable seams of coal at a deep depth, the cost of that boring should be charged against the Mines Department, and not to the mine.

FINANCES OF THE STATE COAL MINE.

4. Part II. of the *Coal Mines Regulation Act* 1909, No. 2240, deals with the power to raise money for the development of the State Coal Mine; the opening up of the mine under the authority of the Minister of Mines, and subsequently vesting it in the Victorian Railways Commissioners; the manner in which the accounts are to be kept and the balance-sheet prepared; and also the establishment of a Sinking Fund and a Depreciation Fund out of the net surplus profits of the mine. Section 92 empowered the Governor in Council to issue Victorian Government stock up to the sum of £150,000 to provide funds for the construction, erection, or acquisition of buildings, plant, machinery, tramways, wharfs, piers, ships, and other appliances or works required for the working of the mine.

5. It was estimated at the time that £40,000 would be required for the equipment and £20,000 for the development of the mine; £7,000 for drainage; and £10,000 for miners' homes; or in all £77,000. The statement was made in the Legislative Assembly by the then Minister of Mines (the Hon. P. McBride) that "the balance of the stock authorized would be issued from time to time as required for the improvement of the port and to provide shipping requirements at Inverloch or Western Port." As a matter of fact, the balance of the stock was not so used, but was expended in the development and equipment of the mine. The sum of £10,000 estimated to be expended on miners' homes was practically doubled. In 1911 these cottages were sold to the Lands Department for £21,759, and the money thus obtained was also used in opening up and equipping the mine. Of this loan liability of £150,000 the sum of £7,050 has been redeemed from the Sinking Fund established out of the profits earned by the mine. According to the balance-sheet for the twelve months ended 30th June, 1913, £53,865 were obtained from the Treasurer's Advance in anticipation of the issue of debentures under the *Victorian Loan Act* 1912, No. 2429, which provided for a further loan of £100,000 for the construction, erection, or acquisition of buildings, plant, machinery, tramways, and other appliances or works required for the working and development of the State Coal Mine, or for any purposes in connexion therewith. Therefore, the total liabilities in respect of moneys borrowed on behalf of the mine stood at £196,815 on the 30th June, 1913. This was covered by assets representing a total expenditure of £203,995 on land purchase, shaft-sinking, development, &c., buildings, poppet heads, machinery, electric plant, rails, ropes, &c., horses, harness, office furniture, and scientific instruments. The balance-sheet for 1913-14 showed that during that year £75,141 were raised under the *Victorian Loan Act* 1912. Out of this sum the £53,865 obtained from the Treasurer's Advance was repaid, and the remainder of these loan moneys, with the exception of £5,137 still in hand, was expended in shaft sinking, development, machinery, rails, plant, &c.

EVIDENCE RECEIVED.

6. The Committee has examined the balance-sheets attached to the last four Annual Reports of the General Manager of the State Coal Mines. It has also received evidence from Mr. T. F. Brennan, Chief Accountant of the Railway Department; Mr. F. H. Bruford, State Auditor-General; Mr. G. H. Broome, General Manager, State Coal Mines; and Mr. W. Dickson, Secretary for Mines, concerning the same. In addition, the Committee heard evidence from Mr. G. H. Sutton, Chief Storekeeper of the Railway Department, relative to the prices paid by the Department for Wonthaggi coal in comparison with supplies obtained from Newcastle, having regard to the calorific value or steaming qualities of the two coals. The Committee did not have placed before it the vouchers for expenditure in connexion with the State Coal Mine, such as the sums expended out of capital on shafts, machinery, &c., or for wages or stores, being satisfied with the certificate of the State Auditor-General as to the correctness of that expenditure and the charging of it to loan funds or working expenses, as the case might be. It also accepted as correct the estimates of depreciation for the whole period from the opening of the mine to the 30th June, 1914, made by the General Manager of the mine. His estimate for the year 1912-13 was £25,546, and for the period from the opening of the mine to the 30th June, 1913, a total sum of £42,000. He gave it as his opinion that this was an ample allowance for the whole of the depreciation which had accrued up to that date. His estimate for depreciation during 1913-14 was £25,000, making a total estimated sum of £67,000 for depreciation since the opening of the mine.

QUANTITY OF COAL RAISED.

7. Since the opening of the State Coal Mine the coal produced was of the following grades :—

							Tons.
Screened	..	..	..	..	..	..	1,005,565
Unscreened	..	..	..	..	..	..	110,436
Slack	..	..	..	..	..	..	708,630
Total	..	..	..	..	..	..	<u>1,824,631</u>

8. The output for 1912-13 totalled 457,653 tons, of which 190,163 tons, or 40 per cent., were slack. In 1913-14 the output reached 495,155 tons, of which 177,872 tons, or about 36 per cent., were slack. Before the mine was opened out it was estimated that the annual output would be 350,000 tons, of which 70,000 tons, or 20 per cent., would be small coal and slack.

9. Practically the whole of the screened and unscreened coal was sold to the Railway Department and all the slack to the public. The prices charged for slack coal ranged from 6s. to 7s. per ton. The price paid by the Railway Department for screened coal, class A, is 11s. per ton, and for class B, of which there is but a small quantity supplied, 10s. per ton. A few thousand tons of unscreened coal is annually sold to the Department at 8s. 6d. per ton. All these prices are for the coal delivered into the railway trucks at the State Coal Mine. On the slack coal sold to the public the Railways Commissioners received out of the Consolidated Revenue a bonus or allowance of one-tenth of a penny per ton per mile for the carriage of that coal from the State Mine to Melbourne, the balance of the freight charge, namely, $\frac{1}{2}$ d. per ton per mile, being paid by the purchaser of the coal. It is considered by the Commissioners that the $\frac{1}{2}$ d. per ton per mile just covers the cost of haulage and allows no margin for interest on the cost of the rolling-stock employed or on the capital expended in constructing the railways over which the coal is hauled to Melbourne. The same freight rates are charged and allowance given in respect of Korumburra coal. The Commissioners haul the coal required by the Railway Department from Wonthaggi to the various locomotive coaling stages throughout the State, and the expense of doing this is paid out of the working expenses of the Department, which receives no grant from the Treasury in respect of the carriage of that coal over the railways.

PRICE PAID FOR WONTHAGGI COAL.

10. As stated above, nearly the whole of the screened coal used by the Railway Department for locomotive purposes is paid for at the rate of 11s. per ton at the mine. To this has to be added 3s. 8d. per ton, the cost of hauling the coal from Wonthaggi to the coal staging at North Melbourne locomotive sheds, 88 miles, making the total cost 14s. 8d. per ton. Up to May, 1914, the contract price for Newcastle coal delivered into trucks at Victoria Dock was 15s. 8 $\frac{1}{4}$ d., to which had to be added 1s. per ton for hauling it from the ship's side to the North Melbourne coal staging, or a total of 16s. 8 $\frac{1}{4}$ d., or about 2s. a ton in excess of the cost of State Mine coal.

11. But it has to be borne in mind that the tests made on locomotives and in the laboratory of the Railway Department showed the calorific value of Wonthaggi coal was less than that of Newcastle coal—118 tons of the former being required to give the same steaming results as 100 tons of the latter. A departmental committee in November, 1911, inquired into the various matters associated with the purchase of coal supplies for the railways. After making estimates of the approximate quantity of first grade New South Wales coal required at the principal locomotive depôts throughout Victoria, and the proportion of State Mine coal necessary, and making allowance for its lower steaming value to give a result equal to the Newcastle coal, and also allowing for the expense that would be involved for haulage, handling, inspection, &c., of the New South Wales and Victorian coals respectively (having regard to the extra proportional quantity of the latter coal required to be hauled, handled, &c.), the committee found that 9s. 7 $\frac{3}{4}$ d. per ton was the rate which should be paid for the best grade of coal produced at the State Mine delivered into railway trucks there, so that the cost of the same when conveyed to the principal locomotive depôts where required for use might be equal to the first grade New South Wales coal as supplied under the then current contract at an average price of 15s. 8 $\frac{1}{4}$ d. per ton delivered at Victoria

dock or at Geelong railway pier as ordered. The departmental committee further looked into the question of any grounds which might exist for the Railways Commissioners granting a money preference to Victorian coal, not only from the aspect of any benefit in respect of traffic which the railways derived from the establishment of the State Coal Mine, but also in the wider view—(a) of the possibility of the Victorian supplies having an influence on the price of New South Wales coal favorable to the Railway Department; (b) of the advantage to the railways of local supplies in case of strikes at Newcastle collieries; (c) of the benefits to the community arising from the employment, at lucrative rates of wages, of a large number of men in this State, many of whom might otherwise have to find work outside of Victoria; (d) of the lesser haulage involved in the use of Victorian coal at certain depôts in Gippsland. Because of these advantages the departmental committee suggested that a preference of 1s. 3d. per ton might be granted to the State Mine coal. The Commissioners, however, decided to give a preference of 1s. 4½d. per ton, making the rate 11s. per ton for first grade screened State Mine coal. This rate has been maintained to date.

12. Since May, 1914, however, a fresh contract has been entered into for the supply of Newcastle coal, and the average price paid now is 17s. 2¾d. per ton delivered at Victoria dock or Geelong railway pier. In consequence of this advance in the price of Newcastle supplies, the cost of such coal delivered at the principal locomotive depôts throughout Victoria, including the expense of haulage, handling, &c., is now calculated to be 20s. 6·93d. per ton, while the average rate for State Mine coal (for a quantity equal in steaming quality to 1 ton of first grade New South Wales coal) delivered at the principal depôts throughout Victoria, including the expenses of haulage, handling, &c., is calculated to be 20s. 6·76d. per ton. The position, therefore, to-day is that, owing to the recent advance in the price of Newcastle coal, the money preference of 1s. 4½d. per ton allowed by the Railways Commissioners in respect of State Mine coal has disappeared (although all the advantages referred to in paragraph 11 of having a coal mine in Victoria remain), and after allowing for the lower calorific value of Wonthaggi coal and the fact that 118 tons of that coal have to be hauled to inland stations as against 100 tons of Newcastle coal, there is now practically no difference in the prices paid for State Mine and New South Wales coals respectively, delivered at the locomotive depôts throughout Victoria.

PAYMENT OF RENT AND ROYALTY.

13. It was ascertained from Mr. W. Dickson, Secretary for Mines, that the fee-simple of the State Coal Mine had not yet been vested in the Victorian Railways Commissioners, as provided by section 89 of the *Coal Mines Regulation Act 1909*, No. 2240, although the mine is being supervised, operated, and maintained by the Commissioners. His explanation of this non-compliance with the law was that he understood a new Department of Labour was to be constituted, and was to take over the control of the State Coal Mine and other Government industrial enterprises. It was also elicited in evidence that the State Coal Mine had not been charged royalty in respect of the coal raised from it. Section 62 of the Act referred to requires a condition to be inserted in every lease for coal mining, granted or renewed under the Mines Act, reserving to the Crown a royalty at a rate of not more than 1s. per ton on the output of all marketable coal raised under the powers of the lease. In leases recently issued to other mines than the State Coal Mine provision is made for the payment of a royalty ranging from ¼d. to 6d. per ton, according to the thickness of the seams worked. It was explained by Mr. Dickson that the Railways Commissioners have no lease of the mine. They were simply working it for the Crown, and therefore the question of royalty or rental being paid by them had not been raised by the Mines Department. He stated that one company—the Outtrim, Howitt and British Consolidated Coal Company No Liability, Outtrim—was being charged a royalty of 3d. per ton, and had already paid £214 in respect of the coal raised by it. That mine is on private property, and is paying the Crown a rental of 1s. per acre per annum. But if the royalty paid exceeds the sum payable as rent then the latter is not charged. Mr. Brennan informed the Committee that he understood the Treasury was about to make a claim on the Railways Commissioners for rent for the State Coal Mine, and that the Commissioners were not opposed to meeting that demand.

14. Since that evidence was received the balance-sheet of the State Coal Mine for 1913–14 has been issued. It showed in the Profit and Loss (Working) Account

that during that year £500 had been paid to the Mines Department as rent in connexion with the State Mine area. According to the statement of Mr. Broome, the average thickness of the coal seams in that area is about 3ft. 8in. If the royalty—4d. per ton on seams between 3 feet and 4 feet in thickness stated in the coal leases issued in recent years by the Mines Department—had been charged on the output of coal from the State Mine in 1913–14, after allowing for waste and coal sold to miners, approximately £8,250 would have been paid as royalty. It was pointed out by Mr. Broome, however, that the State Mine should not be called upon to pay royalty on the coal won by it for the following reasons:—(1) Owing to State Departments and undertakings having to give substantial and effective preference to goods of Commonwealth manufacture, the State Mine is not able to obtain its stores, &c., in the cheapest markets; (2) the sale of large coal is restricted by Act No. 2240 to sales to the Railway Department and other public Departments, hence the State Mine is not permitted to dispose of its product in the open market or to the best advantage; (3) the State Mine does not receive the same concession in regard to railway freights as do the other Victorian mines in respect of coal sold to the public. (The subsidy paid by the Treasury to the Victorian Railways Commissioners in respect of the carriage of coal—the product of Victorian mines—is one-tenth of a penny per ton per mile. The repayment of this amount by the State Coal Mine to the Treasury Department on its public slack coal sales for the financial year 1913–14 amounted to £6,622 14s. 4d.); (4) the price paid by the Railway Department for State Mine coal is based on the price paid by that Department for New South Wales coals, and as the Railway Department pays no wharfage on New South Wales coals and does not make allowance for it when reckoning the cost of these coals, the cost price of State Mine coal should not be increased by the addition of a royalty charge; (5) the cost price of State Mine coal should not be inflated unduly or unnecessarily because of—

- (a) its tendency to keep down the price of New South Wales coal;
- (b) its advantage to the State in employing labour within the State, and keeping for circulation within the State moneys that would otherwise pass to other States;
- (c) its influence on the prosperity of the State;
- (d) its effect in the event of strikes elsewhere;
- (e) its advantage to the Railway Department by its influence on population;
- (f) and the fact that, while New South Wales coals return only about 11 per cent. in freight, State Mine coal returns approximately 33 per cent. in freight to the Railway Department.

BALANCE-SHEET OF THE STATE COAL MINE.

15. Appended to this Report is a copy of the balance-sheet of the State Coal Mine at the 30th June, 1913, and the Statement of the Profit and Loss Account for 1912–13. The latter showed that the “net surplus profits” for that year, ascertained in accordance with the requirements of section 96 of the *Coal Mines Regulation Act* 1909, No. 2240, was £41,462, the sale of coal and sundry receipts having produced an income of £212,896, while the expenses of raising and despatching the coal, salaries, interest, and contribution to the Accident Fund totalled £171,434. The profits for 1912–13, added to those made in the years 1910–11 and 1911–12 (£33,936), together with £297, representing interest earned on funds invested, brought the total profits up to £75,695. This sum was appropriated as follows:—Sinking Fund Account, £45,846; Depreciation Fund Account, £29,849.

Had the matter been looked at from the stand-point of the mine accounts alone it would have been more in keeping with business methods to have allotted a lesser sum to Sinking Fund Account, and a larger share of the profits to Depreciation Fund Account, in view of Mr. Broome’s estimate that the depreciation in the value of the assets from 1909 to June, 1913, came to £42,000. But from the Treasury aspect it was desirable that the balance (£21,833) of the sum advanced from the Consolidated Revenue in 1909–10 to carry on the emergency work referred to in paragraph 2 of this Report should be refunded from the Sinking Fund to the Consolidated Revenue in 1912–13. This refund of £21,833 was made in accordance with the provisions of section 96 of the *Coal Mines Regulation Act* 1909, No. 2240, which gives the Sinking Fund Account a prior claim over the Depreciation Fund Account on the

profits of the mine. In addition to the £21,833 14s. 1d. so appropriated, a sum of £856 was expended on replacements, &c., making a total of £22,690 deducted from the profits of £75,695, leaving a balance of £53,005. Of this balance, £41,986 was at the close of 1912-13 either held in cash or invested in Government stock, £7,050 had been expended in the redemption of capital liability to an equal amount, and the remainder was represented in the value of coal on hand and some minor assets.

16. The balance-sheet of the State Coal Mine for 1913-14 is also appended to this Report. It was prepared after Mr. Broome had given evidence before this Committee and had heard its views concerning the form in which the accounts of the mine should be presented to Parliament. In this document, before declaring the amount of the "net surplus profits" for the year, the necessary contributions to the Sinking Fund Account and the Depreciation Fund Account have been made. This is not in accordance with the directions contained in section 96 of Act No. 2240, but it is in keeping with business methods. As this course was not followed at the close of 1912-13 the "net surplus profits" for that year were stated to be £41,462, compared with £1,212 for 1913-14. For comparative purposes, however, there has to be added to the latter sum the following items not included in the Profit and Loss (Working) Account for 1912-13:—Refund to Treasury of allowance paid to Railway Department for carriage of State Mine (slack) coal, £6,622 14s. 4d.; interest on amount refunded in 1912-13 to Treasury on account of emergency work performed in 1909-10, £2,674 13s. 4d.; rent paid to Mines Department on State Mine area, £500—making a total of £9,797 7s. 8d. To this has to be added the contributions of £11,905 to Sinking Fund and £25,000 to Depreciation Fund, making a total of £46,702, compared with £41,462 in 1912-13.

VIEWS OF COMMITTEE.

17. Speaking broadly, if the £6,622 paid by the State Coal Mine to refund the Treasury the allowance the latter made to the Railways Commissioners (for carrying slack coal from Wonthaggi to Melbourne at $\frac{1}{2}$ d. per ton per mile, which the other Victorian coal mines are not called upon to refund), is set against the royalty charge which other collieries in this State either have or will later on have to pay, it will be seen that in 1913-14 the State Coal Mine paid its way after having made full allowance for the depreciation which occurred in that year, and also for a contribution to the Sinking Fund which will, if maintained on the same basis, pay off the whole of the capital put into the mine before its life (which is estimated to be at least another 21 years) is exhausted. Seeing that it cost, in round figures, during the period of the emergency work in 1909-10, £46,000 to raise coal which was sold for £23,000, the Committee is of opinion that, if it were necessary at that time to mine the coal in a primitive manner before the machinery, &c., had reached Wonthaggi so that the Railways Commissioners might get supplies because of the stoppage of the Newcastle collieries, the Railway Department should either have paid the full cost of winning the coal, including the expenses connected with the miners' camp established at Wonthaggi in the early months of the mine, or the excess sum of £23,000 should have been a charge against the Consolidated Revenue which the State Coal Mine should not have been asked to repay. Had this refund not been made in 1912-13 there would now have been sufficient sums to the credit of the Sinking Fund and the Depreciation Fund to cover from the opening of the mine all the necessary contributions to those funds. Of the £114,713 credited on the 30th June, 1914, to the Sinking and Depreciation Funds, £25,800 has to be deducted, being £24,160 refunded to the Consolidated Revenue and £1,647 expended on replacements, leaving a balance of approximately £88,000. Of this, £67,000 should be set aside to meet the full amount of depreciation since the opening of the mine. The balance (£21,000) falls short by a few thousands of the sum that ought to be available for Sinking Fund purposes, but which is not so available because of the repayment to the Consolidated Revenue of the £23,000 referred to above. The £88,000 is roughly accounted for on the assets side of the balance-sheet for 1913-14 by the following items:—Sinking Fund (cash and invested), £26,953; Depreciation Fund (cash and invested), £45,637; Works, &c., constructed from Depreciation Fund, £6,214; coal on hand, £1,505. To that has to be added £7,050 representing debentures or stock redeemed.

18. The Committee is of opinion that it is misleading to speak of "net surplus profits" before a sufficient sum is deducted from the income of the State Coal Mine

to cover depreciation of machinery, plant, &c., during the period to which the profit and loss account refers. It therefore recommends that section 96 of the *Coal Mines Regulation Act* 1909, No. 2240, be amended by requiring depreciation to be taken into account before setting forth the "net surplus profits" for the year. It is also of opinion that the Depreciation Fund contribution should have priority over the Sinking Fund contribution.

19. Before, however, "net surplus profits" are spoken of, the Committee thinks that there should be provision made for a contribution to the Sinking Fund equal to the shrinkage in the value of the State Coal Mine during the period to which the accounts relate.

J. E. MACKEY,
Chairman.

State Parliament House,
Melbourne, 27th October, 1914.

STATE COAL MINE, WONTHAGGI.

BALANCE-SHEET AT 30TH JUNE, 1913.

LIABILITIES.				ASSETS.									
				£	s.	d.							
				£	s.	d.	£	s.	d.	£	s.	d.	
Loan Liability, Act 2240				150,000	0	0	Works, Machinery, and Plant constructed or purchased from Capital (at cost)—						
Less redeemed from Sinking Fund				7,050	0	0	Land Purchased	4,127	9	4			
				142,950	0	0	Shaft Sinking, Development, &c.	60,894	7	0			
Advanced by Treasurer in anticipation of issue of Debentures under Act 2429				53,865	14	1	Buildings, Poppet Heads, &c.	26,496	12	3			
Sundry Creditors—							Machinery	27,165	7	4			
Accounts due and passed for payment, but not paid at 30th June, 1913				114	0	11	Electric Plant	43,871	8	11			
				53,979	15	0	Rails, Tubs, Ropes, Plant, &c.	38,079	18	0			
							Horses, Harness, &c.	2,001	4	1			
							Office Furniture and Scientific Instruments	1,319	11	10			
								203,955	18	9			
Stores Suspense Liability				24,725	2	2	Works constructed from Depreciation Fund (at cost)				163	3	2
Sundry Creditors				6,751	17	2	Stores on hand				26,829	2	10
Profit on Working—							Coal on hand				3,273	10	0
Forward from 1911–12				33,935	16	8	Sundry Debtors				623	11	3
Profit for 1912–13				41,462	15	9	Cash at Credit of State Coal Mine Suspense Accounts	241	14	9			
Interest on Funds Invested				297	0	0	Bank Deposit receipts and other securities held as deposits on contracts, &c.	4,339	0	0			
				75,695	12	5		4,580	14	9			
							Sinking Fund—Cash paid to Treasury	45,845	16	9			
Appropriated as follows in accordance with section 96 of Act 2240—							Less applied to redemption of Stock as per contra				7,050	0	0
Sinking Fund Account	45,845	16	9				Recouped to Consolidated Revenue, cost of Emergency Work, 1909–10	21,833	14	1			
Depreciation Fund Account	29,849	15	8	75,695	12	5		28,883	14	1			
Amount recouped from Sinking Fund to Consolidated Revenue (emergency work 1909–10)	21,833	14	1				Cash in Treasury, £10,962 2s. 8d.; Government Stock, £6,000				16,962	2	8
Expended on Replacements, &c.	856	8	11	22,690	3	0	Depreciation Fund—				10,362	18	1
							Cash at credit	14,661	2	3			
							Invested in Government Stock at par				25,024	0	4
											£281,412	3	9
				£281,412	3	9							

10

Audited and found correct—

GEO. FALLOON,
Accountant, State Coal Mine,
19th September, 1913.

F. H. BRUFORD,
Auditor-General,
21st October, 1913

GEO. H. BROOME,
General Manager, State Coal Mines,
19th September, 1913.

STATE COAL MINE, WONTHAGGI.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1913.

	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
To Working Expenses, Raising and Despatching Coal ..	163,043	18	11				By Sale of Coal ..	210,478	5	0			
Salaries	1,787	4	5				Sundry Receipts ..	2,418	11	5			
Interest	6,106	10	11								212,896	16	5
Owner's Contribution to Accident Fund ..	496	6	5										
				171,434	0	8							
Balance—Net Surplus Profits for Year, ascertained as per section 96 of Act No. 2240				41,462	15	9							
				<u>£212,896</u>	<u>16</u>	<u>5</u>					<u>£212,896</u>	<u>16</u>	<u>5</u>

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GEO. FALLOON,
Accountant, State Coal Mine,
19th September, 1913.

Correct—
F. H. BRUFORD,
Auditor-General,
21st October, 1913.

GEO. H. BROOME,
General Manager, State Coal Mines,
19th September, 1913.

STATE COAL MINE, WONTHAGGI.

CAPITAL ACCOUNT.

Statement showing Receipts and Expenditure on Capital Account from the Commencement of the Mine to the 30th June, 1913.

RECEIPTS.						EXPENDITURE.										
		Receipts to 30th June, 1912.		Receipts for Year 1912-13.		Total at 30th June, 1913.		Expenditure to 30th June, 1912.		Transactions for Year 1912-13.		Total at 30th June, 1913.				
		£	s. d.	£	s. d.	£	s. d.	£	s. d.	Increase.	Decrease.	£	s. d.			
Proceeds of Stock issued under the provisions of Act No. 2240	150,000	0 0	.. ..	.. ..	*150,000	0 0	Land Purchased	.. ..	4,127	9 4	.. ..	.. ..	4,127	9 4	
Treasurer's Advance	11,605	1 7	42,260	12 6	53,865	14 1	Shaft Sinking, Development, &c.	.. ..	54,860	3 7	6,034	3 5	.. ..	60,894	7 0
		<u>161,605</u>	<u>1 7</u>	<u>42,260</u>	<u>12 6</u>	<u>203,865</u>	<u>14 1</u>	Buildings, Poppet Heads, &c.	.. ..	24,901	11 5	1,595	0 10	.. ..	26,496	12 3
Sundry Creditors—								Machinery	.. ..	18,958	5 6	8,207	1 10	.. ..	27,165	7 4
Amount due and passed for payment, but not paid at 30th June, 1913						114	0 11	Electric Plant	.. ..	41,418	16 6	2,452	12 5	.. ..	43,871	8 11
								Rails, Tubs, Ropes, Plant, &c.	.. ..	19,873	14 11	18,206	3 1	.. ..	38,079	18 0
								Horses, Harness, &c.	.. ..	2,268	0 11	.. ..	266 16 10	.. ..	2,001	4 1
								Office Furniture and Scientific Instruments	.. ..	1,292	10 10	27	1 0	.. ..	1,319	11 10
										<u>167,700</u>	<u>13 0</u>	<u>36,522</u>	<u>2 7</u>	<u>266 16 10</u>	<u>203,955</u>	<u>18 9</u>
								Sundry Debtors	.. ..	.. ..	.. ..	.. ..	.. ..	.. ..	23	16 3
						<u>£203,979</u>	<u>15 0</u>								<u>£203,979</u>	<u>15 0</u>

* Note.—Of this amount £7,050 has been redeemed from Sinking Fund.

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STATE COAL MINE, WONTHAGGI.

BALANCE-SHEET AT 30TH JUNE, 1914.

LIABILITIES.				ASSETS.													
				£	s.	d.	£	s.	d.								
Loan Liability, Act 2240				150,000	0	0	Unexpended Balance of Loan Moneys			5,137	8	8					
Less redeemed from Sinking Fund				7,050	0	0	Works, Machinery, and Plant constructed or purchased from Capital (at cost)—										
				142,950	0	0	Land purchased			4,127	9	4					
Loan Liability, Act 2429				75,141	0	10	Shaft sinking, Development, &c.			67,282	10	5					
						218,091	0	10	Buildings, Poppet Heads, &c.			26,165	13	2			
Stores Suspense Liability						15,154	19	10	Machinery			31,792	17	0			
Sundry Creditors						9,874	12	2	Electric Plant			44,212	13	8			
									Rails, Tubs, Ropes, Plant, &c.			43,467	1	1			
									Horses, Harness, &c.			1,948	13	3			
									Office Furniture and Scientific Instruments			1,319	11	10			
Sinking Fund Account—	£	s.	d.														
Forward from 1912-13	45,845	16	9							220,316	9	9					
Appropriated 30.6.14	11,905	0	0							Less Depreciation—written off			66,462	12	5		
Interest earned	413	6	0											153,853	17	4	
				58,164	2	9				Works, &c., constructed from Depreciation Fund (at cost)			6,214	15	3		
Depreciation Fund Account—										Less Depreciation written off			537	7	7		
Forward from 1912.13	29,849	15	8											5,677	7	8	
Appropriated 30.6.1914	26,212	19	0							Stores on Hand			20,250	1	9		
Interest earned	486	2	8							Coal on Hand			1,505	5	0		
				56,548	17	4									21,755	6	9
				114,713	0	1				Sundry Debtors					221	7	8
Less amount recouped to Consolidated Revenue from Sinking Fund for Emergency work 1909-1910—										Cash at credit of State Coal Mine Suspense Accounts			3,756	18	0		
1912-1913	£21,833	14	1							Bank Deposit Receipts and Other Securities held as Deposits on Contracts, &c.			2,032	0	0		
1913-1914	2,327	0	0												5,788	18	0
				24,160	14	1				Sinking Fund—Cash			9,578	0	0		
Expended in replacement, &c.	1,647	11	3							Invested in Government Stock			17,375	8	8		
Written off assets	67,000	0	0												26,953	8	8
				92,808	5	4	21,904	14	9	Depreciation Fund—Cash			30,976	10	7		
										Invested in Government Stock			14,661	2	3		
															45,637	12	10
															£265,025	7	7

Audited and found correct—

GEO. FALLOON,
Accountant, State Coal Mine,
24th September, 1914.

F. H. BRUFORD,
Auditor-General,
16th October, 1914.

GEO. H. BROOME,
General Manager, State Coal Mines,
24th September, 1914.

STATE COAL MINE, WONTHAGGI.

PROFIT AND LOSS (WORKING) ACCOUNT FOR YEAR ENDED 30TH JUNE, 1914.

	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
To Working Expenses, Raising and Despatching Coal ..	180,957	5	11				By Sale of Coal ..	236,192	0	11			
Salaries	3,102	11	0				Sundry Receipts ..	2,619	14	2			
Interest Paid	6,331	17	11								238,811	15	1
Owner's Contribution to Accident Fund	504	13	7										
Refund to Treasury of Allowance Paid to Railway Department for Carriage of State Mine coal ..	6,622	14	4										
Interest on amount refunded in 1912-13 to Treasury on account of Emergency Work performed in 1909-10	2,674	13	4										
Rent Paid to Mines Department on State Mine Area	500	0	0										
				200,693	16	1							
Balance to Appropriation Account				38,117	19	0							
											238,811	15	1

PROFIT AND LOSS APPROPRIATION ACCOUNT.

	£	s.	d.	£	s.	d.		£	s.	d.			
Sinking Fund Account	11,905	0	0				Balance from Profit and Loss (Working) Account ..	38,117	19	0			
Depreciation Fund Account—Amount by which assets have depreciated during the Year 1913-14..	25,000	0	0										
				36,905	0	0							
Balance—being Net Surplus for the Year 1913-14 after providing for Working Expenses, Interest, Sinking Fund, and Depreciation of Assets—(Allocated to Depreciation Fund Account)													
				1,212	19	0							
				38,117	19	0							
											38,117	19	0

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24th September, 1914.

STATE COAL MINE, WONTHAGGI.

CAPITAL ACCOUNT.

Statement showing Receipts and Expenditure on Capital Account from the Commencement of the Mine to the 30th June, 1914.

By Authority: ALBERT J. MURPHY, Government Printer, Melbourne.

RECEIPTS.						EXPENDITURE.																										
Receipts to 30th June, 1913.			Receipts for Year 1913-14.			Total at 30th June, 1914.			Expenditure to 30th June, 1913.			Transactions for Year 1913-14.			Total at 30th June, 1914.																	
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.												
Proceeds of Stock issued under the provisions of Act No. 2240	150,000	0	0	..	..	*150,000	0	0	Land Purchased	4,127	9	4	..	..	4,127	9	4	Shaft Sinking, Development, &c.	60,894	7	0	6,388	3	5	..	67,282	10	5	
Proceeds of Stock issued under the provisions of Act No. 2429	75,141	0	10	75,141	0	10	Buildings, Poppet Heads, &c.	26,496	12	3	..	330	19	1	26,165	13	2	Machinery	27,165	7	4	4,627	9	8	..	31,792	17	0	
	150,000	0	0	75,141	0	10	225,141	0	10	Electric Plant	43,871	8	11	341	4	9	..	44,212	13	8	Rails, Tubs, Ropes, Plant, &c.	38,079	18	0	5,387	3	1	..	43,467	1	1	
Sundry Creditors—									Horses, Harness, &c.	2,001	4	1	..	52	10	10	..	1,948	13	3	Office Furniture and Scientific Instruments	1,319	11	10	1,319	11	10			
Amount due and passed for payment, but not paid at 30th June, 1914						312	17	7										£203,955	18	9	£16,744	0	11	£383	9	11	220,316	9	9			
									Cash at Credit of Loan Account	5,137	8	8												
																		£225,453	18	5												

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*Note.—Of this amount £7,050 has been redeemed from Sinking Fund.

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