

1942.  
—  
VICTORIA.

---

# ANNUAL REPORT

OF

## THE GENERAL MANAGER OF THE STATE COAL MINE,

INCLUDING

THE STATE COAL MINE BALANCE-SHEET, AND STATEMENT  
OF ACCOUNTS DULY AUDITED, ETC.,

FOR THE

YEAR 1941-42.

---

PRESENTED TO BOTH HOUSES OF PARLIAMENT IN PURSUANCE OF SECTION 93 OF THE COAL MINES  
REGULATION ACT 1928.

---

[*Approximate Cost of Report.*—Preparation, not given. Printing (300 copies), £15.]

By Authority:

H. E. DAW, GOVERNMENT PRINTER, MELBOURNE.

No 9—[9d.].—12259/42.



# STATE COAL MINE, WONTHAGGI.

State Coal Mine,  
Wonthaggi,  
10th September, 1942.

GENTLEMEN,

I have the honour to submit my Annual Report, together with the Balance-sheet and Statement of Accounts, covering the operations of the State Coal Mine at Wonthaggi, for the year ended 30th June, 1942.

## FINANCIAL.

	£	s.	d.	£	s.	d.
Revenue .. .. .				343,486	2	2
Working Expenses .. .. .	431,038	9	4			
Interest on Capital .. .. .	2,293	11	6			
				433,332	0	10
Deficit exclusive of depreciation of assets and loan redemption .. .. .				89,845	18	8
Depreciation of Assets .. .. .	17,706	0	0			
Loan Redemption .. .. .	5,706	8	6			
				23,412	8	6
Loss for year 1941-42 after providing for Loan Redemption, and making the necessary allowance for depreciation .. .. .				*113,258	7	2

## DEPRECIATION.

Including the charge in the working account of £17,706 for depreciation this year, full allowance has been made for all depreciation accrued up to 30th June, 1942.

After allowing for the contribution this year of £5,000 from the working vote to the Depreciation Fund, the total provision made in the fund to 30th June, 1942, exceeded the aggregate amount written off the assets in the Mine books by approximately £6,450.

## SINKING FUND.

By the contribution this year of £5,706 8s. 6d. to the Sinking Fund the outstanding liability has been reduced to £59,456 13s. 2d. from the total amount of £65,163 1s. 8d., advanced up to 30th June, 1942, under Acts No. 4670 and No. 4673.

## DISPOSITION OF OUTPUT.

The quantity of coal "braced" during the year was 282,550 tons 17 cwt. 1 qr. Exclusive of miners' coal, local consumption, allowances and waste the tonnage disposed of commercially was 261,375 tons 13 cwt. 2 qrs., as shown hereunder:—

	Screened.			Run-of-Mine.			Slack.			Total.		
	tons	cwt.	qrs.	tons	cwt.	qrs.	tons	cwt.	qrs.	tons	cwt.	qrs.
Sold to Railway Department .. .. .	98,778	14	0	4,645	16	2	76,004	2	0	179,428	12	2
Sold to Public Departments .. .. .	8,879	17	2	..	..	..	2,706	0	3	11,585	18	1
Sold to General Public .. .. .	26,301	4	1	2,694	13	0	41,365	5	2	70,361	2	3
	133,959	15	3	7,340	9	2	120,075	8	1	261,375	13	2

\* Includes £2,350 expended on Air Raid Precautions.

## LABOUR.

Wages, piece-work rates, and conditions of employment continue to be governed by awards of the Arbitration Court and the Boards of Reference established under the National Security (Coalmining Industry Employment) Regulations, with the exception of a small section of employees whose wages and conditions are regulated by the State Coal Mine Industrial Tribunal.

The hearing of the comprehensive Log of Claims lodged by the Australasian Coal and Shale Employees Federation, referred to in my last report, was completed during the year. The award granted certain wage increases to both piece-work and day wage employees.

By an award issued on 25th March, 1942, the Central Reference Board extended the standard working week of 40 hours to those employees not included in the "face to waggon" group. This had the effect of granting this standard to all employees in the industry.

The shortage of experienced labour continues to adversely affect production.

The time lost as the result of strikes, stopwork meetings, and the like was seven days, as compared with 24 days in the preceding year.

The net average earnings per shift of the contract miners were 29s. 9·68d., compared with 25s. 10·41d. in previous year.

The average daily wage of adult employees (exclusive of contract miners) working below ground during the fortnight ended 20th June, 1942, was 25s. 9·8d., compared with 23s. 7·64d. in the previous year.

The number of persons employed at 30th June, 1942, was 1,129, as compared with 1,201 employed at a similar date last year.

The amount disbursed in wages for the year was £356,258.

I regret to report the occurrence of two fatal accidents.

## BORING.

For the greater portion of the year both drills have been operating in the Kongwak-Inverloch Area, referred to later in this report under the heading "Development".

*Gross Tonnage of Coal Reserves in the State Mine Area.*—During the year a very close review was made of the estimate of reserves of coal in the State Mine Area. As a result it was decided to excise 1,734,534 tons from the Western and Kirrak Areas. This has had the effect of reducing the gross quantity of coal available for extraction to 6,581,000 tons:—

	Tons.	Tons.
Estimate, Annual Report, 1940-41 .. .. .	..	8,680,035
Excised as above .. .. .	1,734,534	
Extracted during year .. .. .	282,551	
Allow for loss in working .. .. .	81,950	
	—————	2,099,035
Estimated gross tonnage available for extraction .. .. .	..	6,581,000

## EASTERN AREA.—No. 18 SHAFT DISTRICT.

This pit, in most places, has reached its boundary.

Extraction of pillars in B2 Section has commenced, whilst in Wilson's Dip Section this work has been almost completed.

The usual "faults" and "wants" were encountered during the year, having the effect of hampering production.

The average daily output was about 300 tons.

## NORTHERN AREA.—No. 20 SHAFT.

Production and development have been hindered by a shortage of miners.

No. 10 Level, West Section, has reached its Western boundary, and development is taking place to the North.

The average daily output was 330 tons.

### WESTERN AREA.

Here again production and development have been seriously affected by a shortage of experienced labour.

Excessive faulting and water are still being met, but due to almost continuous working throughout the year, production has been maintained at a fairly high level.

The average daily output was 410 tons.

### KIRRAK AREA.

This area comprises 564 acres, and in all 60 bores have been sunk, ranging in depth from 1,000 to 1,400 feet. Twenty-five (25) of these bores were put down within an area of 100 acres of the shaft at an average distance apart of six and a half chains. These latter bores disclosed five (5) major faults, but in developing the sections extensive mud banks are being encountered where it was reasonable to assume the coal should have been. These mud banks would not be disclosed by the boring.

The seam is considerably more disturbed than was anticipated from the boring, and compared with the other pits the direction of strike or level course is most irregular.

These adverse mining conditions, coupled with the lack of experienced miners, are having a serious effect on the development of this pit, as essential work in stone drives is delayed.

However, during the year, the two developmental stone drives to the East were completed, and three parties are now on coal in this Section.

Development of the West Section is still in progress.

The average daily output is about 100 tons.

### DEVELOPMENT.

Both boring plants have been operating in the Inverloch-Kongwak Area, which is East and North-East of the present Kirrak Area.

During the year twelve bores were sunk, for a total footage of 13,059 feet.

No seam of coal of a workable thickness was struck.

Boring is still proceeding, and it is hoped that a workable seam may yet be located.

### ELECTRICAL PLANT.

The power station plant has continued to operate efficiently.

During the year 9,359,550 units were generated, compared with 9,044,850 in the previous twelve months.

After consideration of the tenders received for the new Turbo-Alternator plant, it was decided, on account of the difficulty in obtaining delivery, that no order should be placed.

### WORKSHOPS.

The whole of the Workshops plant has been maintained in good order and condition.

Practically the whole of our repair work has been carried out in the Workshops, while in addition certain sundry plant has been manufactured.

### RESCUE STATION.

The Rescue Station, which was established in 1928, and equipped with apparatus and staffed with properly trained men, has been maintained in an efficient state ready for any emergency.

The Rescue Brigade at present consists of 50 competent men and eight partly-trained men.

Practices are held regularly and the whole of the equipment kept in an up-to-date condition.

## GENERAL.

From the balance-sheet it will be seen that after the payment of working expenses, loan redemption, interest charges, and allowing £17,706 for depreciation, the operation of the Mine for the financial year ended 30th June, 1942, resulted in a loss of £113,258 7s. 2d., including an amount of £2,350 expended on Air Raid Precautions.

Although there has been an improvement as compared with the previous year, the cost of production is still far in advance of the average selling price of coal.

I have on previous occasions brought under notice that the Mine was of considerable value and benefit to the community during the last Great War. Since the commencement of the present war the Mine has made available for the Railway Department and the general public, upwards of 700,000 tons of coal which would otherwise have been almost unobtainable. In the abnormal conditions at present prevailing the value of the Mine to the State of Victoria cannot be measured by the financial result.

The Balance-sheet and Statement of Accounts for the year, and general comparative statement of the results of the working of the Mine since its inception, are embodied in Appendices Nos. 1 and 2 attached.

I have the honour to be,

Sirs,

Your obedient servant,

J. McLEISH,

General Manager.

The Victorian Railways Commissioners,  
Melbourne.

---

APPENDIX No. I.

STATE COAL MINE, WONTHAGGI.

BALANCE - SHEET AS AT 30TH JUNE, 1942.

LIABILITIES.		ASSETS.	
£	s. d.	£	s. d.
Treasurer of Victoria —	100,000 0 0	Works, Machinery and Plant as per Balance-sheet at 30th June, 1941 ..	340,487 13 1
For Loans provided under—Act 2429	150,000 0 0	Expended during current year ..	16,269 5 3
For Loans provided under—Act 2630	60,000 0 0		
For Loans provided under—Act 4670	5,163 1 8	Less Depreciation written off during the year ..	356,756 18 4
For Loans provided under—Act 4763			17,706 0 0
Less redeemed from Sinking Fund ..	315,163 1 8		339,050 18 4
	255,706 8 6	Stores and Materials ..	27,329 3 5
For National Recovery Loan—Unemployment Relief—Development Works ..	59,456 13 2	Coal on hand ..	3,106 7 9
For Advances from Consolidated Revenue (to be recouped) ..	24,500 0 0	Sundry Debtors— For Coal ..	19,973 0 7
	1,073,154 12 2	For Sundries ..	2,860 15 0
For Advances from Public Account (Act No. 3341) for the purchase of Stores ..	24,614 12 8	Sundry Charges in Suspense ..	22,833 15 7
Sundry Creditors— Stores Accounts ..	2,737 10 0	Workers' Compensation Insurance Premiums paid in advance ..	9,705 15 2
Sundries ..	10,768 5 4	Cash in hand and in Bank ..	6,600 0 0
	13,505 15 4	Deposits held on Contracts ..	1,438 7 9
Sinking Fund— Balance at 30th June, 1941 ..	250,000 0 0	Depreciation Fund—Cash ..	604 14 10
Contribution for 1941-42 ..	5,706 8 6	Profit and Loss— Balance at 30th June, 1941 ..	920,547 13 8
	255,706 8 6	Loss for current year ..	113,258 7 2
		Accumulated Loss at 30th June, 1942 ..	1,033,806 0 10
	1,450,938 1 10		1,450,938 1 10

L. J. WILLIAMSON,  
Comptroller of Accounts.  
21st September, 1942.

E. A. PEVERILL,  
Auditor-General.  
26th October, 1942.

J. McLEISH,  
General Manager, State Coal Mine.  
19th September, 1942.

APPENDIX No. 1—continued.

STATE COAL MINE, WONTHAGGI.

WORKING ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1942.

		1942.			
		£	s. d.	£	s. d.
1942.					
June 30.					
To Working Expenses including Salaries of £300 and over*	..	430,536	15 1	..	331,298 0 1
Owners Contribution to Accident Fund	..	501	14 3	..	12,188 2 1
	..			..	87,552 7 2
		<u>431,038</u>	<u>9 4</u>		<u>431,038 9 4</u>
1942.					
June 30.					
By Sale of Coal	..			..	
Sundry Receipts	..			..	
Balance carried to Profit and Loss	..			..	

PROFIT AND LOSS ACCOUNT FOR THE YEAR 1941-42.

		1942.			
		£	s. d.	£	s. d.
1942.					
June 30.					
To Balance transferred from Working Account	..	87,552	7 2	..	113,258 7 2
Sinking Fund	..	5,706	8 6		
Interest on Loans	..	2,293	11 6		
Depreciation for the year	..	17,706	0 0		
		<u>113,258</u>	<u>7 2</u>		<u>113,258 7 2</u>
1942.					
June 30.					
By Balance (Loss for year)	..			..	

\* Includes £2,350 0s. 7d., expended on Air Raid Precautions.

L. J. WILLIAMSON,  
Comptroller of Accounts.  
21st September, 1942.

E. A. PEVERILL,  
Auditor-General.  
26th October, 1942.

J. McLEISH,  
General Manager, State Coal Mine.  
19th September, 1942.



APPENDIX No. 1—continued.

STATE COAL MINE, WONTHAGGI.

CAPITAL STATEMENT AS AT 30TH JUNE, 1942.

RECEIPTS.		£	s.	d.	£	s.	d.
Loan Funds provided under Act 2630 ..		150,000	0	0			
Loan Funds provided under Act 2429 ..		100,000	0	0			
Loan Funds provided under Act 4670 ..		60,000	0	0			
Loan Funds provided under Act 4763 ..		5,163	1	8	315,163	1	8
Funds provided from Unemployment Relief Loan					24,500	0	0
Funds provided in the State Coal Mine Depreciation Fund ..					824,737	3	0
					<u>1,164,400</u>	<u>4</u>	<u>8</u>
Less: Depreciation and Flotation Expenses							
Written off—							
Depreciation ..		818,285	0	0			
Flotation Expenses ..		601	8	2			
		<u>818,886</u>	<u>8</u>	<u>2</u>			
					<u>345,513</u>	<u>16</u>	<u>6</u>

  

EXPENDITURE.		£	s.	d.	£	s.	d.
General Capital ..					8,455	0	0
Horses and Ponies ..					836	3	0
General Pits ..					7,665	0	0
Western Area ..					56,598	5	6
No. 18 Shaft ..					1,879	1	7
No. 20 Shaft ..					20,329	18	11
Dudley Area ..					549	17	1
Kirrak Area ..					174,205	6	6
General Electrical Capital ..					68,532	5	9
					<u>339,050</u>	<u>18</u>	<u>4</u>
Present book value of assets ..							
Balance—Cash in Depreciation Fund ..					6,462	18	2
					<u>345,513</u>	<u>16</u>	<u>6</u>

L. J. WILLIAMSON,  
 Comptroller of Accounts,  
 21st September, 1942.

E. A. PEVERILL,  
 Auditor-General,  
 26th October, 1942.

J. MCLEISH,  
 General Manager, State Coal Mine.  
 19th September, 1942.

STATE COAL MINE, WONTHAGGI.  
GENERAL COMPARATIVE STATEMENT FROM THE COMMENCEMENT OF THE MINE TO THE 30TH JUNE, 1942.

1 Year.	2 Capital Raised.	3 Capital Expended.	4 Coal Raised.	5 Revenue Receipts. (h)	6 Revenue Expenditure.	7 Surplus.	8 Deficit.	9 Provision included in Expenditure as per Column 6.		11 Amount at Credit of Sinking Fund after allowing for interest on investments and for Repayments of Capital.	12 Wages Paid.	13 Interest paid on Capital.	14 Average No. of Employees.	15 Miners, net average earnings per Shift.	16 Estimated Coal Reserves.
								Depreciation.	Sinking Fund.						
1910-11	141,000	95,730	Tons. 396,042	£ 171,766	£ 160,459	£ 11,307	..	5,745	7,050	£ 7,050	£ 145,407	£ 2,468	946	13 1-00	20
1911-12	161,605 <sup>a</sup>	167,701	470,261	198,762	207,579	..	8,817	10,709	7,942	6,046	175,274	4,303	1,191	13 8-00	26
1912-13	203,866	203,956	462,559	213,174	205,980	7,194	..	25,546	9,000	16,962	145,419	6,107	939	13 5-51	28
1913-14	225,141	220,316	510,490	239,298	237,599	1,699	..	25,000	9,578	26,953	158,812	6,332	1,011	13 11-49	28
1914-15	250,000	241,356	567,057	268,105	256,629	11,476	..	33,000	10,800	38,535	178,086	8,436	1,130	13 11-64	28
1915-16	250,000	241,084	452,798	246,000	243,224	2,776	..	30,954	10,760	50,490	159,027	8,804	1,015	14 6-16	28
1916-17	250,000	240,816	372,007	242,918	263,548	..	20,630	25,000	..	52,274	197,694	8,803	1,161	16 2-10	19
1917-18	250,000	240,653	382,867	294,538	289,379	5,159	..	25,000	..	54,235	228,506	8,801	1,226	17 7-56	16
1918-19	250,000	240,239	343,318	285,099	293,510	..	8,411	27,000	..	56,446	242,530	8,804	1,255	17 10-01	16
1919-20	250,000	240,225	424,985	426,405 <sup>c</sup>	405,343	21,062	..	30,000	6,236	64,798	322,516	8,804	1,390	20 5-19	15
1920-21	250,000	240,218	368,239	426,659	423,818	2,841	..	32,000	6,236	73,469	319,224	8,804	1,193	24 3-64	15
1921-22	250,000	240,033	504,165	567,404	549,017	18,387	..	36,000	12,472	88,786	420,632	8,804	1,554	26 2-64	18
1922-23	250,000	240,033	424,126	461,978	467,290	..	5,312	30,000	..	92,297	362,464	8,804	1,566	25 7-30	19
1923-24	250,000	240,033	489,630	559,758	555,803	3,955 <sup>b</sup>	..	30,000	6,236	102,350	446,786	8,956	1,596	25 10-20	21
1924-25	250,000	250,000	405,695	500,232	499,964	268 <sup>d</sup>	..	30,000	6,236	112,802	429,254	9,148	1,688	26 11-3	17
1925-26	250,000	250,000	495,864	540,295	539,754	541 <sup>e</sup>	..	34,000	6,236	123,749	474,861	9,667	1,821	27 2-91	16½
1926-27	250,000	250,000	612,269	687,365	678,591	8,774	..	56,000	12,472	141,452	479,195	9,671	1,540	26 6-03	15½
1927-28	250,000	250,000	596,032	735,750	720,697	15,053	..	55,000	..	147,467	490,950	9,674	1,543	27 11-56	16½
1928-29	250,000	250,000	635,103	812,969	782,394	30,575	..	55,000	6,180	..	498,961	8,820	1,615	27 3-75	15½
1929-30	250,000	250,000	662,159	849,808	773,603	76,205 <sup>f</sup>	..	35,000	6,428	..	546,111	3,572	1,776	27 0-73	14½
1930-31	250,000	250,000	565,444	558,781	580,106	..	21,325	30,000	6,685	..	447,551	3,315	1,774	24 9-85	14
1931-32	250,000	250,000	528,278	421,233	509,347	..	88,114	30,000	6,952	..	376,728	3,048	1,668	24 9-98	13½
1932-33	250,000	250,000	320,675	225,536	315,390	..	89,854	30,000	7,230	..	210,857	2,770	1,328 <sup>g</sup>	20 6-00	13
1933-34	250,000	250,000	316,526	211,339	288,473	..	77,134	10,000 <sup>m</sup>	7,520	..	204,407	2,480	1,330 <sup>g</sup>	20 9-00	12½
1934-35	250,000	250,000	384,778	245,556	335,474	..	89,918	10,000 <sup>m</sup>	7,820	..	246,972	2,180	1,100 <sup>g</sup>	20 5-55	13
1935-36	250,000	250,000	365,002	231,024	317,906	..	86,882	10,000	8,133	..	249,227	1,867	1,150 <sup>g</sup>	21 5-72	10½
1936-37	250,000	250,000	247,451	164,610	298,146	..	133,536	10,000	8,459	..	214,182	1,541	1,140 <sup>g</sup>	21 4-53 <sup>j</sup>	10½
1937-38	250,000	250,000	270,575	195,524	349,401	..	153,877	10,000	8,797	..	247,034	1,203	1,326 <sup>g</sup>	21 11-65 <sup>k</sup>	9½
1938-39	274,500	273,354	260,831	203,881	328,128	..	124,247	10,000	9,149	..	228,354	851	1,317 <sup>g</sup>	22 5-92	9½
1939-40	334,500	298,410	220,587	196,210	282,591	..	86,381	10,000	9,515	..	212,771	485	1,352 <sup>g</sup>	23 2-29	9
1940-41	334,500	323,462	280,570	270,734	392,282	..	121,548	10,000	2,615	..	308,954	105	1,201 <sup>g</sup>	25 10-41	8½
1941-42	378,500	339,663	282,551	343,486	456,744	..	113,258	17,706	5,706	..	346,470	2,294	1,129 <sup>g</sup>	29 9-68	6½
			13,659,208	12,021,058	13,054,864	217,272	..	818,660	212,620	..	9,752,328	174,724			
				Deficit to date ..	1,033,806	1,033,806	..	..	..	..	..	..	..	..	..
				1,251,078	1,251,078	1,251,078	..	..	..	..	..	..	..	..	..

(a) £7,050 repaid from Sinking Fund. (b) Inclusive of a subsidy of £35,625 of which the sum of £1,040 14s. 0d. was repaid in 1927-28, and the balance in 1928-29 made to the Mine by the Railway Department and exclusive of which there was a loss in working of £31,670. (c) Including £25,332 to adjust short payments to the Mine in former years. (d) Inclusive of a subsidy of £30,000 (of which the sum of £37,267 15s. 10d. was re-paid in 1926-27, and the balance in 1927-28), made to the Mine by the Railway Department and exclusive of which there was a loss in working of £79,732, including £37,000 spent towards rehabilitating McBride Tunnel. (e) Inclusive of a subsidy of £25,000 (repaid in 1928-29) made to the Mine by the Railway Department and exclusive of which there was a loss in working of £24,450. (f) Exclusive of £50,000 appropriated to Consolidated Revenue by Act No. 3838, see Annual Report, 1929-30. (g) Prior to the 30th June, 1932 the number shown is the average number of employees for the year. Since that date the number given is the number of persons employed on the last day of the financial year. (h) Includes interest earned on Depreciation Fund Investments. (i) To 15th May, 1937. Shift rates in lieu of contract rates operative at all pits (excluding Western Area) as from 17th May, 1937. In accordance with State Coal Mine Tribunal Award No. 37. (j) Contract rates from 25th October, 1937, to 25th June, 1938. Shiftwork rate operative (excluding Western Area) until 24th October, 1937, average net earnings per shift for year, 26s. 9-37d. (k) Includes £275 depreciation on Stores on hand. (l) Includes £100 depreciation on Stores on hand. (m) Includes £100 depreciation on Stores on hand.