

1960
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VICTORIA

ANNUAL REPORT
OF THE GENERAL MANAGER
OF THE
STATE COAL MINES

INCLUDING

THE STATE COAL MINES BALANCE-SHEET AND
STATEMENT OF ACCOUNTS DULY AUDITED, ETC.,
FOR THE YEAR 1959-1960

Presented to both Houses of Parliament in pursuance of Section 93 of the
Coal Mines Act 1958.

By Authority :
A. C. BROOKS, GOVERNMENT PRINTER, MELBOURNE.

STATE COAL MINES, WONTHAGGI

The Victorian State Coal Mine,
Wonthaggi,
21st September, 1960.

GENTLEMEN,

I have the honour to submit my Report, together with the Balance Sheet, and Statement of Accounts, covering the operations of the State Coal Mines, Wonthaggi, for the year ended 30th June, 1960.

FINANCIAL.

	£	s.	d.
Revenue	372,845	5	4
Working Expenses	585,599	5	7
Deficit, exclusive of depreciation of assets	212,754	0	3
Depreciation of assets	24,975	0	0
Loss for year 1959-60, after making the necessary allowance for depreciation	237,729	0	3

In the Profit and Loss Account it will be seen that, after payment of working expenses, and allowing £24,975 0s. 0d. for depreciation, the operations of the Mines for the financial year ended 30th June, 1960, resulted in a loss of £237,729 0s. 3d. as compared with £239,058 19s. 1d. for the year 1958-59.

The Balance Sheet and Statement of Accounts for the year and general statement of working of the mines since their inception are embodied in the appendices attached.

DEPRECIATION FUND.

Including an amount of £24,975 0s. 0d. charged in the working account for the year, all depreciation accrued up to 30th June, 1960, has been brought to account.

With the contribution for the year of £23,000 from the working vote, and £1,975 from interest on the Depreciation Fund investments, full provision has been made in the Fund for the aggregate amount written off the assets up to 30th June, 1960.

DISPOSITION OF OUTPUT.

The quantity of coal braced during the year was 80,969 tons. After excluding miners' coal, local consumption, allowances and waste, the tonnage disposed of commercially was 63,328 tons 16 cwt, 1 qr., as shown hereunder :—

	Screened	Unscreened	Slack	Total
	T. C. Q.	T. C. Q.	T. C. Q.	T. C. Q.
Sold to Railways Department	24,247 17 3	1,516 13 2	32,476 15 2	58,241 6 3
Sold to General Public	4,072 10 2	—	1,014 19 0	5,087 9 2
	28,320 8 1	1,516 13 2	33,491 14 2	63,328 16 1

LABOUR.

I am pleased to report that there were no stoppages throughout the year due to industrial causes. The mines were in production for 236 days.

The number of employees at 30th June, 1960, was :—

Miners	Others	Total
175	218	393

At 30th June, 1959, the number was :—

184	227	411
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The decrease amounted to 18 ; 9 miners and 9 other grades.

Amongst contract miners absenteeism from all causes decreased by approximately .39 per cent., being 9.19 per cent. for the year 1959-60 as compared with 9.58 per cent. in 1958-59.

The net average daily earnings by contract miners for the year was 99/5.05d. compared with 93/10.31d. per shift for the financial year 1958-59. The average daily wage of other adult employees working underground for the last fortnight of the financial year was 80/2.22d. compared with 74/3.09d. for the corresponding period in the previous year.

Since the granting of long service leave in September, 1951, 235 employees have enjoyed six months leave on full pay.

I am pleased to report that there were no fatal accidents during the year.

INDUSTRIAL.

As mentioned in my last Report the increase in the basic wage of 12/- per week had little effect on last year's financial result as it was operative only from 14th June, 1959. However, the full impact has been felt in the year under review as it resulted in an increase in the wages expenditure of an amount of £12,600.

Following upon the Commonwealth Arbitration Commission's order increasing the marginal part of the wage structure, the Coal Industry Tribunal on 7th December, 1959, made an order granting an increase of 28 per cent. in the margins of day wage employees and 12½ per cent. in contract rates. The cost of this increase for the remainder of the year was approximately £15,000.

There were not any industrial disputes brought before the Tribunals during the year.

BORING.

No further boring was carried out during this financial year.

The gross reserves of all pits, together with unworked areas near Western and Eastern Areas, now stand at 6,642,000 tons, an actual reduction of 118,000 tons as compared with the 1958-59 estimate.

NO. 20 SHAFT.

Operations in this pit are now confined to the top seam, six parties being engaged in the extraction of pillars.

Due to a preponderance of dirt bands in the bottom seam work has been terminated in this section.

WESTERN AREA.

North Section :—Long wall pillar extraction is continuing, mainly in the top seam.

East Section :—General cavit and sanatorium parties are engaged in pillar extraction.

West Dip :—Long wall operations are continuing in both seams.

KIRRAK AREA.

Development in the south-west headings has been held up due to dewatering operations from old workings. Work is continuing in the south headings and some development has been carried out in the south-east headings.

Contract work in Kirrak Area commenced in January of this year. Since then excessive faulting has retarded development and prevented parties being transferred from thinner seams. The year's operation in this area resulted in 16,872 tons of coal being won.

ELECTRICAL PLANT.

The power station and mine electrical plant have been maintained in good order and efficient working condition.

The units generated during the year were 11,305,620 as compared with 10,777,830 in the previous year. The increase was due to greater consumption in the township area, which increased by 16 per cent. The units used by the Mine decreased by 6.2 per cent.

Due to increased loading it is now necessary to operate both pulverised fuel boilers for sixteen hours each day and during overhaul periods of these boilers to operate the chain grate stoker fired boiler.

In order to maintain the continued safe and efficient operation of the station under these conditions, an investigation is being carried out to determine the overall condition of the power station plant and any replacements and spare equipment necessary for this purpose.

WORKSHOPS.

The workshop plant has been maintained in good order and condition. The bulk of our repairs and maintenance work for the mines and power station has been carried out in our workshops ; however, due to shortage of tradesmen, it has been necessary to have some of our work carried out in the Railways workshops.

RESCUE STATION.

The Rescue Station has been maintained in an efficient state. Practices have been held throughout the year and the equipment has been maintained in a satisfactory condition.

GENERAL.

It was anticipated that the deficit would be reduced more than has been disclosed by the results of the years operations. This anticipated reduction was negated by the basic wage increase of 12/- per week and the 28 per cent. marginal increase from 14th June and 15th December respectively. As mentioned earlier in this report, these added costs adversely affected the Mine's finances to the extent of £28,000.

As the adjustment of the price of State Mine coal, according to variations in the price of New South Wales coal, is carried out in July of each year, there is often a considerable lag between the incidence of increased costs and an offsetting price increase. In any case there would have to be a considerable increase in the price to the Railways Department of New South Wales coal before any evaluation would offset the added costs mentioned above.

Amendments to the Coal Mine Workers Pensions Act, operative from June of this year, will involve the mines in additional payment to the Pensions Fund of at least £18,000, making our total contribution to the Fund approximately £38,000 for the forthcoming year.

A move is being inaugurated by the New South Wales Minister of Mines to finance the cost of the owners' contributions to the various Coal Mine Workers Pensions Funds by a levy on each ton of coal produced. It is quite apparent that unless some form of relief from these Pension Fund commitments is devised, the financial position of the State Coal Mine will further deteriorate.

Keen competition still exists in the fuel industry and difficulty is being experienced in establishing substantial markets, even with Governmental and semi-Governmental authorities.

Disposal of burnt shale resulted in a return of £6,239 for the year's operations.

In conclusion, I wish to record my appreciation of the loyalty and co-operation of the Mine's administrative and clerical staff, workshops personnel and underground officials.

J. BYRNE,
General Manager.

The Victorian Railways Commissioners,
Melbourne.

STATE COAL MINES, WONTHAGGI.
WORKING ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1960.

1960.		£	s.	d.	1960.		£	s.	d.
June 30th.	To Working Expenses	585,599	5	7	June 30th.	By Sale of Coal	297,437	12	1
						Sundry Receipts	75,407	13	3
						Balance carried to Profit and Loss Account	212,754	0	3
		585,599	5	7			585,599	5	7

N.B.—The revenue shown in the Working Account above includes proceeds from the sale of coal to the Railways Department at prices determined by that Department.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1960.

1960.		£	s.	d.	1960.		£	s.	d.
June 30th.	To Balance transferred from Working Account	212,754	0	3	June 30th.	By Balance (Loss for Year)	237,729	0	3
	Depreciation	24,975	0	0					
		£237,729	0	3			£237,729	0	3

A. W. GEUER,
Comptroller of Accounts,
19/9/1960.

R. W. GILLARD,
Auditor General,
21/10/1960.

J. BYRNE,
General Manager, State Coal Mines,
26/9/1960.

STATE COAL MINES, WONTHAGGI.

RECONCILIATION AS AT 30th JUNE, 1960, BETWEEN THE ACCUMULATED WORKING LOSS ON THE MINE BASIS AND THE TOTAL OF THE ADVANCES FROM CONSOLIDATED REVENUE.

	£	s.	d.		£	s.	d.
Accumulated Profit and Loss Account as per Balance Sheet—				Advances from Consolidated Revenue as per Balance Sheet ...	3,676,063	19	5
Loss	3,743,531	11	9	Depreciation charged to Profit and Loss Account, but not charged to Consolidated Revenue	183,459	15	1
Net accumulated profit up to 30th June, 1931, not credited to Consolidated Revenue	95,688	18	0				
Outstanding debtors at 30th June, 1960 (including coal and cash on hand and in transit)	57,686	12	9				
Outstanding Creditors at 30th June, 1960 ...	26,997	16	1				
	30,688	16	8				
<i>Less—</i>							
Outstanding Debtors at 30th June, 1931 ...	11,992	17	5				
Outstanding Creditors at 30th June 1931 ...	1,607	5	6				
	10,385	11	11				
	20,303	4	9				
	<u>£3,859,523</u>	<u>14</u>	<u>6</u>		<u>£3,859,523</u>	<u>14</u>	<u>6</u>

STATE COAL MINES, WONTHAGGI.
CAPITAL STATEMENT AS AT 30th JUNE 1960.

Receipts.				Expenditure.					
	£	s.	d.	£	s.	d.	£	s.	d.
Loan Funds provided under Act 2429 ...	100,000	0	0				14,159	1	11
Loan Funds provided under Act 2630 ...	150,000	0	0				93	12	6
Loan Funds provided under Act 4670 ...	60,000	0	0				9,170	0	0
Loan Funds provided under Act 4763 ...	44,000	0	0	354,000	0	0	46,711	7	8
Funds provided from Unemployment Relief Fund ...				24,500	0	0	1,299	3	0 CR.
Funds provided in the State Coal Mines Depreciation Fund				1,209,667	15	1	52,310	9	9
				1,588,167	15	1	205,307	16	0
<i>Less</i> : Depreciation and Flotation Expenses written off									
Depreciation ...	1,209,667	15	1	1,210,269	3	3			
Flotatiin Expenses ...	601	8	2						
				£377,898	11	10	326,453	4	10
							640	16	5
							804	10	7
							50,000	0	0
							50,804	10	7
							£377,898	11	10

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26/9/1960.

GENERAL COMPARATIVE STATEMENT FROM THE COMMENCEMENT OF THE MINE TO THE 30th JUNE, 1960.

1 Year.	2 Capital Raised.	3 Capital Expended.	4 Coal Raised.	5 Revenue Receipts. (h)	6 Revenue Expenditure.	7 Surplus.	8 Deficit.	9 10 Depreciation.		11 Sinking Fund.	12 Wages Paid.	13 Interest Paid on Capital.	14 Average Number of Employees.	15 Miners' Net Average Earnings per Shift.	16 Estimated Coal Reserves.
								Amount Written Off the Value of the Assets and Charged to Profit and Loss.	Net Surplus Profits Interest and Other Contributions to the S.C.M. Depreciation Fund.						
										£					
1909-10 ...	36,000	35,906	41,274	24,861	46,695	...	21,834	37,112	...	900	14 4-00	20
1910-11 ...	141,000	95,730	396,042	171,766	160,459	11,307	...	5,745	8,525	7,050	145,407	2,468	946	13 1-00	20
1911-12 ...	161,605 ^a	167,701	470,261	198,762	207,579	...	8,817	10,709	5,965	7,942	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	10,697	9,000	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	26,665	9,578	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	47,716	10,800	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	34,566	10,760	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	5,075	...	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	29,317	...	228,506	8,804	1,226	17 7-56	16
1918-19 ...	250,000	240,239	343,318	285,099	293,510	...	8,411	27,000	18,099	177	242,530	8,804	1,255	17 10-01	16
1919-20 ...	250,000	240,225	424,985	426,405 ^c	405,343	21,062	...	30,000	51,738	6,236	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	17,810	6,236	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	71,650	12,472	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	23,516	...	362,464	8,804	1,566	25 7-30	19
1923-24 ...	250,000	240,033	499,010	559,758	555,803	3,955 ^b	...	30,000	34,577	6,236	446,786	8,956	1,596	25 10-20	21
1924-25 ...	250,000	250,000	405,695	500,232	499,964	268 ^d	...	30,000	31,956	6,236	429,254	9,148	1,688	26 11-30	17
1925-26 ...	250,000	250,000	495,864	540,295	539,754	541 ^e	...	34,000	35,585	6,236	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	41,345	12,472	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	76,221	...	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	49,157	6,180	498,961	3,820	1,615	27 3-75	15½
1929-30 ...	250,000	250,000	662,159	849,808	773,603	76,205 ^f	...	35,000	135,094	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	27,284	6,685	447,551	3,315	1,774	24 9-85	14

1931-32	...	250,000	250,000	526,278	421,233	509,347	...	88,114	30,000	5,056	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	5,425	7,230	210,857	2,770	1,328g	20	6.00	13	
1933-34	...	250,000	250,000	316,526	211,339	288,473	...	77,134	10,000f	5,425	7,520	204,407	2,480	1,330g	20	9.00	12½	
1934-35	...	250,000	250,000	384,778	245,556	335,474	...	89,918	10,000m	5,421	7,820	246,972	2,180	1,100g	20	5.55	13	
1935-36	...	250,000	250,000	366,002	231,024	317,906	...	86,882	10,000	5,409	8,133	249,227	1,867	1,150g	21	5.72	10½	
1936-37	...	250,000	250,000	247,451	164,610	298,146	...	133,536	10,000	5,037	8,459	214,182	1,541	1,140g	21	4.53j	10½	
1937-38	...	250,000	250,000	270,575	195,524	349,401	...	153,877	10,000	4,063	8,797	247,034	1,203	1,326g	21	11.65k	9½	
1938-39	...	274,500	273,354	260,831	203,881	328,128	...	124,247	10,000	1,342	9,149	228,354	851	1,317g	22	5.92	9½	
1939-40	...	334,500	298,410	220,587	196,210	282,591	...	86,381	10,000	1	9,515	212,771	485	1,352g	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	1,201g	25	10.41	8½	
1941-42	...	378,500	339,663	282,551	343,486	456,744	...	113,258	17,706	5,000	5,706	346,470	2,294	1,129g	29	9.68	6½	
1942-43	...	378,500	344,117	259,592	410,867	487,701	...	76,834	17,706	16,000	4,560	369,205	3,440	1,069g	31	9.90	6½	
1943-44	...	378,500	345,673	234,871	389,806	472,692	...	82,886	20,000	15,316	4,719	347,648	3,281	1,032g	33	1.69	6½	
1944-45	...	378,500	346,110	223,431	395,522	474,119	...	78,597	20,353	20,291	4,884	358,460	3,116	989g	33	10.72	9	
1945-46	...	378,500	346,609	191,880	322,061	417,736	...	95,675	20,517	20,517	5,055	306,433	2,944	871g	34	3.35	9	
1946-47	...	378,500	346,806	161,431	275,472	367,915	...	92,443	20,978	20,978	5,232	277,544	2,768	764g	34	3.54	8½	
1947-48	...	378,500	347,030	165,827	298,871	430,589	...	131,718	21,275	21,275	5,416	332,727	2,584	776g	40	3.77	8½	
1948-49	...	378,500	360,748	140,000	349,418	460,795	...	111,377	21,638	21,638	5,605	351,266	2,395	714g	47	9.22	8½	
1949-50	...	378,500	373,672	128,333	362,856	447,059	...	84,203	16,837	16,837	5,801	334,529	2,199	733g	52	3.86	8½	
1950-51	...	378,500	376,324	121,640	389,128	512,922	...	123,794	16,775	16,775	6,004	385,970	1,996	720g	55	11.71	8½	
1951-52	...	378,500	378,500	132,205	554,221	684,702	...	130,481	21,789	21,789	6,214	534,089	1,786	762g	69	0.10	8	
1952-53	...	378,500	378,500	140,348	749,189	886,473	...	137,284	21,225	21,225	6,432	692,571	1,568	833g	76	1.74	7½	
1953-54	...	378,500	378,500	133,111	752,989	896,828	...	143,839	23,652	23,652	6,657	693,961	1,343	758g	77	2.01	7½	
1954-55	...	378,500	378,500	126,081	750,599	827,148	...	76,549	23,762	23,762	6,890	637,379	1,110	676g	81	7.12	7½	
1955-56	...	378,500	378,500	105,972	592,803	763,187	...	170,384	24,975	24,975	7,131	591,939	869	639g	87	7.53	7	
1956-57	...	378,500	378,500	105,971	509,615	806,844	...	297,229	24,975	24,975	7,381	606,950	619	582g	92	10.65	7	
1957-58	...	378,500	378,500	98,481	463,171	769,210	...	306,039	24,975	24,975	7,639	567,540	361	529g	94	1.14	6½	
1958-59	...	378,500	378,500	89,091	412,871	649,955	...	237,084	24,975	24,975	2,671	475,248	94	411g	93	10.31	6½	
1959-60	...	378,500	378,500	80,969	374,820	610,574	...	235,754	24,975	24,975	...	440,418	...	393g	99	5.05	6½	
				16,312,822	20,375,337	24,021,313	217,272	3,863,248	1,210,042	1,209,667	310,911	18,056,205	207,197					
Less Depreciation Fund Interest.					97,555	97,555										
					20,277,782	24,021,313	217,272	3,960,803										
					Deficit to date.		3,743,531	...										
							3,960,803	3,960,803										

(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 £25,382 to adjust short payments to the Mine in former years.

(d) Inclusive of a subsidy of £80,000 (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 Railways 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 £24,459.

(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.

(j) 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.

(k) Contract rates from 25th October, 1937, to 25th June, 1938. Shiftwork rates operative (excluding Western Area) until 24th October, 1937, average net earnings per shift for year, 20s. 9.37d.

(l) Includes £275 depreciation on Stores on hand.

(m) Includes £100 depreciation on Stores on hand.