

1965-66  
VICTORIA

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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 1964-65

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

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*By Authority:*

A. C. BROOKS, GOVERNMENT PRINTER, MELBOURNE.



# STATE COAL MINES, WONTHAGGI

The Victorian State Coal Mine,  
Wonthaggi,  
31st August, 1965.

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, 1965.

## FINANCIAL

Revenue	...	...	...	...	...	£	s.	d.
						224,475	1	0
Working Expenses	...	...	...	...	...	422,201	0	10
Deficit, excluding Depreciation of Assets	...	...	...	...	...	197,725	19	10
Depreciation of Assets	...	...	...	...	...	2,450	0	0
Loss for the year 1964-65, after making necessary allowance for depreciation	...	...	...	...	...	200,175	19	10

This loss compares with £212,687/7/5 for the year 1963/64.

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

## DEPRECIATION FUND

Including an amount of £2,450/-/- charged to the working account for the year, depreciation accrued up to 30th June, 1965, has been brought into account.

It will be noted that no contribution from the working vote was made to the Fund for the year, but, with the sum of £2,450/-/- being interest on Depreciation Fund investments, provision has been made for the aggregate amount written off the assets up to 30th June, 1965.

## DISPOSITION OF OUTPUT

The quantity of coal braced during the year was 42,484 tons. After excluding miners' coal, local consumption, allowances and waste, the tonnage disposed of commercially was 27,412 tons 12 cwt. 0 qrs., as shown hereunder :—

	Screened		Slack		TOTAL	
	T.	c. q.	T.	c. q.	T.	c. q.
Railways Department	8,445	6 1	15,862	16 2	24,308	2 3
General Public	1,627	12 3	1,476	16 2	3,104	9 1
	10,072	19 0	17,339	13 0	27,412	12 0

## LABOUR

I am pleased to report that no time was lost, during the year, on account of industrial trouble.

The mines were in production for 231 days.

The number of employes at 30th June, 1965, was :—

Miners	Others	Total
85	134	219

At 30th June, 1964, the number was :—

102	149	251
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There was, thus, a decrease of 17 miners, and 15 other grades.

Amongst Contract Miners, absenteeism, from all causes, increased by approximately .38%, being 12.94% for the year 1964-65, compared with 12.56% for the year 1963-64.

The nett average daily earnings of contract miners for the year was 116/7.81d., compared with 108/3d. per shift for the financial year 1963-64. The average daily wage of other adult employes, working underground, for the last fortnight of the financial year was 96/1.7d., compared with 85 9d. for the corresponding period in the previous year.

Since the granting of Long Service Leave in September, 1951, 269 employes 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 Annual Report of last year, the Coal Industry Tribunal increased wages of all employes, in the coal mining industry, by £1/-/- per week as from 21st June, 1964. The full effect of this Award was felt for the whole of the year under review.

As a result of strong industrial pressure from Unions on behalf of State Government employes, an over award payment of 42/- per week for Tradesmen, and 30/- per week for other workers, was granted to employes of State Governmental Instrumentalities as from 25th October, 1964. This increase, known as the State Incremental Payments Scheme, was also applied to all State Coal Mine employes.

Following the recent Commonwealth Conciliation and Arbitration Commission's Award, the Coal Industry Tribunal, at the request of the Mining Unions, granted similar increases to the coal mining industry. This increase, based on 1½% of the total wage, is expressed as a marginal increase. It had the result of increasing the wages of the majority of employes by 6/- per week, although, in a few cases, the increases ranged from 7/- to 8/- per week. As this Award was not operative until July, 1965, it will not affect our finances until next year.

## BORING

No further boring was carried out during this financial year.

The gross reserves of all pits, together with the unworked areas near Western Area and Eastern Area, now stand at 6,314,000 tons.

A reduction of 55,000 gross tons makes due allowance for mining operations.

## WESTERN AREA

Nine Sanatorium parties have been engaged in the extraction of the Bottom Seam by the Longwall method.

The operations have been conducted only on day shift.

## KIRRAK AREA

Operations in this pit have been conducted by three methods, viz., Bord and Pillar, Pillar Extraction, and Longwall.

Due to retirements and resignations, the parties were reduced to 15.

As from 28th June, it was decided to work this pit also, for a trial period, on day shift only.

The allocation of the parties were—Kirrak Area 21, and Western Area 14.

## ELECTRICAL PLANT

The Power Station, and mine electrical plant, has been maintained in good order.

The units generated during the year were 10,231,030 as compared with 10,579,530 in the previous year. The decrease in units generated was due to the mines using less power.

Units used by the Town were 6,616,000, an increase of 145,000 as compared with the previous year.

## WORKSHOPS

The workshops and plant have been maintained in good order and condition. The whole of the maintenance work for the power station and mines has been carried out by our own workshops staff.

## RESCUE STATION

The Rescue Station has been maintained in an efficient state.

Practices have been held weekly throughout the year, and equipment has been maintained in a satisfactory condition.

Attendances at the weekly training nights are good, and all members of the Brigade are very efficient in mine rescue work.

## GENERAL

As stated earlier in this report, the effect of the Basic Wage, and State Incremental Payments Scheme, has been to increase the daily rate of contract miners by 8/4.81d., and the average wage of other adult employes, working underground by 10/4.7d. per day. These two Awards have increased labour costs by £25,000.

Contributions to the Coal Mine Workers' Pension Fund, and the State Superannuation Fund, totalled £38,511.

Workers' Compensation Premium increased from £16,000 to £28,000. With regard to this increase, I feel I should draw attention to the 1963 Amendment to the Coal Mine Workers' Pension Act 1958, which now allows a retired employe, in receipt of the Miners' Pension, to also receive weekly, or lump sum disability, payments.

The position has now arisen whereby ex-employes who have been retired (after reaching the statutory retiring age of 60 years) in some cases as long as fifteen years, and who had not claimed Compensation before the amendment to the Act, are now doing so, claiming that their work in the mines is the reason for their decline in health, or instability of limb.

During the course of the year, Long Service Leave Payments amounted to £18,084.

In October last, fire damage to surface installations at Kirrak caused the suspension of mining operations in that pit for nineteen days. Coal output was adversely affected due to the transfer of miners to Western Area. The estimated loss in revenue was £5,800. This, with a reduction in the work force of 17 miners, resulted in a fall of 4,140 tons in the year's production.

Competition within the fuel industry is still intense, and continues to retard sales to consumers other than the Railways, and some other Public Departments.

Disposal of burnt shale resulted in a revenue return of £4,980.

Although mining costs have increased, and coal production was less than the previous year, the result of the year's operations has reduced the deficit by £12,511.

In conclusion, I wish to record my appreciation of the assistance given by yourselves during a difficult year, also the loyalty and co-operation of the mine administrative, clerical, and other, officials of the staff.

J. Byrne

General Manager.

The Victorian Railways Commissioners,  
MELBOURNE.



STATE COAL MINES  
WORKING ACCOUNT FOR THE YEAR ENDED 30th JUNE, 1965.

1965		£	s.	d.	1965		£	s.	d.
June 30	To Working Expences	422,201	0	10	June 30	By Sale of Coal	130,400	3	7
						Sundry Receipts	94,074	17	5
						Balance carried to Profit and Loss Account	197,725	19	10
		422,201	0	10			422,201	0	10

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, 1965.

1965		£	s.	d.	1965		£	s.	d.
June 30	To balance transferred from Working Account	197,725	19	10	June 30	By balance (Loss for the Year)	200,175	19	10
	Depreciation	2,450	0	0					
		200,175	19	10			200,175	19	10

L. M. Williams  
Comptroller of Accounts,  
30/11/1965

A. J. A. Gardner  
Auditor General  
30/11/1965

J. Byrne  
General Manager, State Coal Mines,  
25/11/1965

STATE COAL MINES

RECONCILIATION AS AT 30th JUNE, 1965, 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 ...	4,924,171	8	0
Loss—	5,006,791	0	6	Depreciation charged to Profit and Loss Account, but not to Consolidated Revenue ...	194,939	14	4
Net accumulated Profit to 30th June, 1931 not credited to Consolidated Revenue	95,688	18	0				
Outstanding debtors at 30th June, 1965, including Coal, Cash on Hand, and in Transit	44,700	9	4				
Outstanding Creditors at 30th June, 1965	17,683	13	7				
		27,016	15	9			
Less outstanding Debtors at 30th June, 1931	11,992	17	5				
Outstanding Creditors at 30th June, 1931	1,607	5	6				
		10,385	11	11			
				16,631	3	10	
				5,119,111	2	4	

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STATE COAL MINES  
CAPITAL STATEMENT as at 30th JUNE, 1965.

Receipts				Expenditure			
		£	s. d.			£	s. d.
Loan Funds provided under Act 2429	...	100,000	0 0				
Loan Funds provided under Act 2630	...	150,000	0 0				
Loan Funds provided under Act 4670	...	60,000	0 0				
Loan Funds provided under Act 4763	...	44,000	0 0				
				354,000	0 0		
Funds provided from Unemployment Relief Funds	...		24,500	0 0			
Funds provided in the State Coal Mines Depreciation Fund	...		1,290,147	14 4			
				1,668,647	14 4		
<i>Less</i> : Depreciation and Flotation Expenses written off—							
Depreciation	...	1,290,147	14 4				
Flotation Expenses	...	601	8 2				
				1,290,749	2 6		
				377,898	11 10		
General Capital	...		10,137	14 3			
Horses and Ponies	...		38	15 0			
General Pits	...		5,705	10 7			
Western Area	...		20,924	7 2			
Eastern Area	...		1,299	3 0	Cr.		
General Electric Capital	...		38,446	11 4			
Kirrak Area	...		232,988	19 7			
Present book value of Assets	...				306,942	14 11	6
Discounts and Expenses on Loans	...				640	16 5	
Sundry Debtors as at 30th June, 1965	...				734	14 11	
Balance --Funds at Treasury :							
Depreciation Fund							
Cash	...		19,580	5 7			
Investments	...		50,000	0 0			
					69,580	5 7	
					377,898	11 10	

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25/11/1965.

GENERAL COMPARATIVE STATEMENT FROM THE COMMENCEMENT OF THE MINE TO THE 30th JUNE, 1965.

1 Year	2 Capital Raised	3 Capital Expended	4 Coal Raised	5 Revenue Receipts (h)	6 Revenue Expenditure	7 Surplus	8 Deficit	9 10		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
								Depreciation							
								Amount Written Off the Value of the Assets and Charged to Profit and Loss	Net Surplus Profits Interest and Other Contribut'a. to the S.C.M. Depreciation Fund	Contribut'a. from Working Expenses					
1909-10	£ 36,000	£ 35,906	Tons 41,274	£ 24,681	£ 46,695	£ ...	£ 21,834	£ ...	£ ...	£ ...	£ 37,112	£ ...	900	s. d. 14 4-00	Million Ton 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 <sup>a</sup>	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 <sup>c</sup>	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	420,633	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 <sup>b</sup>	...	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 <sup>d</sup>	...	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 <sup>e</sup>	...	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	17 3-75	15½
1929-30	250,000	250,000	662,159	849,808	773,603	76,205 <sup>f</sup>	...	35,000	135,094	6,428	546,111	3,572	1,776	23 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	225,526	315,390	...	89,854	30,000	5,424	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>i</sup>	5,425	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>	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	228,431	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	1,564	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	377,500	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
1960-61	...	378,500	378,500	73,636	349,916	625,957	...	276,041	25,111	25,111	...	451,234	...	354g	99	9.00	6½
1961-62	...	378,500	378,500	55,942	261,687	562,920	...	301,633	25,163	25,163	...	422,224	...	319g	104	11.53	6½
1962-63	...	378,500	378,500	50,235	240,261	506,403	...	265,742	25,306	25,306	...	373,920	...	289g	104	11.15	6½
1963-64	...	378,500	378,500	46,627	242,852	453,090	...	210,238	2,450	2,450	...	348,998	...	251g	108	3.00	6½
1964-65	...	378,500	378,500	42,484	226,925	424,651	...	197,726	2,450	2,450	...	328,229	...	219g	116	7.81	6½
				16,581,746	21,696,978	26,594,334	217,272	5,114,628	1,290,522	1,290,147	310,911	19,980,910	207,197				
Less Depreciation Fund Interest					109,435			109,435									
					21,587,543	26,594,334	217,272	5,224,063									
					Deficit	to date	5,006,791										
							5,224,063	5,224,063									

(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 repaid in 1926x27, 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 1925-30.

(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.

(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.