

1967

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 1966-67

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.

No. 20—9822/67—Price 15 cents

STATE COAL MINES, WONTHAGGI

The Victorian State Coal Mines,
Wonthaggi,
13th October, 1967.

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, 1967.

FINANCIAL.

	\$	c
Revenue	360,095.	93
Working Expenses	768,708.	38
Deficit, excluding Depreciation of Assets	408,612.	81
Depreciation of Assets	4,900.	00
Loss for the year 1966-67, after making allowance for depreciation	413,512.	81

This loss compares with \$425,827.02 for the year 1965-66.

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

DEPRECIATION FUND.

Including an amount of \$4,900.00, charged to the working account for the year, depreciation accrued up to 30th June, 1967, 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 \$4,900.00 being interest on Depreciation Fund investments, provision has been made for the aggregate amount written off the assets up to 30th June, 1967.

DISPOSITION OF OUTPUT.

The quantity of coal braced during the year was 33,202 tons. After excluding miners' coal, local consumption, allowances and waste, the tonnage disposed of commercially was 23,934 tons 7 cwt. 2 qrs.

	Screened.			Slack.			Total.		
	T.	c.	q.	T.	c.	q.	T.	c.	q.
Railways Department	2,531	15	1	19,803	11	1	22,335	6	2
General Public	1,161	6	2	437	14	2	1,599	1	0
	3,693	1	3	20,241	5	3	23,934	7	2

LABOUR.

During the year, the mines worked full time, being in production for 231 days. The number of employees at 30th June, 1967, was—

Miners.	Others.	Total.
64 ..	71 ..	135

At 30th June, 1966, the number was—

Miners.	Others.	Total.
80 ..	118 ..	198

There was, thus, a decrease of 16 miners, and 47 other grades, a total reduction of 63 employees.

Amongst Contract Miners, absenteeism, from all causes, decreased by 1.43 per cent. being 9.66 per cent. for the year 1966-67, compared with 11.09 per cent. for the year 1965-66.

The nett average daily earnings of contract miners for the year were \$12.381 compared with \$11.728 per shift for the financial year 1965-66. The average daily wage of other adult employees, working underground, for the last fortnight of the financial year, was \$11.258 compared with \$9.204 for the corresponding period in the previous year.

INDUSTRIAL.

The Award of the Commonwealth Conciliation and Arbitration Commission of \$2.00 per week increase in the base wage, as mentioned in my previous report, operated in the coal mining industry as from July, 1966.

In January, 1967, the Coal Industry Tribunal, in line with the Arbitration Commission, further varied the Award, covering mine workers, by an increase in the margins.

BORING.

No further boring was carried out during this financial year.

Making an allowance of 43,000 tons for coal won and loss in working, the reserves of coal in all pits and unworked areas now stand at 6,225,000 gross tons.

As much of these reserves cannot be extracted without high capital expenditure on new development headings, reserves have now been subdivided into three categories, viz :—

	Gross tons.
(1) Coal reserves in areas not presently being worked	.. 3,150,000
(2) Coal in existing pits which would require substantial capital expenditure to open up for mining 2,768,000
(3) Coal which can be extracted from existing mine openings	.. 307,000
Total 6,225,000

WEST AREA.

Work in this pit is confined to the Top Seam. The method being operated is Longwall, employing ten parties of men.

KIRRAK AREA.

The workings, in this pit, have been confined to Bord and Pillar, and Pillar extraction, employing seventeen parties of men.

ELECTRICAL.

After further discussions with the State Electricity Commission of Victoria, arrangements were completed for the State Coal Mines Power Station to cease operations on 3rd February, 1967, and the transfer, to the Commission, of the reticulation system to the mines and the township of Wonthaggi. Since that date the supply of electricity has been from the Commission's interconnected system.

Tenders were called in December, 1966 for the dismantling and removal of the plant from the power station, but, due to the unsatisfactory offers received, no tender was accepted. Several items of plant have since been successfully disposed of by negotiation, and arrangements have now been completed for the re-advertising of the remaining plant.

The units generated, up to the date of closure, were 6,476,790 as compared with 10,358,280 in the previous year.

WORKSHOPS.

The workshops and plant have been maintained in good order and condition ; however, due to the closure of the Power Station, a large reduction of staff took place, and it has been necessary to have some of our work carried out by private contractors.

RESCUE STATION.

The Rescue Station has been maintained in an efficient state.

Practices have been held fortnightly throughout the year, due to the mine now working day shift only, and the equipment has been maintained in a satisfactory condition.

Attendances at training nights have decreased slightly, due to members leaving the industry, but the number still attending training is sufficient to maintain the equipment in good order, and to carry out mine rescue work.

GENERAL.

The \$2.00 per week increase, referred to under "Industrial" in this report, represented an amount of \$17,056 increase in the operating costs of the mine, and the \$1.00 per week increase in the margins as from January of this financial year further increased the working expenses of the mine by \$3,692.

Contribution to the Coal Mine Workers' Pension Fund totalled \$66,437.

Premium for Workers' Compensation amounted to \$74,431.

During the course of the year, long service leave payments, with the number of retirements, and retrenchments due to the State Electricity Commission take-over, amounted to \$32,009.

The year's operations resulted in a decrease of 2,386 tons, due to retirements during the course of the financial year. This decrease compares favourably with the previous year's result as 16 miners less were employed during 1966-67.

Disposal of burnt stone resulted in a revenue return of \$4,558, which compared favourably with the previous year. Shortage of suitable material is still a deterrent in the promotion of sales in this connection. However, it is expected that, with the opening up of the Western Area stone dump, an improvement in the quality of the burnt shale will be effected resulting in larger sales of this commercial product eventuating.

Apart from local and district sales, the Railways Department, and other Public Departments, are the principal purchasers of our coal.

As mentioned under the heading of "Electrical" in this report, the electrical supply to the mine and the Township of Wonthaggi was transferred to the State Electricity Commission of Victoria on 3rd February, 1967.

The Commission is to be commended for the efficiency and smoothness of the transfer operation.

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

In addition, I extend my sincere thanks to Mr. Gilbert Hadden, ex-Chief Mining Inspector of Victoria, who so ably carried out my duties during my absence overseas for the latter part of the financial year.

J. BYRNE,
General Manager.

The Victorian Railways Commissioners,
MELBOURNE.

STATE COAL MINES
BALANCE SHEET AS AT 30th JUNE, 1967.

1966	Nature and Source of Funds	1967	1966	Disposal of Funds	1967
\$		\$ c	\$		\$ c
	Funds provided by the State			Expenditure on :	
	Treasurer for Capital purposes			Works, Machinery and Plant	
	Act 2429 ...	200,000 .00		Balance Sheet at 30.6.66 ...	581,376 .60
	2630 ...	300,000 .00		Variation during current year ...	8,947 .58 Cr.
	4670 ...	120,000 .00			572,429 .02
	4763 ...	88,000 .00		Less Depreciation written off ...	4,900 .00
	Less redeemed from Sinking Fund	708,000 .00			567,529 .02
		708,000 .00		Spare Plant ...	2,260 .21
49,000	National Recovery Loan :		585,943	Discount & Exes. on Loans ...	1,281 .64
	Unemployment Relief develop-				571,070 .87
	ment works ...	49,000 .00		Funds for Special Purposes held by	
	For Special Purposes :			State Treasurer :	
33,571	Act 6345 Section 17 (1b) ...	18,294 .89		Depreciation Fund—	
	Reserves :			\$ c	
	Sinking Fund ...	708,000 .00		Investment ...	100,000 .00
930,970	Depreciation Fund Interest			Cash ...	86,616 .52
	Reserve ...	227,870 .01			186,616 .52
	Current Liabilities :			193,782	Salaries & Wages Suspense ...
	Sundry Creditors—				6,567 .00
52,926	Stores and Service ...	21,524 .10			193,183 .52
	Trust ...	509 .02		Current Assets :	
		22,033 .12		Coal on Hand ...	1,866 .92
	Advances from Consolidated			Stores and Materials ...	18,452 .84
	Revenue to meet losses :			Securities in Trust ...	509 .02
10,244,649	To Year 30.6.65 ...	10,244,649 .27		Sundry Debtors—	
	For year ended 30.6.66 ...	402,664 .03		Coal ...	21,468 .05
		10,647,313 .30		Other revenue ...	3,109 .72
				Other ...	8,027 .27
			91,982	Cash on hand and transit ...	32,605 .04
					1,901 .23
				Accumulated Loss :	
			10,439,409	To 30.6.66 ...	10,439,409 .07
				For year 30.6.67 ...	413,512 .81
					10,852,921 .88
<u>11,311,116</u>		<u>11,672,511 .32</u>	<u>11,311,116</u>		<u>11,672,511 .32</u>

Comptroller of Accounts,
27/11/1967

Auditor General,
27/11/1967

General Manager, State Coal Mines,
27/11/1967

STATE COAL MINES

RECONCILIATION AS AT 30th JUNE, 1967, BETWEEN THE ACCUMULATED WORKING LOSS ON THE MINE BASIS, AND THE TOTAL OF THE ADVANCES FROM CONSOLIDATED REVENUE.

	\$	c	\$	c	\$	c		\$	c
Accumulated Profit and Loss Account as per Balance Sheet—Loss— ...					10,852,921	.88	Advances from Consolidated Revenue as per Balance Sheet ...	10,647,313	.30
Net accumulated Profit to 30th June, 1931 not credited to Consolidated Revenue					191,377	.80	Depreciation charged to Profit and Loss Account, but not to Consolidated Revenue	399,679	.44
Outstanding debtors at 30th June, 1967, including Coal, on Hand, and Cash in Transit	43,295	.35							
Outstanding Creditors at 30th June, 1967	19,461	.10	23,834	.25					
Less outstanding Debtors at 30th June, 1931	23,985	.74							
Outstanding Creditors at 30th June, 1931	3,214	.55	20,771	.19					
			3,063	.06					
Less Adjustments a/c S.E.C. payment on Capital not Funds Adjusted until the financial year 1967/68. ...			370	.00	2,693	.06			
					11,046,992	.74			11,046,992 .74

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Comptroller of Accounts
27/11/1967

Auditor General,
27/11/1967

General Manager, State Coal Mines,
27/11/1967

STATE COAL MINES
CAPITAL STATEMENT as at 30th JUNE, 1967.

Receipts				Expenditure			
		\$	c	\$	c		
Loan Funds provided under Act 2429	...	200,000	.00			General Capital	18,678.58
Loan Funds provided under Act 2630	...	300,000	.00			Horses and Ponies	155.00
Loan Funds provided under Act 4670	...	120,000	.00			General Pits	11,508.21
Loan Funds provided under Act 4763	...	88,000	.00			Western Area	41,848.72
				708,000	.00	Eastern Area	Cr. 2,598.30
Funds provided from Unemployment Relief Funds			49,000	.00	General Electric Capital	65,586.47
Funds provided in the State Coal Mines Depreciation Fund	...			2,590,095	.43	Kirrak Area	432,350.34
				3,347,095	.43		
<i>Less : Depreciation and Flotation Expenses written off—</i>						Present book value of Assets	567,529.02
Depreciation	2,590,095	.43			Discounts and Expenses on Loans	1,281.64
Flotation Expenses	1,202	.82			Balance—Funds at Treasury :	
				2,591,298	.25	Depreciation Fund—	
						Cash	86,616.52
						Investments	100,000.00
				755,797	.18		186,616.52
						Adjustment a/c S.E.C. capital payment not Funds Adjusted until the financial year 1967/68.	370.00
				755,797	.18		755,797.18

Comptroller of Accounts,
27/11/1967

Auditor General,
27/11/1967

General Manager, State Coal Mines,
27/11/1967

GENERAL COMPARATIVE STATEMENT FROM THE COMMENCEMENT OF THE MINE TO THE 30th JUNE, 1967.

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's. to the S.C.M. Depreciation Fund	Contribut's. Provided from Working Expenses						
	£	£	Tons	£	£	£	£	£	£	£	£	£	s. d.	Million Ton		
1909-10	...	36,000	35,906	41,274	24,681	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	420,633	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 ^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	17 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	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 ^g	20 6·00	13
1933-34	...	250,000	250,000	316,526	211,339	288,473	...	77,134	10,000 ⁱ	5,425	7,520	204,407	2,480	1,330 ^g	20 9·00	12½

1934-35	...	250,000	250,000	384,778	245,556	335,474	...	89,918	10,000 ^m	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	349,516	625,957	...	276,441	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	
Conversion to dollars				16,581,746	21,696,578	26,594,334		5,115,028	1,290,522	1,290,147	310,911	19,980,910	207,197				
1965-66	757,000	757,000	35,528	43,393,156	53,188,668		10,230,056	2,581,044	2,580,294	621,822	39,961,820	414,394					
1966-67	757,000	757,000	33,202	364,995	773,608		420,927	4,900	4,900	...	585,051	...	198g	\$11 728	6½		
				16,650,476	44,144,862	54,769,914	434,544	11,059,596	2,590,844	2,590,094	621,822	41,078,435	414,394				
					227,870			227,870									
					43,916,992	54,769,914	434,544	11,287,466			10,852,922						
					Deficit	to date											
							11,287,466	11,287,466									

- (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 including £25,382 to adjust short payments to the Mine in former years.
- (c) 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.
- (d) 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.
- (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.

