S.—3.

The gross output from the colliery since production began in June, 1904, amounts to 1,513,427 tons.

There were employed during the year 377 adults and 22 boys, made up of 154 coal-miners; truckers and other adult labour underground 155, and boys 3; on the surface, 68 adults and 19 boys.

The time worked averaged 4.55 days per week, and the payments on account of wages, exclusive of stores and compensation amounted to £67,049 0s. 10d. The coal-hewers' average earnings were—in No. 1 section, 16s. 1.92d., and in No. 2 section 16s. 11.53d.; mean average, 16s. 8.15d.

Underground Exploration.

The bulk of the output has been obtained from the working of pillar coal in both sections of the colliery, the only exception being in the No. 1 section, where a small output is being obtained from workings in course of being opened, in coal lying at a very steep inclination, and again in the bottom seam in the No. 2 section, where the coal is still continuing of workable thickness towards the rise. The coal just referred to as being developed in No. 1 is not so far of such uniform hardness as in the other parts of the section, but appearances are favourable both as to quality and possible extension, and fully warrant the continuance of exploratory work in the direction indicated. As it is scarcely likely that the high rate of inclination will continue, it is probable that the seam will within a short distance be found with its normal dip, and it may mean a very considerable extension of the workings in a south-easterly direction.

The bottom seam in No. 2 section has been interrupted by faults for some time, but has been followed and found to continue beyond the fault-lines, and in the leading places is now showing a thickness of 7 ft.

Surface Work, Surveys, &c.

The whole of the surface plant, machinery, and buildings have been maintained in good order and condition. Survey work and surface exploration have been carried on to a small extent during the year. One bore 469 ft. in depth was put down on the east side of the No. 1 workings, and 10 chains distant from them, the coal in workings when stopped being very thin, was found not to have increased its thickness at the bore. Since the starting of this colliery bores for prospecting purposes have been sunk aggregating 8,027 ft., and further boring is projected which will probably increase this by at least 3.000 ft.

Additions to plant are also projected, which will enable the coal in the dip of the field to be exploited more effectively and with greater economy than is possible at present. The proposed change will in addition have the effect of reducing the general average cost of production by lessening the coal-consumption on the works, also the labour in connection with the mechanical engineering branch of the colliery-work.

Harbour and Shipping Facilities.

Interruption of output may be said to be almost unavoidable where mines are dependent on shipping trading to a port so liable to blockage as Greymouth is. It will be seen from what has been stated above that the output was entirely stopped for $21\frac{1}{2}$ days, on account of what is commonly referred to as bad bar, and a further six days and a half was lost owing to the non-arrival of vessels. Such stoppages have a very serious effect not only on the output, but on the general average cost. Had the twenty-eight days just noted been work-days the gross output would have been greater by 24,000 tons, with a better all-round result.

It is satisfactory to note that the harbour authorities are proceeding to carry out some most necessary works within the harbour.

General.

The Grey coalfield, whilst admittedly one of the most important and valuable coal-bearing areas possessed by the Dominion, presents features which at times seriously hamper the winning and working of the coal-seams, and render it imperative that prospecting and development-work should be energetically carried on, and even under the most active and energetic measures of this kind it may be found impossible to operate over an extensive area from any one opening, be it shaft or tunnel.

In the workings at Point Elizabeth the same general conditions obtain as have been experienced in other parts of the field. The workings so far opened have suffered from faulting and persistent thinning of the coal at the edges of the basins, thus limiting the extension of the workings and increasing the costs.

During the year a very considerable tonnage has been won from portions of the seams not more than 4 ft. high, and in some parts work has been continued in but little above 3 ft. in thickness.

Accidents.

One fatality occurred during the year, upon which special report was forwarded.

POINT ELIZABETH No. 2 COLLIERY.

Since my last report on the development of this colliery the tunnels for the endless-rope haulageroad have been completed. The portions of this work carried out under contract amounted to 5,989 ft. of main tunnel, and 300 ft. of service tunnel, in addition to which short tunnels in detached portions were constructed by men directly under the control of the management, the aggregate being 354 ft.