

SESSION II
1912.
NEW ZEALAND

STATE COAL-MINES

(REPORT ON), BY THE UNDER-SECRETARY, MINES DEPARTMENT.

Presented to both Houses of the General Assembly by leave.

Wellington, 10th September, 1912.

THE State Coal-mines Act of 1901 provided for the acquisition and working of State coal-mines in New Zealand, under the direct control of the Minister of Mines.

In pursuance of such authority two mines were acquired—viz., the Point Elizabeth Mine, situated on the Grey Coalfield, and distant about five miles from Greymouth, and the Westport-Cardiff Mine (subsequently renamed the Seddonville Mine), situated on the Buller Coalfield, and distant by Government railway about twenty-nine miles from Westport. The coal produced from the coalfields in which these two mines are situated is of bituminous class, and is recognized as a superior coal for general purposes. In 1902 the Point Elizabeth Mine, included within a lease of about 4,840 acres, was taken over by the State from the Greymouth - Point Elizabeth Railway and Coal Company, the lease being determined by the Government on account of the company's failure to observe the conditions. The sum of £21,000 was paid by the Government to this company for the partly constructed line of railway from the mine to Greymouth, and the line was subsequently completed with funds set apart for State coal-mine purposes; but it was transferred to the Railway Department subsequently on payment of £65,548 (including the above sum of £21,000), being the total cost of purchase and completion, in addition to which interest thereon, amounting to £1,363, was also refunded.

The total amount of freight paid to the Railway Department by the State mine for coal carried over this railway up to the 31st March last, with a small allowance for private freights and passenger-fares, would amount to about £135,000. The working accounts of this line are not kept separately by the Railway Department, so that it is impossible to state the exact profit on its working; but being essentially a colliery railway, and very favourably situated, it should, I think, be worked at as low a percentage as the Westport Section of railway—viz., 46.19 per cent. of the total receipts—and, if so, the profit (without taking interest on capital into account) would amount to £72,643. As the interest on cost since the sale to the Railway Department only amounts to about £8,000, the net profit will therefore be about £65,000; so that the line has already practically paid for itself.

During the construction of this branch line of railway a new mine (the Point Elizabeth No. 1 State Colliery) was laid down near Runanga, the output stage being reached in 1904, and coal of uniformly superior quality has been produced ever since; but owing to the frequency of faults and the thinning of the seam to the dip it is believed that the profitable life of this mine will probably not exceed four years, unless further developments occur.

As a State colliery this mine had produced at the end of March, 1912, 1,513,427 tons of coal.

In 1900 the Westport-Cardiff lease was also determined by the Government, on the ground of failure to comply with the conditions. Acting upon a favourable report in 1901 by the Government mining experts (Messrs. H. A. Gordon, Consulting Engineer; John Hayes, Inspecting Engineer; and A. McKay, Government Geologist) the property was prospected and subsequently developed as the Seddonville State Colliery, the output stage being reached in November, 1903, since when the property has been worked continuously; but the quality of the coal has been found to be extremely variable and unsatisfactory, owing to the large proportion of crushed and soft coal, for which the demand is irregular.