

R E P O R T
of the
BOARD OF ENQUIRY.

appointed to enquire into
COAL PRODUCTION AND DEMAND IN TASMANIA

- F.P. St. Hill, Esquire, Commissioner of Railways
(Chairman)
- H.A. Curtis, Esquire, Chief Engineer and General
Manager, Hydro Electric
Department.
- J.O. Hudson, Esquire, Chief Inspector of Mines.

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R E P O R T

To Sir James O'Grady, Knight Commander of the Most Distinguished Order of Saint Michael and Saint George Governor in and over the State of Tasmania and its Dependencies in the Commonwealth of Australia.

MAY IT PLEASE YOUR EXCELLENCY:

In pursuance of the Commission issued by Your Excellency on the 30th day of August, 1929, appointing us, as a Board of Enquiry, to investigate the following matters, namely:-

- (1) The shortage and cause of the shortage of coal in Tasmania for Industrial and Railway purposes.
- (2) The present approximate requirements for Railway and Industrial purposes within the State of -
 - (a) Imported coal.
 - (b) Tasmanian coal.
- (3) The present available supplies within the State of -
 - (a) Imported coal.
 - (b) Tasmanian coal.
- (4) The probable extent to which the demand for imported and Tasmanian coal for Railway and Industrial purposes will increase during the next five years.
- (5) The probable extent to which the Tasmanian Collieries could increase their respective output of coal to meet prospective and increased demands and the methods by which such output could be increased.
- (6) Any other matters connected with or incidental to the enquiry.

We have the honour to submit our report :-

PROCEEDINGS OF THE BOARD:

The first sitting of the Board for the purpose of taking evidence was held on 3rd October, 1929, and other sittings for this purpose were continued intermittently until 22nd November, 1929. During this period nine sittings were held and thirty-five witnesses examined. In addition a quantity of data was collected by correspondence.

Sittings were held in Hobart, Launceston, Devonport and St. Marys, and all evidence was given on oath.

1. THE SHORTAGE AND CAUSE OF THE SHORTAGE OF COAL IN TASMANIA FOR INDUSTRIAL AND RAILWAY PURPOSES:

We find that normally there is no shortage of coal in Tasmania. In 1929, due to the abnormal conditions prevailing namely the serious flood in

April last which were the cause of dislocation in the railway traffic thus bringing about a cessation of work at the Mines, there was a temporary shortage. The non-production of coal in Newcastle also affected the situation, bringing about a larger demand for local coal. When, however, railway transport became normal again there was not only no further difficulty in the fulfilment of orders but the various industrial concerns were able to restore their stocks.

It is generally found that at the end of each Winter, stocks held for domestic purposes become depleted owing to the policy of Dealers not building up sufficient reserves to meet the increased seasonal demand.

2. THE PRESENT APPROXIMATE REQUIREMENTS FOR RAILWAY, INDUSTRIAL AND DOMESTIC PURPOSES WITHIN THE STATE, OF (a) IMPORTED COAL (b) TASMANIAN COAL :-

It will be observed that the word "Domestic" has been inserted after the word "Industrial". This alteration we have considered expedient.

Owing to being an abnormal year, figures for the year 1929 could not be taken as an indication of the normal output. During this year, strikes and the flood dislocated work at the mines for a considerable period. For nine months of the year the output shows 92,626 tons which is only the normal production for nine months of the previous year.

We, therefore, have taken the year 1928 as the basis of our calculations.

(a) Imported Coal :-

Approximately 50,000 tons of coal per year was imported into Tasmania.

(b) Tasmanian Coal :-

Approximately 128,500 tons of native coal was produced and absorbed.

3. PRESENT AVAILABLE SUPPLIES OF (a) IMPORTED COAL, AND (b) TASMANIAN COAL WITHIN THE STATE :

(a) Imported Coal :

In the light of our investigations we consider it would be valueless to give "the present available supplies of imported coal" as the figure is continually fluctuating. We therefore supply an approximate average figure in this regard viz. 10,000 tons.

(b) Tasmanian Coal :

The Tasmanian Coal Companies do not keep any stocks of coal at the Mines as they rely on the Railway Department to be able always to provide transport. The Mines have no storage system and to save the

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expense of providing such storage they have thrown the responsibility on the Railway Department to handle their output from day to day.

Some of the Coal Companies aim to build up small stocks at Hobart and Launceston during the Summer for domestic purposes. These, however, are depleted by the end of the Winter so that, at the present time, no stocks are held.

It has been ascertained that most of the larger consumers of coal keep some stocks to tide them through any emergency which may arise. These amount in total to approximately 7,000 tons.

4. THE PROBABLE EXTENT TO WHICH THE DEMAND FOR (a) IMPORTED COAL AND (b) TASMANIAN COAL, FOR RAILWAY AND INDUSTRIAL PURPOSES, WILL INCREASE DURING THE NEXT FIVE YEARS.

(a) Imported Coal :

No appreciable increase in the consumption of imported coal is anticipated.

(b) Tasmanian Coal :

During the next two years a large increase can be looked for owing to the extensions of the Electrolytic Zinc Company and the Goliath Portland Cement Company, which will probably amount to 15,000 tons per year.

Since the year 1922 there has been a gradual increase of approximately 8,000 to 10,000 tons per year due to the establishment and operations of industrial concerns in Tasmania. Definite information is before us amounting for enlargement of operations of the Electrolytic Zinc Company and the Goliath Portland Cement Company and we have assumed that the yearly increase from 1922 to 1928 will be maintained during the next five years. We therefore set down that the demand for Tasmanian coal at the end of this period will be approximately 180,000 tons per annum.

Naturally, the establishment of unforeseen industries would have a bearing on this figure.

5. THE PROBABLE EXTENT TO WHICH THE TASMANIAN COLLIERIES COULD INCREASE THEIR RESPECTIVE OUTPUT OF COAL TO MEET PROSPECTIVE AND INCREASED DEMANDS AND THE METHODS BY WHICH SUCH OUTPUT COULD BE INCREASED :

Several of the Mines at the present time, with existing equipment, are capable of increasing their output 100 per cent, and should they do this it would provide much more than the demand for a number of years to come.

It is significant fact that the Tasmanian Collieries actually produced 41,737 tons for the June to September quarter 1929, which would aggregate 166,948 tons per annum. This goes to show that they are quite capable with their present equipment, of meeting all demands.

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6. GENERAL :

Coal areas are disseminated generally throughout the State. The principal producing mines are situated at St. Marys and Catamaran, but coal areas exist at Seymour, Avoca, Fingal, Cygnet, Strathblane, Plenty, Colebrook, York Plains, Sprayton, and Preolenna. Other areas are known but have not been developed.

The Coal Resources Bulletin issued by the Geological Survey of Tasmania dated 1922 states that the total tonnage available for payable extraction was approximately 135,000,000 tons, being made up 125,000,000 tons actual reserve and 123,000,000 tons probable reserve. It will be seen from the production for the year 1928 that there is sufficient coal areas known in Tasmania to provide coal for hundreds of years.

The value of any coal is governed by its ash content and calorific value. The ash content in a coal is one of the determining factors in arriving at its value for industrial purposes and it is in this that the Tasmanian product is greatly handicapped to compete with the imported article.

The Catamaran coal is the best local steaming variety at present on the market but unfortunately it has not been found possible to mine it at a profit.

The coal on the North West Coast areas is of good quality but the seams are small and the sulphur content is such that its uses for industrial purposes are limited.

There are no gas coals being produced in Tasmania.

It has been suggested that the Catamaran Mine may close down. Should this eventuate the loss of this trade is likely to be compensated by the development of the Seymour Mines.

It appears impossible for the St. Marys fields to compete for trade with shipping and industries that are not connected to the railway system.

From the evidence before us it also does not seem possible for the St. Marys fields to compete with the imported coal further West than Devonport.

CONCLUSIONS.

Demand and Supply :

After hearing the evidence submitted by the various witnesses, this Board has come to the conclusion that the supply of Tasmanian coal together with the capable increase of output by the Mines and their intended programme of development, is amply sufficient to meet all probable requirements for a period of some years to come. There are possible increases in demand but we are satisfied that the existing capabilities of the Mines can more than meet these increases.

The tendency of industrial development has called for the use of slack coal, and this demand is already in excess of the natural supply so that it would seem that if the Tasmanian Collieries are to retain this business some methods will have to be instituted of

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producing greater quantities of slack to meet the position as in many cases if slack is not available crushing has had to be resorted to. This is naturally going to have some financial effect on the Mines as they will then probably not be able to realise the higher prices for this proportion of their large coal.

This aspect of the business at the moment is giving some of the Collieries considerable concern as the prices obtainable for this commodity are very considerably below that obtained for their large coal.

Limits of commercial demand for Tasmanian Coal :

The coal supplies for the areas West of Devonport, including the West Coast, are almost entirely in the hands of the New South Wales fields as the freight haul from the St. Marys field is of such length that the coal is not competitive with the imported product.

In the Southern part of the State, should any fresh industries develop, not connected with the Railway system, it would again place the St. Marys field in a non-competitive position with sea-borne coal, local or otherwise.

Effect of reduction in the price of Newcastle Coal :

Another serious aspect to the Tasmanian Mines which presents itself is that should the proposed reduction take place in the price of New South Wales coal it will probably have the effect of restricting the demand for Tasmanian coal as the margin of profit at the present time is not large and due to the lower calorific value and high ash content of the Tasmanian product it may place them in a non-competitive position in some instances.

Storage and stocks of coal :

It has been stated by some witnesses that there is a shortage of coal supplies, but on the evidence before this Board we are satisfied that this is not correct except occasionally towards the end of the Winter, when there may be a shortage for domestic supplies, but this is largely brought about by the policies of the various Collieries not building up sufficient stocks during the slack period to meet the increased domestic demand through the Winter months.

There does seem a disinclination on the part of the Coal Companies to build up large stocks of coal at the Depots during the Summer months for consumption in the Winter, their reason given being that Tasmanian coals are not altogether suitable for this purpose; with this contention the Board does not agree.

In the Summer, the Mines are not always working at normal output due to the falling off of demand. It would seem that the Coal Companies rely entirely on the Railway Department to remove their daily output to meet with the varying requirements. Therefore the Mines are calling on the Railway Rolling Stock to provide the equivalent to storage facilities for them, and this allows no margin for any possible dislocation in the railway services.

We are of the opinion that with the provision

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storage at the Mines capable of taking one, two, or three days output much of the difficulties of varying demands would be overcome, and numbers of days at present lost in mining output and employment would be reduced.

Fuel Oil :

The Board has looked into the possibility of oilfuel supplanting coal but we do not consider this is possible at the present comparative prices between the two commodities.

General :

Finally, we are of the opinion that the coal position in Tasmania is amply cared for and we do not see any demands that are likely to arise within the next few years, with which the Collieries will not be able to meet. Should any increased development be made by any one Mine it must necessarily re-act on the production of the others unless other markets are obtained.

Our thanks are due to the various witnesses who appeared before us and for the ready acquiescence with which they furnished material necessary for this enquiry.

We have also to record appreciation of the valuable services rendered by Mr. F.J. Carter as Secretary for the Board.

We have the honour to be,

Yours Excellency's obedient Servants,

(Sgd) F.P. St. Hill. Chairman.

" Harry A. Curtis

" J.O. Hudson

MEMBERS OF BOARD

Hobart,
9th December 1929.