

CHAPTER III.

THE COST OF DISTRIBUTION OF COAL.

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1. TRANSPORT FROM MINE TO DEALER.

(i.) RELATION OF THE AMOUNT OF TRANSPORT CHARGES TO THE RETAIL PRICE OF COAL.

THE New Zealand coal-mines are more or less remote from the chief consuming-centres. The cost of transportation by rail or sea is therefore an important item in the cost of coal to the consumer, and is the first in order of the costs of distribution. For example, in the case of Taupiri house coal the cost of transport puts 40 per cent. on to the selling-price f.o.r. at the mine (September, 1918), and represents 23 per cent. of the net cost of coal to the consumer at Auckland. In the case of Westport house coal at Lyttelton sea freight adds 46 per cent. to the f.o.b. cost at Westport, and railage from Lyttelton to Christchurch another 20 per cent. ; while the sea freight represents 19 per cent., and the rail charges, including the railage from mine to Westport, over 13 per cent., of the net retail price at Christchurch. (In the latter case the rail freight from Lyttelton to Christchurch is over 42 per cent. of the sea freight from Westport to Lyttelton.) The Newcastle mine price (15s.) is increased by 110 per cent. by the sea carriage (16s. 6d.) to Lyttelton (133½ per cent. after 1st March, 1919) ; the railage to Christchurch (5s. 6d., or one-third of the cost Newcastle to Lyttelton) represents nearly 37 per cent. of the mine price ; and nearly 10 per cent. of the retail price at Christchurch (£2 17s.) is accounted for by this railage, and 29 per cent. by the sea freight.

The following table shows the relation which cost of carriage bears (1) to the cost of the coal as it leaves the principal minefields, and (2) to its cost to the consumer. In each case the figures have been calculated on net price per ton ; the transport in question is carriage by rail or sea, and does not include cartage of coal from ship or truck to dealers' yards, which will be considered under another heading.

TABLE 34.—SHOWING RELATION BETWEEN COST OF TRANSPORT BY RAIL OR SEA AND THE NET RETAIL PRICE OF CERTAIN HOUSEHOLD COALS.

Freight between	Percentage added to Mine-cost* by Freight.	Percentage which Freight is of Net Retail Price.
Newcastle and Lyttelton ..	110	29 (Christchurch price).
Newcastle and Christchurch ..	147	39
Newcastle and Wellington ..	110	32
Taupiri and Auckland ..	40	23
Taupiri and Wellington ..	77	29
Westport and Lyttelton ..	46	19 (Christchurch price).
Westport and Christchurch ..	65	27¼
Kaitangata and Dunedin ..	22¾	15
Kaitangata and Christchurch ..	47½	24½
Nightcaps and Invercargill ..	35½	18½
Greymouth (other than State) and Lyttelton ..	39	19 (Christchurch price).
Greymouth (other than State) and Christchurch ..	56	27¼

* In the case of Westport and Greymouth mine-cost includes railage charges of from 2s. 3d. to 3s. from mine to port.