Coal-hewers' Average Daily Earnings.—The coal-hewers' average daily earnings (gross) were £1 10s. 8d., and after making deductions for stores (explosives) the net return was £1 7s. 11d., a reduction of 1s. 5d. per day when compared with the figures for the previous year.

Daily Output.—The average daily mine-output was 701 tons, and the coal-hewers' average daily output 6 tons 8 cwt., as compared with 645 tons and 5 tons 19 cwt. for the previous year.

Deficiencies.—The total amount paid during the year under the minimum-wage clause was £99 10s. 11d. This works out to a cost of 0·2d. per ton.

Accidents.—During the year there were several minor accidents, but none of a serious nature. The payments made at the colliery under the provisions of the Workers' Compensation Act amounted to £2,860 1s. 8d., as compared with £2,504 8s. 8d. for the previous year. On the output produced this works out to a cost of 5.69d. per ton, an increase of 1.11d. per ton when compared with the figures for

the previous year. Underground Workings.—The bulk of the output during the year was obtained from solid workings in the course of being opened up in the Morgan Seam, Kimbell east level, and the Anderson Dip Section at the No. 2 Mine; the balance being obtained from pillar-extraction at the No. 1 Mine, also from the rise workings in the Kimbell East and West Sections of the No. 2 Mine. Coal-winning operations at the No. 1 Mine were abandoned during the last month of the year, as the area became so limited that it did not warrant further working. The plant has been removed from within the mine, and arrangements made for dismantling the hydraulic brake, also the plant and rails from the haulage road leading up to the No. 1 Mine from the middle brake. In the No. 2 Mine development work comprised the following: (a) The extending of the workings in the Kimbell East Level Section; (b) the developing of workings in the Anderson Dip Section; and (c) the extending of the rise workings in the Morgan Seam towards the old workings at the No. 1 Mine. The development places in the Kimbell East Level Section were continuously worked during the year. The main-level face is now in a distance of 50 chains from the main haulage road, and is approaching a large fault known as the Davey Creek fault. As the workings approach this fault the seam gradually thins, and generally becomes intersected with dirt bands to such an extent as to render it unworkable. From surface examinations of the locality on the eastern side of the No. 2 Mine workings it was found that a very large area was affected by the Davey Creek fault. The area affected is so wide that it would not warrant further prospecting in an easterly direction once the faulted zone was reached. The Anderson Section is a dip section worked off the Kimbell East Level. In the development of this section the seam has been somewhat variable in thickness and gradient. During the course of driving the east level the seam became intersected with stone bands and eventually divided it into two parts. The upper portion of the split was driven on for a time, but eventually thinned to an unworkable thickness. portion was later driven on, and it is pleasing to report there is now upwards of 9 ft. of fairly clean coal in the level. From the east level two dip headings are in course of being driven. The No. 1 heading is down a distance of 9 chains, and appears to be entering the stony belt which cuts across the Anderson old section. The No. 2 heading, which so far has only been driven a distance of 3 chains, will eventually connect with the same stony belt as the former heading.

Morgan Seam.—The main east level had to be stopped during the year owing to the seam becoming so intersected with dirt bands that the coal could not be mined and filled in a clean and marketable condition. Through the east level being stopped in dirty coal and the west level stopped at the Tararu Creek fault, development work is now confined to the extending of the workings in a northerly direction towards the old workings at the No. 1 Mine. To protect the No. 2 Mine from water breaking through from the old workings at the No. 1 Mine, a barrier of coal 2 chains in width is being left between these mines. Some of the workings in the west section have reached the barrier, and a commencement made to extract some of the pillars below it.

Stone-dusting.—Work under this head has been regularly carried out, and during the year 58 tons of stone dust was used. The number of samples analysed from the various zones at this colliery was 391. In addition to the latter, seventy-five samples were analysed from co-operative mines.

Development Work.—During the year a drainage adit 6 ft. high by 5 ft. wide and 23 chains in length was constructed from near the entrance of the No. 2 Mine to a point inbye on the main haulage road. From the point where the adit connected with the haulage road a water-channel 3 ft. by 2 ft. is being constructed on the left-hand side of the haulage road, and will be extended to what is known as the Morgan Seam junction. Overlying the No. 2 Mine workings there are several creeks, and once pillar-extraction is in full operation it is only natural to expect that the surface will be damaged, and thus cause water to percolate through the broken strata into the mine. It is in anticipation of extra water that this provision is being made.

Plant and Machinery.—The whole of the plant, machinery, and buildings have been maintained in good order and condition, and during the year the following new plant and buildings have been erected: (a) An endless-rope haulage driven by compressed air in the Kimbell east level; (b) a compressed-air-driven winch in the Anderson Section; (c) a Bellis Morcomb lighting-set transferred from the James Mine and installed in the Middle Brake Power house; (d) addition to the lamp-room at the middle brake by the erection of a concrete building; (e) a small new concrete bathhouse near the storage-bin; (f) the building of a reinforced-concrete wall 150 ft. in length, 8 ft. high, and 12 in. thick to protect the embankment overlooking the main coal-storage bin.

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Landslip.—During the latter part of the year a large slip occurred on the banks of the Seven Mile Creek near the middle brake, which destroyed several chains of the track, including one of the bridges leading to Upper Rewanui Township. In addition to destroying the track, about 4 chains of the hydraulic pipe-line leading to the bins was buried beneath the debris, and a portion of the transmission-line was also carried away. The pipe-line, which was previously laid along the banks of the Seven Mile Creek has been lifted and relaid through the gorge tunnel. A channel has been cut through the slip of sufficient dimensions to carry the ordinary flow of water; but, until a flood occurs and the ultimate course of the creek is known, nothing can be done in the meantime regarding the formation of a new track.