

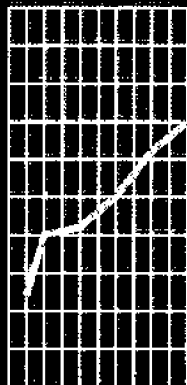


1994-95

EMBARGOED UNTIL 11:30 AM 2 FEBRUARY 1996

# Mining Industry Australia

## Preliminary



## MINING INDUSTRY NOTES

This publication presents preliminary establishment data from the Census of Mining Operations conducted with respect to the 1994-95 financial year, and some comparative statistics relating to 1993-94. Both the 1993-94 and 1994-95 Censuses included coal mining, oil and gas extraction and metal ore mining.

Detailed industry statistics will be provided in *Australian Mining Industry, 1994-95* (8414.0), to be issued later this year. For details of other related ABS publications to be issued, refer to the *Catalogue of Publications and Products, Australia* (1101.0). Copies of these publications are available at ABS Offices.

## INQUIRIES

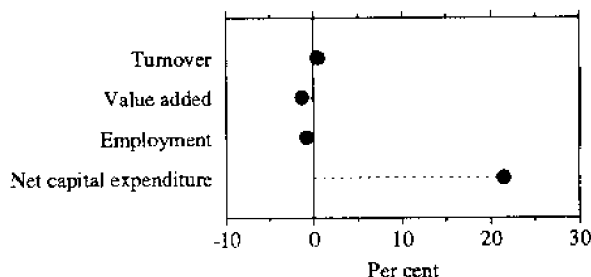
For further information about statistics in this publication and the availability of related unpublished statistics, contact Andrew Middleton on (08) 237 7539 or any ABS State office.

W. McLennan  
Australian Statistician

## SUMMARY OF FINDINGS

Turnover in the mining industry increased by 0.4% in 1994-95, while value added fell by 1.4%. Employment was down 0.9% and wages and salaries decreased by 2.8%. Net fixed capital expenditure rose by 22.0%.

PERCENTAGE CHANGE FOR SELECTED INDICATORS  
BETWEEN 1993-94 AND 1994-95



In percentage terms the Northern Territory and Tasmania showed the greatest increases in turnover and value added this year. Victoria and South Australia reported the largest decreases in turnover and value added.

## TURNOVER BY INDUSTRY

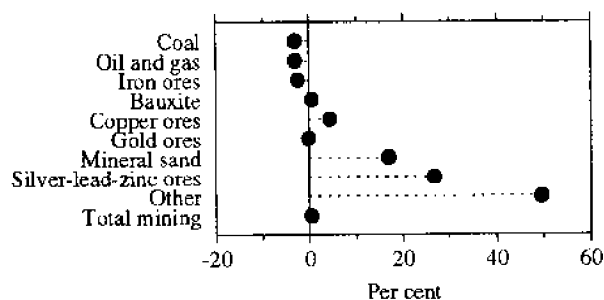
Turnover in 1994-95 was \$29,102 million compared with \$29,000 million in 1993-94.

Increases in turnover were recorded in several industries. In the silver-lead-zinc ore mining industry, turnover increased from \$935 million in 1993-94 to \$1,186 million in 1994-95 (up 27%). The mineral sand mining industry reported an increase of \$89 million (17%), rising to \$610 million in 1994-95. Other metal ore mining (which includes nickel) increased by \$337 million (50%) to \$1,017 million in 1994-95. Higher levels of production and improved prices for these commodities were the main reasons for the increases in turnover. Turnover also increased in the copper ore mining industry rising by \$42 million (4%) to \$1,008 million in 1994-95 with price rises offsetting decreases in production.

The coal mining industry showed a decrease of \$298 million (3%) to \$9,600 million in 1994-95. Lower prices were the main reason for the decrease. The effects of industrial action contributed to turnover for the oil and gas extraction industry decreasing from \$7,759 million to \$7,519 million (down 3%). This includes the effect of a new field in the Carnarvon Basin coming on-line.

The coal mining industry, remained the largest contributor to total turnover for mining industries, accounting for 33%. Contributions by other industries to turnover were oil and gas extraction \$7,519 million (26%) and gold ore mining \$4,232 million (15%).

PERCENTAGE CHANGE IN TURNOVER  
BY INDUSTRY BETWEEN 1993-94 AND 1994-95



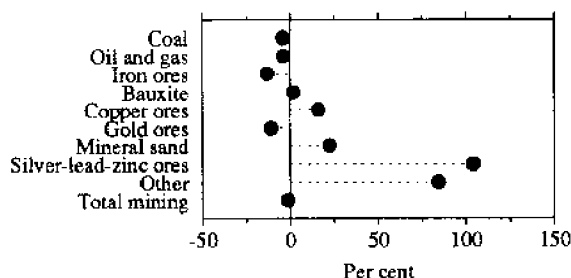
## VALUE ADDED BY INDUSTRY

Value added decreased by \$274 million (1.4%) to \$18,633 million in 1994-95.

Value added in the silver-lead-zinc ore mining industry increased by \$357 million (104%) to \$701 million in 1994-95. Other metal ore mining increased by \$258 million (84%) on the strength of improved nickel prices. Value added in the copper ore mining industry increased by \$96 million (16%) to \$692 million in 1994-95.

Decreases were recorded in the iron ore industry, down \$284 million (13%) to \$1,894 million, the oil and gas extraction industry, down \$289 million (4%) to \$6,824, and the coal mining industry, down \$246 million (4%) to \$5,246 million in 1994-95.

PERCENTAGE CHANGE IN VALUE ADDED  
BY INDUSTRY BETWEEN 1993-94 AND 1994-95



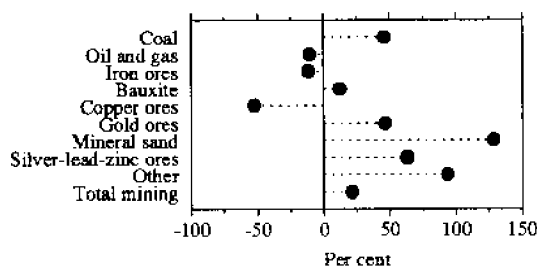
The largest contributors to value added for total mining industries in 1994-95 were the oil and gas extraction industry (37%), the coal mining industry (28%) and the iron ore mining and the gold ore mining industries (each 10%).

## NET CAPITAL EXPENDITURE BY INDUSTRY

Net capital expenditure (i.e. acquisitions less disposals) increased by \$866 million (22%) from \$4,020 million in 1993-94 to \$4,885 million in 1994-95.

The largest absolute increase in net capital expenditure was reported in the coal mining industry, where net expenditure rose \$397 million (46%) to \$1,260 million in 1994-95. The largest relative increase in net capital expenditure occurred in the mineral sand mining industry where net expenditure rose \$45 million (128%) to \$80 million in 1994-95. Net capital expenditure also rose in the gold ore mining industry, up \$301 million (47%) to \$947 million and in the other metal ore mining category, up \$335 million (93%) to \$694 million in 1994-95. Net capital expenditure fell by \$145 million (11%) to \$1,236 million in the oil and gas extraction industry, and by \$63 million (53%) to \$57 million in the copper ore mining industry in 1994-95.

PERCENTAGE CHANGE IN NET CAPITAL EXPENDITURE  
BY INDUSTRY BETWEEN 1993-94 AND 1994-95



The coal mining industry accounted for the largest proportion of net capital expenditure, with \$1,260 million (26%) in 1994-95. The oil and gas extraction industry and gold ore mining industry accounted for \$1,236 million (25%) and \$947 million (19%) respectively.

## 1

MINING OPERATIONS – ESTABLISHMENT LEVEL<sup>1</sup> – SUMMARY OF OPERATIONS, AUSTRALIA

Items	Coal mining		Oil and gas extraction		Iron ore mining		Bauxite mining		Copper ore mining		Gold ore mining		
	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	
INCOME AND EXPENDITURE													
Turnover <sup>3</sup>	\$m	9 897.5	9 599.8	7 758.5	7 518.7	3 208.3	3 130.5	795.2	799.7	966.5	1 008.0	4 237.3	4 231.9
Plus													
Closing stocks	\$m	690.3	780.6	201.1	212.1	337.9	282.8	49.2	36.7	153.4	147.0	542.4	462.5
Less													
Opening stocks	\$m	796.1	756.6	215.7	197.6	345.6	330.7	45.2	51.0	181.1	138.4	513.0	529.0
Less													
Purchases, transfers in, and selected expenses	\$m	4 300.4	4 378.3	631.1	709.4	1 023.4	1 188.9	275.6	252.8	342.5	324.5	2 157.5	2 287.0
Value added	\$m	5 491.3	5 245.5	7 112.8	6 823.8	2 177.3	1 893.7	523.6	532.6	596.3	692.1	2 109.1	1 878.4
FIXED CAPITAL EXPENDITURE													
Fixed capital expenditure less disposals	\$m	862.6	1 259.9	1 380.9	1 235.5	492.1	438.1	56.4	63.3	119.5	56.6	646.3	947.0
EMPLOYMENT DETAILS													
Number of establishments at 30 June	no.	153	159	101	102	18	21	9	10	15	13	168	186
Employment at 30 June <sup>4</sup>	no.	26 356	25 554	4 444	4 173	6 336	6 090	1 749	1 906	2 674	2 206	8 003	8 260
Wages and salaries <sup>5</sup>	\$m	1 924.1	1 753.9	324.6	327.0	399.8	399.6	85.8	101.6	154.4	144.3	362.8	400.2

Items	Mineral sand mining		Silver-lead-zinc ore mining		Other metal ore mining <sup>2</sup>		Total metal ore mining		Total coal mining, oil and gas extraction and metal ore mining		
	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	
INCOME AND EXPENDITURE											
Turnover <sup>3</sup>	\$m	521.7	610.4	934.9	1 185.7	680.3	1 017.1	11 344.1	11 983.5	29 000.1	29 102.1
Plus											
Closing stocks	\$m	152.9	125.7	152.9	108.2	248.7	257.2	1 637.5	1 420.4	2 528.9	2 413.2
Less											
Opening stocks	\$m	164.1	132.9	158.8	151.1	200.6	262.8	1 608.2	1 596.2	2 620.0	2 550.5
Less											
Purchases, transfers in, and selected expenses	\$m	264.8	301.9	585.3	442.3	421.8	446.7	5 070.9	5 244.3	10 002.4	10 332.1
Value added	\$m	245.7	301.3	343.8	700.5	306.6	564.8	6 302.4	6 563.4	18 906.6	18 632.7
FIXED CAPITAL EXPENDITURE											
Fixed capital expenditure less disposals	\$m	34.9	79.6	68.0	111.1	358.9	693.7	1 776.1	2 389.7	4 019.6	4 885.2
EMPLOYMENT DETAILS											
Number of establishments at 30 June	no.	16	16	17	16	18	21	261	283	515	544
Employment at 30 June <sup>4</sup>	no.	1 770	1 911	2 975	3 344	2 133	2 483	25 640	26 200	56 440	55 927
Wages and salaries <sup>5</sup>	\$m	75.9	80.0	172.5	182.3	114.9	125.5	1 366.1	1 433.8	3 614.8	3 514.8

<sup>1</sup> See Explanatory Notes, 'Statistical units'.

<sup>2</sup> Includes nickel ore mining.

<sup>3</sup> Includes transfers out to other establishments of the same management unit where appropriate.

<sup>4</sup> Includes working proprietors.

<sup>5</sup> Excludes amounts drawn by working proprietors.

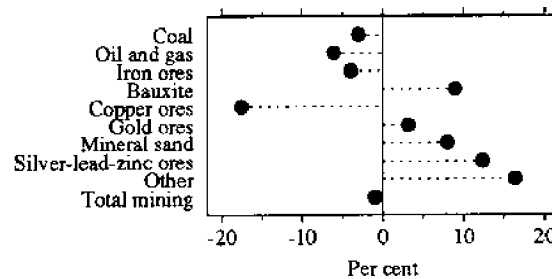
**EMPLOYMENT BY INDUSTRY**

Employment fell by 0.9% from 56,440 persons at 30 June 1994 to 55,927 persons at 30 June 1995.

A decrease in employment was reported in the coal mining industry where the number of employees fell by 802 (3%) to 25,554 persons in 1994-95. Falls in employment levels also occurred in the copper ore mining industry, down 468 persons (18%) to 2,206 persons. Mine closures were the major factor in the decline. The iron ore mining industry recorded a fall of 246 persons (4%) to 6,090 persons at 30 June 1995. Changes in employment practices within the industry were a major factor.

The gold ore mining industry recorded an increase of 257 persons (3%) to 8,260 persons at the end of June 1995. The silver-lead-zinc ore mining industry reported an increase of 369 persons (12%) to 3,344 persons during the same period.

**PERCENTAGE CHANGE IN EMPLOYMENT  
BY INDUSTRY BETWEEN 1993-94 AND 1994-95**



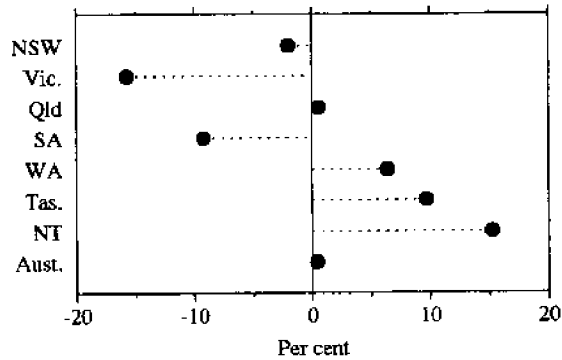
The coal mining industry had 46% of all mining employees. The gold ore mining industry and the iron ore mining industry, with 15% and 11% respectively were other major employers of wage and salary earners.

Wages and salaries fell by 3% from \$3,615 million in 1993-94 to \$3,515 million in 1994-95. The coal mining industry accounted for \$1,754 million (50%) of all wages paid.

## TURNOVER BY STATE

Western Australia recorded the largest absolute increase in turnover, rising from \$10,692 million in 1993-94 to \$11,375 million in 1994-95 (up 6%). The Northern Territory recorded the largest relative increase in turnover rising from \$1,174 million to \$1,352 million (15%). Turnover in Victoria decreased by \$637 million (16%) to \$3,429 million. This was mainly attributable to the effects of industrial action in the oil and gas extraction industry.

PERCENTAGE CHANGE IN TURNOVER  
BY STATE BETWEEN 1993-94 AND 1994-95

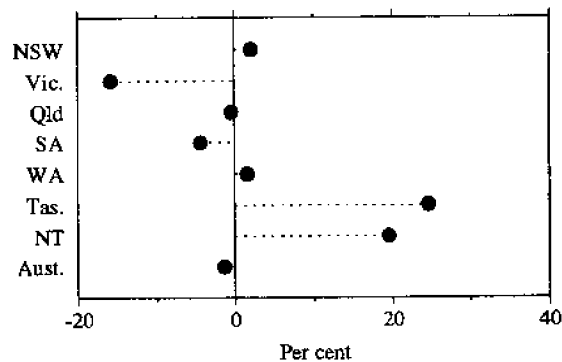


Western Australia was the largest contributor to national turnover accounting for 39%, or \$11,375 million in 1994-95. Queensland, with a turnover of \$6,836 million (23%) and New South Wales with \$4,766 million (16%) were ranked second and third respectively.

## VALUE ADDED BY STATE

The Northern Territory reported the largest absolute increase in value added, rising \$162 million (20%) to \$987 million in 1994-95. Tasmania recorded the largest relative increase, rising \$41 million (25%) to \$206 million. Victoria reported the greatest decrease, falling \$592 million (16%) to \$3,143 million in 1994-95.

PERCENTAGE CHANGE IN VALUE ADDED  
BY STATE BETWEEN 1993-94 AND 1994-95



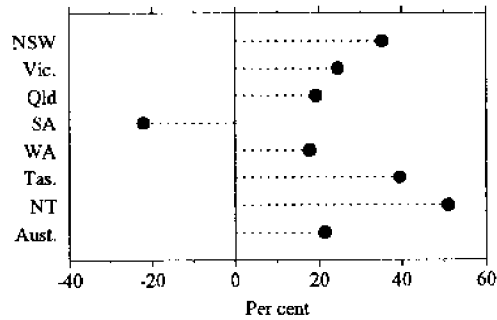
Western Australia accounted for \$7,110 million (38%) of national value added. Queensland was the next largest contributor accounting for \$3,675 million (20%).

**NET CAPITAL EXPENDITURE BY STATE**

Increases in net capital expenditure were recorded in all States except South Australia. Expenditure in Western Australia increased by \$385 million (18%) to \$2,549 million in 1994-95 primarily because of increased expenditure in the gold ore mining industry. Increased expenditure in the coal industry produced a rise of \$221 million (35%) to \$849 million in New South Wales. Victoria reported an increase of \$115 million (25%) to \$578 million in 1994-95 mainly as a result of the development of new oil and gas platforms in Bass Strait.

Net capital expenditure fell by \$19 million (22%) to \$68 million in South Australia during the same period.

**PERCENTAGE CHANGE IN NET CAPITAL EXPENDITURE BY STATE BETWEEN 1993-94 AND 1994-95**



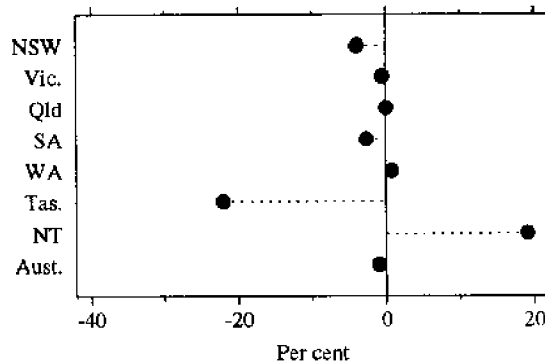
Western Australia was the largest contributor to net capital expenditure, accounting for \$2,549 million (52%) followed by New South Wales with \$849 million (17%).

**EMPLOYMENT BY STATE**

Employment at 30 June 1995 fell in most States. The greatest decreases were recorded in New South Wales, down 600 persons (4%) to 14,914 persons and in Tasmania, down 308 persons (22%) to 1,090 persons.

Employment in Western Australia rose, primarily in the gold ore mining industry, from 18,911 persons at 30 June 1994 to 19,074 persons at 30 June 1995.

**PERCENTAGE CHANGE IN EMPLOYMENT BY STATE BETWEEN 1993-94 AND 1994-95**



Employment in mining was concentrated in three States with Western Australia accounting for 34% of all mining employees, New South Wales 27% and Queensland 26%.



## 2

MINING OPERATIONS – ESTABLISHMENT LEVEL<sup>1</sup> – SUMMARY OF OPERATIONS BY STATE

Items	New South Wales		Victoria		Queensland		South Australia		
	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	
INCOME AND EXPENDITURE									
Turnover <sup>2</sup>	\$m	4 862.6	4 765.5	4 066.1	3 429.3	6 796.7	6 836.0	1 065.1	967.0
Plus									
Closing stocks	\$m	385.9	368.3	43.8	55.4	690.5	717.9	69.3	79.8
Less									
Opening stocks	\$m	439.7	416.0	46.9	39.7	763.5	699.6	86.2	72.4
Less									
Purchases, transfers in, and selected expenses	\$m	2 155.8	2 009.8	327.8	301.8	3 032.2	3 179.3	208.2	171.1
Value added	\$m	2 653.0	2 708.0	3 735.1	3 143.2	3 691.6	3 675.0	840.0	803.3
FIXED CAPITAL EXPENDITURE									
Fixed capital expenditure less disposals	\$m	628.0	849.4	463.2	577.8	560.9	669.6	86.7	67.6
EMPLOYMENT DETAILS									
Number of establishments at 30 June	no.	105	110	28	29	126	135	16	15
Employment at 30 June <sup>3</sup>	no.	15 514	14 914	2 200	2 192	14 794	14 809	2 160	2 106
Wages and salaries <sup>4</sup>	\$m	1 101.4	1 006.3	138.3	136.3	979.0	956.3	109.4	108.0
Items	Western Australia		Tasmania		Northern Territory		Australia		
	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	1993-94	1994-95	
INCOME AND EXPENDITURE									
Turnover <sup>2</sup>	\$m	10 692.3	11 375.1	343.7	377.1	1 173.5	1 351.8	29 000.1	29 102.1
Plus									
Closing stocks	\$m	1 052.7	902.4	60.5	49.5	226.2	239.6	2 528.9	2 413.2
Less									
Opening stocks	\$m	1 010.4	1 023.0	50.5	61.1	222.8	238.3	2 620.0	2 550.5
Less									
Purchases, transfers in, and selected expenses	\$m	3 738.3	4 144.7	188.3	159.2	351.8	366.0	10 002.4	10 332.1
Value added	\$m	6 996.3	7 109.8	165.4	206.3	825.2	987.1	18 906.6	18 632.7
FIXED CAPITAL EXPENDITURE									
Fixed capital expenditure less disposals	\$m	2 164.6	2 549.3	34.8	48.5	81.3	122.7	4 019.6	4 885.2
EMPLOYMENT DETAILS									
Number of establishments at 30 June	no.	201	210	9	10	30	35	515	544
Employment at 30 June <sup>3</sup>	no.	18 911	19 074	1 398	1 090	1 463	1 742	56 440	55 927
Wages and salaries <sup>4</sup>	\$m	1 112.2	1 132.0	84.7	73.9	89.8	101.6	3 614.8	3 514.8

<sup>1</sup> See Explanatory Notes, 'Statistical units'.

<sup>2</sup> Includes transfers out to other establishments of the same management unit where appropriate.

<sup>3</sup> Includes working proprietors.

<sup>4</sup> Excludes amounts drawn by working proprietors.

## EXPLANATORY NOTES

### INTRODUCTION

**1** The statistics in this publication have been derived from the Census of Mining Operations. The Census provides annual financial statistics, which can be related to other industry sectors in Australia on a consistent basis.

**2** The Census of Mining Operations is conducted as a component of the ABS integrated economic statistics framework. Data collected at the industry level within this framework conforms to the same basic conceptual standards, allowing comparative analysis between different industries and industry sectors.

### REFERENCE PERIOD

**3** The period covered by the Census is in general the twelve months ended 30 June. Where businesses are unable to supply information on this basis, the substitute accounting period is used for data other than that relating to employment.

### SCOPE

**4** The 1993 edition of the *Australian and New Zealand Standard Industrial Classification* (ANZSIC) (1292.0) has been used to classify management units (and establishments) included in the Census of Mining Operations. The Mining classifications as listed in Division B are as follows.

- 110 Coal mining
  - 1101 Black coal mining
  - 1102 Brown coal mining
- 120 Oil and gas extraction
  - 1200 Oil and gas extraction
- 131 Metal ore mining
  - 1311 Iron ore mining
  - 1312 Bauxite mining
  - 1313 Copper ore mining
  - 1314 Gold ore mining
  - 1315 Mineral sand mining
  - 1316 Nickel ore mining
  - 1317 Silver-lead-zinc ore mining
  - 1319 Metal ore mining n.e.c.
- 141 Construction material mining
  - 1411 Gravel and sand quarrying
  - 1419 Construction material mining n.e.c.
- 142 Mining n.e.c.
  - 1420 Mining n.e.c.

**5** Mining broadly relates to the extraction of minerals occurring naturally as solids such as coal and ores, liquids such as crude petroleum, or gases such as natural gas, by such processes as underground mining, open-cut extraction methods, quarrying, operation of wells or evaporation pans, dredging or recovering from ore dumps or tailings. Activities such as dressing or beneficiating ores or other minerals by crushing, milling, screening, washing, flotation or other processes (including chemical beneficiation) or briquetting, are included because they are generally carried out at or near mine sites as an integral part of mining operations. Natural gas absorption and purifying plants are also included.

**6** Establishments mainly engaged in refining or smelting of minerals or ores (other than preliminary smelting of gold), or in the manufacturing of such products of mineral origin as coke, cement and fertilisers are excluded. Also excluded from the collection are any establishments with no employees (i.e. sole proprietors). These have been omitted because they are not expected to be statistically significant. Typical of these are itinerant and part-time miners, particularly in the gemstone industry and, to a lesser extent, in the copper and tin industries.

**7** Prior to 1993-94, the brown coal mining operations of the State Electricity Commission of Victoria (SECV) have been classified to the Electricity supply industry (and therefore excluded from this Census) because separate data were not available for the mining operations. With the restructuring of the SECV, separate data on the brown coal mining industry have become available from 1993-94 and the management unit undertaking brown coal mining is now classified to industry 1102, and included in the Census.

**8** It should be noted that companies engaged in providing contract mining services are classified to 'services to mining' and are therefore not included.

**9** The annual Census of Mining Operations covers the ANZSIC classes for coal mining, oil and gas extraction and metal ore mining. On a triennial basis data are collected for construction material mining and mining n.e.c. The next such collection is scheduled for the 1995-96 financial year.

#### STATISTICAL UNITS

**10** The basic unit for which statistics are reported in ABS integrated industry collections is the establishment. Prior to the 1989-90 Census, this unit covered, in general, all the operations carried on under the ownership of one enterprise (business) at a single physical location. A combination of actors (including better communication and transport facilities and greater automation allowing management to be spread over a number of locations) has changed the way businesses are managed and made it increasingly difficult to obtain the requisite information under the locational definition. This has required increasing degrees of estimation to maintain the statistical series.

**11** To overcome these quite significant reporting problems, the ABS modified its units definitions to align them more closely with industry practices.

**12** The establishment is the smallest accounting unit of a business, within a State or Territory, controlling its productive activities and maintaining a specified range of detailed data including data enabling calculation of value added. In general an establishment covers all operations at a physical location, but may consist of a group of locations provided they are within the same State or Territory and classified to a single industry. The majority of establishments operate at one location only.

**13** Separately located administrative offices and ancillary units such as storage premises, laboratories and producers' sales branches continue to have their activities included with mining activities unless these ancillaries constitute a separate accounting unit, in which case they are defined as a separate establishment.

**14** In joint venture situations, and in recognition of AAS19, new establishments have been created for each venturer where an appropriate establishment operating in the same industry (ANZSIC) in the same State, did not already exist.

**15** Despite the circumstances referred to above, the majority of establishments continue to cover the operations at a single physical location.

#### EXPLANATION OF TERMS USED

**16** As the data presented in this publication have been compiled from the standard financial accounts of businesses, the definition of individually reported items aligns with those adopted in standard accounting practice.

#### RELATED PUBLICATIONS

**17** Mining and related statistics are contained in a number of other publications produced by the ABS, the Bureau of Resource Sciences (BRS) and the Australian Bureau of Agricultural and Resource Economics (ABARE). Users are also referred to the annual reports of the State Mines Departments, which contain mineral statistics.

**18** A list of the ABS, BRS and ABARE publications may be found in the ABS publication *Australian Mining Industry, 1993-94* (8414.0).

**19** Current Publications produced by the ABS are listed in the Catalogue of Publications and Products, Australia (1101.0). The ABS also issues on Tuesdays and Fridays a *Release Advice* (1105.0) which lists publications to be released in the next few days. The Catalogue and the Release Advice are available from any ABS Office.

#### UNPUBLISHED STATISTICS

**20** The statistics presented in this publication are only a small portion of the information which is available from the Census of Mining Operations. Unpublished information is generally made available on request, subject to it satisfying quality and confidentiality guide-lines associated with the release of such data. The charges for these services vary according to the time required to extract, tabulate and evaluate the data.

#### SYMBOLS AND OTHER USAGES

The following symbol, where shown means:

n.e.c.          not elsewhere classified

Where figures have been rounded, discrepancies may occur between the sum of component items and the total.

#### ABBREVIATIONS

The following abbreviations are used within this publication.

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
BRS	Bureau of Resource Sciences

