

# **MINERAL AND PETROLEUM EXPLORATION**

**AUSTRALIA**

EMBARGO: 11:30AM (CANBERRA TIME) WED 19 DEC 2001

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- For further information about these and related statistics, contact Kylie Freer on Darwin 08 8943 2171, or the National Information and Referral Service on 1300 135 070.

## NOTES

### FORTHCOMING ISSUES

*ISSUE (Quarter)*

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December 2001

20 March 2002

March 2002

19 June 2002

.....

### CHANGES IN THIS ISSUE

This issue contains some revisions to the March and June quarters 2001 data.

.....

Dennis Trewin  
Australian Statistician

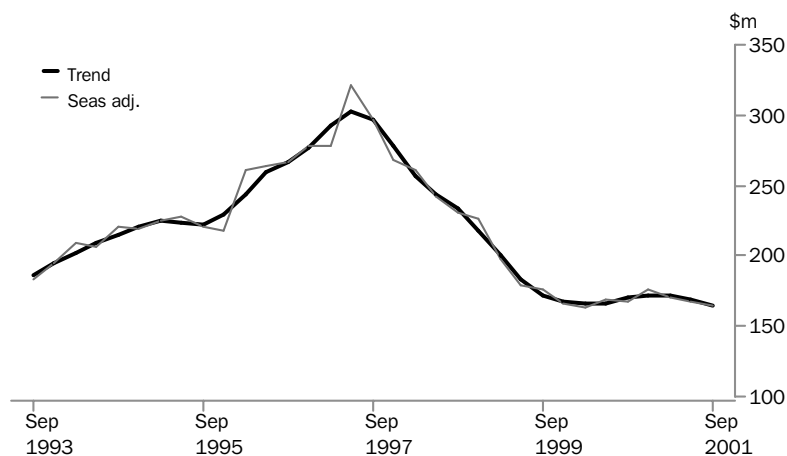
## SUMMARY OF FINDINGS

### MINERAL EXPLORATION EXPENDITURE (OTHER THAN FOR PETROLEUM)

#### TREND ESTIMATES

The trend estimate for total mineral exploration expenditure decreased in the September quarter 2001 by 2%.

The September quarter 2001 trend estimate of \$165m was 3% lower than the trend estimate of \$170m for the September quarter 2000.



The largest decrease in the trend estimate between June and September quarters 2001 occurred in Western Australia (down \$3.5m), with smaller decreases to the estimates for New South Wales and Tasmania.

The trend estimate in Victoria remained unchanged, while in Queensland, South Australia and Northern Territory, the estimates showed small increases.

The trend estimate for metres drilled fell in the September quarter 2001. The decrease between the June quarter 2001 and the September quarter 2001 was 103,000 metres (7%). The September quarter 2001 figure of 1.3 million metres was 17% lower than the September quarter 2000.

## SUMMARY OF FINDINGS *continued*

### OVERVIEW

In seasonally adjusted terms, mineral exploration expenditure for the September quarter 2001 decreased by 2% (\$3m) to \$165m, compared to the previous quarter.

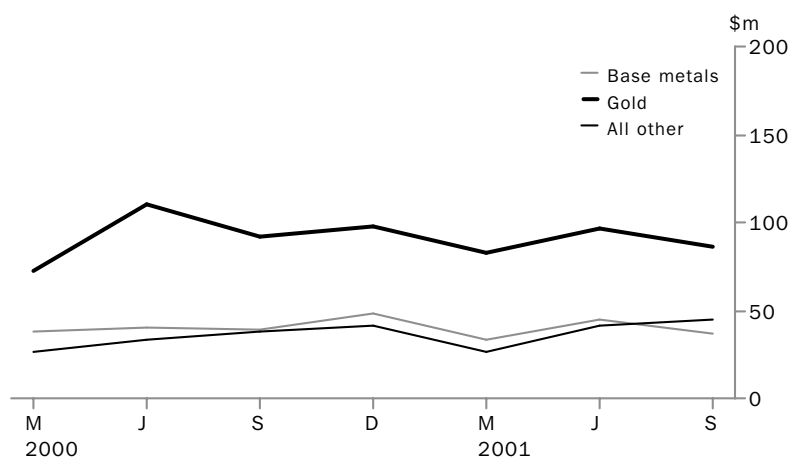
In original terms, exploration expenditure reported for the September quarter 2001 decreased by 8% (\$15m) to \$167m. The September quarter 2001 total mineral exploration expenditure was 1% (\$2m) lower than the September quarter 2000.

The decrease in total mineral exploration in the September quarter 2001 was mainly due to a 13% (\$20m) fall in expenditure reported on 'all other areas'. The majority of the decrease on 'all other areas' occurred in Western Australia, down 8% (\$7m).

Exploration expenditure fell in all States except in the Northern Territory where an increase in expenditure of \$4m (38%) was recorded. Almost half of that increase was in gold. Overall, Western Australia was the main contributor to the September quarter 2001 fall, down \$8m, followed by South Australia, down \$6m.

Between the June and September quarters 2001, exploration expenditure for gold decreased by \$10m (11%), silver-lead-zinc by \$4m (26%) and coal by \$3m (21%). The majority of the decreases for these commodities were in New South Wales, Western Australia and South Australia. Exploration expenditure for selected base metals (copper, silver-lead-zinc, nickel and cobalt) decreased 19% (\$8m) to \$36m.

MINERAL EXPLORATION EXPENDITURE, *Original Series*



## SUMMARY OF FINDINGS *continued*

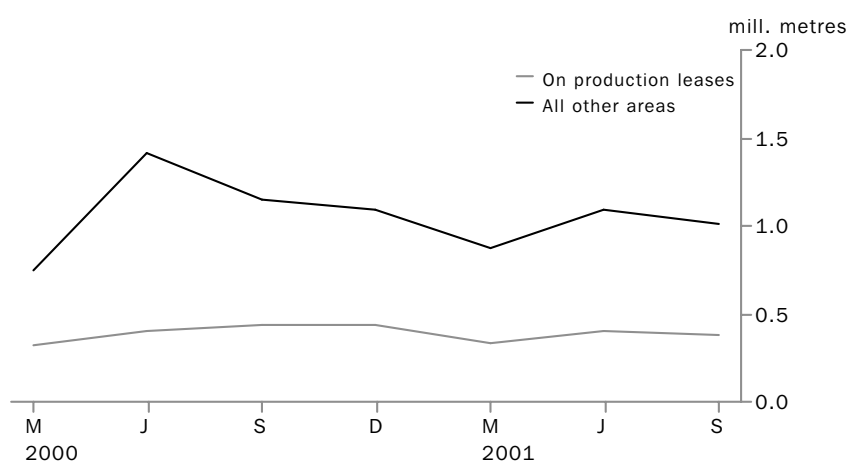
### METRES DRILLED

The seasonally adjusted estimate of 1.3 million metres drilled for the September quarter 2001 was 4% higher than the June quarter 2001, and 12% lower than the September quarter 2000.

In original terms, the 1.4 million metres drilled (total) reported for the September quarter 2001 was 7% lower than the June quarter 2001.

Since the June quarter 2001, drilling on 'production leases' has decreased by 7% to 0.4 million metres, and drilling on 'all other areas' has decreased by 7% to 1.0 million metres.

*METRES DRILLED, Original Series*



## SUMMARY OF FINDINGS *continued*

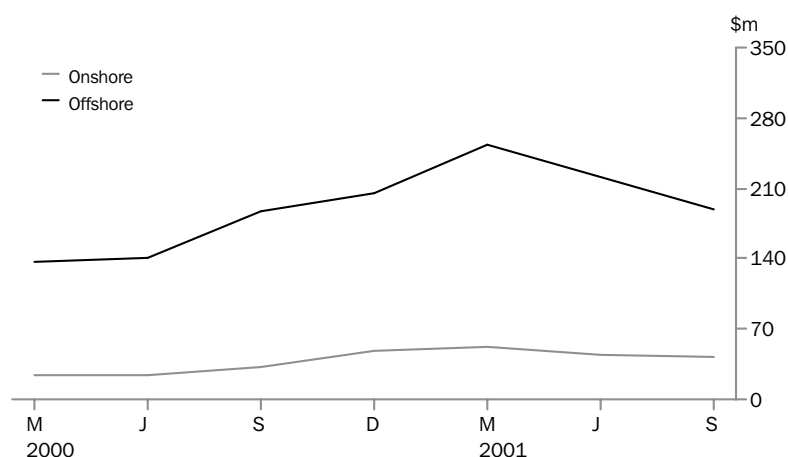
### PETROLEUM EXPLORATION EXPENDITURE

#### OVERVIEW

Reported expenditure on petroleum exploration in the September quarter 2001 was \$232m, 13% (\$34m) lower than the June quarter 2001, but still 5% (\$12m) higher than the September quarter 2000.

The decrease in total petroleum exploration expenditure for the September quarter 2001 occurred mainly as a result of a 14% (\$31m) decrease in offshore expenditure.

Between June quarter 2001 and September quarter 2001, expenditure for petroleum exploration on 'all other areas' decreased by 11% (\$24m), and exploration on 'production leases' decreased by 20% (\$10m).



#### REGIONAL DATA

Regional data for petroleum exploration expenditure are available for New South Wales, Queensland, South Australia, Western Australia and the Joint Petroleum Development Area formerly known as the Zone of Cooperation Area A. Combined, these regions contributed 74% to total exploration expenditure in the September quarter 2001.

Of the published regions, Western Australia was the main contributor, with a reported \$136m expenditure on exploration, a decrease of 13% (\$20m) from the June quarter 2001. South Australia reported a fall of 52% (\$13m) in both onshore and offshore drilling expenditure.

## PRIVATE EXPLORATION, Actual and Expected Expenditure(a)

	MINERAL EXPLORATION .....			PETROLEUM ONSHORE .....			PETROLEUM OFFSHORE .....		
	<i>Actual</i>	<i>Expected(b)</i>	<i>Actual as a proportion of expected</i>	<i>Actual</i>	<i>Expected(b)</i>	<i>Actual as a proportion of expected</i>	<i>Actual</i>	<i>Expected(b)</i>	<i>Actual as a proportion of expected</i>
<i>Period</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>
<b>1998-1999</b>	837.8	773.4	108.3	182.3	144.2	126.4	685.4	540.1	126.9
<b>1999-2000</b>	676.3	705.2	95.9	110.1	155.3	70.9	613.2	637.0	96.3
<b>2000-2001</b>	r 683.3	683.2	r 100.0	176.9	174.4	101.4	867.0	934.5	92.8
6 months ended June 2000	319.4	339.7	94.0	49.2	69.3	71.0	276.6	395.2	70.0
6 months ended December 2000	357.0	358.6	99.5	80.7	118.7	68.0	392.6	374.4	104.9
6 months ended June 2001	r 326.3	324.6	r 100.5	96.2	55.7	172.8	474.3	560.2	84.7
6 months ended December 2001	n.y.a.	430.5	n.y.a.	n.y.a.	86.8	n.y.a.	n.y.a.	551.9	n.y.a.
n.y.a. not yet available			r figure or series revised since previous issue						
(a) From July 2000 value data no longer contains Wholesale Sales Tax.			(b) refer to Explanatory Notes paragraph 13-15.						

## MINERAL EXPLORATION (Other than for Petroleum), Expenditure and Metres Drilled(a)

Period	EXPENDITURE.....					METRES DRILLED.....				
	<i>On production leases</i>	<i>On all other areas(b)</i>	<i>Total</i>	<i>Seasonally adjusted</i>	<i>Trend estimate</i>	<i>On production leases</i>	<i>On all other areas(b)</i>	<i>Total</i>	<i>Seasonally adjusted</i>	<i>Trend estimate</i>
	\$m	\$m	\$m	\$m	\$m	'000 m	'000 m	'000 m	'000 m	'000 m
<b>1998-1999</b>	199.1	638.7	837.8	..	..	2 404	5 697	8 101	..	..
<b>1999-2000</b>	158.4	517.9	676.3	..	..	1 662	4 342	6 004	..	..
<b>2000-2001</b>	157.0	r 526.2	r 683.3	..	..	1 611	4 211	5 822	..	..
<b>1999</b>										
December	40.2	136.7	176.9	166.4	167.7	431	948	1 379	1 414	1 478
<b>2000</b>										
March	36.9	99.8	136.7	163.5	165.4	319	745	1 064	1 383	1 423
June	37.4	145.3	182.7	168.9	166.6	408	1 409	1 817	1 532	1 459
September	43.3	126.5	169.8	167.3	170.3	436	1 145	1 582	1 479	1 538
December	47.2	140.0	187.2	175.9	172.5	433	1 092	1 525	1 564	1 553
<b>2001</b>										
March	33.6	r 109.9	r 143.5	r 171.1	r 171.4	339	879	1 218	1 591	1 482
June	32.9	r 149.8	r 182.8	r 168.0	r 168.5	402	1 094	1 496	1 254	1 375
September	37.5	129.9	167.4	165.0	165.0	375	1 014	1 389	1 302	1 272
.. not applicable						r figure or series revised since previous issue				
(a) From July 2000 value data no longer contains Wholesale Sales Tax.						(b) Refer to Explanatory Notes paragraph 35.				

## MINERAL EXPLORATION (Other than for Petroleum), Expenditure(a): September Qtr 2001

State	TYPE OF LEASE.....		
	<i>On production leases</i>	<i>On all other areas(b)</i>	<i>Total</i>
	\$m	\$m	\$m
New South Wales	1.2	11.4	12.5
Victoria	1.9	5.3	7.2
Queensland	6.4	15.2	21.6
South Australia	n.p.	n.p.	6.9
Western Australia	22.9	80.4	103.3
Tasmania	n.p.	n.p.	0.9
Northern Territory	4.2	10.8	15.0
<b>Total</b>	37.5	129.9	167.4

n.p. not available for publication

(a) From July 2000 value data no longer contains Wholesale Sales Tax.

(b) Refer to Explanatory Notes paragraph 35.

## MINERAL EXPLORATION (Other than for Petroleum), Expenditure by State and Territory(a)

	New South Wales	Victoria	Queensland	South Australia	Western Australia	Tasmania	Northern Territory	Australia
Period	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
ORIGINAL								
<b>1998-1999</b>	65.6	37.0	93.8	41.9	523.1	11.9	64.5	<b>837.8</b>
<b>1999-2000</b>	56.1	33.8	82.6	22.6	415.0	8.8	57.5	<b>676.3</b>
<b>2000-2001</b>	r 57.2	32.7	r 83.1	29.6	r 424.1	9.2	47.5	<b>r 683.3</b>
<b>1999</b>								
December	14.8	8.1	21.3	6.7	108.8	2.3	14.8	<b>176.9</b>
<b>2000</b>								
March	12.1	7.5	17.1	3.8	85.0	2.4	8.8	<b>136.7</b>
June	14.6	10.0	23.1	5.6	113.3	1.3	14.7	<b>182.7</b>
September	13.6	8.6	21.8	5.5	104.4	1.7	14.2	<b>169.8</b>
December	15.8	7.3	21.4	6.8	118.0	2.6	15.3	<b>187.2</b>
<b>2001</b>								
March	r 12.7	8.4	r 17.1	4.9	r 90.8	2.5	7.2	<b>r 143.5</b>
June	r 15.1	8.4	22.8	12.4	r 110.9	2.3	10.9	<b>r 182.8</b>
September	12.5	7.2	21.6	6.9	103.3	0.9	15.0	<b>167.4</b>
SEASONALLY ADJUSTED								
<b>1999</b>								
December	13.9	7.6	20.1	6.6	102.5	2.3	13.4	<b>166.4</b>
<b>2000</b>								
March	12.9	7.7	21.0	4.9	101.1	2.2	13.7	<b>163.5</b>
June	13.6	10.1	20.6	4.5	105.0	1.4	13.7	<b>168.9</b>
September	14.7	8.9	21.7	5.6	102.7	1.8	11.9	<b>167.3</b>
December	14.7	6.9	20.2	6.7	110.8	2.7	13.9	<b>175.9</b>
<b>2001</b>								
March	r 13.6	8.5	r 20.8	6.4	r 108.2	2.3	11.3	<b>r 171.1</b>
June	r 14.1	8.4	20.3	9.9	r 102.7	2.4	10.2	<b>r 168.0</b>
September	13.6	7.4	21.6	7.1	101.8	0.9	12.6	<b>165.0</b>
TREND								
<b>1999</b>								
December	14.1	7.7	20.5	6.1	102.1	2.4	14.8	<b>167.7</b>
<b>2000</b>								
March	13.4	8.6	20.5	5.0	102.5	2.0	13.4	<b>165.4</b>
June	13.7	8.9	20.9	5.0	103.2	1.7	13.2	<b>166.6</b>
September	14.3	8.7	21.0	5.3	106.0	1.9	13.1	<b>170.3</b>
December	14.5	8.2	20.7	6.5	107.9	2.3	12.4	<b>172.5</b>
<b>2001</b>								
March	r 14.1	8.0	r 20.6	7.5	r 107.1	2.4	11.7	<b>r 171.4</b>
June	r 13.8	8.0	20.7	8.1	r 104.6	2.0	11.3	<b>r 168.5</b>
September	13.7	8.0	21.1	8.2	101.1	1.5	11.4	<b>165.0</b>

(a) From July 2000 value data no longer contains Wholesale Sales Tax.

r figure or series revised since previous issue.

## MINERAL EXPLORATION (Other than for Petroleum), Expenditure by Mineral Sought(a)

	Copper	Silver, lead-zinc	Nickel, cobalt	Selected base metals total(b)	Gold	Iron ore	Mineral sands	Uranium	Coal	Diamonds	Other(c)	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
SEPTEMBER QUARTER 2001												
New South Wales	0.5	0.7	0.6	1.8	4.6	—	2.8	—	3.0	—	0.3	12.5
Victoria	n.p.	n.p.	—	n.p.	4.7	—	1.7	—	—	—	n.p.	7.2
Queensland	4.6	3.0	0.2	7.8	4.3	—	n.p.	—	8.7	—	n.p.	21.6
South Australia	2.5	n.p.	n.p.	5.2	n.p.	—	n.p.	0.3	n.p.	—	—	6.9
Western Australia	1.4	3.4	13.3	18.1	64.8	4.4	2.0	—	n.p.	n.p.	5.9	103.3
Tasmania	—	n.p.	n.p.	n.p.	n.p.	—	—	—	—	—	—	0.9
Northern Territory	n.p.	1.2	n.p.	2.5	7.1	—	—	2.7	—	n.p.	n.p.	15.0
Australia	10.0	11.4	14.9	36.3	86.4	4.4	7.8	3.0	11.9	9.4	8.2	167.4
AUSTRALIA												
<b>1998–1999</b>	n.a.	n.a.	n.a.	176.9	486.1	41.5	19.0	15.4	39.9	40.9	18.0	837.8
<b>1999–2000</b>	28.4	55.4	73.0	156.8	374.8	29.7	21.5	11.7	35.4	29.8	16.7	676.3
<b>2000–2001</b>	32.8	r 59.8	72.8	r 165.4	r 370.2	23.4	r 23.6	8.4	41.3	31.8	19.3	r 683.3
December 1999	8.3	14.7	22.0	45.0	91.6	n.p.	4.8	3.7	9.2	9.2	n.p.	176.9
March 2000	6.5	10.0	21.6	38.2	71.9	5.0	4.6	n.p.	7.9	3.5	n.p.	136.7
June 2000	7.0	14.6	18.4	40.0	109.8	n.p.	7.6	n.p.	8.7	4.9	3.1	182.7
September 2000	6.9	14.9	17.1	38.9	92.5	7.2	4.9	n.p.	9.2	11.3	n.p.	169.8
December 2000	7.7	16.3	24.1	48.2	97.5	7.4	6.1	2.9	9.3	9.7	6.0	187.2
March 2001	5.8	r 13.1	14.7	r 33.6	r 83.3	3.4	r 5.8	1.1	7.6	4.1	4.6	r 143.5
June 2001	12.3	15.5	16.9	44.7	r 96.8	5.4	r 6.8	n.p.	15.1	6.7	n.p.	r 182.8
September 2001	10.0	11.4	14.9	36.3	86.4	4.4	7.8	3.0	11.9	9.4	8.2	167.4
n.p. not available for publication						— nil or rounded to zero						
n.a. not available						r figure or series revised since previous issue						
(a) From July 2000 value data no longer contains Wholesale Sales Tax.						(b) Selected base metal total is copper, silver, lead-zinc, nickel, cobalt.						
(c) From September quarter 2000 this category includes tin, tungsten, scheelite, wolfram, and construction materials.												

## PETROLEUM EXPLORATION EXPENDITURE(a)

Period	ONSHORE.....			OFFSHORE.....			TOTAL EXPENDITURE.....		
	<i>Drilling</i>	<i>Other</i>	<i>Total</i>	<i>Drilling</i>	<i>Other</i>	<i>Total</i>	<i>On production leases</i>	<i>On all other areas(b)</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1998-1999</b>	111.7	70.5	182.3	428.5	257.0	685.4	105.6	762.1	867.7
<b>1999-2000</b>	53.8	56.3	110.1	381.8	231.4	613.2	121.9	601.4	723.3
<b>2000-2001</b>	98.4	78.5	176.9	543.3	323.7	867.0	212.5	831.3	1 043.9
<b>1999</b>									
December	23.7	16.9	40.6	86.8	63.7	150.5	51.2	139.9	191.1
<b>2000</b>									
March	10.6	14.4	25.0	103.1	32.6	135.8	26.9	133.9	160.7
June	8.6	15.6	24.2	78.7	62.1	140.8	19.9	145.1	165.0
September	17.3	15.8	33.1	129.2	57.4	186.6	42.3	177.5	219.8
December	26.8	20.8	47.6	104.4	101.6	206.0	60.0	193.5	253.5
<b>2001</b>									
March	28.2	23.2	51.4	157.8	95.3	253.1	59.7	244.8	304.5
June	26.1	18.7	44.8	151.8	69.4	221.2	50.5	215.5	266.0
September	28.8	13.3	42.1	137.3	52.5	189.8	40.5	191.4	231.8

(a) From July 2000 value data no longer contains  
Wholesale Sales Tax.

b) Refer to Explanatory Notes paragraph 35.

## PETROLEUM EXPLORATION, By Region(a)

<i>Period</i>	<i>New South Wales</i>	<i>Victoria</i>	<i>Queensland</i>	<i>South Australia</i>	<i>Western Australia(b)</i>	<i>Tasmania</i>	<i>Northern Territory/ Ashmore and Cartier Islands</i>	<i>Joint Petroleum Development Area(c)</i>	<i>Total</i>
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>1998-1999</b>	0.1	32.6	65.9	n.p.	530.8	n.p.	132.0	32.3	<b>867.7</b>
<b>1999-2000</b>	n.p.	63.2	50.6	n.p.	444.1	n.p.	88.3	45.2	<b>723.3</b>
<b>2000-2001</b>	6.4	74.4	84.8	r 66.7	r 687.5	n.p.	r 63.4	n.p.	<b>1 043.9</b>
<b>1999</b>									
December	—	20.9	23.2	n.p.	96.9	0.4	18.8	n.p.	<b>191.1</b>
<b>2000</b>									
March	n.p.	11.6	n.p.	n.p.	121.2	n.p.	12.6	1.6	<b>160.7</b>
June	n.p.	n.p.	n.p.	n.p.	113.9	n.p.	14.6	n.p.	<b>165.0</b>
September	n.p.	6.7	22.3	n.p.	148.8	n.p.	30.8	n.p.	<b>219.8</b>
December	n.p.	13.3	27.1	n.p.	166.3	n.p.	8.6	n.p.	<b>253.5</b>
<b>2001</b>									
March	n.p.	10.3	19.2	n.p.	216.4	n.p.	n.p.	n.p.	<b>304.5</b>
June	1.1	44.0	16.1	r 25.0	r 156.0	n.p.	r n.p.	0.1	<b>266.0</b>
September	2.7	n.p.	19.4	12.1	136.3	n.p.	n.p.	0.4	<b>231.8</b>

n.p. not available for publication

— nil or rounded to zero

r figure or series revised since previous issue

(a) From July 2000 value data no longer contains Wholesale Sales Tax.

(b) Includes expenditure on Western Australia leases in the Zone of Cooperation, Area B.

(c) Formerly known as Zone of Cooperation Area A. Refer to Explanatory Notes paragraphs 2–5.

## EXPLANATORY NOTES

### INTRODUCTION

**1** The private sector exploration statistics appearing in this publication have been collected and compiled from the Mineral Exploration and Petroleum Exploration quarterly censuses conducted by the Australian Bureau of Statistics. This publication contains actual and expected exploration expenditure.

### SCOPE AND COVERAGE

**2** The Mineral Exploration and Petroleum Exploration censuses cover private enterprises known to be engaged in exploration in Australia, in Australian waters, in the Joint Petroleum Development Area (JPDA), and in Areas B and C previously recognised under the Timor Sea Economic Cooperation Zone (referred to as the Zone of Cooperation (ZOC)), regardless of the main activity of the explorer.

**3** The Joint Petroleum Development Area (JPDA) is an area in the Timor Sea, about 500 km north west of Darwin. The JPDA consists of the area previously referred to as Area A of the Zone of Cooperation (ZOC). A Treaty was signed with Indonesia in 1989 to enable exploration for and development of petroleum resources in this area. Following East Timor's separation from Indonesia, arrangements were continued on a transitional basis from 25 October 1999 with Australia and the United Nations Transitional Administration in East Timor (UNTAET) on behalf of East Timor. These arrangements will terminate when East Timor becomes independent. This is expected to occur early in 2002.

**4** Australia and East Timor have agreed on a Framework Arrangement to form the basis of a Treaty to come into effect on East Timorese independence. Under this Arrangement, the JPDA will be controlled by a designated authority which will report to a Joint Commission, with a Ministerial Council to provide oversight. Ninety per cent of resources in this region will belong to East Timor and 10% to Australia.

**5** Future arrangements for Areas B and C, in the former Zone of Cooperation have not yet been determined. Under the original agreement, Area B is controlled by Australian authorities, but UNTAET must be notified of any changes to tenements in the area and will be paid 10% of resource rent tax revenues collected by Australia from corporations producing petroleum. Exploration expenditure in this area has been included with the Western Australia data. Area C is controlled by UNTAET, but Australia must be notified of any changes to tenements in the area and will be paid 10% of Contractors Income Tax collected by UNTAET from corporations producing petroleum.

**6** The tenements in the Ashmore and Cartier Islands are administered by the Northern Territory Department of Mines and Energy. Therefore all petroleum exploration expenditure in this area has been included with the Northern Territory data.

### SEASONAL ADJUSTMENT

**7** Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences can be more clearly recognised. Seasonal adjustment does not aim to remove the irregular or non-seasonal influences which may be present in any particular series.

**8** These irregular influences that are volatile or unsystematic can make it difficult to interpret the movement of the series even after adjustment for seasonal variation. This means that quarter-to-quarter movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour.

**9** Seasonal factors are reviewed and revised annually to take account of each additional year's original data. The nature of the seasonal adjustment process is such that the magnitude of some revisions resulting from the re-analysis may be quite significant, especially for data for more recent quarters.

## EXPLANATORY NOTES

### TREND ESTIMATES

**10** The smoothing of seasonally adjusted series to create trend estimates reduces the impact of the irregular component of the seasonally adjusted series.

**11** The trend estimates are derived by applying a 7-term Henderson moving average to the seasonally adjusted series. The 7-term Henderson average is symmetric but, as the end of a time series is approached, asymmetric forms of the average are applied. Unlike the weights of the standard 7-term Henderson moving average, the weights employed here have been tailored to suit particular characteristics of the individual series. While the asymmetric weights enable trend estimates for recent quarters to be produced, it does result in revisions to the estimates for the most recent three quarters as additional observations become available. There may also be revisions because of changes in the original data and as a result of the re-estimation of the seasonal factors.

**12** *Information Paper: A Guide to Interpreting Time Series, Monitoring Trends, an Overview (Cat. no. 1348.0)*, can be obtained by contacting Time Series Analysis Canberra on (02) 6252 6345 or e-mail [timeseries@abs.gov.au](mailto:timeseries@abs.gov.au).

### EXPECTED EXPLORATION EXPENDITURE

**13** Expected expenditure is collected in June and December quarter each year. Businesses are asked to report their expected expenditure for the next six months.

**14** From the June quarter 2000 publication, the basis for the expected mineral exploration expenditure series changed. Prior to June 2000, the expected estimates released were simple aggregates of data compiled through the quarterly Mineral Exploration collection. However, these aggregates underestimated actual expenditure to a fairly consistent degree. The consistency with which the published data underestimated actual expenditure suggested that adjustments to improve the accuracy and usefulness of the estimates of expected expenditure would be possible.

**15** In the period since June 2000, such adjustments have been made to reported expected exploration data resulting in estimates which better predict actual expenditure for the same period. For more information regarding the adjustments made to the Expected Mineral Exploration Expenditure series, see the feature article in *Mineral and Petroleum Exploration Australia June quarter 2000* (Cat No 8412.0).

### TAX REFORM

**16** Goods and Services Tax (GST) which came into effect on 1 July 2000 is not included in the value of exploration expenditure. Enterprises in the censuses are asked to report actual expenditure based on the expected net cost to them under the New Tax System. That is, the Wholesale Sales Tax no longer applies and the exploration expenditure estimates should exclude the 10% GST where this amount can be returned to the business as a tax credit. The GST replaced the wholesale sales tax (WST) which was included in the value of exploration expenditure estimates for periods up to June quarter 2000.

### ACKNOWLEDGMENT

**17** ABS publications draw extensively on information provided freely by individuals, businesses, government and other organisations. Their continued cooperation is appreciated: without it a wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the *Census and Statistics Act 1905*.

## EXPLANATORY NOTES

### RELATED PUBLICATIONS

**18** Users may also wish to refer to the following publications which are for sale and available on request:

- *Australian Business Expectations* (Cat. no. 5250.0)
- *Private New Capital Expenditure and Expected Expenditure, Australia* (Cat. no. 5625.0)
- *Australian Mining Industry* (Cat. no. 8414.0)
- *Mining Operations* (Cat. no. 8415.0)

**19** Current publications produced by the ABS are listed in the *Catalogue of Publications and Products* (Cat. no. 1101.0). The ABS also issues, on Tuesdays and Fridays, a *Release Advice* (Cat. no. 1105.0) which lists publications to be released in the next few days. The Catalogue and Release Advice are available from any ABS Office or on the ABS' web site [www.abs.gov.au](http://www.abs.gov.au).

**20** Publications showing the details of wells and metres drilled in petroleum exploration are available from the Petroleum Resources Program of Geoscience Australia.

### EFFECTS OF ROUNDING

**21** Where figures have been rounded discrepancies may occur between the sums of the component items and their totals.

### ABBREVIATIONS AND SYMBOLS

**22** The following abbreviations and symbols have been used in this publication:

ABS	Australian Bureau of Statistics
e.g.	For example
GST	Goods and Services Tax
JPDA	Joint Petroleum Development Area
LPG	Liquid Petroleum Gas
n.a.	not available
n.p.	not available for publication
n.y.a.	not yet available
r	figure or series revised since previous issue
UNTAET	United Nations Transitional Administration in East Timor
WST	Wholesale Sales Tax
ZOC	Zone of Cooperation
..	not applicable
—	nil or rounded to zero

### DEFINITIONS

**DEVELOPMENT 23** Phase usually following exploration where a prospective discovery (e.g. proven oil or gas field or concentrate of ore) is brought into production or for extending the life of a current mine or well. Activities may include preparing the ground by the removal of overburden, constructing shafts, drives and winzes; or by drilling and completing wells. All activities are for the purposes of commencing extraction/mining or extending production.

**EXPLORATION 24** Activity involves searching for concentrations of naturally occurring solid, liquid or gaseous materials and includes new field wildcat and stratigraphical and extension/appraisal wells and mineral appraisals intended to delineate or greatly extend the limits of known deposits by geological, geophysical, geochemical, drilling or other methods. This includes drilling of boreholes, construction of shafts and adits primarily for exploration purposes but excludes activity of a developmental or production nature. Exploration for water is excluded.

## EXPLANATORY NOTES

**EXPLORATION EXPENDITURE 25** Covers all expenditure (capitalised and non-capitalised) during the exploratory or evaluation stages in Australia, Australian waters, JPDA and Areas B and C of the original ZOC. Costs include cost of exploration, determination of recoverable reserves, engineering and economic feasibility studies, procurement of finance, gaining access to reserves, construction of pilot plants and all technical and administrative overheads directly associated with these functions. Examples are costs of satellite imagery, airborne and seismic surveys, use of geophysical and other instruments, geochemical surveys and map preparation; licence fees, land access and legal costs; geologist inspections, chemical analysis and payments to employees and contractors. Cash bids for offshore petroleum exploration permits are also included.

**EXPLORATION LICENCE/PERMIT 26** Is designed to cover the exploration phase of a project and confers exclusive rights to the exploration for and recovery of samples from the area designated. These rights are granted by relevant Commonwealth, State or Territory Governments.

**MINERALS 27** Are a naturally occurring inorganic element or compound having an orderly internal structure and characteristic chemical composition, crystal form, and physical properties. These, for example, comprise of metallic minerals, such as copper, silver-lead-zinc, nickel, cobalt, gold, iron ore, mineral sands, uranium and non-metallic minerals such as coal, diamonds and other precious and semi-precious stones and construction materials (e.g. gravel and sand).

**MINING LICENCE/LEASE 28** Covers the commercial mining phase of a project for the licenced area. This licence authorises both full recovery and further exploration to occur.

**OFFSHORE 29** Commences from the low water mark to three nautical miles out (referred to as coastal waters) under State and Northern Territory legislation and extends to those areas beyond coastal waters governed by the Commonwealth under the *Petroleum (Submerged Lands) Act 1967*.

**ONSHORE 30** Includes all Australian territorial lands to the low water mark.

**PETROLEUM 31** Is a naturally occurring hydrocarbon or mixture of hydrocarbons. As oil or gas in solution (e.g. LPG), it is widespread in Australian sedimentary rocks.

**RETENTION LICENCE 32** Is an intermediate form of tenure between the exploration licence and mining licence allowing the holder of the exploration licence to retain title to the area for a limited time. It is designed to ensure the retention of rights pending the transition of a project from the exploration phase to the commercial mining phase.

**SELECTED BASE METALS 33** Are made up of the following minerals: copper, silver-lead-zinc, nickel and cobalt.

## EXPLANATORY NOTES

### TYPE OF EXPENDITURE **34** Classifications used:

- *Drilling expenditure* – includes wages and salaries paid to employees; purchase, rental, hiring as well as operation and maintenance of drilling equipment together with activities associated with accessing the areas where drilling is to occur (e.g. road creation, vessel/transport hiring, site preparation and restoration). Also includes expenditure on drilling done by contractors.
- *Other expenditure* – includes all other exploration costs, other than those associated with drilling expenditure. This expenditure includes purchase of capital and non-capital items, rental or hiring fees, service fees relating to surveying and analysis, administrative and legal fees associated with obtaining licences/permits, land access, map preparation, feasibility studies, environmental impacts studies and restoration costs.

### TYPE OF LEASE **35** Classifications used:

- *Production lease* – is an area on which development to extract coal, minerals, liquids or gaseous materials is underway or where extraction/mining of these substances is already occurring. See also mining licence/lease.
- *All other areas* – are those areas outside the Production lease. These include areas under exploration licence/permit or retention licence, as well as non-licenced areas being assessed for exploration, e.g. through airborne surveys.





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