

**NSW  
Minerals  
Council**

**1999/2000  
Coal Industry  
Survey**

**Survey compiled by  
PRICEWATERHOUSECOOPERS**

# NSW COAL INDUSTRY

## PRICEWATERHOUSECOOPERS FINANCIAL SURVEY SUMMARY OF MAJOR RESULTS

	1997/98	1998/99	1999/2000
Operating Profit (1)			
\$ per tonne	(\$0.09)	\$3.04	\$1.89
% return on shareholders' funds	(0.3)	10.3	6.3
Government revenue			
- total \$ per tonne	\$11.83	\$11.59	\$10.03
- excl. PAYE tax \$ per tonne	\$7.64	\$8.15	\$7.01
- royalties, company taxes	\$1.72	\$3.56	\$3.14
Net profit after tax			
- excl. abnormals and extraordinary items (\$M, net of tax)	(8)	273	175
- total (\$M)	(186)	178	159
Debt to equity ratio	0.51	0.26	0.35
Capital Expenditure (\$m)	494	541	391
Survey coverage			
-% production(2)	74	86	88
- no. of respondents	21	22	21

(1) *After tax but excluding abnormal and extraordinary items (net of tax for 98/99 and 99/00)*

(2) *% of industry production covered by survey*

**RETURN ON SHAREHOLDERS' FUNDS  
NSW COAL VS AUSTRALIAN MINERALS INDUSTRY**

	<b>AUST.MINING INDUSTRY<sup>1</sup></b>	<b>NSW COAL<sup>2</sup></b>	<b>NSW COAL<sup>3</sup></b>
1991	11.8	5.6	6.1
1992	8.1	2.8	4.7
1993	10.2	6.9	9.2
1994	10.3	9.9	9.7
1995	5.3	0.1	4.7
1996	9.2	6.2	8.8
1997	2.9	0.3	2.0
1998	1.8	-8.3	-0.3
1999	3.7	6.7	10.3
2000	4.0	5.8	6.3
<b>Ten year average</b>	<b>6.73</b>	<b>3.60</b>	<b>6.16</b>

**1. Including abnormals and extraordinary items.**

Source : Minerals Council of Australia.

**2. Including abnormal and extraordinary items**

**3. Excludes abnormal and extraordinary items (net of tax for 1999 and 2000)**

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## Coal Mine Production

MINE TYPE	Thousand Tonnes		
	1997/98	1998/99 <sup>1</sup>	1999/2000 <sup>1</sup>
Open Cut	41,316	46,520	52,825
Underground	38,698	43,173	39,987
Total	80,014	89,693	92,812

### MARKET

Local	14,619	28,910	36,181
Export	65,395	60,783	56,631
Total	80,014	89,693	92,812

**1. Local sales figures for 1998/99 and 1999/00 include local sales figures as well as coal sold for domestic use.**

**Table 1 : Aggregate Balance Sheet**

	<b>\$ Million</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
Shareholders' Funds	2,193	2,762	2,752
Borrowings	1,114	732	974
Funds Employed	3,306	3,494	3,726
Provision for Income Tax	4	215	220
Provisions	629	886	778
Trade Creditors and Accruals	899	569	559
Other Liabilities	179	16	17
Equity and Liabilities	5,018	5,180	5,300
Fixed and Deferred Assets	3,462	4,052	3,812
Loans and Advances	42	61	3
Other Assets	1,514	1,067	1,485
Total Assets	5,018	5,180	5,300
Average Ratios			
Revenue to Fixed Assets Ratio	1.33	1.20	1.21
Funds Turnover Ratio	1.45	1.39	1.24
Debt to Equity Ratio	0.51	0.26	0.35
Current	0.65	1.05	0.93

**Table 2 : Aggregate Profit and Loss Statement**

	<b>\$ Million</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
Operating Revenue	4,378	4,761	4,444
Other Revenue	116	118	169
Total Revenue	4,493	4,879	4,613
Operating Costs/Outward Freight	2,807	2,793	2,865
Labour Costs	1,242	1,166	957
Depreciation	428	439	464
Interest and Finance Charges	109	91	102
Exchange (Gains)/Loss	16	30	(11)
Total Expense	4,602	4,519	4,377
Operating Profit before Abnormals	(108)	359	235
Abnormal Item Gain/(Loss)	(179)	(130)	(38)
Operating Profit	(287)	229	197
Current Income Tax	(101)	51	38
Profit before Extraordinary Items	(186)	178	159
Net Extraordinary Items	-	-	-
Net Profit	(186)	178	159
<i>Net Profit/(Loss) after tax, before extraordinaries and abnormals (net of tax for 98/99 and 99/00)</i>	<i>(8)</i>	<i>273</i>	<i>175</i>

**Table 3 : Profitability**

	<b>\$ Million</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
Average Shareholders' Funds	2,256	2,656	2,757
Average Funds Employed	3,105	3,685	3,610
Average Assets	4,827	5,420	5,240
Operating Profit before Interest and Income Tax (Pre Interest Profit)	(179)	321	299
Operating Profit before Income Tax	(287)	229	197
Operating Profit after Income Tax	(186)	178	159
Extraordinaries - Net	-	-	-
Net Profit	(186)	178	159
 <b>Rates of Return</b>			
Net Profit on Average Shareholders' Funds	-8.3%	6.7%	5.8%
Pre Interest Profit on Average Funds Employed	-5.8%	8.7%	8.3%
Net Profit Return on Total Revenue	-4.1%	3.6%	3.4%
Net Profit Return (excluding abnormals & extraordinaries, net of tax for 98/99 and 99/00) on Average Shareholders Funds	-0.3%	10.3%	6.3%
Net Profit per tonne (excluding abnormals & extraordinaries, net of tax for 98/99 and 99/00)	(\$0.09)	\$3.04	\$1.89

## Table 4 : Borrowings

	<b>\$ Million</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
Amounts Owing At Balance Date			
Repayable Within:			
1 Year	666	137	118
2-3 Years	272	145	221
4-5 Years	114	100	239
After 5 Years	59	350	396
Term Not Specified	3	-	-
<b>Total Borrowings</b>	<b>1,114</b>	<b>732</b>	<b>974</b>
Currency Denomination			
In Foreign Currencies	82	233	217
In Australian Currency	1,032	499	757
<b>Total Borrowings</b>	<b>1,114</b>	<b>732</b>	<b>974</b>

**Table 5 : Government and Taxation**

	<b>\$ Million</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
<b>TAXES LEVIED ON COMPANIES:</b>			
Mineral Royalties, Tenements and Mining Licence Fees	156	174	171
Income Tax	(101)	51	38
Total Direct Taxes	55	225	209
<b>Diesel and Fuel Oil Excise:</b>			
Paid Payable	65	58	63
Rebates	(60)	(50)	(49)
Net Cost	5	8	14
Land Tax and Rates	7	8	11
Payroll Tax	64	57	48
Fringe Benefits Tax	7	11	8
Other Taxes	0	10	1
Total Company Taxes	138	319	291
<b>TAXES LEVIED ON:</b>			
Employees - Group Tax	336	309	280
<b>TOTAL TAXES</b>	<b>474</b>	<b>620</b>	<b>571</b>
Provision of Government Services	474	420	360
<b>GOVERNMENT REVENUE FROM THE INDUSTRY</b>	<b>948</b>	<b>1,040</b>	<b>931</b>

**Table 6 : Employment and Labour Costs**

	<b>Numbers</b>		
	<b>1997/98</b>	<b>1998/99</b>	<b>1999/2000</b>
Total Employment (Numbers at the end of the year)	11,028	10,562	8,856
Labour costs	<b>\$ Million</b>		
Gross Wages and Salaries	1,013	962	774
Payroll Tax	64	56	48
Training Costs	10	8	9
Fringe Benefits Tax	7	11	8
Other Labour Costs	147	129	118
Total	1,242	1,166	957
Recipient of Labour Costs	<b>\$ Million</b>		
Employees Net Wages and Benefits	835	751	586
Government Tax Revenue	407	415	371
Total	1,242	1,166	957

**Table 7 : Outlook for Investment,  
Exploration, Research and Employment**

	1997/98	1998/99	1999/00	2000/01 Forecast
Expenditure	<b>\$ Million</b>			
Mining Assets	494	541	391	434
Exploration Expenditure	33	45	43	55
Research Development	28	25	27	21
Total	555	611	461	510
Number of Employees	11,028	10,562	8,856	9,190

**Table 8 : Rehabilitation Costs**

	<b>\$ Thousand</b>		
	1997/98	1998/99	1999/2000
Amounts Expensed	38,148	27,848	21,283
Total Rehabilitation and Environmental Expenditures	38,148	27,848	21,283
Accumulated balance of the provision for rehabilitation and environment costs	102,010	123,332	150,954

**Table 9 : Constant Group Data**

	1997/98	1998/99	1999/2000
Production ('000 tonnes)	76,507	77,304	82,908
		<b>\$ Million</b>	
Shareholders' Funds	1,845	2,083	2,599
Borrowings	1,049	486	973
Expenditure on Fixed and Deferred Assets	488	519	373
Total Assets	4,484	4,045	4,961
Operating Revenue	3,912	3,905	3,965
Labour Costs			
Gross Wages and Salaries	943	815	669
Other Labour Costs	152	125	112
Payroll Tax	59	48	40
Interest Expense	105	76	101
Exchange Losses/(Gains)	18	11	(11)
Direct Taxes			
Income Tax	(105)	45	48
Mineral Royalties, etc	141	144	156
Land Taxes and Rates	6	6	9
Total Direct Taxes	42	195	198
Operating Profits before Income and Resource based Taxes	(135)	359	375
Net profits	(211)	169	171
Net profit after Tax excluding abnormals and extraordinary (net of tax for 98/99 and 99/00)	(36)	204	189
Number of Employees	10,120	8,107	7,643
Net Profit per tonne (excluding abnormals and extraordinary, net of tax for 98/99 and 99/00)	(\$0.47)	\$2.64	\$2.28

# **NSW Minerals Council Financial Survey 1999/2000**

## **RESPONDENTS**

Allied Bellambi Collieries Pty Ltd  
Anglo Coal Australia Pty Ltd  
Austral Coal Ltd  
Bayswater Colliery Company Pty Ltd  
BHP Limited (Illawarra Coal)  
Camberwell Coal Pty Ltd  
CIM Resources Ltd  
Coal Operations Australia Ltd  
Cumnock No 1 Colliery Pty Ltd  
Iluka Resources Ltd (Narama Mine)  
Liddell Joint Venture  
Muswellbrook Coal Company Ltd  
Namoi Mining Pty Ltd  
Oakbridge Pty Ltd  
Oceanic Coal Australia Ltd  
Peabody Resources Ltd (Warkworth)  
Powercoal Pty Ltd  
Rio Tinto Coal (NSW) Pty Ltd  
Springvale Coal Pty Ltd  
Ticor Limited (Warkworth)  
Ulan Coal Mines Ltd

## Key Indicators for NSW Coal Industry

*Note : This data is **not** from PricewaterhouseCoopers Survey*

	1996/97	1997/98	1998/99	1999/2000
Average Exchange Rate (USD)	78.1	67.7	62.5	62.5
% change	+2.3	-13.3	-7.7	0
Exports (MT)	67.5	75.9	76.4	72.4
% change	+7.8	+12.5	+0.6	-5.2
Average Export Price (AUD per tonne)	50.36	52.62	49.04	42.69
% change	-5.1	+4.5	-6.8	-12.9
Production (MT)	99.5	107.7	103.4	105.2
% change	+8.2	+8.2	-4	+1.7
Employment (No.)	14,350	11,700	10,400	9,580
% change	+0.8	-18.5	-11.1	-7.9
Output/employee/hour (tonnes)	3.66	4.43	5.05	5.36
% change	+4.3	+21.0	+14.0	+6.1
Output/employee/year (tonne)	6,920	8,110	9,600	10,580
% change	+4.1	+17.2	+18.4	+10.2
Average weekly earnings (\$)	1,432.30	1,554.40	1,572.70	1,579.90
% change	+5.1	+8.5	+1.2	+0.5
Labour costs/tonne (\$)	10.10	8.91	7.93	7.19
% change	-0.7	-11.8	-11.0	-9.3

*Source : Joint Coal Board  
Reserve Bank*