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Mining and Mineral Processing

**Strengths:**

- total value of mineral production in NSW was around A\$9.2 billion in 2004-05, and projected to rise further in 2005-06
- coal exports in 2004-05 were estimated at A\$5.5 billion
- silver, lead and zinc combined annual output should show significant improvement in 2004-05 over the 2003-04 figure of A\$ 400 million
- value of gold produced in NSW in 2004-05 was over A\$500 million
- NSW produced copper worth around A\$740 million in 2004-05 Australia currently accounts for 95 per cent of world's natural opal production
- NSW accounts for about half of the national output of opals

**Major companies:**

- BHP-Billiton
- Newcrest
- Rio Tinto
- Xstrata

**Key areas:**

- [Far West](#)
- [Hunter](#)
- [Illawarra](#)
- [Central West](#)

Mining is one of the most significant industries in New South Wales (NSW). It generated A\$6.5 billion in 2004-05 in export revenue.

NSW is a leading low-cost world scale producer of a range of metals and minerals including coal, gold, copper, silver, lead, zinc and gemstones. It is a major exporter of coal, zinc, gold, copper, steel and aluminium.



Government, industry and regional communities work closely to achieve world's best practice in extraction, processing, environmental management and mine site rehabilitation.

The industry, including value-added minerals processing, directly employs about 25,000 people in NSW.

**Coal**

Coal dominates the NSW industry, accounting for about 75 per cent of the State's mining income and about 20 per cent of its export income. Four major coalfields, supporting over 50 operations, produce more than 100 million tonnes of black coal worth over A\$5 billion annually. Coal generates almost 92 per cent of the State's electricity and contributes over half of its commodity exports.

NSW has 22 new or expanding coal projects underway or pending. Recoverable coal reserves are estimated to be more than 10,000 million tonnes.

Japan, Taiwan and the Republic of Korea depend on NSW coal. They comprise the major markets for the State's thermal and coking coal.

In 2004-05 the State exported:

- 41.5 million tonnes to Japan
- 11.4 million tonnes to Taiwan
- 9.8 million tonnes to the Republic of Korea
- 4.6 million tonnes to Mexico
- 2 million tonnes to China

Smaller amounts of coal are exported to India, Malaysia, Thailand, South America and Europe.

**Silver, lead and zinc**

With a combined annual output of over A\$400 million, silver, lead and zinc make a strong contribution to the NSW economy. Lead and zinc price movements appear to have improved recently, and exploration has extended the reserves in the State's established mines. High levels of exploration activity hold promise for the discovery of new ore bodies in the Lachlan Fold belt and the Broken Hill region.

**Gold**

During the Australian gold rushes of the 1850s and 1860s, Australia became the world's largest gold producer, and New South Wales made a good contribution to the export total.

In the following 100 years, gold production declined in NSW to a few hundred kilograms annually, although strong growth in Western Australia ensured that Australia has ranked as the world's third largest producer in recent years.

Recent gold discoveries in the central west of NSW, followed by large scale mine development, has seen a resurgence of NSW gold production so that it now surpasses the peak levels of the gold rush days. The value of the gold produced in NSW in 2004-05 was over A\$500 million, and developments now under way should ensure that this figure is significantly exceeded in the next decade.

**Copper**

NSWcopper production in 2004-05 is estimated at A\$740 million. In some large NSW mines and mine projects, copper and gold are found together, so that the forecast growth in gold production is likely to be accompanied by similar growth in copper.

The Cadia and Ridgeway mines near Orange continue to grow and the Cowal gold project is now under construction. NSW remains an attractive exploration zone for copper, particularly in the Lachlan fold belt in the State's central west region.

#### Opal

Australia is the world's major producer of precious opal, accounting for 95 per cent of natural opal production worldwide. NSW provides about half of that output.

The estimated value of opal production in NSW in 2003-04 was approximately A\$29 million. The main market for the precious gemstone is Japan.


Most opal mining occurs in the Lightning Ridge district in the State's north west. This area is the world's principal source of the highly prized black opal. Minor production also occurs in the White Cliffs district in the State's far west.

See [Innovation in the Resources sector](#).

#### For more information

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#### Related publications

 [Lithgow Minerals and Industry Park](#)