

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates 2012

15 – 17 February 2012

**Question: AET 128 - 129**

**Topic: Subsoil Assets**

**Hansard Page: Written**

**Senator LUDLAM asked:**

128. In the national balance sheet part of the national accounts you present data on the value of subsoil assets on a 'real' or 'volume' basis\*. Given that mining removes these assets, and they would only be created on a geological timescale, how did the volume increase over recent years?

129. Do new discoveries of minerals lead to the series being revised back?

*\*Table 18 of 5204.0*

**Answer:**

128. The national accounts balance sheets measures subsoil assets which are economically exploitable at a point in time. To be economically exploitable the assets must be proven (rather than probable or possible) and return a higher price on sale than they costs to extract. As such the volume of subsoil assets will vary depending on exploration, commodity prices and technological advances as well as extraction.

129. New discoveries do not lead to the series being revised back as the balance sheets present a point in time estimates of economically exploitable subsoil assets.