

# ECONOMIC CONTRIBUTION OF RECREATIONAL PROSPECTING

## MINELAB ELECTRONICS

Hi Members,

Thanks to each of the states and some of our members for taking time to assist in the development of the study. I believe that this report will be an important resource to secure better conditions/access for the industry as we move forward.

The President Les Lowe and Delegates have worked with Minelab and BDO on this with a second round of statistical information to sure up our fight to Government to keep open access to ground and to point out our economic contribution to recreational prospecting. Prospectors are now able to be measured as a major contributor to the WA economy as is recreational fishing.

Minelab and BDO have produced the following information:

### **Establishing the national footprint of recreational prospecting in Australia**

Despite the regular coverage of recreational prospecting activities in the media, there is no official or consistent national statistics on recreational prospecting.

For the first time, through a national survey of recreational prospectors' activity, expenditure, income and social information, this study has established first-hand information on the activity footprint of recreational prospectors in Australia

### **BDO Report**

acknowledge the support and assistance from the following organisations and individuals for sharing their information, providing feedback and facilitating the distribution of the survey, including:

Minelab

Presidents and committee members of recreational prospecting associations and clubs:

- NSW and ACT Prospectors and Fossickers Association
- Prospectors and Miners Association Victoria
- Amalgamated Prospectors and Leaseholders Association
- Prospectors and Miners Association of Tasmania
- Townsville Metal Detecting Club

The Outback Prospector.

We are also grateful to the 2,933 anonymous individuals who responded to the first survey and 4,522 anonymous individuals who responded to the second survey, who provided usable survey responses via telephone and online

**Term**

ABS  
ACT  
AMR  
APLA

CATI

DFA  
FTE  
GDP  
GPA  
GSP  
NAPFA

NSW  
NT  
PMAT

PMAV

QLD  
RISE model

SA  
TAS  
VIC  
WA

**Definition**

Australian Bureau of Statistics

Australian Capital Territory

Action Market Research

Amalgamated Prospectors and  
Leaseholders Association

Computer-assisted telephone  
interview

Designating fossicking area

Full-time equivalent

Gross domestic product

General permission area

Gross state product

NSW and ACT Prospectors and  
Fossickers Association

New South Wales

Northern Territory

Prospectors and Miners Association of  
Tasmania

Prospectors and Miners Association of  
Victoria

Queensland

Regional Industry Structure and  
Employment

South Australia

Tasmania

Victoria

Western Australia

### Economic contribution of recreational prospecting to Australia

Recreational prospectors' expenditures (both on trip and off trip) contribute directly to both GDP and employment of the locations where these expenditures occur. These locations tend to be once-prosperous towns in regional Australia and where renewed economic activity is greatly needed in present times.

Prospectors' income earned through recreational prospecting (not including professionals), where they are spent, also directly contributes to both GDP and employment in the regions where the spending occurs.

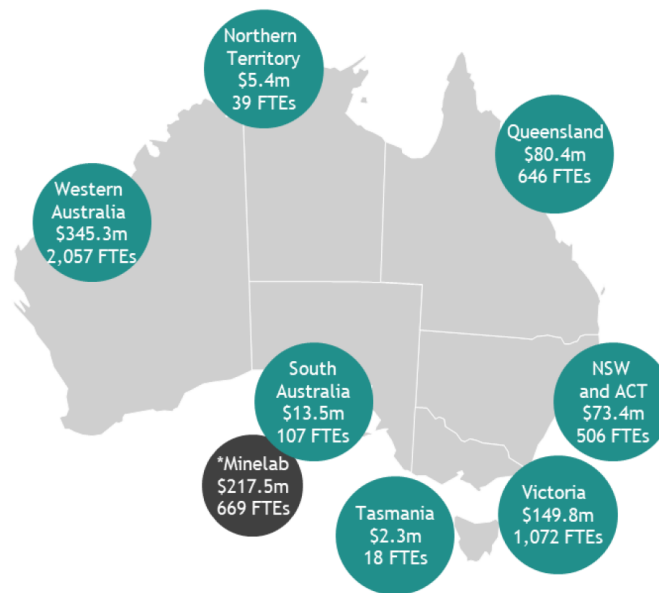
In 2019, the expenditure and income together directly contributed a total of \$338m to the national GDP and employed 1,956 FTEs.

An additional \$549m in GDP and 3,597 FTEs were generated indirectly from flow-on activities in supporting sectors, such as in retail, manufacturing and logistical services.

The economic contribution of recreational prospecting nationally and by each state and territory is illustrated in Figure 2.

Figure 2. Economic contribution of recreational prospecting to Australian states and territories

**In 2019, recreational prospecting contributed \$887m in GDP and 5,553 FTE jobs to the Australian economy. In addition, Minelab Electronics (Minelab) contributed \$218m in GSP and 669 FTE jobs to the South Australian economy.**



Note: The values reported for Australia are larger than the sum of the states as interstate spending is excluded from the individual state analyses but is included in the Australia analysis.

\*In addition to recreational prospectors' contribution to South Australia's GDP, Minelab's business expenditures also contributed to the economic activity in South Australia (2019/20).

Source: BDO analysis

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### 4.1 Segmentation of the recreational prospecting industry

The recreational prospecting industry within the scope of this study can be segmented in a few different ways, i.e. by types of prospectors, prospecting targets and prospecting methods.

#### 4.1.1 Types of prospectors

People are drawn to recreational prospecting for a variety of different reasons, the excitement and optimism of finding gold, spending time in nature and outdoors, seeking a sense of adventure and challenge and making an income to earn a living.

Depending on the main motivations of the prospectors, they can be classified into two categories:

► **Recreational prospectors** - prospectors who participate in the activity primarily for non-commercial reasons, such as recreational (e.g. hobby), tourism, educational or social reasons.

► **Small-scale professional prospectors** - prospectors who prospect full time and primarily to earn a living. These prospectors are different from corporate miners and prospectors in that they operate at a small scale and are mostly self-employed.

Economic Expenditure in all of Australia

## 5.2 Economic contribution of recreational prospecting to Australia

### Prospecting activity

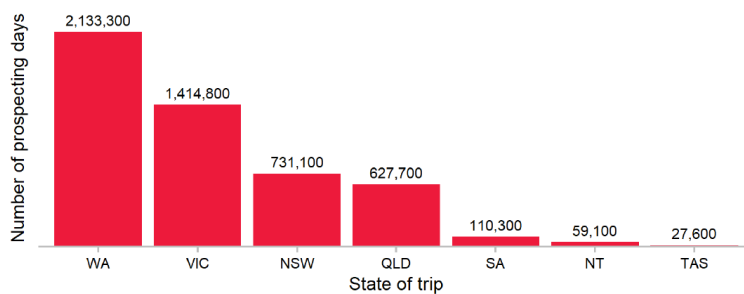
In 2019, it was estimated that there were 125,244 recreational prospectors across Australia, of which 85%, or 106,457, undertook at least one day of prospecting during the year.

Approximately 5,103,900 days of prospecting activity were undertaken in Australia in 2019, across 3,042,500 trips.

The majority of recreational prospectors and small-scale professional prospectors reported being active for less than 50 days in the past year, where semi-professional prospectors tended to go on trips more often and for longer trips on average compared to those who prospected for purely non-commercial reasons ('hobby prospectors'). The number of days of activity by prospectors in each state and territory is illustrated in Figure 6.

## ECONOMIC CONTRIBUTION OF RECREATIONAL PROSPECTING IN AUSTRALIA (CONT'D)

Figure 6. Location of prospecting days in Australia by state of trip in 2019



Source: BDO survey of recreational prospectors 2020

Note: NSW includes the number of prospecting days for both NSW and ACT

### Expenditure

Across all prospecting days and trips, approximately \$607.0m was spent by all recreational prospectors:

- ▶ \$270.9m was spent on off-trip expenditure items where the most significant expenditure items were on vehicles for both hobby and semi-professional prospectors.
- ▶ \$336.1m was spent on on-trip expenditure items where the most significant expenditure items were fuel and groceries.

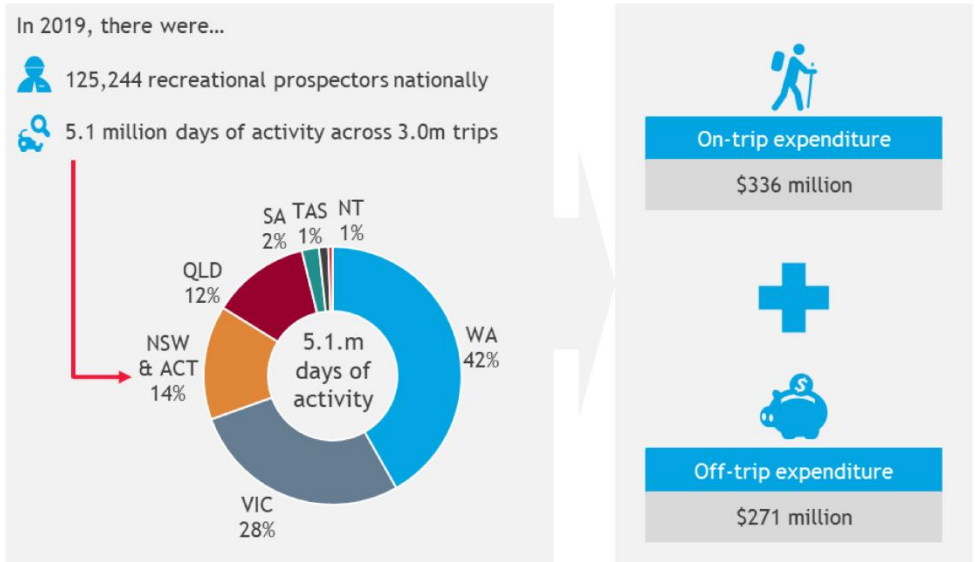
The distribution of expenditure across various items is presented in Figure 7.

**Establishing the national footprint of recreational prospecting in Australia**

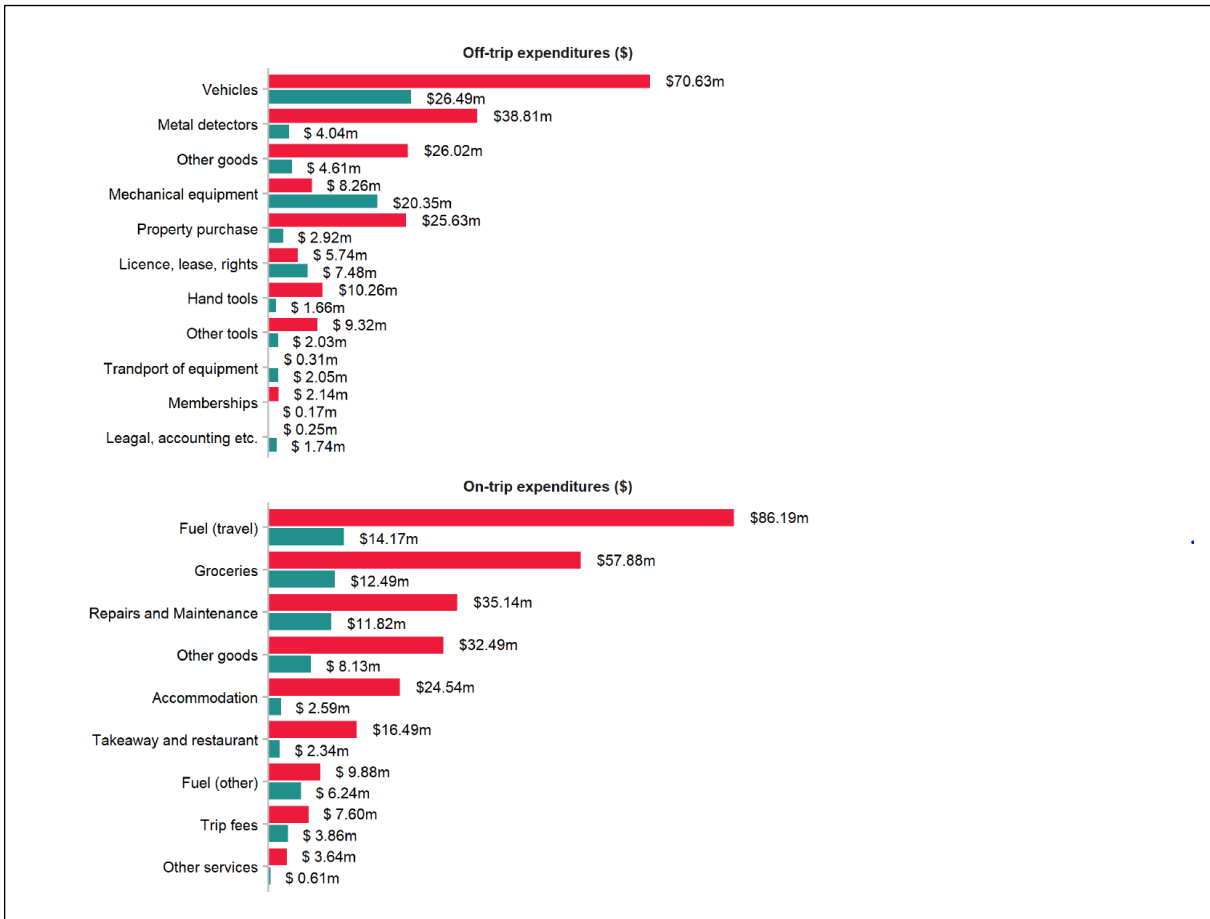
Despite the regular coverage of recreational prospecting activities in the media, there is no official or consistent national statistics on recreational prospecting.

For the first time, through a national survey of recreational prospectors' activity, expenditure, income and social information, this study has established first-hand information on the activity footprint of recreational prospectors in Australia.

**Figure 1. Activity and expenditure profile of recreational prospectors, 2019**



**Figure 7. Expenditures in Australia in 2019 associated with recreational prospecting- all of Australia**



- ▶ 1,956 FTE direct jobs were contributed through recreational prospecting
- ▶ 3,597 FTE flow-on jobs were contributed through indirect association with recreational prospecting.

Out of the top five sectors, the largest contribution was made in the retail trade sector, with the contribution to the top five sectors representing around 32% of the total (see Table 6).

**Table 6. Economic contribution of recreational prospecting to Australia by sector, top 5 sectors by GDP (2019)**

Rank	Top 5 Sectors	GDP (\$m)	Employment (FTEs)
1	Retail Trade	86.6	1,165
2	Wholesale Trade	52.6	316
3	Finance	50.3	91
4	Personal & Other Serv	46.5	666
5	Prof Scientific Tech Serv	44.5	403
	Other sectors	606.6	2,913
	<b>Total</b>	<b>887.1</b>	<b>5,553</b>

Source: BDO Analysis 2021

### 5.3 Economic contribution of recreational prospecting by states and territory

Recreational prospecting activities vary across states and territories, and the tendency for participants to travel means a significant amount of activity in many states and territories is undertaken by residents of other states and territories.

The economic contributions of recreational prospecting activity in each given state and territory in Australia is presented in this section.

In 2019, the most economic activity in terms of prospecting days undertaken was found to have occurred in Western Australia, followed by Victoria and Queensland. Similarly, the economic contribution associated with recreational prospecting in terms of GSP and employment was largest in Western Australia, followed by Victoria and Queensland (see Table 7 and Table 8).

**Table 7. Economic Contribution to GSP across states and territories**

State/ territory	Contribution to GSP (\$m)		
	Direct	Indirect	Total
WA	191.5	153.8	345.3
VIC	70.1	79.7	149.8
NSW and ACT	33.2	40.3	73.4
QLD	37.5	42.9	80.4
SA	6.4	7.0	13.5
NT	3.2	2.2	5.4
TAS	1.1	1.2	2.3
<b>Total</b>	<b>338.0</b>	<b>549.1</b>	<b>887.1</b>

Note: The values reported for Australia are larger than the sum of the states as interstate spending is excluded from the individual state analyses but is included in the Australia analysis.

Source: BDO Analysis 2021

## ECONOMIC CONTRIBUTION OF RECREATIONAL PROSPECTING IN AUSTRALIA (CONT'D)

Table 8. Economic contribution to employment (FTEs) across Australian states and territories in 2019

State/ territory	Contribution to employment (FTEs)		
	Direct	Indirect	Total
WA	1,038	1,019	2,057
VIC	455	617	1,072
NSW and ACT	229	277	506
QLD	302	345	646
SA	50	57	107
NT	24	15	39
TAS	8	10	18
<b>Total</b>	<b>1,956</b>	<b>3,597</b>	<b>5,553</b>

Note: The values reported for Australia are larger than the sum of the states as interstate spending is excluded from the individual state analyses but is included in the Australia analysis.

Source: BDO Analysis 2021

The remainder of this section repeats the national economic contribution results reporting structure for each respective state and territory, to provide a more detailed overview of activity and economic 'footprint' for each state and territory of interest.

### 5.3.1 Western Australia

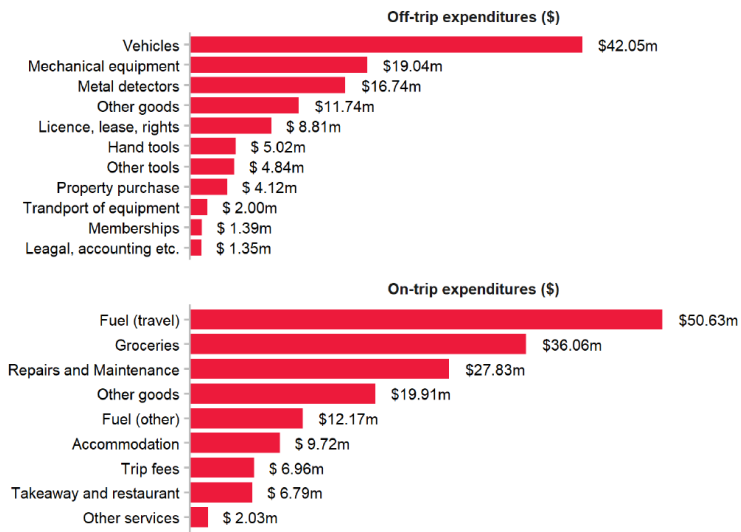
#### Prospecting Activity

In 2019, it was estimated that there were 42,924 total recreational prospectors in Western Australia, of which 85%, or 36,485, undertook at least one day of prospecting during the year.

Approximately 2,133,300 days of recreational prospecting activity were undertaken in Western Australia in 2019, across 967,100 trips.

The majority of activity (approximately 83%) in terms of prospecting days was undertaken by Western Australian residents, with the remaining 17% undertaken by approximately 5,900 interstate visitors. The most significant sources of interstate visitation were from residents of Victoria and Queensland. The number of days of prospecting activity by state and territory of residence is illustrated in Figure 8.

Figure 9. Expenditures in Western Australia in 2019 associated with recreational prospecting



Source: BDO Analysis 2021

Note: The value of vehicle purchases attributable to recreational prospecting was calculated by including only vehicles purchased with recreational prospecting in mind then adjusting the value down by the proportion of use that the respondent attributes to their prospecting activities.

#### Economic Contribution

The economic activities generated by recreational prospectors contributed around \$345.3m (in terms of GSP) and 2,057 FTEs to the Western Australian Economy:

- ▶ \$191.5m was directly contributed from expenditure associated with prospecting activities and from income earned through recreational prospecting
- ▶ \$153.8m was indirectly contributed from the flow-on activities associated with recreational prospecting
- ▶ 1,038 FTE direct jobs were contributed through recreational prospecting
- ▶ 1,019 FTE flow-on jobs were contributed through indirect association with recreational prospecting.

Out of the top five sectors, the largest contribution was made in the retail trade sector, with the contribution to the top five sectors representing around 31% of the total (see Table 9).



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## ECONOMIC CONTRIBUTION RESULTS BY STATES AND TERRITORIES (CONT'D)

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Table 9. Economic contribution of recreational prospecting to Western Australia by sector, top 5 sectors by GSP (2019)

Rank	Top 5 Sectors	GSP (\$m)	Employment (FTEs)
1	Retail Trade	37.4	533
2	Wholesale Trade	23.7	166
3	Personal & Other Serv	22.8	279
4	Road Transport	11.7	115
5	Oil & Gas Extraction	11.2	10
	Other sectors	238.6	954
	<b>Total</b>	<b>345.3</b>	<b>2,057</b>

Source: BDO Analysis 2021

In 2019, it was estimated that there were 42,924 total recreational prospectors in **Western Australia**, of which 85%, or 36,485, undertook at least one day of prospecting during the year. Approximately 2,133,300 days of recreational prospecting activity were undertaken in Western Australia in 2019, across 967,100 trips.

The majority of activity (approximately 83%) in terms of prospecting days was undertaken by Western Australian residents, with the remaining 17% undertaken by approximately 5,900 interstate visitors. The most significant sources of interstate visitation were from residents of Victoria and Queensland.

Finally we get the actual monetary value of prospecting in Australia or in our case, in Western Australia. This is what we worked hard for last year. It's an impressive piece of work from BDO, the survey company.

Please note that this analysis does not include the value of any deposits or mineable resources that may have been found by prospectors and small miners. It simply represents the monetary value that is brought into Regional WA by all types of prospectors, both recreational and occupational miners.

This is the info we need to support our arguments with our detractors and with the WA Govt. It may be worth distributing to our members once we've all had a chance to digest it