MINE SUBSIDENCE BOARD | ANNUAL REPORT

PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

2007/08

MINE SUBSIDENCE BOARD

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Hon Ian Macdonald MLC
Minister for Mineral Resources

Dear Mr Macdonald,

Annual Report for the Year Ended 30th June 2008

Freedom of Information Act Statement of Affairs

I am pleased to present to you the Mine Subsidence Board's Annual Report for the year ended 30th June 2008, in accordance with Section 10 of the Annual Reports (Statutory Bodies) Act 1984. The Report includes the Statement of Affairs required by Section 14(i)(a) of the Freedom of Information Act 1989 (NSW).

The accounts have been audited in accordance with the requirements of the Public Finance and Audit Act 1983, as evidenced by the Auditor-General's Certificate.

Yours sincerely

A Coutts
Chairman

WHAT IS THE MINE SUBSIDENCE BOARD AND WHAT DO WE DO:

The Mine Subsidence Board is an independent body operating for the local community in areas of coal mining in NSW.

We:

- Provide compensation if improvements on the surface are damaged by mine subsidence
- Prevent damage by ensuring new developments are compatible with the risk of mine subsidence
- Eliminate the risk of danger from mine subsidence
- The Mine Subsidence Board IS NOT responsible for approving mining activity.

BOARD STAFF ARE HERE TO ASSIST:

The Mine Subsidence Board's staff are here to assist you, with four offices located conveniently in coal mining areas of NSW. Not only is our website a great source of information, we have a wide range of brochures and other information on mine subsidence to assist you. Staff can also assist with technical information such as designing for subsidence.

COMMERCIAL DEVELOPMENT BOOM MEANS MASSIVE YEAR FOR THE BOARD

The continuing commercial development boom is having a massive impact on the Board's operations, in particular the Newcastle and Picton offices.

Over the past 12 months, the four district offices have approved the following major projects for NSW:

- $1045 million worth of developments in the Newcastle District
- $74 million worth of developments in the Wyong District
- $52.4 million worth of development in the Picton District
- $6.68 million in the Singleton District

These approvals include everything from shopping centre extensions, to retirement home approvals, gas pipelines, sporting complexes, schools as well as commercial and residential developments.

BOARD MEMBERS (AS AT 30TH JUNE, 2008)

Alan Coutts (Chair)
BCom, DipEd

As Deputy Director-General (Mineral Resources) of the Department of Primary Industries, Alan is the nominated Chairman of the Mine Subsidence Board. Alan has extensive experience in management and Government policy at an executive level. He was also the Chairman of the Board from 1997 to June 2004.

Phillip Carter
BE, MEngSc
Minister for Commerce's Nominee

Phil was appointed to the Board in 1992 as the Minister for Commerce's nominee. He has 40 years experience as a civil engineer in major projects and strategic planning.

Robert Regan
BE(Min)(Hons)

Rob leads the Department of Primary Industries – Mineral Resources' Mine Safety Operations and is Chief Inspector of Coal Mines. Rob has had 30 years experience in the mining industry, with the majority at senior management level.

Jeffrey Maybury
Minister for Local Government's Nominee

Jeff is a Councillor on Cessnock City Council. He has experience in Local Government and community issues and was appointed to the Board in 2003.

Peter Hayes
BE(Min), ME(Min), MBA
Colliery Proprietors' Nominee

Peter was appointed to the Board in 2002. He is a successful manager of mining operations, with vast experience in mine planning and interaction with the community.

Magaret McDonald-Hill (from November 2007)

Margaret is the Executive Officer for the Association of Mining Related Councils. She has had an extensive career in Local Government and is the independent chair of a number of consultative committees across the State and a member of the Minister's Arbitration Panel.

BOARD

BOARD ATTENDANCE

Board Meetings	Attended	Eligible
P Carter	9	11
A Coutts	7	11
P Hays	7	11
M McDonald-Hill	7	7
J Maybury *	9	11
R Regan *	9	11

* *Board Members nominated for Audit Committee*
All non-attendances at the meetings were authorised leave.

STRUCTURE AND FUNCTION OF THE BOARD

The Mine Subsidence Board is constituted under the Mine Subsidence Compensation Act 1961 as amended and consists of representation of:

- Director-General of Department of Primary Industries or his nominee
- Chief Inspector of Coal Mines
- Department of Commerce
- Colliery Proprietors
- Owners of Improvements (ie, the community)
- Local Government or the Department of Planning

Two members, the Director-General of the Department of Primary Industries and the Chief Inspector of Coal Mines, are ex officio members appointed by the Act. The remaining four members are nominees and are appointed by the Governor for a period of three years.

The Board meets monthly, primarily at Newcastle and Maitland. Meetings are also convened at centres affected by coal mining, where the Board Members inspect various areas of Board activity and meet with local authorities. This year, the Board met at the following locations:

- Picton
- Sydney

In 2007/08, 11 regular meetings and no special meetings were held.

CORPORATE GOVERNANCE

The Mine Subsidence Board is constituted under the Mine Subsidence Compensation Act 1961. In the exercise of their duties and functions, the Board Members are subject to the control and direction of the Minister. Through the Act, certain duties and functions are delegated to staff of the Mine Subsidence Board. Major items are considered by the Board Members at monthly meetings. The Budget and Corporate Plan are approved by the Board Members, who receive a monthly report on progress against programmes. Operational processes are subject to regular audit and an Audit Committee meets annually.

CODE OF CONDUCT

The Board Members abide by a Code of Conduct, which requires a high standard of impartiality, fairness and integrity.

FROM THE CEO'S DESK

A strong working relationship with the community, industry and other government departments is paramount to the success of the Mine Subsidence Board's business. Early involvement with the Board is an important part of this process. Although a small Government agency of less than thirty people, our experienced staff cover all areas of the State's coalfields.

There are many ways by which the Community may first come in contact with the Board. We advertise widely to inform people who are building or renovating in a mine subsidence district that they may require approval. Staff attend community forums, have been invited to be guest speakers at functions, and are represented on Community Consultative Committees. By visiting our stand at Regional Shows property owners can obtain advice on mine subsidence and may have benefitted from our promotional giveways. Information is also available through our website.

The Board has established surface development guidelines to minimise the risk of damage from mine subsidence.

Board staff are involved in the notification process prior to mining, to inform residents of the services available to them. In the past three years we have completed over 500 pre-mining inspections. These inspections establish the condition of a dwelling prior to mining and are completed at no cost to the owner.

In the case of new development, subdivision, major projects or mining beneath sensitive structures the Board's staff are often involved from initial planning to development. Information is provided on surface development guidelines and past or future mining.

During 2007/08 Board staff processed over 4,700 building applications, 410 subdivisions, attended to 267 claims from mine subsidence damage, 151 calls for elimination of danger and issued around 9,500 certificates to confirm structures were covered by the Mine Subsidence Act. These figures were similar to the previous year, other than a 10% reduction in requests for certificates and a significant increase in elimination of danger reports.

Proposal for large development such as high-rise structures, new subdivisions and specific projects, such as aged care, meant the Board processed over $1 billion worth of development. It is important to understand the Board's approval is only to permit the proposed development in a mine subsidence district and the application is still subject to all other State planning requirements.

Perhaps the most significant challenge for the future is the increased applications for surface development over old and abandoned coal mine workings. In years past these areas were usually set aside from development, however, many are now seen to be prime sites. Whether it be for residential or commercial, including high-rise structures, these sites require comprehensive geotechnical investigation and structural design to ensure any damage in the event of mine subsidence is slight, localised and readily repairable. Grouting of mine working is often used to achieve this requirement. It is also necessary to establish a long term management plan where shallow mine workings are in a development area.

Research and development into mine subsidence remains an important part of our business. In recent years we have pioneered the use of polyurethane to relevel dwellings following mine subsidence. We are a partner in an ACARP project reviewing pre and post mining damage and are currently assessing various movements to residential structures resulting from localised humps associated with mine subsidence. The Board guidelines for coal mining with respect to road and transmission towers will be reviewed during 2009.

Since the storm and flooding in June 2007 and further heavy rains this year, the number of reports of potholes associated with shallow mined areas has more than doubled. These are often in bushland areas and we appreciate the assistance of the community in reporting them to us so they can be investigated and filled.

Again we were pleased to be involved with Community events. Our mascot Maurie Mole is a great attraction at regional shows and is raising awareness regarding subsidence around shallow mine workings. Courtesy of our Maurie Mole danger awareness campaign 50 winners enjoyed a Newcastle Jets game. The Board also distributed 3700 drink bottles to sporting organisations throughout coal mining areas and distributed thousands of free show bags to children who visited our exhibition at regional shows.

PRINCIPAL AND DISTRICT OFFICERS

Chief Executive Officer
Greg Cole-Clark BE (Mining), MBA

Secretary and Manager Finance and Administration
Michael Clarke BCom, ASA, JP

Subsidence Risk Engineer – Vacant

District Managers

Newcastle	Phil Alexander
Wyong	Tom Hole
Singleton	Garry Moore
Picton	Darren Bullock

OUR AIMS AND OBJECTIVES:

The Board's charter is set out in the Mine Subsidence Compensation Act. The Act is designed to provide for the payment of compensation where improvements on the surface are damaged by subsidence following the extraction of coal or shale anywhere in NSW. Under the Act, the Board is subject to the control and direction of the Minister for Mineral Resources and reports through the Minister to the NSW Parliament.

The Board is responsible for its own operating and capital funds and manages the Mine Subsidence Compensation Fund. Coal mining companies are levied annually by the Board against each company's land value. Additional income is generated for the Board via investments.

OUR MISSION STATEMENT

To mitigate the effects of mine subsidence on the community by promoting compatibility between surface developments and underground coal mining, restoring damaged improvements and managing the compensation fund. The Board has two principal functions, which are highlighted by Sections 12 and 15 of the Mine Subsidence Compensation Act 1961 from which it derives power and authority to:

- Provide for payment of compensation for damage to improvements on land anywhere in NSW caused by mine subsidence following the extraction of coal or shale.
- Control surface development within Mine Subsidence Districts where all subdivisions of land and all applications to erect or alter improvements require the Board's approval.

These functions form the Board's Mission and Corporate Objectives incorporated in a Corporate Plan. In the performance of our charter, the Boards have as their prime concern the welfare and security of the people of NSW coalfields and their properties. A Mine Subsidence District is used to recognise areas where our expertise and service are likely to be in higher demand. With the use of innovative and progressive practices, and the expertise of the organisation, we will ensure that the delivery of high quality service is continually achieved.

STAFF CODE OF CONDUCT

The Mine Subsidence Board utilises good conduct and administrative practice, including prevention procedures, to eliminate the risk of fraud and corruption.

The Board's Code of Conduct addresses standards of behaviour, conflicts of interest, gifts and benefits, corrupt and unethical conduct. All staff are committed to its principles. There have been no changes to the Code during the past year.

GUARANTEE OF SERVICE

In the performance of our Charter, the Mine Subsidence Board is committed to providing the people of NSW with quality service delivered in a reliable, responsible and fair manner. Our Guarantee of Service ensures this statement is fulfilled and is printed as Appendix A.

CORPORATE OBJECTIVES

1	To provide a prompt and efficient compensation and/or repair scheme for damage to improvements caused by the extraction of coal.
2	To eliminate danger to the community from mine subsidence related events.
3	Given that mining will take place, to promote compatibility between surface development and underground coal mining.
4	To actively use risk management expertise to protect the community by reducing future damage from mine subsidence.
5	To identify, complete and promote subsidence research programmes that meet the existing and future needs of the community and industry.
6	To provide a comprehensive and accessible advisory and technical resources service on mine subsidence and surface development.
7	To increase community knowledge and appreciation of the Board and its functions.
8	To implement effective management systems which support the operational objectives.

PERFORMANCE INDICATORS

The Mine Subsidence Board aims to maintain the highest standard of customer service delivery. Continuous improvement is facilitated through quality certification audits, future directions workshops involving staff and our willingness to work with the community, industry and other agencies. Our policies and procedures are regularly reviewed. The Board welcomes suggestions from members of the public and feedback can be provided through the Board's website. All persons lodging a claim with the Board are given the opportunity of input through a customer survey.

QUALITY ASSURANCE

The Board has Quality Certification to International Standard ISO 9001:2000. To maintain certification, the Board's procedures and performance are regularly subject to external audit by SAI Global. Trained staff carry out six-monthly internal audits.

Performance indicators 2007/2008

Service	Number Processed	Performance Measure	Target	2007/08 Performance	2006/07 Performance
Subdivisions	417	Process	95%	97%	92%
15B Certificates	8541	Within 5	95%	95%	86%
15C Certificates	1197	working	95%	96%	89%
Building Applications	4742	days	95%	96%	96%
Claims	267	Determine Claims Within 30 working days	85%	88%	94%
Elimination of Danger	151	Eliminate Danger within 24 hours	100%	100%	100%

CORPORATE PERFORMANCE

The Board has various measures in place to monitor its performance. Management reports to the Board Members on a monthly basis on the Corporate Plan. Internal audits, quality certification audits and customer feedback assist in assessing performance. The major Key Performance Indicators (KPIs) relate to the Board's service areas of surface development, claims and the issuing of Section 15 Certificates, which are generally sought during property conveyancing. Elimination of danger identifies pothole events associated with old shallow mine workings.

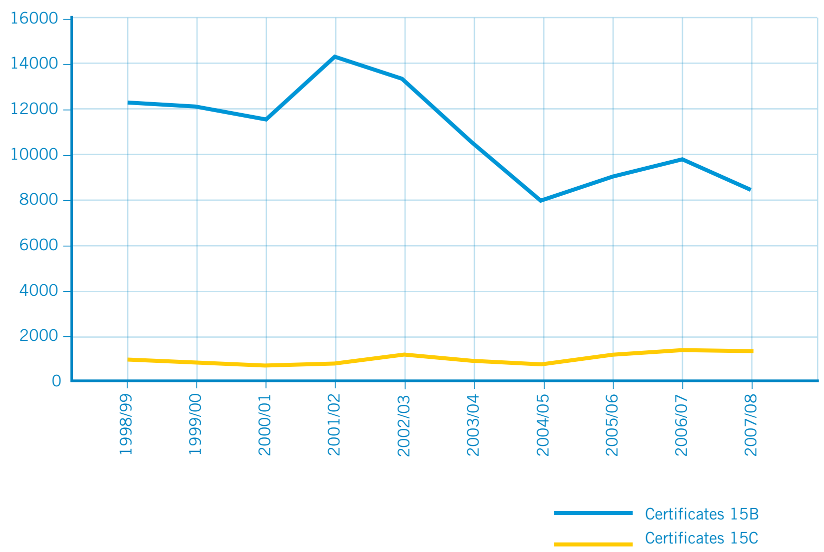
The Board's KPI targets are challenging, but were all met for the year 2007/08.

Elimination of danger reports must be addressed within 24 hours. This significant KPI was achieved. On most occasions, action involved securing a site and filling a mine subsidence pothole with low strength concrete.

Transactions **2007/2008**
2006/2007

Transaction Type	Newcastle	Picton	Singleton	Speers Point	Wyong	Total
Building Applications	**1025**	**999**	**215**	**1899**	**607**	**4745**
	1074	838	182	1753	773	4620
Subdivisions	**62**	**81**	**41**	**174**	**59**	**417**
	96	66	33	165	67	427
Certificates						
15B	**2427**	**1129**	**578**	**2967**	**1450**	**8551**
	2579	1337	668	3328	1693	9605
15C	**309**	**234**	**145**	**227**	**282**	**1197**
	278	186	115	273	347	1199
Claims	**122**	**77**	**7**	**46**	**15**	**267**
	99	104	14	63	12	292
Elimination of Danger	**107**	**1**	**38**	**5**	**0**	**151**
	62	1	11	17	1	92

CERTIFICATES

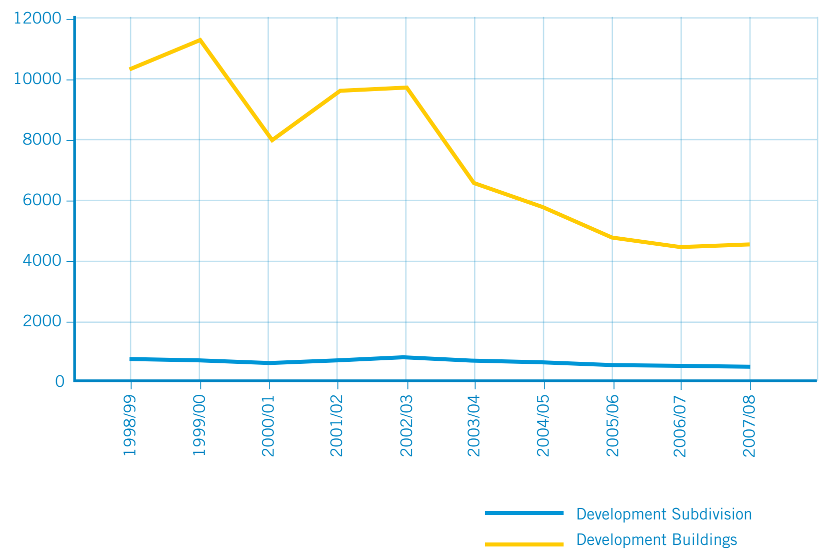


The Board plays an integral role in protecting homebuyers by providing certificates under Section 15 of the Mine Subsidence Compensation Act.

Persons purchasing land and/or buildings, which are located in proclaimed Mine Subsidence Districts, are advised to seek certificates from the Board during conveyancing. Most financial institutions require a Section 15B Certificate as a condition of providing mortgage funds.

- **Section 15B Certificate** – Certifies that the requirements of the Act relating to the improvements or subdivisions specified have been complied with. This certificate is an assurance that compensation will be paid in the event of mine subsidence damage.
- **Section 15C Certificate** – Certifies whether or not a claim has been paid in respect of mine subsidence damage to a property.

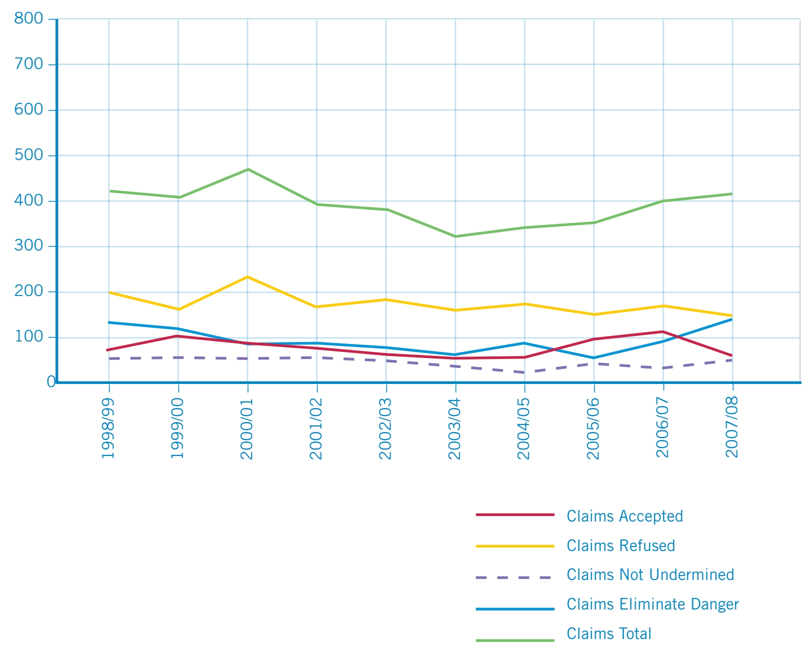
BUILDING AND SUBDIVISION APPLICATIONS – SURFACE DEVELOPMENT



Owners of properties in proclaimed Mine Subsidence Districts must obtain approval to erect improvements or subdivide land. The Board issues guidelines for building, and provides subsidence design parameters for major structures within Mine Subsidence Districts. The Board considers building and subdivision applications within Mine Subsidence Districts for approval and gives consideration to Draft Local Environmental Plans for concurrence or objection as required by the Environmental Planning and Assessment Act.

The Mine Subsidence Board is an approval authority under the Environmental Planning and Assessment Act and accordingly Councils are required to seek general terms of approval from the Board for development applications submitted under the Integrated Development process.

CLAIMS



COMPENSATION

The Board compensates owners of improvements for damage caused by mine subsidence, provided that, if located in a Mine Subsidence District, the improvements have been constructed in accordance with the Board's approval, or existed prior to proclamation of the District.

The owners of improvements damaged by mine subsidence can lodge claims for compensation with the Board. In the event of subsidence damage to surface improvements, the Board may offer the owner a number of options including: having the home or improvements repaired by a licensed contractor; making a cash payment to cover the estimated cost of such repairs; or, in appropriate cases, buying the property at present market value as if it was undamaged by subsidence.

Where the Board purchases a dwelling, it may be rented until subsidence is completed, at which time appropriate repairs are carried out and the property is sold. Such dwellings are leased to tenants at fair market rental.

Owners of improvements may appear before the Board, seeking a review of a Board decision. They also have a right of appeal, under Section 12B of the Act, in the Land and Environment Court, against a decision of the Board as to whether or not damage has been caused by mine subsidence, or about the amount of compensation payable. The Board may arrange for Alternate Dispute Resolution procedures to assist in resolving a claim.

REVIEW OF BOARD OPERATIONS

The Mine Subsidence Board's offices are located in the coalfields of NSW, in Newcastle, Picton, Singleton and Wyong. These areas are easily accessible to residents and developers affected by mine subsidence.

Details of the role of the Mine Subsidence Board and information on mine subsidence can be accessed via the Board's recently updated website. Claim applications, requests for guidelines, tender information for repair contracts, and feedback on service provided are also available from Board's website.

SURFACE DEVELOPMENT AND MINING ADVICE

The Mine Subsidence Board's approval is required for subdivision of land and surface development in Mine Subsidence Districts.

The Board continues to provide advice regarding subsidence issues to the community and developers. This support is particularly relevant in areas of residential growth or where mining is proposed in the short-term.

During the year, staff were involved in discussions with developers proposing high-rise structures over existing mine workings, with extensive geotechnical investigations undertaken by developers to establish the condition and long-term stability of the old abandoned mine workings that underlie sections of the development sites. In some cases, independent expertise was sought to review the geotechnical reports which were submitted by the applicants as a condition of Board approval.

The Board liaises closely with developers, mining companies, local councils and State Government organisations regarding these projects.

Year	Accepted	Refused	Not Undermined	Eliminate Danger	Total
1998/99	74	186	55	115	430
1999/2000	98	144	58	109	409
2000/2001	77	229	57	90	453
2001/2002	74	167	60	90	391
2002/2003	66	178	58	83	385
2003/2004	59	149	46	66	320
2004/2005	57	170	24	89	340
2005/2006	101	150	42	55	348
2006/2007	108	165	33	92	398
2007/2008	65	153	49	151	418

EXPERT ADVICE

Expert advice is provided to property owners, government departments and authorities, local councils, community organisations and industries within Mine Subsidence Districts, and throughout NSW. This advice aims to provide compatibility between surface development and underground mining. To this end, the Board controls building and other surface development in Mine Subsidence Districts, setting building and construction requirements that provide protection from subsidence damage. These requirements cover the nature and class of improvements, including height, type of building materials used and the method of construction.

STOP WORK NOTICES

The Board has the power to issue stop work notices to prevent illegal construction in Mine Subsidence Districts, and any improvements erected without the Board's approval, or contrary to an approval and are not eligible for compensation.

ELIMINATION OF DANGER

An important role is the elimination of public and private danger caused by mine subsidence.

COMMUNITY LIAISON

The Mine Subsidence Board is represented on various committees and attends community forums where there are mine subsidence issues. The Board's Management and staff are available to address public meetings or community groups. The Board is represented on the Interagency Subsidence Management Plan Committee which will review applications for mining.

The Board's Newcastle Staff met with the following groups:

- RTA re F3 Extension
- Northern DARZL
- Hunter Water Corporation
- Newcastle City Council
- National Parks
- Newcastle Corridor Committee
- Various Collieries

The Board's Picton Staff met with the following groups:

- Appin Area Community Working Group
- Tahmoor Colliery Community Consultative Committee
- Southern DARZL
- RTA Technical Committee
- Sydney Water Technical and Steering Committee
- SCA Technical Committee
- Various Collieries

The Board's Singleton staff met with the following groups:

- Mount Thorley / Warkworth Community Consultative Committee
- Muswellbrook Council Liaison Committee
- Singleton Council Liaison Committee

The Board's Wyong staff met with the following groups:

- Wyong Community Liaison Committee
- Mardi to Mangrove Workshop
- DARZL
- Central Coast Regional Co-ordination Management Group

The Chief Executive Officer met with many groups and organisations throughout the year. He is also the Chair / Member of:

- Chair of the Interagency Subsidence Management Plan
- RTA Steering Committee for Freeways and Structures in the Southern Coalfields
- Chair of the Northern and Southern DARZL groups.
- President of the Mine Subsidence Technical Society

Through the supply of promotional materials, brochures and small monetary donations, the Board assisted a number of schools, sporting and community organisations throughout the year.

OFFICES AT A GLANCE

NEWCASTLE DISTRICT

The Newcastle Office manages the operation of the Mine Subsidence Board in the cities of Lake Macquarie, Newcastle and Maitland. There are 150,272 properties governed by the Newcastle Office which is 78% of the total properties administered by the Board. These city areas are and will be effected by future, current and old abandoned mine workings. Some mine workings date back over 200 years and were carried out by convict labour. Mine workings across these areas lie at shallow depths where improvements can be affected by localized pothole type subsidence or at deep longwall mining where improvements are effected by strains and tilts.

The Newcastle Dictrict Office handles the bulk of all transactions received by the Board from their respective client base. The figures of all transactions for the 07/08 period are as follows:

- 64% of all Subsidence Compensation Claims
- 75% of Elimination of Danger Claims
- 62% of Building Applications
- 57% of Subdivision Applications
- 61% of Certificates

The number of standard claims processed by the Board's Newcastle Office has risen by 6% over the previous twelve month period and once more there has been a marked increase of 44% in the elimination of danger claims received by the Newcastle Office compared to last year numbers. All the elimination of danger claims were attended to immediately, made safe and then rectified. The increase in both claims and elimination of danger claims is due to the extreme weather conditions over the last twelve months.

2007/08 has been extremely busy with the assessment, and continuation of consultative processes with applicants and their consultants for high rise developments in the Cities of Lake Macquarie and Newcastle. The Members of Mine Subsidence Board approved over $1045 million dollars of major developments over the 12 month period in the Newcastle and Lake Macquarie areas. The Board's Officers are liaising closer with Councils to assist in developing better plans for building in mine subsidence areas.

Investigation into the stability of the underlying workings has continued on several sites in Newcastle and Lake Macquarie. These investigations are carried out by drilling on site to the workings and retrieving archival searches or records such as record tracings, reports or reference documents. Assessments are also undertaken on the stability of the workings based on the record tracings or mining plan of abandonment. From these investigations workings are grouted to allow larger developments or approval is given in relation to the investigation reports.

Development of further residential land continues throughout, with practically all remaining vacant land in the Newcastle, Lake Macquarie and Maitland districts undermined by old abandoned mine workings. Extensive geotechnical investigations have to be undertaken to establish the condition and the long term stability of the old abandoned mine workings under these areas. These areas are west of Newcastle around Minmi and West Wallsend, South of Lake Macquarie at Catherine Hill Bay and west of Maitland at Louth Park and Gillieston Heights.

PICTON

The Picton District Office manages the operation of the Board in the Southern Coalfields. These areas are partly affected by old abandoned mine workings in the coastal area at shallow depths and improvements can be affected by localized pothole type subsidence. The central area of Southern Coal Fields contains five areas of active mining.

Appin and Westcliff Collierys are currently mining to the west and north of Appin Township. Mining in these areas is carried out through Longwall mining. The Board has carried out repairs to 6 homes which have been affected by Longwall 408.

Tahmoor Colliery commenced mining at Thirlmere in 2004 with Longwall 22. To date there have been 188 claims of which 10 are now greater than $100,000. Of the 188 claims received, 33 have been refused and 52 have been completed. Staff and Management at the Picton Office are working closely with Xstrata Coal on monitoring mining process and its affects.

The Board is currently undertaking pre-mining inspections in relation to Tahmoor Colliery's Longwall 24 & 25. 419 pre-mining inspections have been carried out to date. This will minimise the Board's risk with relation to repairs post mining and also give a better understanding of the relationship between mining and surface improvements.

During 2007/08 a large volume of enquires were received from Developers in regards to proposed Subdivisions. The Board has been active in working with both Collieries and Developers in making mining compatible with future urban expansion.

OFFICES AT A GLANCE (CONTINUED)

SINGLETON

The Singleton District Office manages the operation of the following areas within and out of Proclaimed Mine Subsidence Districts.

- Patrick Plains which encompasses areas bounded by Singleton, Broke, Bulga Jerrys Plains, Glennies Creek and Liddell.
- Muswellbrook which encompasses areas bounded by Liddell, McCulleys Gap, Aberdeen, Wybong, Denman and Jerrys Plains.
- Mitchells Flat east of Singleton
- Lithgow area which encompasses areas bounded by Ulan to the west, Rhylstone, Kandos, Cullen Bullen, Lithgow Hartley Vale and Clarence.
- Tomalpin which encompasses an area bounded by Pelaw Main, Elrington, Cessnock, Abermain and Heddon Greta, which also includes the
- Cessnock Coalfield which encompasses an area bounded by Branxton, Greta, Blackhill, Richmond Vale, Ellalong and Millfield.
- Gunnedah Basin which includes large areas around the township of Gunnedah.

All these areas are partly affected by shallow mining which causes pothole subsidences to occur.

There is substantial underground mining in most of these areas from old abandoned workings and current workings by Bord and Pillar extraction and Longwall mining.

The Singleton office relocated in late July to new premises in Pitt St. Singleton.

WYONG

The Wyong Office manages the areas to the South of Newcastle and the Central Coast including Swansea, North Entrance, Wyong and Hue Hue.

The office has been heavily involved with the expansion of urban development in the northern part of the Wyong Shire.

The Wyong office is also working closely with Wallarah No2 Coal Project and the Community in regard to the compatibility of surface improvements and future mining in the Wyong Mine Subsidence District. Chain Valley and Mannering Collieries have been extracting coal in areas not encumbered by surface improvement.

REPAIR SERVICES

The Board contracts qualified tradespersons to complete repairs where damage has resulted from mine subsidence. In the majority of cases, the repairs are of a relatively minor nature. A high standard of workmanship is required and property owners are involved in the repair project from preparation of the scope of works to final inspection. Any concerns raised during repairs are addressed in consultation with the owner.

Around Newcastle, subsidence damage is related primarily to subsidence from shallow abandoned mine workings. This results in either localised depressions or potholes occurring in the ground surface. They are generally repaired by filling with concrete. Repairs are carried out on behalf of the Mine Subsidence Board by contractors or agencies, such as councils, water authorities, and gas suppliers. The Mine Subsidence Board pays the full cost of repairs. During the past year, the Board attended to 151 potholes. The Board's 24 hour emergency free call telephone number (1800 248 083) is available to report any dangers arising from mine subsidence.

Repair services were required in a number of districts during 2007/2008:

- Repairs undertaken in the Newcastle District included properties in Adamstown Heights, Cooranbong, Fletcher, Mandalong, Morrisset, New Lambton, North Lambton, Wakefield, Wallsend and Waratah.
- Repairs undertaken in the Picton District included properties in Appin, 188 claims in Tahmoor and four claims in Berrima. The suburbs of Appin, Tahmoor and Berrima are all expected to be affected by mining for at least the next 12 months.
- Repairs undertaken in the Singleton District include a significant property in Fordwich, as well as repairs valued in excess of $3.25 million to Charlton and Cobcroft Roads.

The Board undertook general repairs for mine subsidence damage in areas of past and present coal mining.

RISK MANAGEMENT SERVICES

The Mine Subsidence Board liaises with collieries where planned or current mining has the potential to affect surface structures. Meetings are held with these collieries to discuss their mining layout for the next five years as well as their longer term mine plans. Potential problems relating to surface development and conflicts with mining are identified and steps put into place to manage the subsidence event. Where appropriate, the condition of structures prior to mining is assessed. Mitigation works to eligible structures can be implemented by the Board in conjunction with the owners of improvements where it will reduce the total prospective liability to the Mine Subsidence Compensation Fund. Annually, the Board reviews surface structures that will be undermined in the next three years to ensure mine subsidence effects are managed and to assess the potential liability from damage.

Major Development Approvals

A significant responsibility of the Board is approving major developments which could have a significant effect on the Mine Subsidence Compensation Fund following mine subsidence, by virtue of their cost, complexity or other impacts.

It is generally a requirement of approval that a number of conditions be met by the applicant, including the need to remove the risk of subsidence or confirm, through geotechnical investigations, that the workings are long-term stable. Applicants usually engage the services of experienced geotechnical engineering consultants to carry out this work. Drill holes may be required to provide supporting information. In some cases, structures can be relocated or the development staged to address mining issues. The Board is requiring increased use of computer-aided modelling to determine the risk of mine subsidence and assess the behaviour of a structure should mine subsidence occur.

Just some of the major developments assessed during the year included:

- Mardi to Mangrove Creek Water Pipe
- Moonee and Catherine Hill Bay Villages
- Workshop, Store and Rail Facility at Hunter Economic Zone
- Dwelling, Pool, Tennis Court and Pavillion at Coolmore Stud
- Extensions to Narellan Shopping Centre
- Aldi Supermarket in Picton district
- Charlestown Square re-development
- 12 Storey Commercial building in Hunter Street, Newcastle
- Aged Care Facilities in Warners Bay, Merewether, Morisset and Elermore Vale
- Extension of Lingard Private Hospital

During 2007/2008 Financial Year a total of $1178.08 million in developments was approved throughout NSW Mine Subsidence Districts, proving residential and commercial development can work hand in hand with mine subsidence. .

Building Guidelines

The Board introduced a set of graduated building guidelines for residential construction in July 2001. These guidelines provide a sound engineering basis for the design of residential construction and provide homeowners and designers with greater flexibility to design individual styles of houses. The houses must remain safe and serviceable and the guideline system will ensure that any damage is of a minor nature that can be readily and economically repaired by the Board. These surface development guidelines are being reviewed to ensure they take into account current building technology and meet best practice.

Surface Development

All building applications for residential development must meet the requirements of the Building Code of Australia and good building practices. The graduated guideline system for residential structures emphasises the need for new development to meet the relevant codes and standards. The Board requires that articulation joints be shown on architectural plans and in some circumstances work as executed certification is requested. The guideline system separates the Board's requirements into categories that reflect the exposure of varying structures to mine subsidence. Applications for other structures, such as commercial buildings, roads, pipelines and transmission towers, are assessed on their merits, subject to engineering design. In those areas where design and certification by structural engineers is required the need to comprehensively design for the predicted levels of mine subsidence is very important. The Board liaises with applicants and design engineers on a regular basis providing advice on the effect of subsidence on structures and techniques that may be useful in design.

The Board's Development Application and Rezoning Liaison (DARZL) Committee considers applications in areas where there may be issues between surface development and proposed mining. The committee can consider the details of proposed developments and gain insight into mine planning below the sites in order to ensure compatibility is achieved. Regular attendees at these committee meetings include representatives from the Department of Primary Industries – Mineral Resources, mining companies, local councils and the Board.

Pre-mining Inspections

Where predicted mine subsidence is to have a significant effect on surface improvements it is the Board's policy to offer Pre-mining Inspections (PMIs) of those properties. The inspections are beneficial in establishing the pre-mining condition of structures. The information gathered also provides a useful database of the typical performance of structures in terms of existing condition, damage, age and location. They are completed at no cost to the owner and a report is provided. Originally contracted out, the Board now completes much of this work using its experienced technical staff. The inspections also provide an opportunity to liaise with the community prior to mining.

MAPPING

The Mine Subsidence Board holds the only coverage maps of coal mine workings in the State in a geo-referenced digital format that is being regularly updated and verified by the organisation

The Board's computerised mapping system operates on ESRI software. The system contains comprehensive records of old, abandoned, discontinued and current mine workings, administrative, cadastral and topographical data for all areas of our operations. The information is vital in establishing surface development guidelines and assessing claims. Details are regularly updated through information exchanged electronically. Subdivision details are obtained from the Board's records and registered plans from Department of Lands (DL). The text layers to accompany the cadastral information are also supplied and updated at regular intervals by Department of Lands. Current mine workings are added from plans supplied electronically and/or in hard copy format by operational collieries and the Department of Primary Industries – Mineral Resources (DPIM)

The Board has spent considerable time over the past several years increasing the amount of mining and associated detail held on the mapping system used by the organisation.

Mining and cadastral Information is sourced from either DPIM, the Collieries, DL, Libraries, Councils and other organisations, as well as existing data currently archived at the Board.

All of the Board's original seam sheets showing old, abandoned, discontinued and active workings have been scanned and integrated into the Graphical Information System. Verification and vectorisation of coal mine workings are done by checking them against mining records and the original seam sheets. Verification of coal mine workings is continuing for all areas where coal and shale mining has taken place and in particular Cessnock, Gunnedah, Lithgow and Picton.

Aerial Photography has been purchased and integrated into the Graphical Information System for the majority of areas covered by mine subsidence districts to assist in identification of surface features relative to claims, elimination of danger, and future directions.

The computer system can generate maps showing specific areas where special projects or investigations are underway, to assist with administration of Mine Subsidence Districts, and to support educational and advertising programmes. Maps of Mine Subsidence Districts are available on the Board's website.

The computerised Map Query Interface (MQI) system is in use at all District Offices.This system enables District Office staff to prepare A4 maps of selected properties showing cadastral and mining information. Data from the Board's Property Information System can also be added to the map. This allows summaries of the Board's transactions with property owners (eg, claims, building applications, Section 15B Certificates) to be shown on the plan.

FOR YOUR INFORMATION

WHAT IS MINE SUBSIDENCE?

Subsidence is the lowering or settling of the land's surface after underground mining has taken place. NOT ALL mining results in subsidence nor does all subsidence cause damage to surface structures. Coal Mines are required to provide detailed information regarding mining and its potential effects prior to mining approval being granted.

Once mining has taken place, the forces in the ground are redistributed and there is a tendency for the void to close. Some of this effect may be transferred to the surface, resulting in mine subsidence.

HOW DO WE DO IT?

- The areas of conflict between mine subsidence and new development are made Mine Subsidence Districts
- Within those areas, Surface Development Guidelines are calculated, using the Building Code of Australia
- All applications for Development are then assessed against those Guidelines

WHAT ARE THE COSTS?

The Mine Subsidence Board does not charge for its development services.

We have even waived the fee for referral of Integrated Development by Council. The time we take to process applications is important to us – we have a Key Performance Indicator of processing 95% of applications within 5 working days. Major construction projects will take a little longer.

RESEARCH AND DEVELOPMENT

The mine subsidence board participates in research and development projects to increase knowledge and information relating to mine subsidence and its effect on structures. The Board also continues to update its information on the latest building materials and techniques as they may provide greater opportunity for flexibility in building design options.

Vibration monitoring and vibration monitoring analysis

The Mine Subsidence Board carried out vibration monitoring in areas where reports of ground vibrations have been made and where these vibrations may be associated with underground mining operations. A majority of vibrations recorded are unlikely to cause damage to structures, however, the information gathered provides useful data for better understanding the occurrence of vibrations from mine workings and their affect on structures. During the past year vibration monitors have been located at Chain Valley Bay, Mandalong, Awaba, Fordwich and Ellalong.

Underground mining causes vibrations detectable on the surface. The magnitude of these vibrations can often be sufficient that members of the public worry about the impact that the vibrations are having on their homes. The Mine Subsidence Board has been conducting vibration monitoring at various locations since April 1989, and is currently monitoring at 7 locations across the New South Wales coal fields.

Vibrations are more likely to impact buildings if they are around the building's natural frequency due to the phenomena known as resonance. As the natural frequency of most structures is less than 10Hz, the limits on vibration are much stricter on low frequency vibrations than on higher frequency vibrations.

ACARP Project

The Board is involved in a research project to look at the prediction of mining induced movements in building structures and the development of improved methods of subsidence impact assessment. The collection of information commenced in 2004 and it is anticipated that the project will continue until 2008. The use of pre-mining inspection data, as well as claim investigation details, will be used in this project. The main objectives include gaining a greater understanding of the transfer of ground movements into buildings, understanding the way in which different forms of building construction affect the level of damage, and develop improved methods for assessing the potential subsidence impacts on building structures.

FOR YOUR INFORMATIO

WHAT REQUIRES BOARD APPROVAL?

Some of the items that DO require board approval include:

- Subdivision of land
- Building Applications
- Multi storey developments
- New homes being built in a Mine Subsidence District
- Extensions on to an existing home

(this is not a full list of items requiring Board approval)

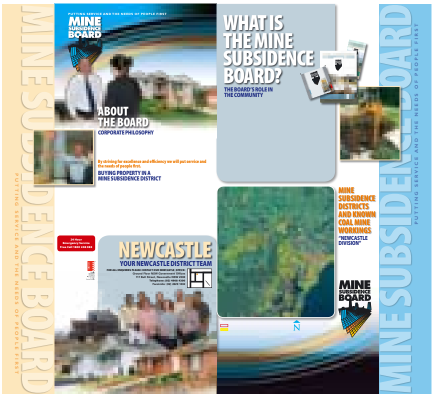
PUBLIC AWARENESS AND COMMUNITY EDUCATION

The Mine Subsidence Board continued its programme of community education and support in areas where there were mine subsidence issues. Strategic advertising of the Board's role and services is focussed in areas where mining is underway or will occur in the immediate future.

The Board also utilises various promotional and marketing avenues to advise people of the Board's activities with these heavily targeted to the specific demographic involved.

The Board attends regional shows as a way of informing existing and new residents about mine subsidence as well as reinforcing the Maurie Mole Safety Message to children. During the year, the Board's staff met with large numbers of people who attended the Newcastle HomeShow, the Camden Show, Wollongong HomeShow, Central Coast HomeShow and Outdoor Expo and the Singleton Home and Lifestyle Expo.

The Board's educational display was placed in all Council Chambers in Mine Subsidence Districts during the year. Four new displays were created to go in to Council offices in the four districts to more accurately reflect the Board's ever evolving image:



The Board's staff are available at regional shows to answer enquiries and explain the Board's role and services. Feedback indicates that the exchange of information is greatly appreciated by visitors. Many thousands of free showbags, containing mine subsidence information, were given away to adults and children. The childrens showbags include specific information about the dangers of old mine workings and promotional items. The Board's showbags continue to be enormously popular with kids of all ages, as well as adults.

The finalisation of the board's Corporate commercials were celebrated with a roll out in the Newcastle / Hunter and Wollongong viewing areas. Five commercials were created including a 30 second "Hunter specific pothole" version and a one minute "overall services offerred".

The Board has further invested in several local community sponsorships in 2007/08 including Newcastle Representative Basketball, Hunter Academy of Sport, Maitland Netball, Tahmoor District Netball Club, Maitland Basketball Association, Wollondilly Netball and Basketball Associations, Wyong Sports and Tennis Club, Hunter Valley Junior Tennis, Central Coast Football, Valentine Eleebana Lemon (Netball) and Valentine Eleebane Alligators (Soccer). These groups were supplied with an allocation from 3700 new sports drink bottles purchased by the Board.

The Board's character used to promote safety awareness, Maurie Mole, is a household name in many coal mining areas of NSW. Maurie Mole has been used in the Hunter Valley to promote safety awareness associated with old, shallow mine workings for more than 16 years and was introduced to the Southern Coalfields in 2006/07 to great responses.

Just some of the outings Maurie Mole enjoyed in 2007/08:

- Camden Show
- Hunter Valley Home & Leisure Show
- Wollongong HomeShow
- Newcastle HomeShow
- Richmond Vale Railway Open Day
- Hunter Region Botanic Gardens' Birthday Celebrations
- Singleton Home and Outdoor Expo

The annual Christmas campaign proved overwhelmingly popular with Maurie's television campaign warning children of the dangers of old mining commencing Boxing day and running through until Australia Day. One of the objectives of the campaign is to encourage the reporting of pothole subsidence by both children and adults. With the support of NBN Television, 50 lucky families watched a Newcastle Jets game.

Publications available at no cost and on the Board's website:

- Mine Subsidence: A Community Guide
- Annual Report (hard copies and CD Rom are available)
- Buying Property and Building in a Mine Subsidence District
- Guide to Designing for Mine Subsidence
- Designing for 'Pothole' Subsidence
- Claiming for Mine Subsidence Damage
- Mine Subsidence Claims: Appeal Rights and Review Procedures
- Guarantee of Service
- A Guide for Council Staff

LIAISON/COMMUNICATIONS AND WORKING PARTIES

The Mine Subsidence Board maintains an active role in liaising with the community, industry and other government departments.

Most importantly, the Board liaises regularly with property owners as part of the claim process. With continuing projects, regular meetings are scheduled, and in other areas they are held to facilitate communication when issues concerning mine subsidence arise. The Board is represented on a number of Community Consultative Committees, which have been formed to discuss mining and community issues. Regular liaison between the Board's staff and councils ensures local issues are addressed in the early stages of planning.

We also provide information on mine subsidence and the Board's role when undertaking pre-mining inspections.

The Board meets with other state and local government bodies to allow the exchange of information and identification of issues in particular areas. Regular meetings are held with the Department of Primary Industries – Mineral Resources and the Department of Planning, local government bodies and mining companies. This provides an opportunity to discuss short and longer term mine plans so that any issues can be considered during strategic planning for surface development. The Board attends Planning Focus Meetings, which consider mining and other issues during the early stages of mine planning. We are also represented at Commissions of Inquiry where mine subsidence is an issue.

OTHER COMMITTEES AND WORKING PARTIES

The Mine Subsidence Board convenes or participates in various Committees as the need arises:

- DARZL Committee
- Southern DARZL Committee
- Hunter and Central Coast Regional Co-ordinators Management Groups

DEEMED APPROVALS:

Some minor items of household change do NOT need Mine Subsidence Board approval, prior to Council processing. Where a Council does not require a building application, deemed approval is given. Some of these items include carports, above ground pools, garden sheds, fences etc. (a full list can be provided by contacting the Mine Subsidence Board or see our website)

PAYMENT PERFORMANCE

$36 million worth of accounts were paid during the year, on approximately 2000 invoices.

95% were paid on time, the balance being either invoices in dispute, or instances where the original invoice was not received. No invoice reached 60 days overdue and no penalty interest became due or was paid.

PROPERTIES

Three new properties were purchased during 2007/08.

At 30th June 2008, 8 properties valued at $2.305 million were held. Properties are purchased as a result of mine subsidence claims in accordance with the Mine Subsidence Compensation Act. The Board's practice is to restore these properties to a marketable condition and sell after the effects of subsidence are remedied.

INVESTMENT PERFORMANCE

Investment performance is monitored monthly through comparison of key performance indicators, such as portfolio average maturity, average portfolio volatility, maturity dissection and accrued capital profit or loss. The return is measured against an index of 40% 90 day Bank Bill/60% WDR Composite All Maturities for the monthly Board Meeting.

For Annual Report purposes, Treasury has advised us to use their hourglass index of 40% UBS Australian Bank Bill Index + 60% UBS 0/+ Australian Government Bond Index. For 2007/08, the Board's portfolio returned 5.9019% compared to the nominated Treasury benchmark of 5.2209%. On funds invested of approximately $56 million, this is a difference of about $381,400 over the benchmark, for the year.

ARRANGEMENTS FOR PUBLIC PARTICIPATION IN POLICY FORMULATION

The public may participate in policy formulation through representation to Board Members, the Minister and various liaison committees and working parties established or attended by the Board. Feedback on the Board's role and services can now be provided through its website. The Board's staff is available to attend relevant public meetings or address community organisations.

SIGNIFICANT JUDICIAL DECISIONS

The Land and Environment Court (LEC) decided one appeal lodged under s12B of the Mine Subsidence Compensation Act 1961.

In Vervoorn, Maria v Mine Subsidence Board [2007] NSW LEC538, the court allowed an appeal against the board's decision to refuse the claim. The Board felt the decision raised uncertainties about the processes of subsidence that could cause damage. At 30 June 2008, an appeal to the NSW Court of Appeal was pending.

Alinta LGA Limited (formerly Australian Gas Light Company) v Mine Subsidence Board [2008] HCA 17 S520/2007, was decided by the High Court of Australia in April 2008. It arose from an appeal by Alinta LGA Limited against a NSW Court of Appeal decision about Jurisdiction of the Land and Environment Court. The appeal was denied and costs were awarded to the Board.

CHANGES IN LEGISLATION

No changes were made to legislation.

INTERNAL AUDIT

The Board uses the NSW Government's IAB Assurance and Advisory Services for its internal audit. This year's programme called for examination of: Speers Point District Office; Accounts Payable and Receivable, Claim Repairs, Assets and Operating Systems for transactions.

RISK MANAGEMENT AND INSURANCE

The Board's insurance is with the NSW Treasury Managed Fund and covers public liability, motor vehicles, property, workers compensation, fidelity guarantee, burglary, fire and miscellaneous.

GOVERNMENT ENERGY MANAGEMENT POLICY

The Board reported to the NSW Department of Energy and Utilities regarding the Government Energy Management Policy (GEMP): Reducing Greenhouse Emissions from Government Operations. As a small agency, the Board has sought to minimise energy consumption through the increased awareness and co-operation of staff. Energy efficiency is considered when purchasing equipment and power savers are activated when the equipment is installed. The Board monitors electricity usage and timers have been installed on all lighting circuits in our Newcastle office. The next GEMP report is due in October 2010.

WASTE REDUCTION AND PURCHASING PLAN

As required by the Government's Waste Reduction and Purchasing Plan (WRAPP), the Board reports to the NSW Environment Protection Authority. Staff are kept advised of WRAPP requirements and Board initiatives through our Weekly Bulletin.

The Board participates in a paper-recycling programme. Waste office paper is separated and collected by recycling contractors on a regular basis. Confidential records, which are no longer required, are disposed of through a separate confidential shredding service.

The Board has actively worked to reduce waste. Increased use of our website and electronic transactions has limited the amount of paper required. Compared to the WRAPP 2002/03 Report, the Board has realised reductions of 29% in printed material, 34% in envelope usage and 20% in toner cartridges purchased. Around 96% of A4/A3 paper has a recycled content and 87% of toner cartridges are recycled.

The Board's plastic showbags were replaced with recycled paper material more 24 months ago. In keeping with continual improvement the Board has now moved to material show bags and both the pen and ruler provided with the Showbags is made from recycled material and is also able to be recycled.

The Board does not generate construction, demolition or vegetation waste. Our Notice to Tenderers for contractors undertaking repairs to properties includes advice regarding recycling.

ELECTRONIC SERVICE DELIVERY

Our Information Management and Technology Plan provides for phased introduction of lodged/delivered applications and services. This has been complemented by the Government's Electronic Service Delivery Plan, which the Board has embraced and complied with, for reporting to Government. Customers can now access Board publications, lodge claims, seek Section 15 Certificates and request guidelines electronically. The website also provides the opportunity for feedback from customers on the Board's services.

FOR YOUR INFORMATION

DEVELOPMENT GUIDELINES:

The Mine Subsidence Board has a set of development guidelines relating to structures and sub-divisions within districts.

These guidelines are designed to ensure structures will tolerate expected levels of subsidence so that safety is not compromised, can remain in use and in the event of damage occurring, any inconvenience is limited whilst repairs are made.

Our guidelines cover the allowable height of a building, the type of building materials used and the construction methods.

HUMAN RESOURCES

The total number of staff employed at 30th June 2008 was 27, comprising:

Location	Male	Female
Head Office	6	3
Newcastle	5	4
Wyong	2	1
Picton	2	2
Singleton	1	1
Total	16	11

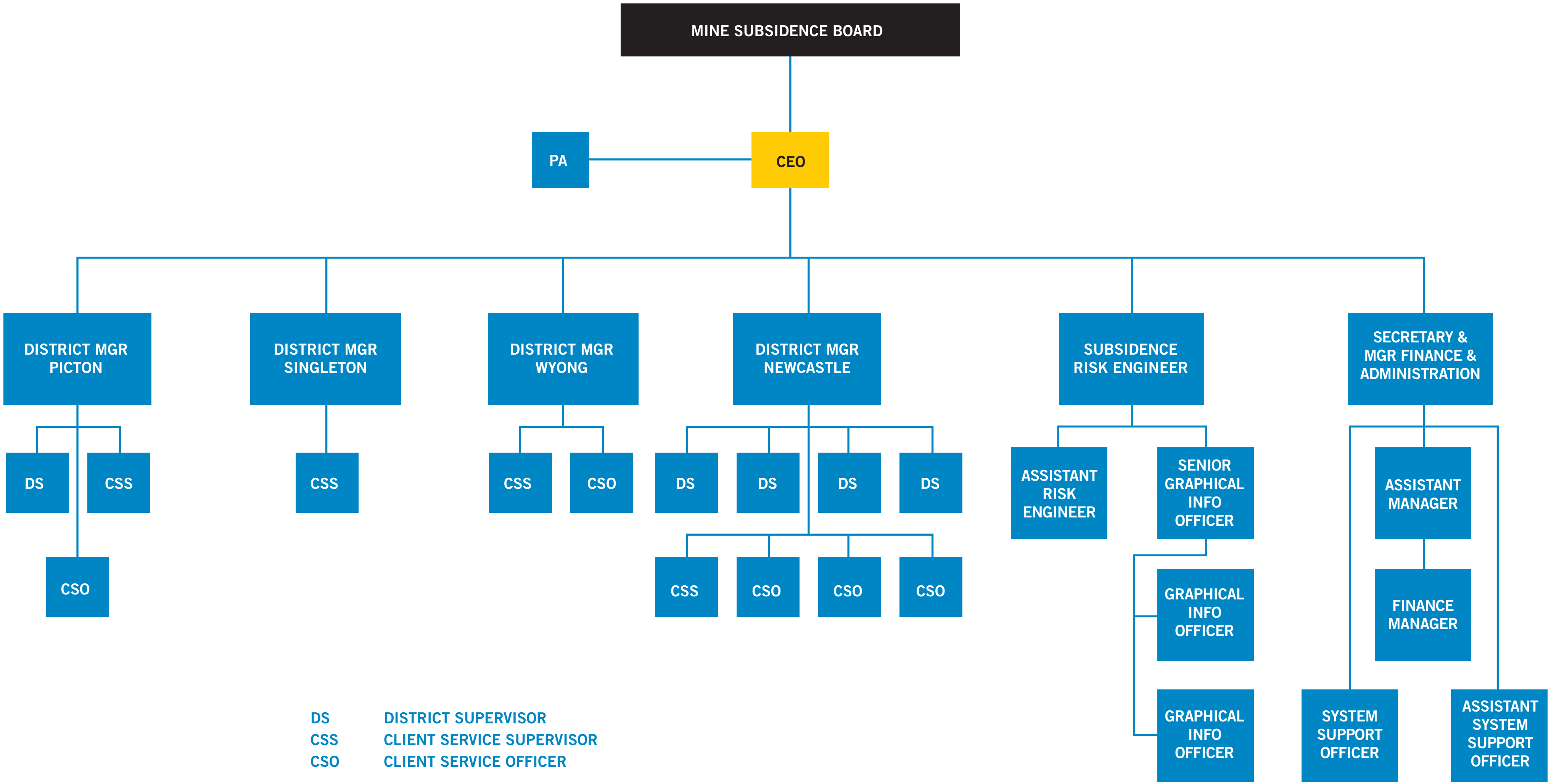
There are three vacant positions, for which replacements are being sought. All human resource administration is "in-house", with administration of staff records and payroll completed through an integrated software package. Outsourcing is utilised when necessary to complete tasks not available internally.

STAFF TRAINING AND DEVELOPMENT

In-house and external training courses, including: Project Management; General Computing Skills; Australian Institute of Mining Surveyors Seminar; were attended by members of staff.

OCCUPATIONAL HEALTH AND SAFETY

One work related injury was reported during the year. There was a small loss of time for continuing rehabilitation from the previous period for another injury.


MINE SUBSIDENCE BOARD
PA
CEO
DISTRICT MGR PICTON
DISTRICT MGR SINGLETON
DISTRICT MGR WYONG
DISTRICT MGR NEWCASTLE
SUBSIDENCE RISK ENGINEER
SECRETARY & MGR FINANCE & ADMINISTRATION
DS
CSS
CSO
CSS
CSS
CSO
DS
DS
DS
DS
CSS
CSO
CSO
CSO
ASSISTANT RISK ENGINEER
SENIOR GRAPHICAL INFO OFFICER
GRAPHICAL INFO OFFICER
GRAPHICAL INFO OFFICER
ASSISTANT MANAGER
FINANCE MANAGER
SYSTEM SUPPORT OFFICER
ASSISTANT SYSTEM SUPPORT OFFICER
DS DISTRICT SUPERVISOR
CSS CLIENT SERVICE SUPERVISOR
CSO CLIENT SERVICE OFFICER

EQUAL EMPLOYMENT OPPORTUNITY

The Board is an equal opportunity employer and actively promotes all EEO principles.

	Total	Women	Aboriginal People & Torres Strait Islanders	People from Non-English Speaking Backgrounds	People with a Disability
Total Staff	27	42%	0%	3.89%	0%
Management	2	0	0%	0%	0%
Corporate Support	5	60%	0%	0%	0%
Technical Services	12	0	0%	0%	0%
Customer Service	8	88%	0%	0%	0%

ACTION PLAN FOR WOMEN

Approximately 42% of the Board's staff are women. The Board participates in the NSW Government's Spokeswomen's Programme and information on issues is provided to all staff through our Weekly Bulletin.

ETHNIC AFFAIRS PRIORITIES STATEMENT

As a guarantee of service, the Mine Subsidence Board offers free of charge, interpreter services through the Community Relations Commission, for people of non-English speaking backgrounds. Interpreter availability signs are displayed in public areas of each of the Board's offices and are printed in different languages.

A notice about major services and the availability of interpreters is printed in 17 different languages in our major publications. Detailed information sheets on the Board's role and services are also available from our District Offices in each of these languages. All staff have attended a workshop on cultural diversity and are kept informed through the Board's Weekly Bulletin.

Both the Board's Policy and Procedure for Interpreter Services were reviewed in accordance with the Action Plan. The Board will maintain its commitment to providing interpreter services and information sheets, and address any other issues that may arise.

The Mine Subsidence Board is committed to upholding and promoting the Principles of Multiculturalism.

FREEDOM OF INFORMATION

This Annual Report forms the 17th Statement of Affairs as required by the Freedom of Information Act 1989. The last Statement of Affairs was published as part of the Board's 2006/07 Annual Report.

The requirements of the FOI legislation have been incorporated into the Board's policies and procedures. The Board has identified a range of information which is available as part of its normal service without recourse to the provisions of the Act.

Access to documents held by the Mine Subsidence Board and subject to the FOI Act must be made by written application accompanied by a fee of $30. An hourly fee of $30 applies. In regard to personal affairs, the first 20 hours of processing are free. The application should be directed to:

Freedom of Information Co-ordinator
Mine Subsidence Board
PO Box 488G
NEWCASTLE 2300

Prior to making an application, it is suggested that the applicant contact (02) 4908 4300, as some of the information sought may be available as part of the Board's free community service. The Board's Offices are open between 8.30 am and 4.30 pm Monday to Friday.

One request was made under the Freedom of Information Act during the year. It was complied with and the requested information supplied.

Documents available for inspection

- Annual Reports
- Past Annual Reviews
- Agendas for and Minutes of Board Meetings Maps of Mine Workings
- Guidelines for Coal Mining and Transmission Lines with Respect to Subsidence
- Guidelines for Coal Mining and Roads with Respect to Subsidence
- Guidelines for Surface Development Approvals
- Clough/Smith Report (Ministerial Committee on Mining Subsidence and Urban Development)

The Board has the following policy documents, which may be accessed for information:

- Accounting Manual
- Agendas and Minutes of Board Meetings
- Code of Conduct
- Complaint Handling Procedures
- Corporate Plan
- Delegations Manual
- Ethnic Affairs Policy Statement
- EEO Policy
- Guarantee of Service
- Internal Reporting Procedures for Protected Disclosures Act
- IT (Computer) Strategic Plan
- Buying Property and Building in a Mine Subsidence District
- Claiming for Mine Subsidence Damage
- Appeal Rights and Review Procedures for Claims
- Staff and Personnel Handbook
- Policy and Procedures Manual
- Use of Consulting Engineers
- Release of Consultants Reports
- Publication of Research Reports and Papers
- Benefit of Doubt
- Appearances Before the Board
- Elimination of Danger
- Payments, Purchase of Properties
- Payments, Cash Compensation
- Repairs, General
- Repairs, Tenders
- Pre-Mining Inspections
- Investment
- Payment of Accounts
- Purchasing
- Tendering for Works up to $20,000

Files

- Property Files
- Policy Files
- Administrative Files
- Personnel Files
- Ministerials

PRIVACY AND PERSONAL INFORMATION PROTECTION ACT (PIPP)

The Act provides for the protection of personal information, and for the protection of the privacy of individuals generally.

The Board has a Privacy Management Plan, which identifies how it complies with the requirements of this legislation. The Plan has been submitted to the Privacy Commissioner.

No internal reviews were requested nor conducted during 2007/08.

Mr Michael Clarke, the Board's Secretary, is the Privacy Co-ordinator. He is located at 117 Bull Street Newcastle, telephone (02) 4908 4360.

FOR YOUR INFORMATION

ELIMINATION OF DANGER:
A major role undertaken by the Mine Subsidence Board is the elimination of danger. On occasions, mine subsidence from old shallow mining may cause potholes to occur.

The Board staff are available 24 hours to eliminate this danger immediately.

OUR STAFF ARE HERE TO ASSIST:
The Mine Subsidence Board's staff are here to assist you, with four offices located conveniently in coal mining areas of NSW.

Not only is our website a great source of information, we have a wide range of brochures and other information on mine subsidence to assist you.

Our staff can also assist with technical information on items such as designing for subsidence.

IF YOU SEE A HOLE, DON'T BE A MOLE WALK IN THE OPPOSITE DIRECTION AND REPORT YOUR DETECTION

FINANCIAL INFORMATION CONTENTS

OVERVIEW OF FINANCIAL STATEMENTS 2007/08

The audited financial statements, budget and actual performance for 2007/08 and budget for the period 2008 to 2011, both operating and capital, follow. The budget information is not subject to audit.

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Mine Subsidence Board

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Mine Subsidence Board (the Board), which comprises the balance sheet as at 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Board as 30 June 2008, and its financial performance and cash flows for the year then ended accordance with Australian Accounting Standards (including the Australian Accounti Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Ac and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Report

The members of the Board are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Board's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does not provide assurance:

- about the future viability of the Board,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.

David Nolan
Director, Financial Audit Services

1 December 2008
SYDNEY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C (1B) of the Public Finance and Audit Act 1983, and in accordance with the resolution of the Members of the Board that the financial statements be signed by the Chairman and a Board Member and attested in the following terms:

In our opinion, the accompanying financial statements present a true and fair view of the financial position of the Mine Subsidence Board as at 30 June 2008 and the results of its operations for the year then ended.

The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and its accompanying Regulations, and the Treasurer's Directions.

As at the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

CHAIRMAN

BOARD MEMBER

DATED: 27 November 2008

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $'000	2007 $'000
REVENUE			
Contribution from Colliery Proprietors	3	20,002	8,001
Interest on Investments at Fair Value through the Profit & Loss	3	1,966	1,897
Miscellaneous Income	3	462	494
Personnel Services Income		0	684
Total Revenue		22,430	11,076
EXPENDITURE			
Claims – Subsidence	5	15,789	1,084
Preventative Works	6	6,326	6,751
		22,115	7,835

	Notes	2008 $'000	2007 $'000
Surface Development and Administration Expenses			
Personnel Services Expense	18	3,141	2,075
Fees for Services Rendered		775	663
Other Expenses	8	680	653
Rent	8	215	215
Depreciation	13	224	500
		5,035	4,106
Total Expenses excluding losses		27,150	11,941
Unrealised Gain/(Loss) on Revaluation of Investments		88	0
Other Gain/(Loss) on Realisation of Investments	23	388	185
Gain/(Loss) on disposal of Fixed Assets	4	(6)	(19)
Surplus/ (Deficit) for the Year	21	(4,250)	(699)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

BALANCE SHEETS AS AT 30 JUNE 2008

	Notes	2008 $'000	2007 $'000
CURRENT ASSETS			
Cash and Cash Equivalents	9	18,233	20,093
Trade and Other Receivables	10	1,062	1,456
Inventories	11	1,260	275
Financial Assets at Fair Value	12	38,671	30,389
Other Assets	20	0	677
TOTAL CURRENT ASSETS		59,226	52,890
NON-CURRENT ASSETS			
Inventories	11	1,035	1260
Property, Plant and Equipment	13	550	617
TOTAL NON-CURRENT ASSETS		1,585	1,877
TOTAL ASSETS		60,811	54,767

	Notes	2008 $'000	2007 $'000
CURRENT LIABILITIES			
Trade and Other Payables	14	428	120
Provision for Personnel Services and Other Provisions	15	19,806	11,294
TOTAL CURRENT LIABILITIES		20,234	11,414
NON-CURRENT LIABILITIES			
Provision for Personnel Services and Other Provisions	15	1,747	273
TOTAL LIABILITIES		21,981	11,687
NET ASSETS		38,830	43,080
EQUITY			
Accumulated Funds	21	38,830	43,080
TOTAL EQUITY		38,830	43,080

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	2008 $'000	2007 $'000
Total Equity at beginning of financial year	43,080	43,779
Deficit for the year	(4,250)	(699)
Total equity at the end of the year	38,830	43,080

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 $'000	2007 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Contributions Colliery Proprietors		21,679	8,801
Interest Received		1,828	1,922
Sale of Inventory		248	1,830
Other Income		1,453	59
		25,208	12,612
Payments			
Other Suppliers, Creditors and Employees		(5,023)	(4,520)
Claims/Preventative Works		(13,062)	(2,781)
Payments for Inventory		(1,015)	0
		(19,100)	(7,301)
Net Cash Flows from Operating Activities	22(b)	6,108	5,311

	Note	2008 $'000	2007 $'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of Property, Plant and Equipment		111	135
Sale of Other Financial Assets		159,317	169,639
Payments for Property, Plant and Equipment		(273)	(319)
Payments for Other Financial Assets		(167,123)	(181,990)
Net Cash Flows from Investing Activities		(7,968)	(12,535)
Net Cash Flows from Financing Activities		0	0
Net Increase/(Decrease) in Cash Held		(1,860)	(7,224)
Cash and cash equivalents at the Beginning of the Financial Year		20,093	27,317
Cash and cash equivalents at the End of the Financial Year	22(a)	18,233	20,093

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. THE BOARD'S REPORTING ENTITY

The Mine Subsidence Board ('the Board') comprises all the operating activities associated with the Government's plans for compensating and/or repairing damage to improvements caused through mine subsidence. The Board's financial accounts also encompass the accounting activities of the Mine Subsidence Board in accordance with the requirements of the Mine Subsidence Compensation Act 1961 (as amended).

The Board manages a scheme of compensation and/or repair of damage caused by mine subsidence.

The Board is a NSW government agency and is a not-for-profit entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Public Finance and Audit Act 1983. The financial statements also incorporate financial reporting requirements specified in the Public Finance & Audit Regulation 2005 and the relevant Treasurer's Directions.

Proper accounts and records for all of the Board's operations have been kept as required under section 41(1) of the Public Finance and Audit Act 1983.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

The Financial Report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

(b) Revenue Recognition

Revenue is measured at the fair value of the consideration received. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

(i) the Board has passed control of the goods or other assets to the buyer;

(ii) the Board controls a right to be compensated for services rendered;

(iii) the Board controls a right relating to the consideration payable for the provision of investment assets;

(iv) it is probable that the economic benefits comprising the consideration will flow to the Board and

(v) the amount of the revenue can be measured reliably.

(vi) Interest income is recognised on a time proportion basis using the effective interest method. – see Note 2(h).

(vii) Revenue in the form of contributions from colliery proprietors is recognised once approved and gazetted by the Department of Primary Industries.

(c) Personnel Services

All staff are employed by the Department of Primary Industries and provided personnel services to Mine Subsidence Board under a service agreement. Under Treasury Circular TC 06/13, Goods and Services Tax is required to be levied by the service provider on personnel service charges. However, to date, this amount has not been levied by the Department of Primary Industries.

(i) Personnel Service Charges

Liabilities for wages and salaries, and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employment services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employment benefits and is measured in accordance

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employment benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employment departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Sick leave is non-vesting and is expensed when taken.

(iv) Employees are entitled to benefits on retirement, disability or death, from superannuation plans. Details of the Board's liability and assets are in Note 20.

(d) Claims and Preventative Works

Commitments for compensation claims are recognised when a decision has been made by the Board (or delegate) to accept liability for a claim. The amount is based on repair estimates provided by the Board's technical staff or experts in that area of work.

Preventative Works are recognised when a decision is made by the Board (or delegate) to accept liability for carrying out mitigatory works to reduce the total prospective liability to the Compensation Fund. The amount is based on estimates provided by the Board's technical or engineering staff or experts in that area of work.

(e) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of GST, except:

- The amount of GST incurred by the Board as a purchase that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;
- Receivables and payables are stated with the amount of GST included.
- Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed by the Board includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Board and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Board commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
• Computer Equipment	25%
• Plant and equipment	20%
• Office fittings	10%
• Motor Vehicles	50%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Inventories

The Board's purchases of land and buildings are as a result of subsidence claims in accordance with the Mine Subsidence Compensation Act 1961. The Board's practice is to restore these properties to a marketable condition and sell after the effects of subsidence are remedied. In the year of purchase, any difference between the purchase price and the net market value at balance date are brought to account as claims expenditure (refer note 5).

Any gain or loss on the disposal of inventories is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal and is included in the result of the Board in the year of disposal. Inventory is carried at the lower of cost or net realisable value. Rectification costs to Inventory are incurred as claim expenses.

(h) Financial Instruments

Recognition and Initial Measurement

Financial instruments are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for investments that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus, in the case of instruments not at fair value through profit or loss, transactions costs. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial assets and liabilities are classified and measured as set out below.

Classification and Subsequent Measurement

(i) **Financial assets at fair value through profit or loss**

Investment assets are classified as financial assets at fair value through profit or loss. These financial assets are held for the purpose of short term profit making, or designated as such to avoid an accounting mismatch, or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(ii) **Held-to-maturity investments**

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Mine Subsidence Board has the positive intention and ability to hold to maturity are classified as "held to maturity". These investments are measured at amortised cost using the effective interest rate method. Changes are recognised in the operating statement when impaired, derecognised or through the amortisation process.

(iii) **Available-for-sale investments**

Any residual investments that do not fall into any other category are accounted for as available-for-sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the operating statement. However interest calculated using the effective interest method and dividends received are recognised in the operating statement.

(iv) **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are initially recognised at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance of any impairment. Any changes are accounted for in the income statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measures at the original invoice amount where the effect of discounting is immaterial.

(v) **Payables**

These amounts represent liabilities for goods and services provided to the Mine Subsidence Board. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method.

Short-term payables with no stated interest rate are measures at the original invoice amount where the effect of discounting is immaterial.

Impairment
All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the income statement.

At each reporting date, the Board assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Income Tax
The Board is exempt from income tax under Section 50-25 of the Income Tax Assessment Act 1997.

(j) Cash and Cash Equivalents
For cash flow statement presentation purposes, cash and cash equivalents include cash on hand; deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of 3 months or less and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(k) Statement of Compliance
The financial report complies with Australian Accounting Standards. Also, the financial report complies with the International Financial Reporting Standards.

(l) New Australian Accounting Standards
As at the date of this report there are a number of new Australian Accounting Standards that have been issued but are not yet effective. The Board has assessed the impact of these new Australian Accounting Standards and has concluded that they would have no material impact.

(m) Comparative Figures
Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

3. REVENUE

	2008 $'000	2007 $'000
Contributions from Colliery Proprietors		
Colliery contributions	20,002	8,001
Interest on Investments		
Interest received	1,966	1,897
Miscellaneous Income		
Certificates issued under the Mine Subsidence Compensation Act 1961		
- Section 15B	339	387
- Section 15C	23	23
Property Rental	49	55
Bank Interest	43	29
Other	8	0
	462	494

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

4. PROCEEDS FROM DISPOSAL OF PLANT AND EQUIPMENT

	2008 $'000	2007 $'000
Cost or Value	149	355
Less: Accumulated Depreciation	(32)	(201)
Written Down Value	117	154
Less: Proceeds from Disposal	(111)	(135)
Loss on disposal of Fixed Assets	6	19

5. CLAIMS – SUBSIDENCE

	2008 $'000	2007 $'000
Claims paid during year ended 30 June 2008	11,287	1,972
Less: Amount paid in respect of claims provided for in previous years	(2,392)	(1,640)
Total of claims received and paid in 2007/08	8,895	332
Add: Claims accepted during 2007/08 but unsettled at balance date	1,747	273
Add: Claims raised in previous years	5,112	746
Add: Loss on Sale of Inventory	35	(100)
Less: Increment to Market Value of Inventory Purchases	0	(167)
Total Claims Expenditure	15,789	1,084

6. PREVENTATIVE WORKS

	2008 $'000	2007 $'000
Preventative Works paid during year ended 30 June 2008	911	597
Less: Amount paid in respect of Preventative Works of previous years	(904)	(597)
Total Preventative Works made and paid in 2007/08	7	0
Add: Preventative Works accepted by the Board during 2007/08 but unsettled at balance date	5	6,388
Add: Commitment for Work recognised in previous years	6,314	363
Total Preventative Works Expenditure	6,326	6,751

7.AUDIT FEES

The Audit Office of New South Wales is the Board's auditor. Apart from the audit fee of $30,450 (2007: $20,000) the Audit Office received no other benefits.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

8.OTHER EXPENSES

	2008 $'000	2007 $'000
Advertising	92	103
Audit Fee	30	20
Board Fees	26	28
Property Expenses	24	27
Property Commission (Sales and Rental)	34	20
Printing, Stores and Stationary	194	208
Other Expenses	135	108
Motor Vehicle Operations	57	50
Postal	30	30
Telephone	40	39
Electricity	18	20
	680	653
Rent Expenses		
Newcastle Office	112	112
Other Offices (Picton, Wyong, Singleton and Lake Macquarie)	103	103
	215	215

9.CASH AND CASH EQUIVALENTS

	2008 $'000	2007 $'000
Cash on Hand	1	1
Cash at Bank	2,270	1,106
Short-Term Bank Bills	15,962	18,986
	18,233	20,093

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10.TRADE AND OTHER RECEIVABLES

	2008 $'000	2007 $'000
Colliery Contributions	295	1
Less Provision for Impairment	0	0
	295	1
Inspection Fees and Licences	0	3
Sundry debtors	24	2
Prepayments	35	2
GST Refund	49	33
Trade Receivable	0	894
Interest Receivable	659	521
	1,062	1,456

11. INVENTORIES

	2008 $'000	2007 $'000
Balance at 1 July 2007	1,535	3,035
Additions	1,045	0
Adjustment for lower of cost or net realisable value	(10)	365
Loss on sale	(25)	0
Sales 2007/08	(250)	(1,865)
Balance at 30 June 2008	2,295	1,535
Current	1,260	275
Non-Current	1,035	1,260
	2,295	1,535

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

12.FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Fair Value	
	2008 $'000	**2007 $'000**
NSW Treasury Corp (Nominal Value $2.93m)	2,837	3,641
Queensland Treasury Corp (Nominal Value $5.25m)	5,152	5,141
Reserve Bank of Australia (Nominal Value $3.44m)	3,395	1,760
Victorian Treasury Corp (Nominal Value $1.8m)	1,608	853
West Australian Treasury Corp (Nominal Value $1.364m)	1,468	372
South Australian Finance Authority (Nominal Value $0.80m)	890	582
Tasmanian Finance Corporation (Nominal Value $0.8m)	806	812
NT Government (Nominal Value $0.39m)	399	402
Bank Bills of Exchange (Nominal Value $22.804m)	22,075	16,785
Futures	41	41
Total Current Investments	38,671	30,389

13.PLANT AND EQUIPMENT

2008	**Computer Equipment $'000**	**General Plant and Equipment $'000**	**Motor Vehicle $'000**	**Total $'000**
At Cost				
Balance at 1 July 2007	3,264	474	260	3,998
Additions	55	53	166	274
Disposals	0	0	(141)	(141)
Written-off	(8)	0	0	(8)
Balance at 30 June 2008	3,311	527	285	4,123
Accumulated Depreciation				
Balance at 1 July 2007	2,942	401	38	3,381
Depreciation for the Year	140	31	53	224
Write back on Disposal	0	0	(32)	(32)
Balance at 30 June 2008	3,082	432	59	3,573
Written Down Value				
At 30 June 2007	322	73	222	617
At 30 June 2008	229	95	226	550

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2007	**Computer Equipment $'000**	**General Plant and Equipment $'000**	**Motor Vehicle $'000**	**Total $'000**
At Cost				
Balance at 1 July 2006	3,433	534	253	4,220
Additions	108	18	193	319
Disposals	-	-	(186)	(186)
Written-off	(277)	(78)	-	(355)
Balance at 30 June 2007	3,264	474	260	3,998
Accumulated Depreciation				
Balance at 1 July 2006	2,780	445	41	3,266
Depreciation for the Year	426	29	45	500
Write back on Disposal	-	-	(48)	(48)
Write-back on Assets Written-off	(264)	(73)	-	(337)
Balance at 30 June 2007	2,942	401	38	3,381

Written Down Value				
At 30 June 2006	653	89	212	954
At 30 June 2007	322	73	222	617

14.TRADE AND OTHER PAYABLES

	2008 $'000	**2007 $'000**
Fees for Services Rendered	65	55
Advertising and Promotion	18	16
Other Payables	11	19
Goods and Services Tax	0	3
Personnel Services	12	7
Printing, Stores and Stationery	16	0
Audit Fee	18	20
Trade Payable	288	0
	428	120

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

15.PROVISIONS

		2008 $'000	2007 $'000
Current Provisions			
Claims	16	4,663	1,668
Preventative Works	17	13,754	8,341
Personnel Services – Superannuation Accrual		17	0
Personnel Services Accrual (Leave)	19	1,372	1,285
		19,806	11,294
Non-Current Provisions			
Claims	16	1,747	273

16.MOVEMENT IN PROVISION FOR UNADJUSTED CLAIMS

		2008 $'000	2007 $'000
Opening Balance 1 July		1,941	2,562
Claims – Current Year		1,747	273
Claim Adjustments – Prior year claims		5,104	746
Payments of Claims		(2,382)	(1,640)
Closing Balance 30 June		6,410	1,941
Current	15	4,663	1,668
Non-Current	15	1,747	273
		6,410	1,941

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

17.MOVEMENT IN PROVISION FOR PREVENTATIVE WORKS

		2008 $'000	2007 $'000
Opening Balance 1 July		8,341	2,187
Raised Commitments		6,317	6,751
		14,658	8,938
Less: Payments	6	(904)	(597)
Closing Balance 30 June		13,754	8,341
Current	15	13,754	8,341

18. PERSONNEL SERVICES EXPENSE

		2008 $'000	2007 $'000
Salaries		1,658	1,485
Temporary Staff		147	180
Payroll Tax		85	88
Overtime		20	16
Workers Compensation Insurance		10	11
FBT		8	10
Contribution to Superannuation		941	0
Long Service Leave		98	125
Annual Leave		174	160
		3,141	2,075

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

19.MOVEMENT IN PROVISION FOR PERSONNEL SERVICES ANNUAL LEAVE

		2008 $'000	2007 $'000
Opening Balance 1 July		250	211
Payments for leave taken 2007/2008		(167)	(121)
Annual Leave Expense	18	172	160
On-Cost Expense	18	1	0
Closing Balance 30 June		256	250

Represents the accrued liability as at 30 June 2008 in respect of unused annual leave for staff. (The balance of the Provision Account comprises of leave $223,015-plus On-cost $33,074.)

Short Term		256	250

Long Service Leave		2008 $'000	2007 $'000
Opening Balance 1 July		1,035	985
Payments for leave taken 2007/2008		(18)	(75)
Expense	18	87	125
On-Cost Expense	18	11	0
Closing Balance 30 June		1,115	1,035
Add: Annual Leave	18	256	250
Total Personal Services Accrued	15	1,371	1,285

20. OTHER ASSETS

(a) Balance Sheet Amounts

	2008 $'000	2007 $'000
Personnel Services Asset – Superannuation	0	677
	0	677

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

21.ACCUMULATED FUNDS

Movements in accumulated funds were as follows:

		2008 $'000	2007 $'000
Balance 1 July		43,080	43,779
Deficit for the year		(4,250)	(699)
Balance 30 June		38,830	43,080

22.STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash at bank and cash held with Investment Managers.

		2008 $'000	2007 $'000
Cash on Hand		1	1
Cash at Bank		2,270	1,106
Short Term Bank Bills		15,962	18,986
	9	18,233	20,093

b) Reconciliation of Net Cash provided by Surplus/ (Deficit) for the Year from Ordinary Activities to Net Cash Flow from Operating Activities

	2008 $'000	2007 $'000
Surplus/(Deficit) for Year from Ordinary Activities	(4,250)	(699)
Depreciation	224	500
Actuarial Movements in Superannuation	951	0
Loss / (Profit) on Revaluation of Investments	(88)	3
(Profit) on Investment Realisation	(388)	(188)
Loss on Sale of Plant and Equipment	6	19
Changes in Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	394	(413)
(Decrease)/Increase in Trade and Other Payables	308	(113)
Increase/(Decrease) in Provisions	10,258	5,306
(Decrease)/Increase in Other Liabilities	(273)	(69)
Decrease/(Increase) in Other Assets	(274)	(535)
Decrease/(Increase) in Inventory	(760)	1,500
Net Cash Flow from Operating Activities	6,108	5,311

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

23.OTHER ITEMS OF INCOME AND EXPENDITURE

Profit on Realisation of Investments: As interest rates changed during the year, investments were traded to maintain the portfolio within the volatility and duration indices set by the Board. A profit on realisation of $388,000 resulted.

24. COMMITMENTS

Represents commitments for rent on Newcastle Office, according to Tenancy Agreement Memorandum $112,000. (This amount includes GST; Input Credits from the ATO will be claimed)

25. SIGNIFICANT LEASE EXPENDITURE

In accordance with Clause 7(1) (h) of the Public Finance and Audit (Statutory Bodies) Regulations, lease expenditure for the Board's accommodation (excluding Newcastle Office refer Note 24) for the next 12 months is expected to be $103,000. This represents leases for the Picton, Singleton, Wyong and Lake Macquarie offices.

	2008 $'000	2007 $'000
Aggregate Operating Lease Expenditure contracted for at balance date but not provided for in the accounts:		
Not later than one year	103	114
Later than one year but not later than 3 years	206	0
	309	114

(These amounts includes GST, Input Credits from the ATO will be claimed)

26.INSURANCE

The Board has various insurance policies with the GIO Australia covering its Properties, Motor Vehicles, Cash in Transit, Fire and Burglary on Office Equipment, Storm and Tempest and Fidelity.

27.INCOME AND EXPENDITURE ON PROGRAM BASIS

In accordance with Section 41(H) of the Public Finance and Audit (Statutory Bodies) Regulation this matter is not applicable as the Board's operations are limited to one programme.

28.CONTINGENT LIABILITIES

The Board has received claims for compensation up to 30 June 2008 and subsequent to balance date. These claims are only accepted as a liability when a decision is made by the Board (or a delegate) after an assessment by the Board's technical staff or experts in that area of work.

As a result, there is a contingent liability for these claims lodged and yet to be approved. It is not practical to estimate the potential effect of these claims until the technical assessment has been completed and from that assessment a liability may then arise.

29.CONSULTANTS

The total amount paid during the financial year to consultants was NIL (2006/07 $7,000). (Consultants are defined as per the "Guidelines for the Engagement and Use of Consultants" issued by the NSW Premiers Department in July 2004.)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

30.FINANCIAL INSTRUMENTS

The Board's principal financial instruments are outlined below. These financial instruments arise directly from the Board's operations or are required to finance its operations.

The Board's main risks arising from financial instruments are outlined below, together with the Board's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Chief Executive Officer (Greg Cole-Clark) and Secretary (Mike Clarke) have overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risk faced by the Board, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Audit Committee/Internal auditors on a continuous basis.

(a) Financial Instrument Categories

		Total carrying amounts as per the Balance Sheet	
	Notes	2008 $'000	2007 $'000
Financial Assets			
Cash and Cash Equivalents	9	18,233	20,093
Receivables at Amortised Cost^	10	978	1,421
Financial Assets at Fair Value	12	38,671	30,389
Total Financial Assets		57,882	51,903
Financial Liabilities			
Trade Payables*	14	416	110
Total Financial Liabilities		416	110

Notes
^ Excludes prepayments and statutory receivables (i.e. not within scope of AASB 7)
* Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

(b) Credit Risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations, resulting in a financial loss to the Board. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Board. No collateral is held by the Board nor has it granted any financial guarantees. Credit risk associated with the Board's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments. Interest is earned on daily bank balances at rates of approximately 6.74% in 2007/08 compared to 6.25% in the previous year.

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the Board will not be able to collect the amounts due. The evidence includes past experience and current and expected changes in economic conditions and debtor credit ratings. Interest of 6% may be levied on overdue colliery contributions.

The Board is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are currently no material debtors which are currently past due or impaired, or whose terms have been renegotiated.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(c) Liquidity Risk

Liquidity risk is the risk that the Board will be unable to meet its payment obligations when they fall due. The Board continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

During the current and prior year, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. The table below summarises the maturity profile of the Board's financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Interest Rate Exposure					Maturity Dates			
	Fixed Interest Rate	**Variable Interest Rate**	**Nominal Amount 1**	**Variable Interest Rate**	**Non – Interest Bearing**	**< 1 Yr**	**1-5 Yr**	**> 5Yr**	**Weighted Average Effective int rate**
	%	**%**	**$**	**$000**	**$000**	**$000**	**$000**	**$000**	**%**
2008									
Trade & other payables	0	0	0	0	416	416	0	0	0
	0	0	0	0	416	416	0	0	0
2007									
Trade & other payables	0	0	0	0	110	110	0	0	0
	0	0	0	0	110	110	0	0	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

(d) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Board's exposures to market risk are primarily through interest rate risk on the Board's Investment facilities. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Board operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis assumes that all other variables remain constant.

Interest rate risk

Exposure to interest rate risk arises through the Board's interest bearing assets.

For financial instruments a reasonably possible change of 100 basis points is consistent with trends in interest. The following table summarises the sensitivity of the Board's financial assets and financial liabilities at 30 June 2008 to interest rate risk.

2008

Interest Rate					Interest Rate Risk			
					+ 100pts		– 100pts	
Financial Assets	Interest Rate	+ 100pts	– 100pts	Carrying Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	6.74%	7.74%	5.74%	18,233	182	0	(182)	0

2007

Interest Rate					Interest Rate Risk			
					+ 100pts		– 100pts	
Financial Assets	Interest Rate	+ 100pts	– 100pts	Carrying Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	6.25%	7.25%	5.25%	20,093	201	0	(201)	0

As noted above, the Board levies interest at a rate of 6% on overdue collieries contributions. As at balance date, the amount of interest levied was not significant enough to represent material exposure.

Other Price Risk

Exposure to 'other price risk' primarily arises through the investment in the BNP Paribas Fund Investment facilities, which are held for strategic rather than trading purposes. The Board has no direct equity investments. The Board holds investments in the following investment trusts:

Facility	Investment Sectors	Investment Horizon	2008 $'000	2007 $'000
Bond market facility	Cash, government bonds	Up to 2 years	10,540	11,665
Bond market facility	Cash, government bonds	2 years to 4 years	16,028	13,061
Medium term growth facility	Cash, money market instruments, government bonds	4 years to 7 years	9,152	3,440
Long term growth facility	Cash, money market instruments, government bonds	7 years and over	2,952	2,224
			38,672	30,390

2008

Interest Rate					Interest Rate Risk			
					+ 100pts		– 100pts	
Facility	Interest Rate	+ 100pts	– 100pts	Carrying Amount	Profit	Equity	Profit	Equity
Bond Market Facility	6.94%	7.94%	5.94%	10,540	105	-	(105)	-
Bond Market Facility	7.21%	8.21%	6.21%	16,028	160	-	(160)	-
Medium Term Growth Facility	8.11%	9.11%	7.11%	9,152	92	-	(92)	-
Long Term Growth Facility	6.83%	7.83%	5.83%	2,952	30	-	(30)	-

2007

Interest Rate					Interest Rate Risk			
					+ 100pts		– 100pts	
Facility	Interest Rate	+ 100pts	– 100pts	Carrying Amount	Profit	Equity	Profit	Equity
Bond Market Facility	4.10%	5.10%	3.10%	11,665	117	-	(117)	-
Bond Market Facility	5.89%	6.89%	4.89%	13,061	131	-	(131)	-
Medium Term Growth Facility	6.10%	7.10%	5.10%	3,440	34	-	(34)	-
Long Term Growth Facility	5.67%	6.67%	4.67%	2,224	22	-	(22)	-

(e) Fair Value

The financial assets and liabilities in the Balance Sheet are carried at amounts assumed to approximate their net fair values.

31.PRIOR PERIOD ERRORS

In the 2007 financial statements, the following errors were noted in relation to disclosure. These have been corrected within the comparative figures disclosed in the 2008 financial statements.

Classification of Cash & Cash Equivalents

Some items meeting the definition of Cash & Cash Equivalents under the accounting policy as described as note 2(j) were included within the investments balance. These included short-term bank bills and cash funds held within an investing account. The effect of their reclassification was as follows:

	2007 Financials	Change	2008 Comparatives
Cash & Cash Equivalents	116	19,977	20,093
Other Financial Assets	50,366	(19,977)	30,389

The effect of this reclassification flowed into the cash flow statement as follows:

Payment for Non-trading Investments	(175,691)	(6,299)	(181,990)
Net Increase / (Decrease) in Cash	(925)	(6,299)	(7,224)

Cash Flow Statement

Some payment and receipt items within the Cash Flow Statement were not inclusive of GST. The effect of these figures being adjusted for GST was as follows:

	2007 Financials	Change	2008 Comparatives
Operating Receipts			
Contributions Colliery Proprietors	8,001	800	8,801
Sale of Inventory	1,500	330	1,830
Other Income	54	5	59

	2007 Financials	Change	2008 Comparatives
Operating Payments			
Other Suppliers, Creditors & Employees	(3,637)	(883)	(4,520)
Claims / Preventative Works	(2,529)	(252)	(2,781)

32.POST BALANCE DATE EVENTS

Subsequent to balance date, global investment and financial markets have been subject to events which have resulted in a period of high volatility and market uncertainty which has impacted the market value, liquidity, cash flows and rates of return of certain financial assets. The Board has assessed the impact of these events on their investments and continually monitors and adjusts their investment strategy to best mitigate any impacting events.

End of Audited Financial Statements

2008/2011 BUDGET NOT PART OF THE AUDITED ACCOUNTS

Introduction and Background

INTRODUCTION

The Budget includes a costing of the Workplan outlined in the Board's Corporate Plan for 2008 to 2011. It provides funding for the Board's responsibilities under the Mine Subsidence Compensation Act, which include:

CLAIMS

This is an extremely difficult item to budget because of the conditions of uncertainty and the large number of variables involved. It covers old abandoned mining which goes back almost 200 years, as well as current mining.

There are three elements:

(a) **Claims** – Investigation, assessment, reporting and paying for repairs are largely internal costs, which amount to some 5 % of total budgeted costs.

(b) **Compensation** – External costs which consist of payments to contractors and consultants for repairs, and cash payments to claimants where repairs by the Board are not undertaken.

(c) **Elimination of Danger** – Sometimes the old, abandoned mine workings can collapse and cause a public or private danger on the surface. Because there is no mine owner, the Act gives the Board the discretion to eliminate these dangerous situations. There may be a risk of injury from falling into a hole, but there may be a greater danger from poisonous gasses or a lack of oxygen in the hole.

DEVELOPMENT

(a) **Surface Development Controls** – This is a pro-active process of proclaiming Mine Subsidence Districts, where new surface development is likely to be adversely affected by mine subsidence. Guidelines for surface development are established, based on subsidence predictions. Building and subdivision applications are assessed within those guidelines and either conditionally or unconditionally approved or they are refused. Potential purchasers are protected by a system of certificates available to conveyancers. The importance of "prevention is better than cure" is reflected by the fact that the greatest proportion of internal resources is devoted to this function. Research and Development costs are included here.

(b) **Community Education and Information** – An important role recognised by both a Ministerial and a Judicial Inquiry held in the late 80's/early 90's. It includes advice on the Board's role and functions, entitlements under the Act, information on the subsidence process etc.

ADMINISTRATION

Not all claims can be remedied immediately. In fact, some restoration projects take years to plan, organise and complete. To permit this, reserve funds to meet these costs have to be effectively managed and invested, to achieve the best return. The systems and facilities for public access and processing of claims and applications must be efficient and effective. Costs of servicing the Board members are included here, as is the cost of reporting to Government. Staff, personnel and financial management costs are also included.

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2009

NOT PART OF THE AUDITED ACCOUNTS

	Notes	Budgeted 2007/08 $	Actual 2007/08 $	Budgeted 2008/09 $	Budgeted 2009/10 $	Budgeted 2010/11 $
INCOME						
Contributions from Colliery Proprietors		20,000,000	20,000,000	**20,000,000**	18,000,000	15,000,000
Interest on Investments		1,737,528	1,311,457	**2,400,000**	2,448,000	2,496,960
Miscellaneous	2	448,230	441,170	**446,035**	454,955	464,054
Profit on Realisation of Investments		480,000	150,709	**150,000**	153,000	156,060
Gain\Loss on Revaluation		0	-471,071	**-480,000**	-489,600	-499,392
Proceeds on Sale of Non-Recurrent Assets		140,000	136,000	**182,000**	167,000	130,000
Totals		22,805,758	21,568,266	**22,698,035**	20,733,355	17,747,682
EXPENDITURE						
Claims:						
Subsidence	3	9,250,000	18,030,364	**3,000,000**	4,000,000	4,000,000
Preventative Works		9,020,000	220,961	**2,020,000**	4,000,000	4,000,000
Totals		18,270,000	18,251,324	**5,020,000**	8,000,000	8,000,000
Surface Development and Administration:						
Salaries & Associated Charges	4	2,312,000	1,847,943	**2,274,500**	2,319,990	2,366,390

	Notes	Budgeted 2007/08 $	Actual 2007/08 $	Budgeted 2008/09 $	Budgeted 2009/10 $	Budgeted 2010/11 $
Employer Contribution to Superannuation	4	250,000	243,959	**250,000**	255,000	260,100
Fees for Services Rendered	5	667,850	705,972	**981,000**	1,000,620	1,020,632
Board Fees & Entertainment		30,000	27,337	**30,000**	30,600	31,212
Microfilming of Records		1,000	8,000	**4,000**	4,080	4,162
Audit Fee	6	33,000	20,667	**33,000**	33,660	34,333
Printing, Stores & Stationery	7	211,500	154,789	**241,500**	246,330	251,257
Rent	8	226,000	218,829	**234,000**	238,680	243,454
Other Expenses	9	359,800	381,030	**428,500**	380,970	388,590
Depreciation	1	500,000	284,500	**250,000**	255,000	260,100
Bad Debts		0	0	**0**	0	0
Written Down Value Asset Disposal		207,000	125,000	**262,000**	239,000	188,000
Long Service Leave Expense		100,000	103,439	**116,000**	118,320	120,686
Annual Leave Expense		133,000	164,269	**187,000**	190,740	194,555
Totals		5,031,150	4,285,734	**5,291,500**	5,312,990	5,363,470
TOTAL EXPENDITURE		23,301,150	22,537,058	**10,311,500**	13,312,990	13,363,470
OPERATING RESULT		-495,392	-968,792	**12,386,535**	7,420,365	4,384,212
RETAINED EARNINGS AT BEGINNING OF YEAR		43,775,000	43,080,000	**42,111,208**	54,497,743	61,918,108
RETAINED EARNINGS AT END OF YEAR		43,279,608	42,111,208	**54,497,743**	61,918,108	66,302,320

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE – NARRATIVE 2008/2011
NOT PART OF THE AUDITED ACCOUNTS

1. STATEMENT OF MAJOR ACCOUNTING POLICIES

The budgeted statement of financial performance has been prepared on a historical cost and accrual basis and does not take into account changing money values. This is the same method applied in the previous year's actual statement.

Items, which cost more than $500 and have a useful life of at least three years are treated as capital assets and depreciated by the straight-line method. This includes the cost of purchasing data for the digitised mapping system.

2. INCOME

Continued low interest rates has lowered the Fund's earning capacity, shifting a greater share to Colliery Contributions.

Miscellaneous Income includes Bank Interest, Section 15 Certificates and property rentals.

3. CLAIMS – SUBSIDENCE

Details are in the section on "Levy". Increases in Claims and Preventative Works are resulting from areas with improvements, especially utilities and infrastructure being affected by subsidence.

4. SALARIES AND ASSOCIATED CHARGES

Allows for existing staff, temporary relief staff, overtime for emergency callouts and displays/shows, and temporary staff as listed below. Some 64% of staff time is devoted to surface development controls, which aim to achieve compatibility with mining. This reduces the total prospective liability of the Compensation Fund and the impact of mining on the community.

Budgeted expenditure also includes allowance for annual leave loading, higher duties allowance (when relevant officers are on leave) and a 2% allowance for an Award Wage increase. Also includes Payroll Tax and Superannuation Guarantee Levy (currently 9%) and:

The position of Subsidence Risk Engineer has been vacant – a full year's cost is included in the budget.

Vacancies also exist for a mapping position and is fully costed for 2008/09.

5. FEES FOR SERVICES RENDERED

Includes:

- Fees paid for Subsidence Predictions (Dept Mineral Resources and others)
- Public Relations Consultant's Fees
- Public Relations Activities
- Investment Manager's Fees
- Internal Audit Office
- Other Consultants' Fees (e.g. Civil Engineering)
- Computer Software Support, License Fees and Development
- Training Course Fees
- Maintenance Agreements on Computer Hardware
- Quality Assurance Program
- Sites Fees, etc for Building Centre, Show Sites and Displays
- Insurances (other than Workers Compensation and Vehicles)
- Research and Development

6. AUDIT FEES

Costs for External Auditor (Audit Office of NSW)

7. PRINTING, STORES, STATIONERY

Reprographic costs are included in this heading. Major items are:

- Display and Promotional Materials
- Purchase of Deposited Plans for Digitising
- Mapping Consumables
- New Pamphlets
- Annual Report
- Brochures Reprints
- Stationery, Computer and Office Consumables

8. RENT

Rental of offices at Singleton, Newcastle, Wyong and Picton.

9. OTHER EXPENSES

Includes:

- Agent's Commission on sale of properties, collection of rentals and property management
- Motor Vehicles
- Telephones and Computer Lines
- Property Expenses
- Travel Expenses
- Electricity
- Postage and Document Exchange
- Advertising
- Office Cleaning and Sundries

BUDGETED CAPITAL EXPENDITURE
NOT PART OF THE AUDITED ACCOUNTS

	2008/09 $	2009/10 $	2010/11 $
(1) PLANT AND EQUIPMENT			
(a) Computer Equipment	40,000	90,000	40,000
Replacement PC's	35,000	35,000	35,000
Colour Laser Printers	25,000	25,000	25,000
Replacement Scanners	15,000	15,000	15,000
Upgrade PC Software	10,000	80,000	10,000
Disk Storage increase	10,000	10,000	10,000
(b) GIS			
Data Updates	25,000	25,000	25,000
(c) Office Equipment			
Photocopiers/Multi-function Printers	12,000	12,000	12,000
Plan Copier/Scanner	30,000	0	0
Telephone Systems	5,000	5,000	25,000
(d) Field Equipment			
GPS Handhelds	2,000	0	1,000
Subsidence measuring equipment	0	0	50,000
Digital Cameras	3,000	3,000	3,000
Penetrometer	2,000	0	0
Vibration Meters	6,000	6,000	6,000
Mobile Phone Replacements	10,000	5,000	5,000
(e) Other			
New Maurie Mole Suit	9,000	0	0
TOTAL PLANT AND EQUIPMENT	**239,000**	**311,000**	**262,000**

	2008/09 $	2009/10 $	2010/11 $
(2) FURNITURE			
Office Furniture Maintenance	10,000	10,000	10,000
Workstations/Office Upgrades	70,000	20,000	20,000
Display Boards	5,000	5,000	5,000
Conference Room Newcastle	0	10,000	0
TOTAL FURNITURE	**85,000**	**45,000**	**35,000**
(3) VEHICLES			
CEO	12,000	12,000	12,000
DM Newcastle	8,000	8,000	8,000
DS Newcastle	8,000	8,000	8,000
DS Newcastle	8,000	8,000	8,000
DS Newcastle	0	8,000	0
DM Picton	8,000	0	8,000
DS Picton	8,000	8,000	0
DM Singleton	6,000	6,000	6,000
DS Newcastle	8,000	8,000	8,000
DM Wyong	8,000	0	0
Pool Car	6,000	6,000	0
TOTAL MOTOR VEHICLES	**80,000**	**72,000**	**58,000**
TOTAL BUDGETED CAPITAL EXPENDITURE	**404,000**	**428,000**	**355,000**

CAPITAL EXPENDITURE NARRATIVE
NOT PART OF THE AUDITED ACCOUNTS

INTRODUCTION

Funds to purchase Capital items are not included in the annual levy, but are a conversion of one form of asset to another. The new asset is depreciated, which is an expense each year, until the cost of the asset is written off over its useful life.

Since the previous three-year budget, strategies to link the Graphical and Property Information Systems have been implemented. Access is to now available by operatives on one desktop device.

The change has also facilitated the downloading, storage and retrieval of digital photographs taken for claims and Pre-mining Inspections; introduction of electronic images. The next stage is to make the benefits of the new system available to operatives in the field.

This is a significant move forward in increased efficiency and greater satisfaction of customer needs.

1. PLANT AND EQUIPMENT

(a) Computer Equipment

(i) Allowance has been made to replace the PC desktop assets each 4 years.

(ii) Laser Printers – Replacement of items at the end of their useful life (asset maintenance)

(iii) Portable computers have potential use as virtual notebooks in the field, for pre-mining surveys, claim inspections, etc. This extends the benefits of our new IMS to operatives in the field.

(b) GIS

Data Updates – This is an allowance to purchase new topo/cadastral data from the Land Information Centre, for all of NSW.

(c) Office Equipment

These are generally asset maintenance items. The Plan Scanner will replace a Plan Copier.

(d) Field Equipment

(i) Handheld GPS Devices – These will permit accurate location of potholes and mineworkings in the field.

(ii) Digital Cameras – maintenance items.

(iii) Penetrometer – Replacement of ground testing equipment used for claims investigation.

(iv) Vibration Meters – Provides for additional/replacement meters, which are are used to record ground vibrations that may emanate from coal mining.

(v) Allowance has been made for replacement of mobile phones after 2 years.

2. FURNITURE

Some existing furniture has not kept pace with today's needs to cater for electronic processing. It needs to be upgraded to provide a high standard of ergonomic and effective furniture, and an efficient user of floor space.

Similarly, the reception areas at three offices have not changed in the last 15 to 20 years. They need a facelift commensurate with our service delivery ethos.

3. VEHICLES

Allowance is made for replacement of vehicles in accordance with government policy. The cost increase over previous years allows for changes to car models and the impact of a GST on resale values.

APPENDIX A
GUARANTEE OF SERVICE

GUARANTEE OF SERVICE

In the performance of our Charter, the Mine Subsidence Board is committed to providing the people of NSW with quality service delivered in a reliable, responsible and fair manner. Our Guarantee of Service ensures this statement is fulfilled through:

- all staff taking responsibility for ensuring a high standard of service
- adoption of quality management principles
- the provision of information brochures detailing the Board's services
- liaising with the community through public forums, displays and residents meetings
- encouraging feedback from the community
- maintaining an up-to-date technical base

To ensure this commitment is met, significant initiatives have been put in place.

STANDARDS OF SERVICE

- We aim to reply to or acknowledge all correspondence within two weeks by letter or by telephone.
- A contact name and telephone number will be provided in all correspondence.
- Time of response for building applications and certificates will be such that 95% are processed within five working days. Re-zonings, subdivisions and claims may take longer to resolve, but an initial contact will be made within seven working days.
- Only licensed tradespeople will be contracted to effect repairs on behalf of the Board.

STANDARDS OF BEHAVIOUR

Employees of the Mine Subsidence Board are at all times expected to act in a manner consistent with the high standard required to meet the Board's Code of Conduct. The Board's representatives will identify their name and, where appropriate, their position, in all dealings with the public. Courteous telephone techniques will be utilised at all times.

COMMUNITY RELATIONS

The Mine Subsidence Board will provide interpreter services free of charge to people of non-English speaking backgrounds. Basic information on the Board's role is available in a number of community languages. The Board has prepared a Statement of Intent under the NSW Charter of Principles for a Culturally Diverse Society.

PRE-MINING INSPECTIONS

As a guarantee of service, the Mine Subsidence Board will offer to carry out pre-mining inspections of residential areas, where predetermined subsidence parameters may be exceeded, to establish the pre-mining conditions of improvements likely to be damaged by the mining.

The Board may also undertake pre-mining inspections in areas not covered by the above to address genuine public concern or specific subsidence issues. Property owners will be provided with a written report upon completion of a pre-mining inspection. A copy of the policy is available from the Board's District Offices.

EMERGENCY SERVICE

The Mine Subsidence Board will provide a 24-hour emergency on call service for elimination of danger. An emergency services brochure is made available to emergency services providers.

COMMITMENT TO IMPROVING OUR SERVICES

INFORMATION

The Mine Subsidence Board has developed and regularly updates, publications designed to keep the general public, local government, industry and involved professions fully informed on the Board's role, services and mine subsidence issues.

The Mine Subsidence Board will readily provide information on building guidelines in proclaimed Mine Subsidence Districts, assistance with building design, details of mining activity, and endeavour at all times to provide open and frequent communications with the public.

SUGGESTIONS AND COMPLAINTS

The Mine Subsidence Board has a commitment to improving its services and welcomes any suggestions and the opportunity to address complaints that members of the public may have. The Board will regularly monitor public satisfaction with its services by way of surveys and will ensure that all steps are taken to maintain a high level of customer service.

The Board has established frontline complaint handling procedures, which ensure the person you initially contact will follow the matter through. Our experienced staff, at each District Office, are happy to assist with any complaint you may have involving the Mine Subsidence Board.

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ANNUAL REPORT COSTS

As the Board's Statement of Affairs under the Freedom of Information Legislation forms part of this Report, sufficient copies are available to cater for demand for that Statement of Affairs. Copies are provided to designated institutions as required by the Government's guidelines for Access to Published Information.

The Annual Report is available on the Board's website (www.minesub.nsw.gov.au), on CD ROM and as a printed document (limited availability).

In line with the Mine Subsidence Board's commitment to the environment and modern practices, the 2007/08 Annual Report is presented on CD ROM rather than paper, although a limited number of printed copies (150) have been prepared.

The total external cost for producing this Annual Report/Statement of Affairs was $25,400 inclusive of GST.

ETHNIC INFORMATION

ENGLISH

It is very important to contact the Mine Subsidence Board if you are buying or building a house in a Mine Subsidence District. This may be done on your behalf by your solicitor or builder but if you have any questions please contact the nearest office of the Board. Officers of the Board are happy to assist you. We can arrange an interpreter for you.
Please don't hesitate to contact us.
Telephone (02) 4908 4300.

SERBIAN

[illegible]
Telefon (02) 4908 4300.

MACEDONIAN (Makedonski)

[illegible]
Telefon (02) 4908 4300.

CROATIAN

[illegible]
Telefon (02) 4908 4300.

ITALIAN

[illegible]
Telefono (02) 4908 4300.

ARABIC

[illegible]
(02) 4908 4300.

DUTCH

[illegible]

SPANISH

[illegible]
Teléfono (02) 4908 4300.

CHINESE

[illegible]
(02) 4908 4300.

POLISH

[illegible]
Tel: (02) 4908 4300.

GREEK

[illegible]
Τηλέφωνο (02) 4908 4300.

FRENCH

[illegible]
Téléphone : (02) 4908 4300

FILIPINO

[illegible]
(02) 4908 4300

PORTUGUESE

[illegible]
Telefone: (02) 4908 4300.

PORTUGUESE

[illegible]
Telefone: (02) 4908 4300.

SAMOAN

[illegible]
(02) 4908 4300.

TONGAN

[illegible]
Telefoni (02) 4908 4300.

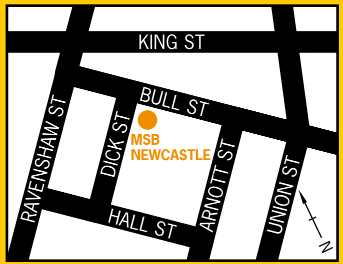
VIETNAMESE

[illegible]
(02) 4908 4300.

GERMAN

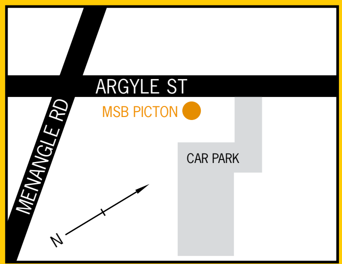
[illegible]

OFFICE LOCATIONS



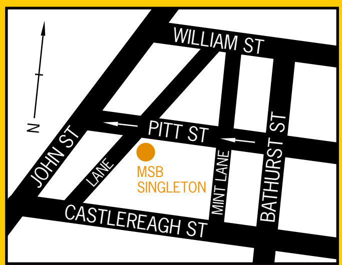
NEWCASTLE

Ground Floor, NSW Government Offices,
117 Bull Street, Newcastle West NSW 2302
Postal Address: PO Box 488G, Newcastle 2300
Telephone: 02 4908 4300
Facsimile: 02 4929 1032
DX 4322 Newcastle West
Hours: 8.30am – 4.30pm



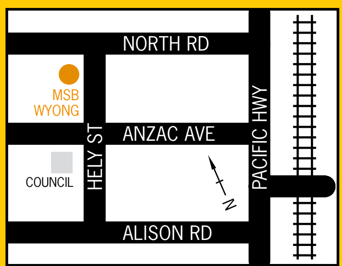
PICTON

100 Argyle Street, Picton NSW 2571
Postal Address: PO Box 40, Picton NSW 2571
Telephone: 02 4677 1967
Facsimile: 02 4677 2040
DX 26053 Picton
Hours: 8.30am – 4.30pm



SINGLETON

The Central Business Centre
Unit 6, 1 Pitt Street, Singleton 2330
Postal Address: PO Box 524 Singleton 2330
Telephone: 02 6572 4344
Facsimile: 02 6572 4504
Hours: 8.30am – 12.00pm
1.00pm – 4.30pm



WYONG

Suite 3, Feldwin Court,
30 Hely Street, Wyong NSW 2259
Postal Address: PO Box 157, Wyong NSW 2259
Telephone: 02 4352 1646
Facsimile: 02 4352 1757
DX 7317 Wyong
Hours: 8.30am – 4.30pm

A 24 hour emergency service
is available in all districts.

TELEPHONE 1800 248 083 (freecall)

Email mail@minesub.nsw.gov.au
Web www.minesub.nsw.gov.au

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