

MINE SUBSIDENCE BOARD 2010 / 2011 ANNUAL REPORT



PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

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.



CONTENTS

◆ Letter of submission to the Minister	4	◆ Payment Performance	33
◆ Board Members	5	◆ Waste Reduction	35
◆ Structure and Function of the Board	6	◆ Human Resources	35
◆ From the CEO's Desk	8	◆ Privacy and Personal Information Protection Act (PIIP)	37
◆ Welcome to our new Subsidence Risk Engineer	10	◆ Equal Employment Opportunity	38
◆ Principal and District Officers	11	◆ Multicultural Policies and Services Programme	38
◆ Performance Indicators	13	◆ Government Information (Public Access) Act	38
◆ Review of Board Operations	16	◆ Financial Information	40
◆ Community Liaison	17	◆ Office Locations	Back cover
◆ Offices at a Glance	18		
◆ Risk Management Services	22		
◆ Mapping	25		
◆ Research and Development	26		
◆ Repair Services	27		
◆ Public Awareness and Community Education	28	Editorial	Eclipse Media, Events and PR
◆ Publications	32	Production	Eclipse Media, Events and PR
◆ Liaison / Communications and Working Parties	33	Design	Designbridge
		Printing	Print National



Dear Mr Hartcher,

Annual Report for the Year Ended 30th June 2011
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 2011, 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



B Mullard
Chairman



Hon Christopher Peter Hartcher, MP
Minister for Resources and Energy

BOARD MEMBERS

(As at 30th June 2011)



Brad Mullard (Chair)
BSc

As Executive Director (Mineral Resources) of Department of Trade and Investment, Regional Infrastructure and Services, Brad is the nominated Chairman of the Mine Subsidence Board. Brad has held a number of senior positions in government and primary industry. He is also a key member of the National Low Emission Coal Council, the National Carbon Storage Taskforce, and the NSW Clean Coal Council.



Rob Regan
BE (Min) Hons 1, GAICD, MMAA

Rob leads the Department of Trade & Investment, Resources & Energy, Mine Safety Operations and is Chief Inspector of Coal Mines. Rob has 40 years experience in the mining industry, with the majority at senior management level.



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.



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 more than 40 years experience as a civil engineer in major projects and strategic planning. Mr Carter resigned as a Board Member in October 2010.



Jeffrey Maybury

Minister for Local Government's Nominee

Jeff is a Councillor on Cessnock City Council. He is currently serving his seventh term as a Councillor of Cessnock City Council. He has experience in Local Government and community issues and was appointed to the Board in 2003.



Margaret McDonald-Hill

Minister for Mineral Resources Nominee

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.

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 the Department of Trade and Investment, Regional Infrastructure and Services
- ◆ 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 Trade and Investment, Regional Infrastructure and Services 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 in 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:

- ◆ Newcastle
- ◆ Maitland

BOARD ATTENDANCE

IN 2010/2011, 11 REGULAR MEETINGS AND 1 SPECIAL MEETING WAS HELD.

Board Member	Meetings Attended	Meetings Eligible For
Phillip Carter	2 #	3
Peter Hayes	11	11
Margaret McDonald-Hill	10	11
Jeff Maybury *	11	11
Brad Mullard	10	11
Rob Regan *	9	11

* Board Members nominated for Audit Committee.

All non-attendances at the meetings were authorised leave.

Mr Carter resigned as a Board Member in October 2010.

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



Greg Cole-Clark

The 2010/2011 year was again a busy and successful one for the Mine Subsidence Board. Around 15,000 transactions were processed by 30 staff covering all coal mining areas throughout NSW. In the past decade mine subsidence has increased as an important issue due to proposed construction over old mined areas and current mining beneath existing infrastructure.

The strength of interaction between Board staff, property owners and industry is paramount to our success in assisting the community with mine subsidence issues. To this end, staff are actively involved in numerous forums in addition to normal business. They represent the Board on Community Consultative Committees, Mine Planning Focus Meetings, and technical committees for undermining infrastructure, undertake Pre-Mining Inspections and are available to answer questions at the Board's display set up at Regional Shows or through enquiries to the local Mine Subsidence Board office.

Staff regularly meet with developers to discuss design requirements to minimise the risk of mine subsidence damage. In some cases this is the first experience engineers and developers have had with mine subsidence and the Board's advice is important to understand how the situation can be managed.

There are few organisations worldwide that have a responsibility for a scheme of compensation for damage to surface improvements resulting from coal mine subsidence as the Board does under the Mine Subsidence Compensation Act. The Board's operations are funded by a compulsory levy on the owners of all registered collieries in NSW and our service is underpinned by Quality Accreditation to International Standard ISO 9001.

The Board deals with a large number of claims and subsequent repairs. This work is generally undertaken whilst people are still in residence. For this reason we carefully select and monitor the performance of contractors completing repair work for the Board. The assistance provided by property owners is appreciated and a final inspection is undertaken once repairs are complete.

The Mine Subsidence Board's expertise plays an important role in achieving compatibility between surface development and both historical and future coal mining. It is imperative the mine subsidence risks are carefully assessed and eliminated, where appropriate design can not be incorporated into the structures to ensure structures remain safe, serviceable and repairable. Grouting of old mine workings is being used successfully to mitigate against mine subsidence effects and both geotechnical and structural computer modelling is being utilised in designing structures to minimise the risk of damage.

Where future mining is proposed within a finite timeframe, the Board recommends that surface development be staged so that it occurs after mining is complete. In all cases it is important that the mine subsidence issues are identified early in the planning process. The Board has been working closely with Councils, Planning Authorities and developers to provide even more information and assist with future development plans in areas such as Newcastle, Charlestown and Glendale.

During 2010/2011 Board Staff completed important projects in all mine subsidence districts. The most significant projects included the Hunter Expressway and high-rise structures, undermining of major infrastructure in the Southern Coalfields and repairs in residential areas of Tahmoor and Thirlmere. Historical data suggests less than 25% of residential structures are damaged by mine subsidence and in most cases the damage is slight, consisting of minor cracking to internal linings and movement to external brickwork and around concrete areas. There are occasions where greater levels of damage can be experienced and Board Staff attend to these urgently to ensure structures remain safe and serviceable and repair options are then determined in consultation with the owner.

The Board sets challenging performance targets and this year more than 97% of certificates, 98% of building applications and 99% of subdivisions were processed in less than 5 working days. During 2010/2011 Board staff processed over 4,500 building applications, 352 subdivisions, attended to 377 claims for mine subsidence damage, 112 calls for elimination of danger and issued around 9,500 certificates to confirm structures were covered by the Mine Subsidence Act.


Claims, subdivisions and certificates have remained steady over the past couple of years. Building applications are down 12% on last year but still above the low of 2008/2009. Although there have been less applications in recent years, submissions suggest a greater number of large developments such as retirement villages, high-rise buildings and multi-lot subdivisions are being proposed.

Research and development into mine subsidence remains an important part of our business. The filling of the Subsidence Risk Engineer position has enabled the Board to review a number of procedures. During May 2011, the Mine Subsidence Board was a sponsor of the 8th Triennial Conference of the Mine Subsidence Technological Society. The 23 technical papers showed significant achievement in monitoring and managing mine subsidence beneath infrastructure, along with research and development projects. In recent years, main roads, pipelines, railways and telecommunication cables are some of the structures that have been successfully managed during mine subsidence. The Board pioneered the use of polyurethane to relevel dwellings following mine subsidence. For some years the Board has also been undertaking monitoring at selected sites to improve the understanding of ground vibrations that may result from mine subsidence. Staff are also consulted by developers of new building products for feedback as to whether they are compatible with mine subsidence movement and can be included in surface development guidelines.

The Mine Subsidence Board has a 24 hour hotline; 1800 248 083, for reporting any danger that may arise from mine subsidence. This year staff responded to 112 elimination of danger reports. These claims had been reducing from a peak following heavy rain in 2007 but increased by 36 events over the previous year. Reports generally relate to small potholes or surface cracks above areas of abandoned shallow mined workings. Often the first observation is surface water 'disappearing' into a void or crack in the ground surface. The Mine Subsidence Board is well recognised through its public campaign to raise awareness of the potential dangers from shallow old and abandoned coal mine workings. Maurie Mole has been the Board's mascot for over 18 years and regular advertising and an annual competition increases awareness of the danger of old mine workings. This year's winners enjoyed an afternoon at Oakvale Farm along with a barbeque dinner.

The Board again provided information to the community through its displays at Regional Shows held in the Hunter, South Coast and Central Coast. Often the Board's display is a priority stop to pick up one of the free show bags and catch up with Maurie Mole, who remains a great attraction at these events.

All Mine Subsidence Board brochures can be accessed via the website and many transactions, including feedback, can be completed online.



Greg Cole-Clark
Chief Executive Officer

MINE SUBSIDENCE BOARD WELCOMES NEW SUBSIDENCE RISK ENGINEER

The Board's Annual Report is a great opportunity to share with the community the Board's activities, initiatives and outcomes which have made this year a success. This year we also introduce to you Peter Evans, who was recently appointed by the Board as its Subsidence Risk Engineer.

Peter is a civil engineer with an Honours degree in Structures and Civil Engineering from the University of Sydney. He has extensive experience particularly with infrastructure project and construction management involving both building and civil works.

Prior to this appointment he worked in the local region for NSW Public Works as a Project Manager on a variety of infrastructure works.



The Board's principal Engineering objectives in 2010/2011 have been to;

- ◆ Review the risk and liability of current methodologies used by the Board, and enhance them for a better community outcome
- ◆ Review the financial liability of the Board in future years to ensure its sustainability
- ◆ Prevent or minimise damage to the community's surface infrastructure from mine subsidence
- ◆ Support and provide advice to external agencies and the community on mine subsidence
- ◆ Promote research and development into mine subsidence.

PRINCIPAL AND DISTRICT OFFICERS

Chief Executive Officer

Greg Cole-Clark BE (Mining) Syd, MBA

Secretary and Manager Finance and Administration

Michael Clarke BCom, ASA, JP

Subsidence Risk Engineer

Peter Evans BE (Hons) Syd, CPPD

District Managers

Newcastle	Phil Alexander
Wyong	Tom Hole
Singleton	Richard Pickles – Acting
Picton	Darren Bullock

OUR AIMS AND OBJECTIVES

The Board's charter is set out in the Mine Subsidence Compensation Act 1961. 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 Resources and Energy 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 Board 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.

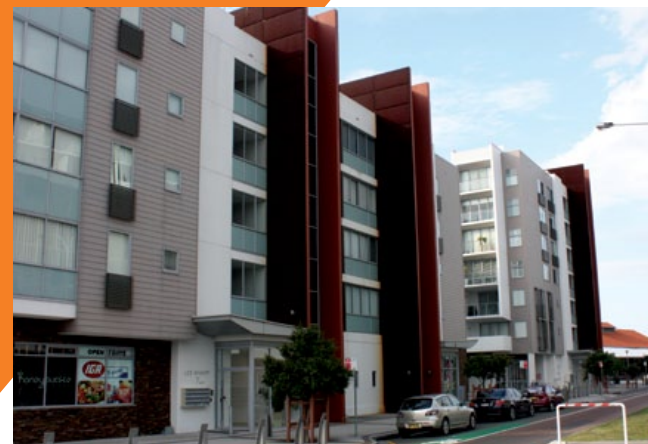
The Board's Code of Conduct addresses standards of behaviour, conflicts of interest, gifts and benefits, corrupt and unethical conduct. All staff are committed to its principles. There have been no changes to the Code during the past year.

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. To maintain certification, the Board's procedures and performances are regularly subjected to external audit by SAI Global. Trained staff carry out six-monthly internal audits.

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 met in all of the six categories.

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

Performance Indicators 2010/2011

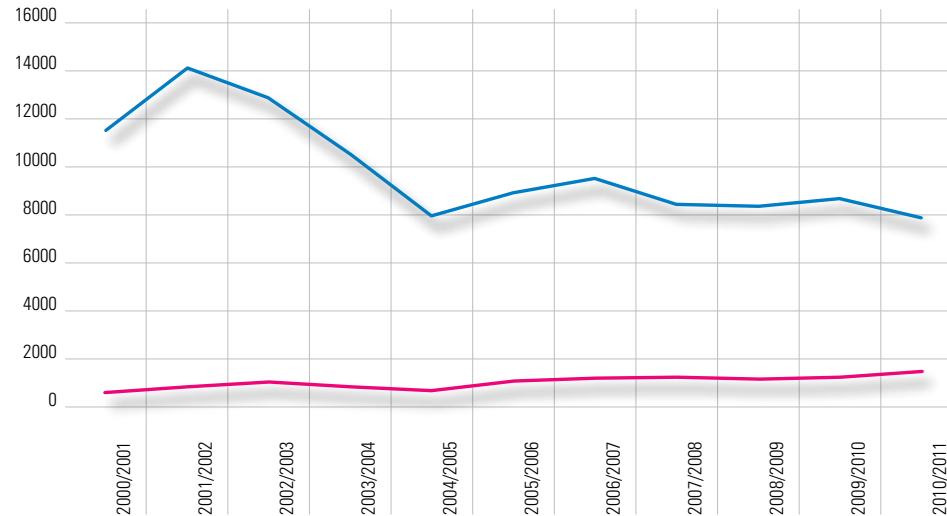
SERVICE	NUMBER PROCESSED	PERFORMANCE MEASURE	TARGET	2010/11 PERFORMANCE	2009/10 PERFORMANCE	2008/09 PERFORMANCE
Subdivisions	352	Process	95%	99%	99%	97%
15B Certificates	7954	Within 5	95%	96%	91%	88%
15C Certificates	1563	working	95%	97%	92%	92%
Building Applications	4523	days	95%	98%	96%	96%
Claims	360	Determine Claims Within 30 working days	85%	97%	97%	98%
Elimination of Danger	112	Eliminate Danger within 24 hours	100%	100%	100%	100%

Transactions 2010/2011

TRANSACTION TYPE	NEWCASTLE	PICTON	SINGLETON	WYONG	TOTAL
Building Applications 09/10	2653 2787	1051 1389	209 194	610 742	4523 5112
Subdivisions 09/10	218 172	78 117	15 17	41 53	352 359
Certificates					
15B 09/10	5043 5522	1143 1162	376 427	1392 1610	7954 8721
15C 09/10	713 530	441 320	150 98	259 320	1563 1268
Claims 09/10	199 198	128 126	22 32	28 23	377* 379
Elimination of Danger 09/10	93 64	0 1	19 11	0 0	112 76

*17 Claims under investigation

Certificates



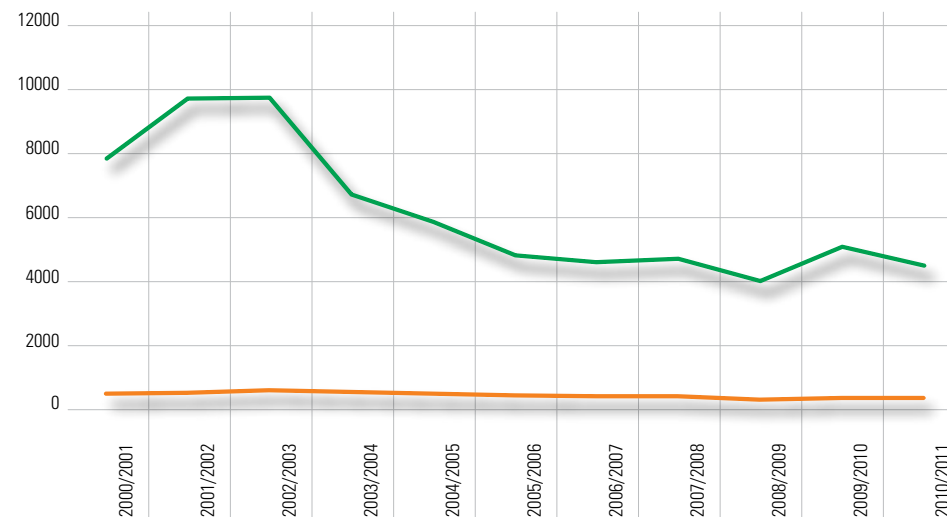
Certificates

The Board plays an integral role in protecting home buyers 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.

Surface Developments



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.

Compensation

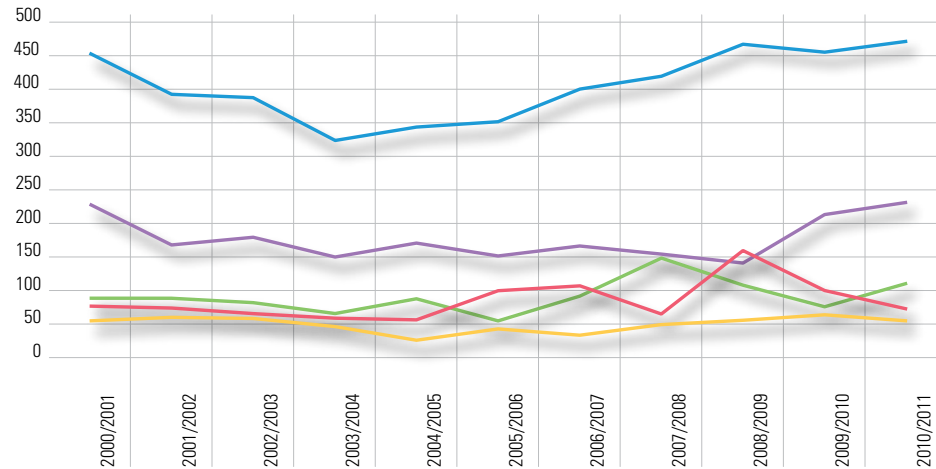
The Board compensates owners of improvements for damage caused by mine subsidence, provided that, if located in a Mine Subsidence District, the improvements have been constructed in accordance with the Board's approval, or existed prior to proclamation of the District.

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.

Claims



YEAR	ACCEPTED	REFUSED	NOT UNDERMINED	ELIMINATED DANGER	TOTAL
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
2008–2009	153	140	56	116	465
2009–2010	102	213	64	76	455
2010–2011	73	232	55	112	472

REVIEW OF BOARD OPERATIONS

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

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



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. Any improvements erected without the Board's approval, or contrary to an approval 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 and 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 F3 Extension Link Road Committee
- ◆ Northern DARZL
- ◆ Hunter Water Corporation
- ◆ Mandalong Community Meeting
- ◆ Newcastle and Lake Macquarie Councils.

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.

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

- ◆ Singleton and Muswellbrook Councils
- ◆ Quorrobolong Community Council
- ◆ Coal Mines in the area.

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

- ◆ Wyong Community Liaison Committee
- ◆ Mardi to Mangrove Workshop
- ◆ State and Central Coast Action Plan Meeting
- ◆ Wyong Council's Precinct 7A Master Plan Forum.



The Chief Executive Officer met with many groups and organisations throughout the year. Some of these included:

- ◆ Chair of Interagency Committee for Subsidence Management Plan
- ◆ Hunter Mine Subsidence Working Group
- ◆ Hunter Expressway Expert Panel
- ◆ RTA HW2-Hume Highway Steering Committee for the Southern Coalfields
- ◆ Chair of the Northern and Southern Development and Liaison Committees (DARZL)
- ◆ Chair of Mine Subsidence Technological Society (Engineers Australia)
- ◆ Member Lake Macquarie City Council Infrastructure Group
- ◆ Member Hunter and Central Coast Regional Managers Networks
- ◆ Presentation to Quorrobolong Community

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

OFFICES AT A GLANCE

Newcastle:

The Newcastle Office manages the Board's operations in the cities of Lake Macquarie, Maitland and Newcastle. The Board has nine (9) proclaimed Mine Subsidence Districts within these city boundaries. There are over 151,000 separate properties within these areas. The majority of these properties are undermined by old abandoned mine workings, currently being undermined or will be undermined in the future.

The Board intends to review areas of operations with a view of redefining Mine Subsidence District boundaries to include those areas which are either currently undermined or likely to be mined in the future. This review will also include confirmation of surface development guidelines for all properties which are located within Mine Subsidence Districts.

Newcastle Statistics 2010/2011 compared with the previous year. Yearly statistics can vary significantly and reference should be made to the Performance Indicator charts on pages 13-15 for longer term trends.

- ◆ Claims have increased by 1.5%
- ◆ Elimination of Danger Claims have increased by 31%
- ◆ Building Applications have decreased by 4.8%
- ◆ Subdivision Applications have increased by 26.7%
- ◆ Certificate Applications have decreased by 4.9%

The increase in elimination of danger claims can be attributed to continual major advertising by the Board through all media outlets and drought breaking wet weather throughout the year.

Repair services carried out by the Newcastle Office to properties damaged by mine subsidence relate primarily to subsidence from shallow abandoned mine workings in the Newcastle and Maitland areas and current longwall mining in Lake Macquarie in the Mandalong area.

Projects to the value of \$495 million have been approved by the Members of the Mine Subsidence Board for the Newcastle Office throughout the 2010/2011 financial year. All major developments are conditionally approved subject to extensive geotechnical investigations to establish the condition and long term stability of old abandoned mine workings which underlie these areas and future mining.

Significant development approvals have included:

- ◆ Development at Royal Newcastle – Multi storey development designed for mine subsidence
- ◆ Several commercial and residential developments in Honeysuckle Precinct, Wickham and Newcastle
- ◆ Extensions to Waste Facility in Wallsend
- ◆ Retirement Villages in Redhead, Mount Hutton and Morisset
- ◆ Extensions to Newcastle Art Gallery.

The redevelopment of the Honeysuckle area is continuing with extensive geotechnical investigations being undertaken to establish the condition and the long term stability of old abandoned mine workings which underlie the sites. A number of high rise developments have been completed and others are still under construction. The Newcastle District Office continues to field questions in relation to high rise development within this area.

The Board has approved the extension of the F3 from Minmi to Branxton with conditions that they remove the risk of mine subsidence affecting major structures. Detailed investigations have been completed and the project has commenced and is expected to be completed in 2013/2014.

The redevelopment of the Charlestown CBD area is continuing with extensive geotechnical investigations being undertaken to establish the condition and the long term stability of old abandoned mine workings which underlie the sites.

Advice has been provided to Councils and developers to address mine subsidence issues located outside the Mine Subsidence Districts. Areas include parts of Newcastle, Beresfield, Maitland, Rutherford, Tenambit, Gillieston Heights and Louth Park. Old abandoned shallow mining exists in parts of these areas and may impact on future development proposals.

Further development of housing estates continues in the Lake Macquarie areas of Wallarah Peninsula, Teralba/West Wallsend, Newcastle areas of Minmi/Wallsend and the expansion of subdivisions within the East Maitland area of Ashtonfield and Rathluba Lagoon estates. These homes are being designed to cater for mine subsidence from shallow mine workings.

Picton:

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

Appin and Westcliff Collieries are currently mining to the west and north of Appin Township. Mining in these areas is carried out through Longwall mining.

Consideration is now being given to including Berrima Colliery in a Mine Subsidence District, whilst surface development of small acreage lots is increasing above proposed Colliery workings. The Board is also continuing mitigation works for Sydney Catchment Authority, Sydney Water, ARTC & Roads and Traffic Authority.

A large volume of enquires was received from Developers in regards to proposed Subdivisions, with the Board active in working both with Collieries and Developers in making mining compatible with future urban expansion.

Picton Office has had a large amount of enquiries throughout the year due to Longwall mining at Tahmoor. Since Longwall mining commenced in the area during 2004, a total of 495 claims have been received with 116 refused and 177 completed. The Board has 48 claims currently underway with 202 claims outstanding. Those refused were in areas not yet affected by mine subsidence or related to damage resulting from normal structural movement. During this time, the Board demolished seven homes in Tahmoor due to mining impacts. Owners have moved back in to five new homes with works continuing on the remainder.

Picton Statistics 2010/2011 compared with the previous year. Yearly statistics can vary significantly and reference should be made to the Performance Indicator charts on pages 13-15 for longer term trends.

- ◆ Claims have increased by 1%
- ◆ Building Applications have decreased by 47%
- ◆ Subdivision Applications have decreased by 31%
- ◆ Certificate Applications have increased by 7%

Projects to the value of \$38.8 million have been approved by the Members of the Mine Subsidence Board for the Picton Office throughout the 2010/2011 financial year. Significant development approvals have included:

- ◆ A major water pipeline
- ◆ Mitigation work on Hume Highway and Transmission Tower
- ◆ Narellan Retail Complex and Police Station
- ◆ Chicken Hatchery
- ◆ Demolish and construction of new homes.

Many of the Board's clients have verbally expressed their thanks and written to the Board's officers for their efforts in either processing applications efficiently or completing repairs to the properties. Tahmoor has been a difficult project for all involved and their efforts are appreciated.

The Board is currently undertaking Pre-Mining Inspections in relation to Tahmoor Colliery's Longwall 26 and 27. 551 PMI's have been carried out to date. This will minimise the Board's risk with relation to repairs post mining. Pre-Mining Inspections are also giving a better understanding of the relationship between mining and surface improvements.



Singleton:

The Singleton District Office manages the operation of the Patrick Plains, Muswellbrook, Mitchells Flat, Tomalpin and Lithgow Mine Subsidence Districts. Outside of these districts there are vast areas of abandoned and active mining that are not in a Mine Subsidence District but still overseen from the Singleton office.

West of the Lithgow district there is active mining at Ulan, Rhylstone, Kandos, Cullen Bullen, Capertee, Lisdale and east of Lithgow at Clarence. Outside of the Tomalpin District there is shallow abandoned mining under Heddon Greta, Stanford Merthyr, Pelaw Main, Weston, Abermain, Cessnock and all the suburbs to the south of Cessnock down to Quorrobolong. Austar are currently longwall mining 3 panels under rural land at Quorrobolong with a further 13 panels planned for the future. To the north west of Cessnock, there is abandoned mining at Greta, Leconfield and North Rothbury. The Gunnedah Basin has a mix of abandoned mining in Gunnedah and active mining in Boggabri, Gunnedah and Werris Creek.

This year saw a 32% downturn in claims mainly due to the Beltana mining stopping in the Blakefield seam, and the Whybrow seam mining moving away from privately owned property.

Elimination of Dangers increased 90% from the previous year. This increase has been put down to an increase in wet weather and a continued awareness through the Board's advertising. Several areas continue to have ongoing problems of potholing over very shallow workings. An area of Crown Land at Pelaw Main had an unusual subsidence earlier in the year. The area was extracted approximately 56 years ago and the subsidence caused settlement and cracks around 100mm wide on the edge of the second worked area at 40m depth of cover.

With the commencement of the new Hunter Expressway from West Wallsend to Branxton the Board has seen an increase in developments and enquiries around the route of the freeway.

The numbers of transactions for building applications, subdivisions, certificates and enquiries for the Singleton office this year remained fairly constant.



Singleton Statistics 2010/2011 compared with the previous year. Yearly statistics can vary significantly and reference should be made to the Performance Indicator charts on pages 13-15 for longer term trends.

- ◆ Claims have decreased by 32%
- ◆ Elimination of Danger Claims have increased by 90%
- ◆ Building Applications have increased by 8%
- ◆ Subdivision Applications have decreased by 12%
- ◆ Certificate Applications have remained static.

Projects to the value of \$499 million have been approved by the Members of the Mine Subsidence Board for the Singleton Office throughout the 2010/2011 financial year. Significant development approvals have included:

- ◆ Ravensworth North Infrastructure Expansion
- ◆ Liddell Power Station Ash Dam
- ◆ Rural Fire Service Headquarters at Bulga
- ◆ Energy Australia Feeder Line.

Wyong:

The Wyong office manages the areas to the south of Newcastle and the Central Coast including Swansea, North Entrance, Wyong and Hue Hue and has been heavily involved with the expansion of urban development in the northern part of the Wyong Shire.

The Board is reviewing its areas of operations with the view of redefining its surface development guidelines, to better comply with current mining operations.

The Wyong office works closely with the various collieries as well as the Local Community to ensure 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 improvements. Both Collieries are seeking approval to significantly extend the life of their operations. The number of claims received is indicative of the mining operations in progress.

The new urban development areas of Woongarra, Hamlyn Terrace and Wadalba are continuing to grow at a constant rate. Major developments for education, medical and community facilities have been approved by the Board.

The Board has been working with Wyong Shire Council to implement a policy to cater for flood levels and mine subsidence.

The numbers of transactions for building applications, subdivisions, certificates and enquiries for the Wyong office have decreased slightly.



Wyong Statistics 2010/2011 compared with the previous year. Yearly statistics can vary significantly and reference should be made to the Performance Indicator charts on pages 13-15 for longer term trends.

- ◆ Claims have increased by 21%
- ◆ Elimination of Danger have remained static
- ◆ Building Applications have decreased by 17%
- ◆ Subdivision Applications have decreased by 22%
- ◆ Certificate Applications have decreased by 14%

Major projects to the value of \$31 million have been approved by the Members of the Mine Subsidence Board for the Wyong Office throughout the 2010/2011 financial year. Significant development approvals have included:

- ◆ A major supermarket development in Lake Munmorah
- ◆ Major Service infrastructure.

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 long-term mining plans. Potential problems relating to surface development and conflicts with mining are identified and steps put in place to manage a possible 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 that 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 may need to be relocated or the development timing staged to address mining issues.

The Board is increasing its use of computer-aided modelling to determine the risk of mine subsidence and assess the behaviour of a structure should mine subsidence occur.

During 2010/2011 Financial Year just over \$1 billion worth of 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 Trade & Investment, Regional Infrastructure and Services.

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.



Risk Engineering

Risk Engineering has an integral role to support the Board's core functions, including the assessment of claims and building applications and manage risk for existing or planned surface developments.

Some key activities have been;

(a) Assessment of claims;

- ◆ Assess major claims including; F3 Freeway at Toronto, Hume Highway at Douglas Park, Optus cable at Douglas Park, PID pipeline above the Blakefield Colliery, HWC Buttai water main and F6 Freeway Culvert at Douglas Park.

(b) Assessment of the Board's future liability from mine subsidence;

- ◆ Development and roll out of a new e-risk management system allowing MSB to more accurately and with greater transparency predict the likely cost of future claims against the Board over a period of up to 10 years. This involves an assessment of relevant colliery SMP's and the likely estimated repair cost of future damage or cost of preventative work.

(c) Improvements to the Board's Vibration Monitoring program:

- ◆ Ground Vibration Monitoring programme improvements include; remote access to vibration monitors, introduction of a new Vibration Monitoring Manual to assist staff and analysis of vibration monitoring data.

(d) Review of Procurement Policy:

- ◆ Review and rewrite the Board's Procurement Procedures to be in accordance with NSW Government Procurement requirements. This includes a new Procurement Policy and Procurement Manual.

(e) Customer Service;

- ◆ Compilation of survey results for analysis and action.



MAPPING

The mapping technology used at the Mine Subsidence Board is unique. Records held at the Board are fundamental in the decision making process for the assessment of claims and the development of guidelines for land subdivision and building development within Mine Subsidence Districts.

The Mine Subsidence Board's staff have invested considerable time in the validation of historic records and the design of innovative processes to value add to the historic mining records held at the Department of Trade and Investment, Regional Infrastructure and Services – Mineral Resources Section. This has resulted in the development of a comprehensive record of current and historic mining that can be accessed by the latest computer technology. These databases represent a significant asset to the Mine Subsidence Board and the State.

Mapping data held at the Mine Subsidence Board include up to date cadastral and topographic information, proposed land subdivisions and aerial photography and satellite imagery for areas of interest to the Board. Surface information can be underlain by current mining records supplied by mining companies and historic coal mining records validated by the Board's staff.

The Board continually investigates areas to determine the extent of uncharted mine workings and holds a database of boreholes and geotechnical records to further validate its historical mining records and update its risk management strategies. Potholes and shafts when located are measured and recorded in the mapping databases enabling the repositioning of historical mining maps and giving greater confidence in mining records, some dating back over a hundred years.

The Graphical Information System software employed by the Mapping section at the Mine Subsidence Board is essential in the investigation of claims, special projects and the production of maps for displays and to support educational advertising programmes.

Mine Subsidence District Maps are currently available on the Board's Website.

The Mine Subsidence Board is currently developing an updated mapping system for its staff using the latest internet technology; this will further enhance the speed of the computer mapping system.



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.

One of these R&D projects involves vibration monitoring. The Board carries out vibration monitoring in areas where reports of ground vibrations have been made and where these vibrations might be associated with underground mining operations. Monitors have been in place at various locations within the NSW Coalfields since 1989.

Some underground mining can cause vibrations detectable on the surface. The magnitude of these vibrations can often be enough that members of the public become concerned about the impact that the vibrations are having on their homes.

The reality is that the majority of vibrations 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 effect on structures. The Board currently has six monitoring stations set up at the following locations; Chain Valley Bay, Mandalong, Quorrobolong (new) and Fordwich. Monitoring covers ground vibrations from collieries currently operating at Blakefield, Mandalong, and Austar.

The British standard BS 7385 is considered the most appropriate for Australian buildings and this statement is reinforced by AS 2187, where it adopts these building damage criteria. According to BS 7385, building damage tends towards zero at 12.5mm/s peak component particle velocity.

A total of 245 vibration events with a Peak Particle Velocity (PPV) > 1mm/sec, were recorded from the six vibration monitoring stations and analysed during the financial year 2010/2011. All were below the 12.5mm/s peak component particle velocity.



Research has shown that even threshold cosmetic damage will generally not occur in structures until the vibration magnitude is well in excess of the limits applied by regulations and well in excess of human comfort levels.

MSB guidelines have recently been developed by the Subsidence Risk Engineer for officers of the Board to better assess the impact of vibrations on structures. In most cases it will be suffice to check the recorded vibrations in the area and the distance from the source. If vibration data is available it can be extrapolated to the distances of interest knowing the basic correlation under typical conditions where the PPV intensity reduces by 1/3 as the distance is doubled.

New initiatives for Research and Development are currently being developed by the Subsidence Risk Engineer including;

- ◆ Vibration Monitoring: Identifying goaf fall characteristic waveforms.
- ◆ Pipelines: Economical ways to mitigate horizontal strain in pipelines due to mine subsidence.

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 112 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 2010/2011, some of these included:

- ◆ Properties in Appin, Tahmoor and Berrima
- ◆ Repairs undertaken in the Newcastle District included properties in Adamstown Heights, Cooranbong, Fletcher, Mandalong, Morisset, New Lambton, North Lambton, Wakefield, Wallsend and Waratah
- ◆ Repairs to Charlton and Broke Roads
- ◆ Properties in Fordwich – fences, stock troughs and sheds.

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



THE PUBLIC FACE OF THE MINE SUBSIDENCE BOARD PUBLIC AWARENESS AND COMMUNITY EDUCATION

The public face of the Mine Subsidence Board plays an integral role in educating home owners, developers and children on the various roles and services offered 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 close to 20 years and was introduced to the Southern Coalfields in mid 2006.

Some of the Maurie Mole outings in 2010/2011:

- ◆ Camden Regional Show
- ◆ Newcastle Regional Show
- ◆ Illawarra Home and Leisure Show
- ◆ Newcastle Home Show
- ◆ Hunter Region Botanic Gardens Children's Discovery Day
- ◆ Hunter Valley Home & Leisure Show
- ◆ Oakvale Farm Christmas Party
- ◆ Board's Christmas thank you function.



The Maurie Mole 2011 Danger Awareness campaign kicked off on Boxing Day, 2010. In an attempt to encourage more people be a part of the annual promotion, the event timing was moved to outside school holidays, to Friday 18th February, 2011. The campaign was also run across all three local Hunter Television stations this year, rather than being exclusive to one. The Maurie Mole 2011 Danger Awareness campaign proved to be a fabulous success with 55 families enjoying a wonderful afternoon and evening at the Board's new venue, Oakvale Farm. This year saw a significant increase in the number of calls received to the telephone number.

The general Maurie Mole commercial was also shown on the large screen at the home games of the Newcastle Jets during January 2011, reminding those fans at the game of Maurie's Safety message.

The Maurie Mole General Awareness Print Campaign continued in all districts throughout the year. The Board also continued its sponsorship of several local general and sporting organisations.

WIN A DAY AT

WITH MAURIE!

To enter, phone 1900 920 411 but please get Mum or Dad's permission first.

Max cost \$0.55 incl GST. Higher from a pay or mobile phone. You must be 15 or under to enter. Closing Date: 12pm Feb 11th 2011. 50 Prizes to be won. LTPS/10/12491.



MINE SUBSIDENCE BOARD

©clipsa 11114

VISIT MAURIE AT HIS WEBSITE: www.minesub.nsw.gov.au **SEND MAURIE AN EMAIL:** mail@minesub.nsw.gov.au

PUTTING SERVICE AND THE NEEDS OF PEOPLE (AND KIDS) FIRST



SEE MAURIE MOLE LIVE

AT THE FOLLOWING TIMES...

FRIDAY, SATURDAY and SUNDAY

11am and 12.30pm

MINE SUBSIDENCE BOARD

PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

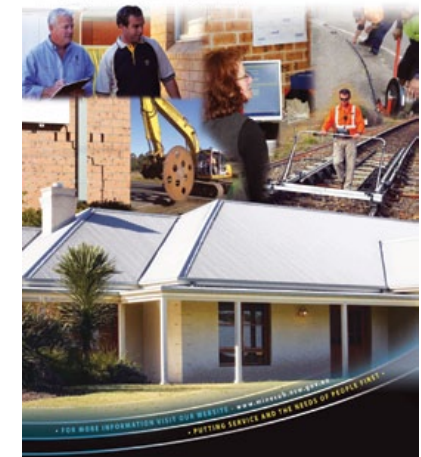


Members of the Board, Staff and key clients celebrated another successful year at a function following the November Board Meeting in Newcastle. The event is a chance for the Board to say thank you to those organisations they have worked with throughout the year, as well as the opportunity to recognise significant years of Service for Staff Members. This year the Board celebrated with 10 Years of Service to Peter Hutchison, 20 Years for Garry Moore and 25 Years for Mike Clarke, Gary Hartley, Tom Hole and Lloyd Kelly.



THE BOARD'S ROLE IN THE COMMUNITY

The Mine Subsidence Board is an independent organisation, which provides compensation, or repair services to owners of improvements damaged by mine subsidence resulting from the extraction of coal. The Board is also responsible for reducing the risk of mine subsidence damage to properties. It does this by assessing and controlling the types of buildings and improvements that can be erected in Mine Subsidence Districts. These development controls are described in surface development guidelines available from the Board. They are designed to prevent houses from sustaining damage that can render them uninhabitable. The guidelines cover the nature and class of improvements. They can cover the building's height, types of building materials used, and even the construction methods. Construction guidelines vary from area to area depending on the type of coal mining and the expected amount of subsidence. The Board's Charter is derived from the Mine Subsidence Compensation Act 1985. This Act provides a scheme of compensation where improvements on the surface are damaged by subsidence following the extraction of coal or oil shale anywhere in NSW. The Board raises the mine funds, including an annual levy on coal mining companies. However, it does not mine coal, nor does it give approvals for coal mining. It exists to help the community.



HI KIDS! COLOUR ME IN

I'm Maurie Mole from the Mine Subsidence Board. Did you know that if mining happens in your area the Mine Subsidence Board is there to look after your house.

My friends at the Mine Subsidence Board are here to help you and your family. They have lots of free advice on building and renovating in areas where there is mining and if your house does get damaged, they are there to fix it up for you. Why not call in and say hello! or visit my website at www.minesub.nsw.gov.au

MINE SUBSIDENCE BOARD

Putting service and the needs of people first



2010 HERALD Newcastle Home Show

After a piece of artwork with a difference?

What is the Mine Subsidence Board

Win Don in Your Backyard

FREE! on Sunday 24th July

Do you have a backyard? Do your lawn just not grow as they should? Why not have a green hedge? The 2010 Herald Newcastle Home Show and Don in Your Backyard can help you.

ARRIVE



ARE YOU BUYING LAND OR BUILDING IN A MINE SUBSIDENCE DISTRICT?

You may need to talk to us

TELEPHONE OUR OFFICE:

NEWCASTLE	4908 4300
SINGLETON	6572 4344
WYONG	4352 1646

MINE SUBSIDENCE BOARD

24 Hour Emergency Service FREE CALL 1800 248 083

mail@minesub.nsw.gov.au • www.minesub.nsw.gov.au

PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST





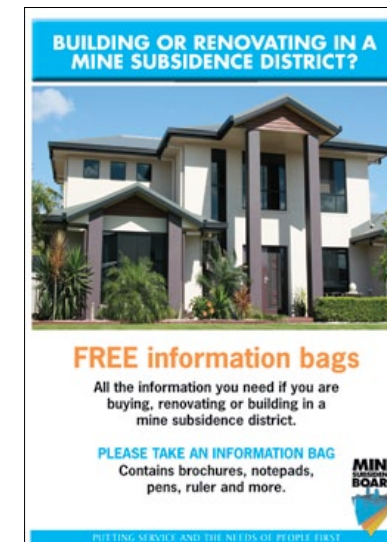
Remember Maurie's Slogan...

If you see a hole,
don't think you're a mole,
walk in the opposite direction
and report your detection.



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 on areas where mining is underway or will occur in the immediate future. The Board utilises various promotional and marketing avenues to advise people of its activities with these heavily targeted to the specific demographic involved. In addition to general and specific Maurie Mole television commercials, the Board has produced a specific general commercial for use in the Southern Coalfields. This will air in the Wollongong Market from July 2011.

The Board attends many regional shows and expos as a way of informing new and existing home owners 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 Home Show, the Camden Regional Show, Illawarra Home and Leisure Show, Newcastle Regional Show, Floral Festival on the Central Coast and the Hunter Valley Home and Leisure Expo.





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

The Board has two purpose built permanent displays at the Narellan Build N Design Centre and the HIA Home Ideas Centre in Newcastle.



ARE YOU A DEVELOPER LOOKING TO BUILD IN THE HUNTER?



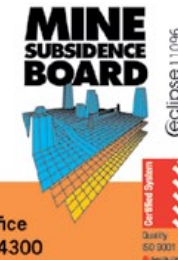
You may need to speak with the Mine Subsidence Board first!

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 Board can assist with any height or design restrictions as well as technical information.

For further details please log on to our website www.minesub.nsw.gov.au or telephone our Head Office on 02 4908 4300 or outside Australia +61 2 4908 4300



PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

BUILDING OR RENOVATING IN A MINE SUBSIDENCE DISTRICT?



Phone our office for advice on:

- Surface development guidelines
- Housing and construction techniques
- Mine subsidence issues
- Subdivision of land



PICTON
100 Argyle Street Picton 2571
Telephone 4677 1967

24 Hour Emergency Service
FREE CALL 1800 248 083
mail@minesub.nsw.gov.au
www.minesub.nsw.gov.au

PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST

BUILDING OR RENOVATING IN A MINE SUBSIDENCE DISTRICT?

Visit our site at the Homeshow for **FREE** information bags and advice on:

- Surface development guidelines
- Mine subsidence issues
- Housing and construction techniques
- Subdivision of land

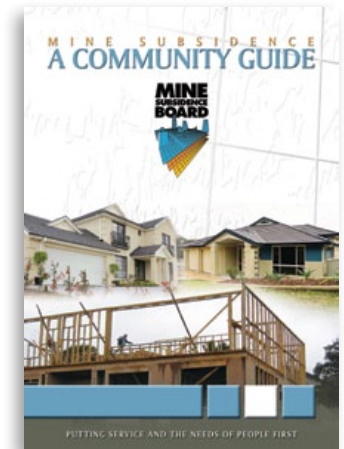
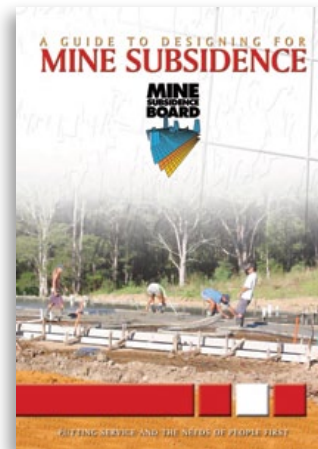
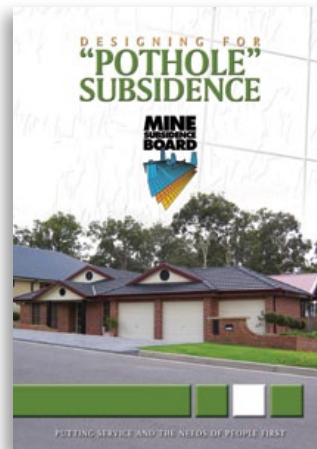
Meet Maurie Mole at 11.30am and 1pm Saturday and Sunday

NEWCASTLE 4908 4300 | **SINGLETON** 6572 4344 | **WYONG** 4352 1646

24 Hour Emergency Service FREE CALL 1800 248 083
mail@minesub.nsw.gov.au • www.minesub.nsw.gov.au

PUTTING SERVICE AND THE NEEDS OF PEOPLE FIRST



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
- ◆ Residential Pavement repairs.

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 Trade and Investment, Regional Infrastructure and Services, local government bodies and mining companies. This provides an opportunity to discuss short and longer term mining 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.



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

\$25.4 million worth of accounts were paid during the year, on approximately 2350 invoices.

97% were paid on time, the balance being either invoices in dispute, or instances where the original invoices were not received. No invoice reached 60 days overdue and no penalty interest became due or was paid.

PROPERTIES

One new property was purchased during 2010/2011.

At 30th June 2011, 13 properties valued at \$3.315 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 2010/2011, the Board's portfolio returned 5.755% compared to the nominated Treasury benchmark of 5.213%. On funds invested of approximately \$88.5 million, this is a difference of about \$480k over the benchmark, for the year.

SIGNIFICANT JUDICIAL DECISIONS

A Preventative Works Claim by Jemena Gas Networks was decided in the plaintiff's favour in the High Court of Australia on 1st June 2011.

ARRANGEMENTS FOR PUBLIC PARTICIPATION IN POLICY FORMATION

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 are available to attend relevant public meetings or address community organisations.

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.

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.



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 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 electronically lodged/delivered applications and services. This is complimented with 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.



HUMAN RESOURCES

The total number of staff employed at 30th June 2011 was 29, comprising:

LOCATION	MALE	FEMALE
Head Office	8	2
Newcastle	6	4
Wyong	2	1
Picton	3	1
Singleton	1	1
Total	20	9

There are four 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.

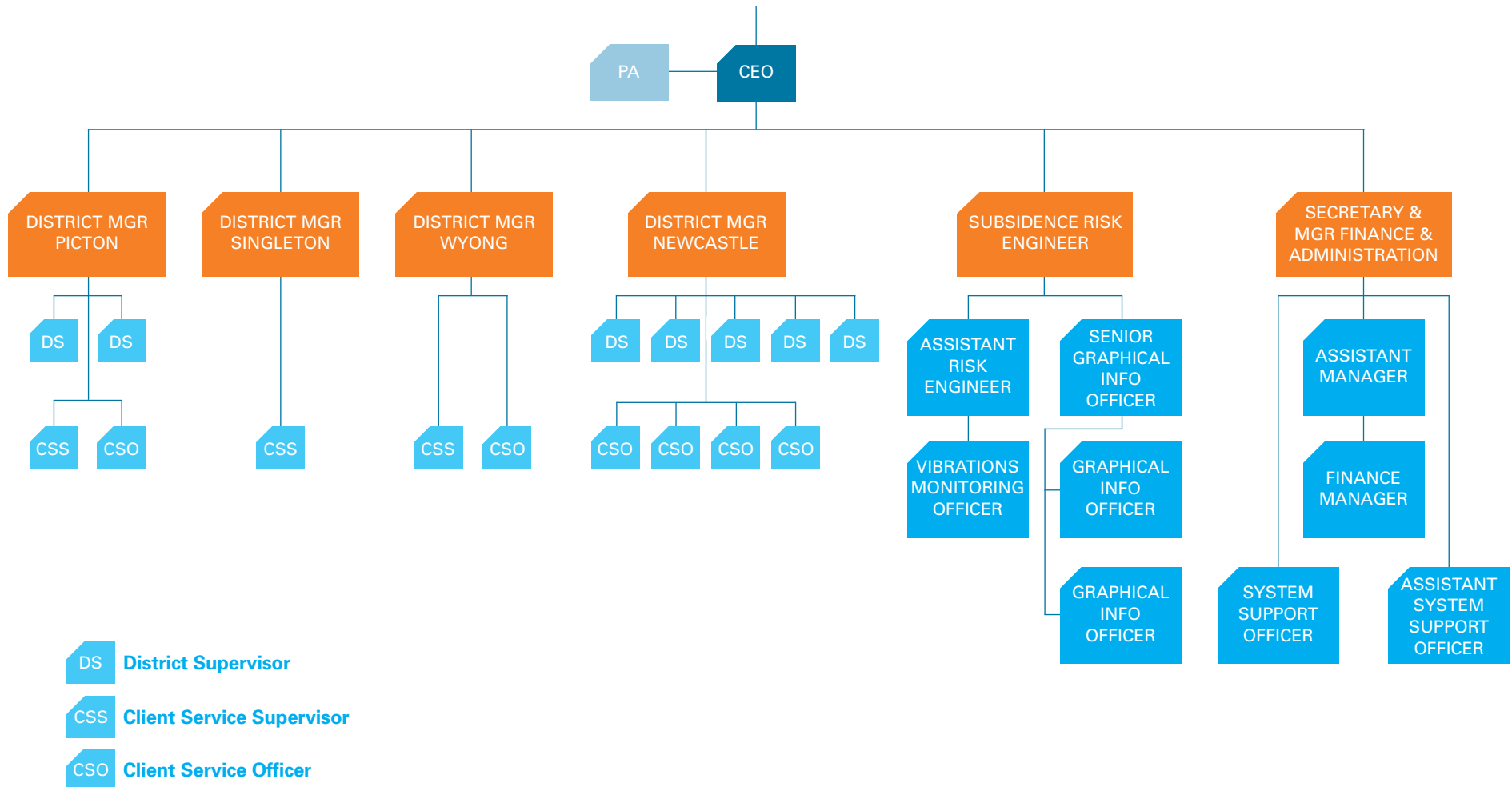
Staff Training and Development

In-house and external training courses, including harness training, working in confined spaces training and working at heights training.

Occupational Health and Safety

No work related injuries were reported during the year.

MINE SUBSIDENCE BOARD



PRIVACY AND PERSONAL INFORMATION PROTECTION ACT (PIIP)

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 2010/2011.

The Board's Privacy Co-ordinator is located at 117 Bull Street, Newcastle, telephone (02) 4908 4360.

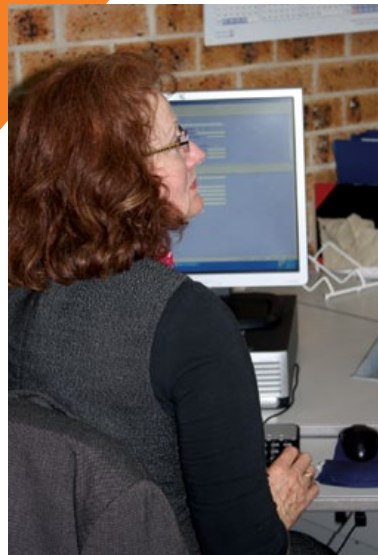


WHAT REQUIRES BOARD APPROVAL?

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)



EQUAL EMPLOYMENT OPPORTUNITY

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

EEO Statistics

	TOTAL	WOMEN	ABORIGINAL & TORRES STRAIGHT ISLANDERS	PEOPLE FROM NON ENGLISH SPEAKING BACKGROUNDS	PEOPLE WITH A DISABILITY
Total Staff	29	31%	0%	0%	0%
Management	2	0	0%	0%	0%
Corporate Support	3	67%	0%	0%	0%
Technical Services	16	0	0%	6%	0%
Customer Service	8	88%	0%	0%	0%

MULTICULTURAL POLICIES AND SERVICES PROGRAMME

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.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 NO 52

In conjunction with the introduction of the Government Information (Public Access) Act 2009 (the GIPA Act) from 1st July 2010 the Department of Trade & Investment, Regional Infrastructure and Services consolidated the Right to Information functions of a number of former agencies and divisions, including the Mine Subsidence Board.

The GIPA Act encourages the proactive release of information by agencies and responding to requests for information informally where appropriate. Guidelines and authorisations to staff have been issued to increase the range of information able to be accessed without the need for a formal application under the GIPA Act. This includes managers regularly assessing information for which they are responsible for publication on the departmental website where it may be useful or of interest to members of the public.

Further information is available from the Right to Information Officer at:

Mine Subsidence Board
PO Box 488G
NEWCASTLE NSW 2300

Prior to making an application under the GIPA Act, it is suggested that the applicant telephones (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 to 4:30 pm Monday to Friday.

Documents available for inspection

Annual Reports

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 Consultant's 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.

OVERVIEW OF FINANCIAL STATEMENTS 2010/2011

The audited financial statements, budget and actual performance for 2010/2011 and budget for the period 2011 to 2014, both operating and capital, follow. The budget information is not subject to audit.

Independent Auditor's Report	41
Statement by Members of the Board	42
Statement of Comprehensive Income	43
Statement of Financial Position	43
Statement of Changes in Equity	44
Statement of Cash Flows	44
Notes to the Financial Statements	45
2011 to 2014 Budget	60
Budgeted Statement of Financial Performance Year Ended 30th June 2011	61
Budgeted Statement of Financial Performance Year Ended 30th June 2011 Narrative	62
Budgeted Capital Expenditure	63
Budgeted Capital Expenditure Narrative	64

INDEPENDENT AUDITOR'S REPORT



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 statements of the Mine Subsidence Board which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Mine Subsidence Board as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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 Mine Subsidence Board
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- 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.

Peter Barnes
Director, Financial Audit Services

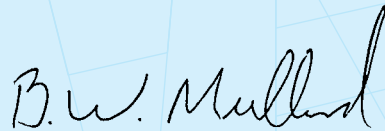
27 October 2011
SYDNEY

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41c (1b) of the Public Finance and Audit Act 1983, and in accordance with a 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:

1. 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 2011 and the results of its operations for the year then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2010, and 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.



Brad Mullard
Chairman



Robert Regan
Board Member

Signed at Newcastle and dated this 20th day of October 2011.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Income:			
Revenue from continuing operations	3 a)	22,555	24,039
Other income	3 b)	675	789
Total Income		23,230	24,828
Expense:			
Advertising		114	120
Depreciation		204	197
Personnel services	4 a)	3,085	3,240
Fees for services rendered		1,097	900
Motor vehicle		65	56
Printing & postage		92	99
Rental		219	216
Stores		137	143
Subsidence claims	4 d)	7,770	11,843
Subsidence preventative works		1,742	1,055
Telephone & utilities		168	162
Audit Fees	4 b)	42	41
Other	4 c)	163	213
Total Expense		14,898	18,285
Net surplus of the year		8,332	6,543
Other Comprehensive Income		0	0
Total Comprehensive Income for the Year		8,332	6,543

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current assets			
Cash & cash equivalents	5	30,061	19,819
Receivables	6	63	425
Inventory	7	0	0
Financial assets	9	60,375	59,931
Total current assets		90,499	80,175
Non-current assets			
Inventory	7	3,349	2,995
Property, plant & equipment	10	620	643
Total non-current assets		3,969	3,638
TOTAL ASSETS		94,468	83,813
LIABILITIES			
Current liabilities			
Payables	11	382	294
Provisions	12	13,940	10,258
Total current liabilities		14,322	10,552
Non-current liabilities			
Provisions	12	13,394	14,841
Total non-current liabilities		13,394	14,841
TOTAL LIABILITIES		27,716	25,393
NET ASSETS		66,752	58,420
EQUITY			
Accumulated funds		66,752	58,420
TOTAL EQUITY		66,752	58,420

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY *for the year ended 30 June 2011*

	Accumulated Funds \$'000
Balance at 1 July 2010	58,420
Net Surplus of the Year	8,332
Other comprehensive income	0
Total comprehensive income for the period	8,332
Balance at 30 June 2011	66,752
Balance at 1 July 2009	51,877
Net Surplus of the Year	6,543
Other comprehensive income	0
Total comprehensive income for the period	6,543
Balance at 30 June 2010	58,420

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Receipts			
Colliery contributions		18,011	19,849
Sale of properties		0	1,377
Interest		4,153	2,947
Other		889	1,122
Payments			
Claims & preventative works		(7,243)	(7,973)
Suppliers & personnel service costs		(5,198)	(4,853)
Purchase of properties		(474)	(1,360)
Net cash flows from/(used in) operating activities	14 b)	10,138	11,109
Cash flows from financing activities		0	0
Cash flows from investing activities			
Proceeds from the sale of property, plant & equipment		157	101
Proceeds from the sale/maturity of investments		174,444	182,667
Purchase of property, plant & equipment		(337)	(388)
Purchase of investments		(174,160)	(191,575)
Net cash flows from/(used in) investing activities		104	(9,195)
Net increase in cash & cash equivalents		10,242	1,914
Cash & cash equivalents at the beginning of the year		19,819	17,905
Cash & cash equivalents at the end of the year	14 a)	30,061	19,819

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

1. Reporting Entity

The Mine Subsidence Board (the Board), as a reporting entity, is responsible for the management of the Mine Subsidence Compensation Fund (the Fund) in accordance with the Mine Subsidence Act 1961. The Fund has been established to compensate claims for damages arising as a result of mine subsidence as well as to assist in the prevention or mitigation of damage from mine subsidence.

The Board is a New South Wales Government agency and is a not for profit entity.

These financial statements for the year ended 30 June 2011 has been authorised by the directors of the Board on 20th October 2011.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The Board's financial report is a general purpose financial report which has been prepared in accordance with applicable Australian Accounting Standards (including Australian Accounting Interpretations), the requirements of the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2010 and Financial Reporting Directions issued by the Treasurer.

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. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

This financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the judgements, key assumptions and estimations that management have made and which are disclosed in the relevant notes to the financial statements.

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

b) Statement of Compliance

These financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of any amounts of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In such circumstances the GST is recognised as a part of the cost of acquisition of an assets or as part of an item of expense. Receivables and payables shown in the Statement of Financial Position are shown inclusive of any GST amounts.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are classified as operating cash flows.

d) Insurance

The Board's insurance coverage is provided through the New South Wales Treasury Managed Fund Scheme of self insurance for Government Agencies. The expense (premium) is determined by the fund manager based on past claims experience.

e) Income Recognition

Income is measured at fair value of the consideration or contribution received or receivable. Additional comments in respect of the accounting policies for the recognition of revenue are discussed below.

Contributions – are generally recognised as revenue when the Board obtains the right to receive the contribution. The right to receive colliery contributions is based upon the date that the contributions are gazetted by the Department of Trade and Investment, Regional Infrastructure and Services.

Rendering of Services – revenue from certificate fees is recognised when the certificate application is received.

Interest – interest revenue is recognised using the effective interest method.

Sales of Inventory – surpluses from sales of inventory are offset against claims expenses in the year of sale, to cover write down charges to claims expense in the year of acquisition, in order to recognise the difference between value as if not damaged by subsidence, to value as-is. The Board is of the opinion that any surpluses arising on sale of inventory are due to differences between the initial valuation of the inventory based on an assessment of subsidence damage and subsequent rectification work performed. As the initial difference between purchase price and valuation is taken up as a claim expense, it is felt that any change in this valuation on realisation reflects a variation in claim expenses, not income and thus is more in the nature of a movement in a valuation allowance. Offsetting of assets and valuation allowances is consistent with AASB 101.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, short term highly liquid investments with original maturities of three months or less and which are subject to an insignificant risk of change in value and bank overdrafts.

g) 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 recognised initially at fair value, usually based upon the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest rate method, less an allowance for any impairment of the amounts receivable. Any changes are accounted for in the statement of comprehensive income when impaired, derecognised or through the amortisation process.

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

h) Inventories

Inventories relate to properties that have been purchased as a result of subsidence claims in accordance with the Mine Subsidence Act 1961. The Board's practise is to remediate the effects of the subsidence and then sell the properties after they have been restored to a marketable condition. Any difference between the purchase price and the net market value at balance date is brought to account as a claims expense. Property remediation costs are included in claims expense as and when incurred.

Any gain or loss on the disposal of properties is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from the disposal and is included as a claims expense in the year of disposal.

Properties are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to transact the sale.

i) Investments

Investments are initially recognised at fair value plus transaction costs for those investments not at fair value through profit or loss. The Board determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this at each financial year end.

Investments at fair value through profit or loss – the Board subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as being 'at fair value through profit or loss' if they are acquired for the purpose of short term profit making, or where they are derivatives not held for hedging purposes, or when they are 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. Gains or losses arising from changes in fair value on these assets are included in the statement of comprehensive income.

The movement in the value of fixed interest investments incorporates interest accrued as well as unrealised movement in fair value. Interest revenue from investments at fair value through profit or loss is reported in the statement of comprehensive income.

NSW Treasury Accounting policy: Accounting for Financial instruments (TPP 08-1) States that "'Held for Trading' financial instruments must be recognised at fair value through profit & loss [and that] NSW Treasury approval is not required to use this category of financial instrument".

The Public Authorities (Financial Arrangements) Act 1987 provides direction as to the investment power of authorities. The Regulations to this Act give the Mine Subsidence Board Part 2 Investment Powers. Part 2 allows for investments that fall into any of the following categories: are guaranteed by any State, Territory or Commonwealth Government; bills of exchange that have been accepted by a bank, building society or credit union; a loan to an eligible entity (A rated or better) which is a dealer in the short term money market and in relation to which, at the time the loan is made, the Reserve Bank of Australia stands as lender of last resort; and certificates of deposit issued by a bank, building society or credit union.

The recognised fair values of financial assets and liabilities are classified according to a fair value hierarchy that reflects the significance of the inputs used in making these measurements.

- A Level 1 classification is given to those assets where quoted prices are available in active markets for identical assets/liabilities;
- Level 2 classification is given to assets where fair values can be based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices); and
- Level 3 classification is applied to those assets where fair values are derived from data not observable in a market.

Held-to-Maturity Investments – non derivative financial assets with fixed or determinable payments and fixed maturity date that the 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 statement of comprehensive income when impaired, derecognised or through the amortisation process.

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 such time as they are disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

The purchase or sale of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date i.e. the date the Board commits to purchase or sell the asset.

The fair value of investments that are traded in an active market is determined by reference to quoted current bid prices at the close of business on the date of the statement of financial position. Valuation techniques are applied to determine the fair value of unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

j) Impairment of Financial Assets

All financial assets, except those measured 'at fair value through profit or loss', are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Board 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 profit and loss.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the statement of comprehensive income, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in profit and loss.

Any reversals of impairment losses are reversed through the profit and loss, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as 'available-for-sale', which must be made through the reserve. Reversals of impairment losses on financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

k) De-recognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when and where the contractual rights to the cash flows from the financial asset expire or the asset is transferred to another party whereby the Board no longer has any significant continuing involvement in the risks and benefits associated with the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. 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 the profit and loss.

l) Property, Plant and Equipment

Plant and Equipment - is 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.

Capitalisation threshold - plant and equipment costing at least \$500 is capitalised.

Subsequent Costs - the cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The costs of day-to-day servicing of plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation - the depreciable amount of all fixed assets 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%
General plant and equipment	10 – 20%
Motor vehicles	50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 statement of comprehensive income.

m) Payables

Payables represent liabilities for goods and services provided to the Board and other amounts. 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 method.

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

n) Personnel Services Expenses

All personnel employed by the Board are seconded to it from the Department of Trade and Investment, Regional Infrastructure and Services.

Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages, annual leave and paid sick leave that are due to be settled within 12 months of the reporting date are recognised in payables and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within 12 months is measured at the present value of the amounts expected to be paid when the liabilities are settled. The amounts expected to be paid 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.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

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 long term employment benefits at undiscounted amounts based on the amounts expected to be paid when the liability is settled.

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for long term 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 salary and wage 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.

Superannuation

Employees are entitled to benefits on retirement, disability or death, from superannuation plans. Employer contributions are recognised as an expense through the profit and loss in the period to which they relate. Unremitted employer superannuation obligations and employee superannuation contributions at reporting date are recognised as liabilities.

Several employees are members of Defined Benefit Superannuation Schemes under which the employer has an obligation to provide a benefit based on applying a percentage of the employee's final salary against benefit points accumulated. The organisation recognises its obligations under these schemes as a provision Employer's Contribution to Superannuation. This provision is adjusted on an annual basis using the actuarial assessment of future obligations provided by the actuaries of the superannuation schemes.

o) Other Provisions

Provisions are recognised when the Board has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

Claims

A provision is made for subsidence compensation claims 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 or engineering staff or experts in that area of work.

Preventative Works

A provision is made for subsidence preventative works 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 Board. The amount is based on estimates provided by the Board's technical or engineering staff or experts in that area of work.

p) Income Tax

No provision for income tax has been raised as the Board is exempt from income tax under Section 50-25 of the Income Tax Assessment Act 1997.

q) Critical Accounting Estimates & Judgements

Claims are carried in today's repair cost dollars, based upon estimates by staff or experts in that area.

New South Wales Treasury mandates are followed where the Standard provides alternative methods.

r) Comparative Information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

s) Accounting Standards/Interpretations issued but not yet effective

The Board has not applied any Australian Accounting Standards and interpretations that have been issued but are not yet effective. The Board applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the only significant impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 9 Financial Instruments and AASB 2009-11AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] become effective from reporting periods beginning on or after 1 January 2013. The main impacts of these standards are that they will change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial application of AASB 9, the Board will need to re-assess the measurement of its financial assets against the new classification and measurement requirements, based on the facts and circumstances that exist at that date. The Board has yet to assess the full impact of this standard.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011) In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Board will apply the amended standard from 1 July 2011.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Board's activities, or have no material impact on the Board.

3. Revenue & Other Income

	2011 \$'000	2010 \$'000
<i>a) Revenue</i>		
Colliery Contributions	18,000	19,861
Fees from issuance of certificates , Mine Compensation Act 1961:		
Section 15b certificates	315	348
Section 15c certificates	30	27
Interest received from:		
Financial assets at fair value through Profit and Loss	4,118	3,735
Financial assets not at fair value through Profit and Loss	36	24
Rental Income	56	44
Total revenue	22,555	24,039
<i>b) Other Income</i>		
Net gain on financial assets at fair value through Profit and Loss		
Held for trading	675	789

4. Expenses

	2011 \$'000	2010 \$'000
<i>a) Personnel services expense</i>		
Salaries & wages (includes annual leave)	2,556	2,137
Employers contribution to superannuation (accumulation funds)	88	72
Employers contribution to superannuation (defined benefit funds)	191	762
Long service leave	108	131
Workers compensation insurance	11	32
Payroll tax & fringe benefits tax	131	106
Total personnel services expense	3,085	3,240
<i>b) Auditor Remuneration</i>		
Amounts paid or payable to the Audit Office of New South Wales for auditing of the financial statements	42	41
No other services were provided by the Audit Office of New South Wales		
<i>c) Other expenses include the following:</i>		
<i>i) Net (profit)/loss on disposal of plant & equipment</i>		
Carrying value on disposal	166	102
Less proceeds on disposal	(157)	(101)
Net (profit)/loss on disposal of plant & equipment	9	1
<i>ii) Other</i>		
Board Fees	31	44
Property Expenses	93	110
Property Commissions (Sales and Rental)	5	25
Travel Expenses	25	33
	154	212
Total Other Expenses	163	213
<i>d) Subsidence Claims</i>		
Amount offset against claims expense to cover previous writedown	0	92
Write down of Inventory	120	235
Claims Expenditure	7,650	11,516
	7,770	11,843

5. Cash and Cash Equivalents

	Note	2011 \$'000	2010 \$'000
Cash on hand	14 a)	1	1
Cash at bank	14 a)	1,703	8,877
Short term investments	14 a)	28,357	10,941
		30,061	19,819

Refer to note 16 for information on financial instruments

6. Receivables

	Note	2011 \$'000	2010 \$'000
GST refundable		61	83
Colliery Contributions		0	12
Sundry		2	330
		63	425

7. Inventory

	Note	2011 \$'000	2010 \$'000
a) Non current			
Properties held for resale at net realisable value	8	3,349	2,995

8. Properties Held for Resale

	Note	2011 \$'000	2010 \$'000
Carrying value at the beginning of the year		2,995	3,155
Additions		474	1,360
Disposals		0	(1,285)
Net write downs in value		(120)	(235)
Carrying value at the end of the year		3,349	2,995

9. Financial Assets at Fair Value

	Note	2011 \$'000	2010 \$'000
Investments classified as			
Derivatives			
Held for trading at fair value through profit or loss	16a	60,189	59,702
Interest rate futures		186	229
		60,375	59,931
Held for trading at fair value through statement of profit or loss comprise: Government & semi government bonds (fixed interest)		28,829	23,550
Corporate bonds – listed entities (fixed interest)		31,360	35,726
Interest Rate Futures		186	0
Floating Rate Notes		0	427
		60,375	59,931

Refer to note 16 for information on financial instruments

10. Property, Plant and Equipment

	Note	2011 \$'000	2010 \$'000
Computer equipment at cost		643	598
Less accumulated depreciation		(489)	(420)
		154	178
General plant & equipment at cost		579	629
Less accumulated depreciation		(407)	(447)
		172	182
Motor vehicles at cost		367	351
Less accumulated depreciation		(73)	(68)
		294	283
Total property, plant & equipment		620	643

A reconciliation of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Computer Equipment \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
2011				
Carrying amount at the beginning of the year	178	182	283	643
Additions at cost	64	67	216	347
Disposals	0	(10)	(156)	(166)
Depreciation expense	(88)	(67)	(49)	(204)
Carrying amount at the end of the year	154	172	294	620
2010				
Carrying amount at the beginning of the year	106	212	237	555
Additions at cost	151	30	207	388
Disposals	0	0	(102)	(102)
Depreciation expense	(79)	(60)	(59)	(197)
Carrying amount at the end of the year	178	182	283	643

11. Payables

	Note	2011 \$'000	2010 \$'000
Fees for Services Rendered		180	61
Other Payables		7	46
Personnel Services Payable		96	37
Audit Fee		47	41
Trade Payable		52	109
		382	294

12. Provisions

	Note	2011 \$'000	2010 \$'000
Current			
Personnel Services (Long Service Leave)	12 b), 12 c)	1,339	1,199
Personnel Services (Annual Leave)		303	284
Employers contribution to superannuation (defined benefit funds)	12 b)	3,523	3,580
Claims	12 a)	3,588	3,744
Preventative works	12 a)	5,187	1,451
		13,940	10,258
Non-Current			
Claims	12 a)	13,214	11,492
Preventative Works	12 a)	138	3,306
Personnel Services (Long Service Leave)	12 a)	42	43
		13,394	14,841

Note 12 continued

a) *Movements in each of the provisions other than Personnel Services Payable are set out below.*

	2011 \$'000	2011 \$'000	2010 \$'000	2010 \$'000
	Claims	Preventative Works	Claims	Preventative Works
Opening balance as at 1 July 2010	15,236	4,757	7,349	6,989
Additional provisions	8,975	1,442	10,951	2,903
Amounts used	(6,093)	(1,150)	(3,812)	(3,279)
Unused amounts reversed	(1,316)	276	748	(1,046)
Closing balance as at 30 June 2011	16,802	5,325	15,236	4,757
Split between				
Current	3,588	5,187	3,744	1,451
Non-Current	13,214	138	11,492	3,306
	16,802	5,325	15,236	4,757

b) *Aggregate Personnel Services payable and related on-costs:*

	Note	2011 \$'000	2010 \$'000
Provisions current (Long service leave)		1,339	1,199
Personnel services - salaries	11	45	37
Personnel services - superannuation accrual (defined benefit funds)	13(c)	3,523	3,580
		4,907	4,816

c) *Movement in the provision for personnel services*

	2011 \$'000	2010 \$'000
Annual Leave		
Opening balance at 1 July	284	289
Payments for leave taken	(187)	(200)
Annual leave expense	206	195
Closing balance at 30 June	303	284
Long Service Leave		
Opening balance at 1 July	1,242	1,173
Payments for leave taken	(21)	(62)
Balance transferred in	52	0
Long service leave expense	108	131
Closing balance at 30 June	1,381	1,242
Split between		
Current	1,339	1,199
Non-Current	42	43
	1,381	1,242

13. Post Employment Benefit Obligations

The Board recognises the amounts in note 12 for personnel services liability, being under funded superannuation liability for Department of Trade and Investment, Regional Infrastructure and Services staff seconded to the Board.

Staff seconded to the Board participate in a number of the closed New South Wales public sector superannuation schemes all of which are defined benefits schemes. The schemes are only open to existing employees and all of the schemes are closed to new members.

The superannuation liability includes pension obligations for retired staff. As at reporting date there were seven ex-staff receiving a pension from the funds.

	2011 \$'000	2010 \$'000
<i>a)</i>		
<i>i) Reconciliation of the present value of the defined benefit obligation</i>		
Present value of partly funded defined benefit obligation at the beginning of the year	12,535	11,331
Current service cost	116	140
Interest cost	634	623
Contributions by participants	101	95
Actuarial (gains)/losses	841	965
Benefits paid	(152)	(619)
Present value of partly funded defined benefit obligation at the end of the year	14,075	12,535

ii) Reconciliation of the present value of the defined benefit obligation by individual fund

<i>Name of Fund</i>	<i>SASS</i>	<i>SANCS</i>	<i>SSS</i>	<i>TOTAL</i>
Present value of partly funded defined benefit obligation at beginning of the year	1,595	488	10,452	12,535
Current service cost	53	21	42	116
Interest cost	80	23	531	634
Contributions by Fund participants	24	0	77	101
Actuarial (gains)/losses	81	(28)	788	841
Benefits paid	168	113	(433)	(152)
Present value of partly funded defined benefit obligation at end of the year	2,001	617	11,457	14,075

	2011 \$'000	2010 \$'000		
<i>b)</i>				
<i>i) Reconciliation of the fair value of fund assets</i>				
Fair value of fund assets at the beginning of the year	8,955	8,304		
Expected return on fund assets	755	706		
Actuarial gains/(losses)	645	254		
Employer contributions	248	215		
Contributions by participants	101	95		
Benefits paid	(152)	(619)		
Fair value of fund assets at the end of the year	10,552	8,955		
<i>ii) Reconciliation of the fair value of fund assets by individual fund as at 30 June 2011</i>				
<i>Name of Fund</i>	<i>SASS</i>	<i>SANCS</i>	<i>SSS</i>	<i>TOTAL</i>
Fair value of Fund assets at beginning of the year	1,508	412	7,035	8,955
Expected return on Fund assets	127	33	595	755
Actuarial gains/(losses)	110	4	531	645
Employer contributions	66	27	155	248
Contributions by Fund participants	24	0	77	101
Benefits paid	168	113	(433)	(152)
Fair value of Fund assets at end of the year	2,003	589	7,960	10,552

	Note	2011 \$'000	2010 \$'000	
c)				
i) Reconciliation of the assets and liabilities recognised in the provision				
Present value of partly funded defined benefit obligation at the end of the year		14,075	12,535	
Fair value of fund assets at the end of the year		(10,552)	(8,955)	
Subtotal		3,523	3,580	
Net liability/(asset) recognised in provision	12	3,523	3,580	
ii) Reconciliation of the assets and liabilities recognised in the provision by individual fund as at 30 June 2011				
Name of Fund	SASS	SANCS	SSS	TOTAL
Present value of partly funded defined benefit obligation at the end of the year	2,000	617	11,458	14,075
Fair value of fund assets at the end of the year	(2,003)	(589)	(7,960)	(10,552)
Subtotal	(4)	29	3,498	3,523
Net liability/(asset) recognised in provision	(4)	29	3,498	3,523

	Note	2011 \$'000	2010 \$'000	
d)				
(i) Personnel Services Expense				
Current service cost		116	140	
Current interest cost		634	623	
Expected return of fund assets (net of expenses)		(755)	(706)	
Expense/(income) recognised		(5)	57	
ii) Personnel Services Expense as at 30 June 2011				
Name of Fund	SASS	SANCS	SSS	TOTAL
Current service cost	53	21	42	116
Interest cost	80	23	531	634
Expected return on Fund assets (net of expenses)	(127)	(33)	(595)	(755)
Expense/(income) recognised	6	11	(22)	(5)
Amounts recognised in total comprehensive income				
Actuarial (gains)/losses		(57)		(710)
Fund assets				
		2011	2010	
The percentage in each of the asset classes at the balance date were:				
Australian equities		33.4%	31.0%	
Overseas equities		29.5%	26.8%	
Australian fixed interest securities		5.7%	6.1%	
Overseas fixed interest securities		3.1%	4.3%	
Property		9.9%	9.5%	
Cash		5.1%	9.6%	
Other		13.3%	12.7%	

All fund assets are invested by SAS Trustee Corporation at arms' length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long term return for each of the assets class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

	Note	2011 \$'000	2010 \$'000	
e)				
i) <i>Actual return on fund assets</i>				
Actual return on fund assets		751	756	
ii) <i>Actual return on fund assets by individual fund as at 30 June 2011</i>				
Name of Fund	SASS	SANCS	SSS	TOTAL
Actual return on fund assets	126	37	588	751
iii) <i>Valuation method and principal actuarial assumptions at balance date were:</i>				
Valuation method – the projected credit unit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.				
Economic assumptions		2011	2010	
Salary increase rate (excluding promotional increases)		3.50%	3.50%	
Rate of CPI increase		2.50%	2.50%	
Expected rate of return of assets		8.60%	8.60%	
Discount rate		5.28%	5.17%	

Demographic assumptions - the assumptions used at 30 June 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the New South Wales Treasury website.

	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000	2007 \$'000
iv) <i>Historical Information</i>					
Present value of defined benefit obligation	14,075	12,535	11,331	9,279	9,086
Fair value of fund assets	(10,552)	(8,955)	(8,303)	(9,262)	(9,768)
(Surplus)/deficit in fund	3,523	3,580	3,028	17	(682)
Experience adjustments - fund liabilities	841	964	1,831	(213)	(319)
Experience adjustments - fund assets	(645)	(254)	1,413	1,164	(428)

	2011 \$'000	2010 \$'000		
<i>v) (i) Expected contributions</i>				
Expected employer contributions to be paid in the next period	197	188		
<i>ii) Expected contributions by individual fund as at 30 June 2011</i>				
<i>Name of Fund</i>	<i>SASS</i>	<i>SANCS</i>	<i>SSS</i>	<i>TOTAL</i>
	51	23	123	197

14. Cash Flow Information

	Note	2011 \$'000	2010 \$'000
<i>a) Reconciliation of cash</i>			
Cash on hand	5	1	1
Cash at bank	5	1,703	8,877
Short term investments	5	28,357	10,941
		30,061	19,819
<i>b) Reconciliation of net cash provided by operating activities</i>			
Net Surplus of the Year		8,332	6,543
Adjustments for:			
Depreciation	10	198	197
Actuarial movement in superannuation		(56)	552
Net (gain)/loss on financial assets	3	(675)	(1,601)
Net (gain)/loss on disposal of property, plant & equipment	4	9	1
Changes in assets and liabilities:			
Decrease/(increase) in receivables		362	(278)
Decrease/(increase) in inventory		(355)	160
Increase/(decrease) in payables		88	(189)
Increase/(decrease) in provisions		2,235	5,724
Net cash provided by operating activities		10,138	11,109

15. Commitments

The Board has entered into commercial property leases for its offices at Picton, Singleton and Wyong. These leases have three year terms with options to renew for a further period of three years.

Future minimum commitments under these non cancellable operating leases at 30 June 2011 are as follows:

	Note	2011 \$'000	2010 \$'000
Less than 1 year		98	115
Greater than 1 year but less than 5 years		161	130
Total (including GST)		259	245

In regards to the Board's Newcastle offices this is under a tenancy agreement memorandum. The occupation under this memorandum is in perpetuity and is subject to a notice period of 18 months being provided by the Board should the Board decide to relocate. Commitments under this agreement for the next 12 months are \$123,517 inclusive of GST (2010: \$121,146 inclusive of GST).

The Board is not aware of any capital commitments of a material nature as at reporting date other than those already provided for under the Payables and Provisions outlined in notes 11 and 12.

16. Financial Instruments

The Board's financial instruments consist mainly of cash and cash equivalents, accounts receivable, investments and payables. These financial instruments arise directly from the Board's operations or are required to finance the Board's 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 and Secretary have overall responsibility for the establishment and oversight of risk management and policies for managing identified risks. Risk management policies are established to identify and analyse the risk faced by the Board, to set risk limits and controls and to monitor risks.

	Note	2011 \$'000	2010 \$'000
<i>a) Carrying amount of each category of financial instrument</i>			
Financial assets			
Cash & cash equivalents	5	30,061	19,819
Receivables	6	2	342
Financial assets at fair value through the statement of comprehensive income			
Held for trading - investments	9	60,189	59,702
Held for trading - derivatives	9	186	229
Total financial assets		90,438	80,092
Financial liabilities			
Trade & other payables	11	382	294
Total financial liabilities		382	294
<i>Note – the receivables value excludes statutory receivables of \$61,000 (2010: \$83,000) which are not classified as financial instruments.</i>			

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.

c) Receivables

Collectability of receivables is reviewed on an ongoing basis. Receivables 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 debtor or group of debtors. There are currently no material debtors which are currently past due or impaired, or whose terms have been renegotiated. The credit quality of receivables is good.

d) 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 liquidity risk through monitoring future cash flows and maturities and 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 liabilities.

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.

e) Maturity analysis and interest rate exposure of financial liabilities

	Non Interest Bearing \$'000	Less than 1 year \$'000
2011		
Trade and other payables	382	382
2010		
Trade and other payables	294	294

f) 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 investments which are managed by an external fund manager, AMP Capital Investors Limited, in accordance with investment guidelines agreed with the Board. The Board has no exposure to foreign currency risk and does not enter into commodity contracts.

g) Interest rate risk

Exposure to interest rate risk arises predominantly through the Board's interest bearing financial assets. Details of the Board's exposure to interest rate risk on its financial assets are provided in the table below

Financial Asset	Weighted Avg Interest Rate	Variable Interest Rate \$'000	Less than 1 year \$'000	Greater than 1 year but less than 5 years \$'000	Greater than 5 years \$'000
2011					
<i>Cash & cash equivalents</i>					
Cash at bank	4.06%	1,703	0	0	0
Short term investments - discounted securities	4.87%	0	21,955	0	0
<i>Investments at fair value</i>					
Government & semi government bonds	6.01%	0	0	17,160	11,669
Corporate bonds	6.41%	0	1,409	22,760	8,786
Bank bills	4.86%	0	4,993	0	0
		1,703	28,357	39,920	20,455
2010					
<i>Cash & cash equivalents</i>					
Cash at bank	3.99%	8,876	0	0	0
Short term investments - discounted securities	4.55%	0	10,941	0	0
<i>Investments at fair value</i>					
Government & semi government bonds	5.91%	0	2,613	11,269	9,668
Corporate bonds	7.15%	0	4,316	21,234	10,175
Floating rate notes	7.75%	0	0	656	0
		8,876	17,870	33,159	19,843

h) Sensitivity analysis

The following table illustrates sensitivities to the Board's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that the Board considers to be reasonably possible. 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.

For interest rates a reasonably possible change of 100 basis points is consistent with current trends. The following table summarises the sensitivity of the Board's financial assets interest rate risk.

Interest Rate Risk	Interest Rate	Result +100 points	Equity +100 points	Result -100 points	Equity -100 Points
2011					
<i>Cash & cash equivalents</i>					
Cash at bank	4.06%	17	0	(17)	0
Short term investments - discounted securities	4.87%	220	0	(220)	0
<i>Investments at fair value</i>					
Government & semi government bonds	6.01%	288	0	(288)	0
Corporate bonds	6.41%	330	0	(330)	0
Bank bills	4.86%	50	0	(50)	0
2010					
<i>Cash & cash equivalents</i>					
Cash at bank	3.99%	89	0	(89)	0
Short term investments - discounted securities	4.55%	109	0	(109)	0
<i>Investments at fair value</i>					
Government & semi government bonds	5.19%	235	0	(235)	0
Corporate bonds	7.15%	357	0	(357)	0
Floating rate notes	7.75%	7	0	(7)	0

i) Fair Value

The recognised fair values of financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements.

Level 1 – fair values that reflect unadjusted quoted prices in active markets for identical assets/liabilities;

Level 2 – fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices); and

Level 3 – fair values that are derived from data not observable in a market.

According to the above hierarchy, the fair values of each class of asset/liability recognised at fair value are as follows:

Class	Classification according to fair value hierarchy			Total Carrying Amount
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	\$'000
2011				
<i>Financial assets</i>				
Available-for-sale securities	60,189	0	0	60,189
Derivatives used for hedging	0	186	0	186
Floating Rate notes	0	0	0	0
Total	60,189	186	0	60,375
2010				
<i>Financial assets</i>				
Available-for-sale securities	59,275	0	0	59,275
Derivatives used for hedging	0	229	0	229
Floating Rate notes	0	427	0	427
Total	59,275	656	0	59,931

17. Contingent Liabilities and Assets

The Board has received claims for compensation up to 30 June 2011 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.

Legal proceedings in the Supreme Court by Jemena Gas Networks may result in a financial impact, however, at this point in time the Board is not in a position to quantify the extent of this impact. The Board believes that any additional disclosure of this matter at this stage may prejudice the position of the Board in any future legal action.

18. Consultants

The total amounts paid or becoming payable to consultants engaged by the Board during the financial year was \$10,000 (2010: \$nil). One consultancy firm was engaged to provide actuarial advice on funding levels required to cover future claims. (Consultants are defined as per the "Guidelines for the Engagement and Use of Consultants" issued by the NSW Premiers Department in July 2004).

19. Directors Benefits

The amount of emoluments or other benefits paid or due and payable, directly or indirectly, to directors of the Board, but not including amounts paid by way of salary to full-time directors of the Board amounted to \$21,547 (2010: \$20,896).

20. After Balance Date Events

A Preventative Works Claim by Jemena Gas Networks was decided in the plaintiff's favour in the High Court of Australia on 1 June 2011. Cost directions were made in the NSW Land & Environment Court on 2 September 2011. The costs have been provided for in the Preventative Works Provision at reporting date as the Land and Environment Court Direction is seen as an adjusting event in respect to a present obligation at that date. This treatment is in line with Accounting Standard AASB 110 – Events After the Reporting Period.

MINE SUBSIDENCE BOARD 2011/2014 BUDGET

Introduction and background

Introduction

The Budget includes a costing of the Workplan outlined in the Board's Corporate Plan for 2011 to 2014. 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 includes the legacy of old abandoned mining which goes back 200 years, as well as current mining. There are several potentially large liabilities approaching, but no accurate monetary forecast can be made. These include the Hume Highway and Great Southern Railway at Douglas Park and Tahmoor and the Mount Arthur 500Kv transmission line. For the first time in some years we have the services of a Subsidence Risk Engineer to review the future mine plans and Subsidence Management Plans of coal mines, to more accurately forecast future liabilities to the Fund.

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.

Contingencies

There are two sets of litigation pending, against decisions to refuse claims. No provision has been made for them.

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE, 2011 *Not part of the audited accounts*

Notes	Budgeted 2010/11 \$	Actual 2010/11 \$	Budgeted 2011/12 \$	Budgeted 2012/13 \$	Budgeted 2013/14 \$
Income					
Contributions from Colliery Proprietors	18,000,000	18,000,000	18,000,000	18,000,000	18,000,000
Interest on Investments	3,000,000	2,899,734	5,141,835	5,141,835	5,244,672
Miscellaneous	388,006	438,909	428,307	428,307	436,874
Profit on Realisation of Investments	500,000	1,446,088	882,500	882,500	900,150
Gain/Loss on Revaluation	-500,000	-963,352	-500,000	-510,000	-520,200
Proceeds on Sale of Non-Recurrent Assets	255,000	120,000	227,500	232,000	182,500
Totals	21,643,006	21,941,379	24,180,142	24,174,642	24,243,995
Expenditure					
<i>Claims:</i>					
Elimination of Danger					
Subsidence	5,700,000	2,836,516	4,680,000	5,000,000	6,000,000
Preventative Works	800,000	2,033,794	2,000,000	2,000,000	3,000,000
Totals	6,500,000	4,870,310	6,680,000	7,000,000	9,000,000
<i>Surface Development and Administration:</i>					
Salaries & Associated Charges	2,703,500	2,007,775	2,806,728	2,917,825	2,976,181
Employer Contribution to Superannuation	320,000	284,795	290,491	296,301	302,227
Fees for Services Rendered	1,040,000	761,249	1,159,450	1,181,039	1,204,660
Board Fees & Entertainment	40,000	37,036	40,000	40,800	41,616
Microfilming of Records	4,000	1,548	2,000	2,000	2,040
Audit Fee	35,000	31,200	45,000	45,000	45,900
Printing, Stores & Stationery	294,000	245,840	298,756	307,711	313,865
Rent	241,000	215,423	232,836	232,836	237,492
Other Expenses	559,828	553,697	592,835	593,239	567,093
Depreciation	200,000	234,545	296,278	302,204	308,248
Bad Debts	0	0	0	0	0
Written Down Value Asset Disposal	255,000	125,000	152,519	152,519	188,000
Long Service Leave Expense	95,000	88,085	92,592	92,592	94,444
Annual Leave Expense	230,000	179,570	238,091	224,213	228,698
Totals	6,017,328	4,765,763	6,247,575	6,388,278	6,510,463
Total Expenditure	12,517,328	9,636,073	12,927,575	13,388,278	15,510,463
OPERATING RESULT	9,125,678	12,305,306	11,252,566	10,786,365	8,733,532
RETAINED EARNINGS AT BEGINNING OF YEAR	58,420,000	58,420,000	70,725,306	81,977,872	92,764,237
RETAINED EARNINGS AT END OF YEAR	67,545,678	70,725,306	81,977,872	92,764,237	101,497,769

BUDGETED STATEMENT OF FINANCIAL PERFORMANCE - NARRATIVE 2011/2014

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. Our Subsidence Risk Engineer has reviewed forward mining plans to forecast liabilities out to five years.

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 4% allowance for an Award Wage increase. Also includes Payroll Tax and Superannuation Guarantee Levy (currently 9%).

The positions of Subsidence Risk Engineer, District Supervisors at Newcastle and Picton and a mapping position have been filled in the last financial year – a full year's cost is included in the budget. Vacancies also exist for a IT/GIS specialist and an accountant. They are fully costed for 2011/2012.

5. Fees for services rendered

Some items are included as budget contingencies, such as allowance for provision of legal, engineering and subsidence advice. It also includes \$100,000 for research grants which has not been used in the current year.

Includes:

- ◆ Fees paid for Subsidence Predictions
- ◆ 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 (additional vehicles this year and increased costs)
- ◆ Telephones and Computer Lines
- ◆ Property Expenses
- ◆ Travel Expenses
- ◆ Electricity
- ◆ Postage and Document Exchange
- ◆ Advertising
- ◆ Office Cleaning and Sundries.

BUDGETED CAPITAL EXPENDITURE

	2010/11 \$	2011/12 \$	2012/13 \$
(1) Plant and equipment			
<i>(a) Computer Equipment</i>			
Replacement PC's	40,000	50,000	50,000
Upgrade PMS Software	25,000	25,000	30,000
Label Printers	1,000	1,000	1,000
Replacement Scanners	5,000	10,000	10,000
Upgrade PC Software	15,000	15,000	20,000
Disk Storage increase	10,000	20,000	40,000
Server Upgrade	25,000	25,000	30,000
Mobile Computers	10,000	15,000	15,000
<i>(b) GIS</i>			
Data Updates	25,000	25,000	25,000
<i>(c) Office Equipment</i>			
Photocopiers/Multi-function Printers	12,000	12,000	12,000
Plan Copier/Scanner	30,000	0	0
Telephone Systems	5,000	5,000	5,000
Microfilm scanner	12,000	0	0
<i>(d) Field Equipment</i>			
Subsidence measuring equipment	25,000	40,000	50,000
Digital Cameras	3,000	3,000	3,000
Penetrometer	0	2,000	2,000
Vibration Meters	16,000	24,000	24,000
Mobile Phone Replacements	5,000	8,000	10,000
<i>(e) Other</i>			
New Maurie Mole Suit	0	10,000	0
TOTAL PLANT AND EQUIPMENT	264,000	290,000	327,000

	2010/11 \$	2011/12 \$	2012/13 \$
(2) Furniture			
Office Furniture Maintenance	10,000	10,000	10,000
Workstations/Office Upgrades	5,000	10,000	10,000
Display Boards	5,000	5,000	5,000
Conference Room Newcastle	10,000	0	0
TOTAL FURNITURE	30,000	25,000	25,000
(3) Vehicles			
CEO	25,000	25,000	0
DM Newcastle PA	4,500	4,500	0
DS Newcastle IB	5,000	5,000	5,000
DS Newcastle TA	5,000	5,000	5,000
DS Newcastle RD	0	0	0
DS Newcastle GM	5,000	5,000	5,000
DM Picton DB	4,500	4,500	4,500
DM Singleton RP	4,500	4,500	4,500
DS Newcastle PG	4,500	4,500	4,500
DS Wyong TH	0	0	0
DS Picton JC	0	0	4,500
DS Picton JR	4,500	4,500	4,500
Pool Car	9,000	9,000	0
TOTAL MOTOR VEHICLES	71,500	71,500	37,500
TOTAL BUDGETED CAPITAL EXPENDITURE	365,500	386,500	389,500

CAPITAL EXPENDITURE NARRATIVE

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.

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 but the Microfilm scanner is to convert 40 years of microfilmed records to scanned on-line images in the computer..
- (d) *Field Equipment*
 - (i) Subsidence measuring equipment – to provide low-cost up-to-date data on subsidence over all areas of claims.
 - (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 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

Provision is made to replace furniture and maintain the standard of offices for efficiency and customer service.

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

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.

INDEX

Access
Aims and Objectives
Annual Report Costs
Audit Report
Board Members
Budget
Code of Conduct
Committees and Working Parties
Corporate Objectives
Electronic Service Delivery
Equal Employment Opportunity
Financial Statements
Government Information (Public Access) Act
Guarantee of Service
Human Resources
Letter of Submission to Minister
Mission Statement
Occupational Health and Safety
Organisation Chart
Payment Performance
Performance Indicators

Back Cover
11
66
41
5
61
7
33
12
35
38
40
38
12
35
4
11
35
36
33
13

Principal and District Officers	11
Privacy and Personal Information Protection Act (PIPP)	37
Publications Available	32
Research and Development	26
Review of Operation	16
Risk Management and Insurance	34
Significant Judicial Decisions	34
Staff Code of Conduct	12
Statement by Board Members	42
Waste Reduction and Purchasing Plan (WRAPP)	35

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 of that Statement of Affairs. Copies are provided to designated institutions as required by the Government's guidelines for Access to Published Information.

A copy is available on CD upon request. In line with the Mine Subsidence Board's commitment to the environment and best practice, the 2010/2011 Annual Report is available on the Board's website (www.minesub.nsw.gov.au), although a limited number of printed copies have been prepared.

The total external cost for producing this Annual Report/Statement of Affairs was \$18,040 including 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

Ako kupujete ili gradite kuću na području (Mine Subsidence) rudarskih iskopavanja vrlo je važno da se obratite birou za rudarstvo (Mine Subsidence Board). Vaš advokat ili građevinar mogu to da učine za vas, ali ako imate nekakvih pitanja molimo vas obratite se najbližoj kancelariji biroa. Službenicima biroa će biti drago da vas mogu uslužiti. Ako vam je potrebno mi možemo organizovati tumača za vas.
Nemojte se ustručavati da nam se obratite.
Telefon (02) 4908 4300.

MACEDONIAN (Makedonski)

Ako kupujete ili gradite nova kuća u okolini na Main Sabsajdanc (Mine Subsidence) mnogu e važno da stapete vo kontakt so oddelenieto na Main Sabsajdanc (Mine Subsidence). Ova može da go napravi vo vaše ime vašiot advokat ili gragevinarot, no ako imate bilo kakvi prašanja ve molime stapete vo kontakt so najbliskata kancelarija na oddelenieto. Službenicite na oddelenieto so zadovolstvo ke vi uslužad. Možeme da vi organizirame prevoduvac.
Ve molime nemojte da se dvoumite da ni telefonirate na telefon (02) 4908 4300.

CROATIAN

U slučaju gradnje ili kupovine kuće veoma je važno da stupite u doticaj sa uredom za rudarstvo (Mine Subsidence Board) koji je nadležan za gradnju kuća u tome području. Vaš odvjetnik ili graditelj to mogu učiniti u vaše ime. Ali ako imate neko pitanje u vezi toga stupite u vezu sa najbližim uredom od Mine Subsidence Board. Činovnici ureda će vam biti na raspolaganju u slučaju da imate problema sa engleskim jezikom ured će vam obezbjeđiti pomoć prevodioca.
Molimo vas do se ne ustručavate stupiti u vezu sa nama.
Telefon (02) 4908 4300.

SPANISH

Si va a comprar o edificar una casa en una zona de hundimiento de minas, es muy importante que se ponga en contacto con el Consejo de Hundimiento de Minas. Puede hacérselo su abogado o su constructor, pero si tiene alguna pregunta que hacer, entre en contacto con la oficina más cercana del Consejo. Los empleados le atenderán con mucho gusto. Podemos organizarle un intérprete.
Por favor, consúltenos sin titubeos.
Teléfono: (02) 4908 4300.

CHINESE

閣下如果要在採礦地區購買或興建房屋，最重要的便是與礦區地陪委員會聯絡。你可以委託律師或建築商代為辦理。但假若你有任何疑問，可以向我們就近的辦事處查詢。本處職員定必樂意為你服務，並可代為安排傳譯人員。
請與我們聯絡，切莫遲疑。
電話：(02) 4908 4300。

POLISH

Kupując lub budując dom na terenach eksploatacji górniczych (Mine Subsidence District) należy koniecznie skontaktować się z Komisją do Spraw Uszkodzeń Górniczych (Mine Subsidence Board). Można to zrobić za pośrednictwem adwokata lub budowniczego, ale jeśli się ma jakiegokolwiek pytania, można to zrobić samemu, kontaktując się z najbliższym biurem Komisji. Członkowie Komisji chętnie każdemu pomogą. Będą też mogli załatwić tłumacza.
Prosimy o skontaktowanie się z nami.
Tel: (02) 4908 4300.

GREEK

Είναι σημαντικό να επικοινωνήσετε με την επιτροπή καθίζησης Ορυχείου (Mine Subsidence Board) εάν πρόκειται να αγοράσετε ή να χτίσετε ένα σπίτι σε περιοχή καθίζησης εξ' αιτίας ορυχείου, αυτό μπορεί να το κάνει ο δικηγόρος ή ο οικοδόμος, εκ μέρους σας, αλλά εάν έχετε κάποια απορία, σας παρακαλούμε να έρθετε σ' επαφή με το πλησιέστερο γραφείο της επιτροπής. Οι υπάλληλοι της επιτροπής είναι πρόθυμοι να σας εξυπηρετήσουν. Μπορούμε να καλέσουμε διερμηνέα για σας.
Σας παρακαλούμε να μη διστάσετε να επικοινωνήσετε με μας.
Τηλέφωνο: (02) 4908 4300.

PORTUGUESE

É muito importante contactar a Junta de Minas de Aluimento Subterrâneo (Mine Subsidence Board), se estiver a comprar ou a construir uma casa numa área de desmoronamento subterrâneo. Isto poderá ser feito pelo seu advogado ou pelo construtor. Se tiver alguma dúvida, contacte o escritório da Junta mais próximo, cujos funcionários o atenderão com prazer. Se for necessário, há intérpretes à sua disposição; por isso, não hesite em contactar-nos.
Telefone: (02) 4908 4300.

SAMOAN

E tāua le fa'afesootai o lenei fa'alapotopotoga o le "Mine Subsidence Board" pe afai o fa'atauina per fausia fo'i sou fale i totonu o lenei fa'alapotopotoga. E mafai e lau Loia po'o le o le a fausiaina lou fele ona faia se feso'otaiga mo oe. Ae afai e iai se fesili e fia malamalama ai, fa'amolemole ia fa'afeso'otai vave se ofisa o lenei fa'alapotopotoga o lo'o latalata ane. Fiafia le aufaigaluega o lenei fa'alapotopotoga e fesoasoani mo oe. O le a mafai ona matou filifilia se fa'amatalaupu mo oe.
Fa'amolemole aua ne'i tūia lou fa'afeso'otai o matou i le telefoni (02) 4908 4300.

TONGAN

'Oku mahu'inga 'aupito ke ke fetu'utaki ki he Poate malu' 'o e keli'anga koloa fakaenatula (Mine Subsidence Board) 'o kapau te ke fakatau pe langa hao fale 'i ha feitu'u keli'anga koloa fakaenatula. 'E lava pē ke fai e fetu'utaki ko ia 'e ho'o fakafofonga la'o pe ko e tufunga. Kapau leva 'oku 'i ai ha me'a 'e ta'emahino pea ke kātaki 'o fetu'utaki ki he 'ofisi ofi taha 'o e poate. 'E fiefia 'a e kau 'ofisa 'o e poate ke tokoni'i koe. Kātaki 'o fetu'utaki mai ha fa'ahinga taimi pē.
Telefoni: (02) 4908 4300.

ITALIAN

Qualora s'intenda comperare o costruire una casa, in una zona soggetta a cedimenti del terreno a causa di miniere nel sottosuolo (Mine Subsidence District) è di estrema importanza mettersi prima in contatto con l'Ente competente tramite il vostro legale o il costruttore della casa. Nel caso di ulteriori quesiti a questo riguardo, non esitate a contattare la più vicina filiale dell'Ente, dove il personale vi darà tutte le informazioni necessarie; in caso di bisogno potrete usufruire dell'assistenza di un interprete.
Non esitate a mettervi in contatto con noi.
Telefono: (02) 4908 4300.

ARABIC

من المهم جداً أن تتصلوا بهيئة خطوط المناجم (Mine Subsidence Board) إذا كنتم تشترون أو تبنيون بيتاً في حيٍّ من أحياء خطوط المناجم (Mine Subsidence District). و من الممكن أن يقوم المحامي أو مهندس البناء بالاتصال بناية عنكم، ولكن إذا كانت لديكم أي أسئلة فإن الهيئة يسعدنا أن تساعدكم.
ويمكن ترتيب مترجم لكم. هاتف: (02) 4908 4300.

DUTCH

Het is van belang dat u contact opneemt met het "Mine Subsidence Board" (de Mijnverzakkingsraad) als u een huis koopt of bouwt in een "Mine Subsidence District" (Mijnverzakkingsdistrict). Dit kan voor u worden gedaan door uw wettelijke vertegenwoordiger of uw aannemer, maar als u vragen mocht hebben dan zal de raad deze graag voor u willen beantwoorden. Wij kunnen ook voor een tolk zorgen.
U wordt uitgenodigd om met ons te spreken.
Telefoon: (02) 4908 4300

VIETNAMESE

Điều rất quan trọng là quý vị hãy liên lạc với Mine Subsidence Board (Cục Phụ Trách Đất Sụt Do Hầm Mỏ) nếu quý vị đang mua hay xây dựng nhà trong Khu Vực Đất Sụt Do Hầm Mỏ (Mine Subsidence District). Việc này quý vị có thể nhờ luật sư hay thợ xây dựng làm, nhưng nếu quý vị có thắc mắc xin liên lạc văn phòng của Board gần nhất. Nhân viên của Board sẽ vui lòng giúp đỡ quý vị. Chúng tôi có thể kiểm người thông ngôn cho quý vị. Xin đừng ngần ngại liên lạc với chúng tôi.
Điện thoại: (02) 4908 4300.

FRENCH

Il vous est fortement recommandé de contacter l'Agence sur la subsidence minière [Mine Subsidence Board] si vous achetez ou construisez une maison dans une zone de subsidence minière. Vous pouvez demander à votre conseiller juridique ou à votre entrepreneur en bâtiment de faire ces démarches en votre nom. Nous serons toutefois heureux de répondre à vos questions et pouvons vous trouver un interprète si nécessaire.
N'hésitez pas à nous contacter.
Téléphone : (02) 4908 4300

FILLIPINO

Napakahalagang tatawag sa Mine Subsidence Board kung kayo ay bibili o gagawa ng bahay sa lugal na may Mine Subsidence. Ito ay puwedeng gawin para sa inyo ng inyong abugado o kontratista, ngunit kung kayo ay may mga tanong, nagagalak ang Lupon na tumulong. Maari kaming tatawag ng interpreter para sa inyo.
Huwag pong mag-atubiling tatawag sa amin.
Tumawag sa telepono: (02) 4908 4300

GERMAN

Es ist sehr wichtig, daß Sie mit dem Mine Subsidence Board (dem Amt für Bodensenkungen) in Verbindung treten, wenn Sie ein Haus in einem Gebiet kaufen oder bauen wollen, in dem die Gefahr einer Bodensenkung durch Bergbau besteht. Dies kann in Ihrem Namen durch Ihren Rechtsanwalt oder Ihren Baumeister veranlaßt werden, und wenn Sie irgendwelche Fragen haben, wird Ihnen das Amt nur zu gerne helfen. Wir können auch einen Dolmetscher für Sie arrangieren.
Bitte zögern Sie nicht, und nehmen Sie Kontakt mit uns auf.
Telefon: (02) 4908 4300

NEWCASTLE

Ground Floor, NSW Government Offices,
117 Bull Street, Newcastle West
NSW 2302
Postal Address: PO Box 488G,
Newcastle NSW 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
NSW 2330
Postal Address: PO Box 524
Singleton NSW 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

