



Putting service and the needs of people first



MINE SUBSIDENCE BOARD
ANNUAL REPORT
2012—2013



Hunter Expressway Image courtesy of AJM Photography

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 New South Wales

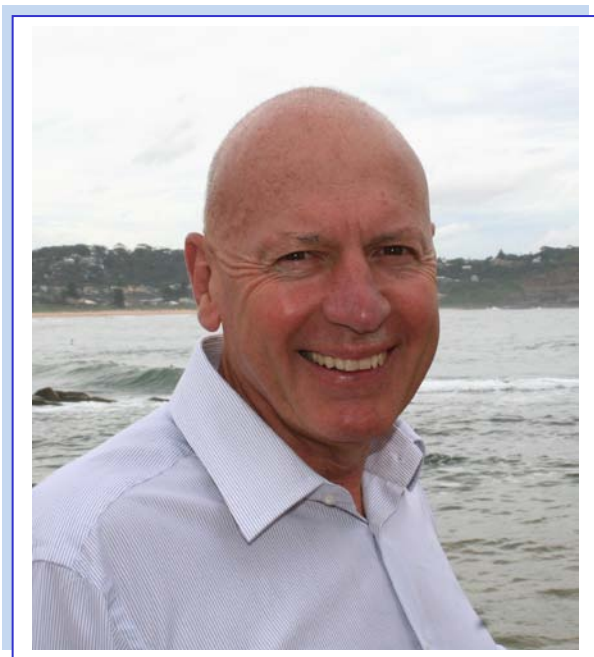
We:

- ❖ 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.

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THE HON CHRISTOPHER PETER HARTCHER, MP
MINISTER FOR RESOURCES AND ENERGY

Dear Mr Hartcher

Annual Report for the Year Ending 30 June 2013.

I am pleased to present to you the Mine Subsidence Board's Annual Report for the year ended 30 June 2013, in accordance with Section 10 of the *Annual Reports (Statutory Bodies) Act 1984*. The Report includes the Statement of Affairs required by Section 14(i)(a) of the *Freedom of Information Act 1989 (NSW)*.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'B.W. Mullard'.

B W Mullard
Chairman

BOARD MEMBERS—AS AT 30 JUNE 2013



Brad Mullard (Chairman) 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.



Robert Regan

BE(Min)(Hons)

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.



Jeffrey Maybury

Minister for Local Government's Nominee

Jeff is currently serving his ninth year 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 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. Until recently Margaret held the position of Executive Officer for the Association of Mining Related Councils.

Minister for Commerce's Nominee

The position is currently vacant awaiting appointment.

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:

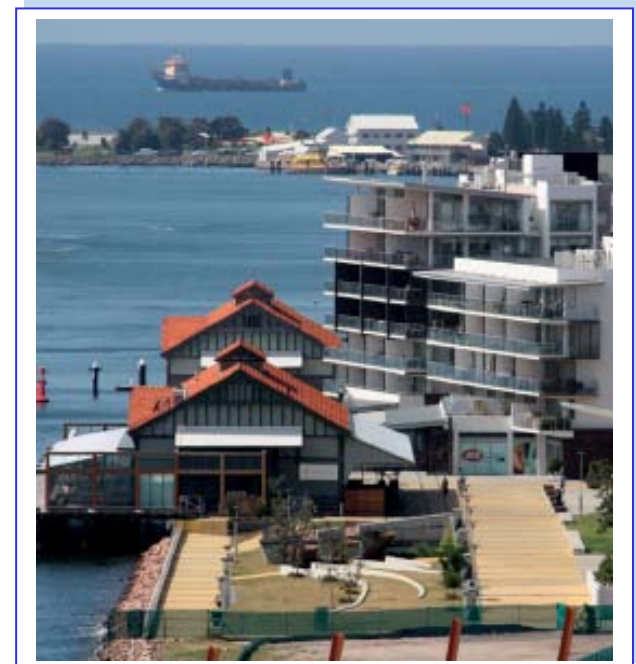
- ❖ Director-General of the Department of Trade and Investment, Regional Infrastructure and Services or their nominee from the Department
- ❖ Chief Inspector of Coal Mines
- ❖ Department of Public Works
- ❖ Colliery Proprietors
- ❖ Owners of Improvements (ie, the community)
- ❖ Local Government or the Department of Planning

In the exercise of its functions, the Board is subject to the control and direction of the Minister.

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



Development in the Honeysuckle Precinct was subject to Mine Subsidence Board design parameters

BOARD MEMBERS ATTENDANCE—2012-2013

Board Member	Meetings Attended	Meetings Eligible For
Peter Hayes	7	11
Margaret McDonald-Hill	11	11
Jeff Maybury *	10	11
Brad Mullard	11	11
Rob Regan *	9	11

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

CORPORATE GOVERNANCE

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

CODE OF CONDUCT

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.



Main image: Hunter Expressway image courtesy of AJM Photography



FROM THE CEO'S DESK

It is interesting to observe the increased profile that mine subsidence has gained over recent years. Much of this has arisen from the proposed development of high-rise and large footprint structures over old mine workings or sites that were once set aside from development in recognition of mining concerns. Importantly the knowledge of mine subsidence has also evolved extensively over several decades. A great deal of research has been undertaken, including that by private organisations, universities and the Board. The Mine Subsidence Board is the leading NSW Government authority on mine subsidence and has a strong knowledge base through its role in administering the *Mine Subsidence Compensation Act*.

Property owners are actively encouraged to utilise the Board's expertise. Most transactions, including feedback, can be completed online and access to Board brochures is readily available at www.minesub.nsw.gov.au.

The Mine Subsidence 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 ISO9001:2008.

The Board sets challenging performance targets and this year over 97% of building applications, certificates and subdivisions were processed in less than 5 working days. Board staff processed over 16,000 transactions, including 4,600 building applications, 335 subdivisions, attended to 362 claims for mine subsidence damage and issued over 10,000 certificates advising property owners their infrastructure is covered under the Mine Subsidence Compensation Act or has been the subject of a claim.

The Mine Subsidence Board's approval is required for subdivision and surface development in Mine Subsidence Districts. The Board recommends early consultation for developers or planners considering surface development over old mine workings.

Risk analysis of old and abandoned mine workings is imperative. Through the involvement of the Mine Subsidence Board, geotechnical reports have become more structured in their risk analysis. 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.

The presence of mine workings does not mean there must be mine subsidence damage. There are many naturally occurring causes of damage to residential structures. During claims investigation Board staff endeavour to assist claimants by providing advice as to the cause of damage. Around 18% of claims lodged are for damage to structures that are not undermined. Historical data suggests in most cases less than 25% of residential structures are damaged by mine subsidence and damage is classified as slight and non-structural, consisting of minor cracking to internal linings and movement to external brickwork and around concrete areas.

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 continues to work 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 and the Southern Coalfields.

Research and development into mine subsidence remains an important part of our business. The Board is continuing monitoring of ground vibrations at selected sites. Other ongoing projects are detailed in this report

The Mine Subsidence Board has a 24 hour emergency hotline (phone 1800248083) for reporting any danger that may arise from mine subsidence. This year staff responded to 111 elimination of danger reports. Reports generally relate to small potholes or surface cracks above areas of abandoned shallow mined workings. The nature of mine subsidence potholes is such that impacts are limited to the immediate location of the pothole. Therefore a mine subsidence pothole can occur beneath a building and cause little or no damage.

During the year there was a subsidence event at Lambton Gardens which affected properties in the area of McCubbin Way and Roberts Circuit. Emergency repairs and were completed and regular structural engineering inspections undertaken to ensure properties remained safe. Board staff worked closely with the owners and their assistance was most appreciated. The Board has subsequently purchased several properties as a result of mine subsidence damage. The Board is continuing to monitor the area and following further investigation will consider options for the properties acquired.

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 20 years and an annual competition for children increases awareness of the potential danger from old mine workings. This year's competition winners and their family enjoyed a great afternoon at the Shortland Wetlands Centre.

In concluding it is important to not only recognise the contribution of Board staff, and the mining and construction industry with whom we work closely, but also property owners who provide their assistance to facilitate claim investigation and repairs.

Greg Cole-Clark B Eng (Mining – Syd); MBA (Newc)
CHIEF EXECUTIVE OFFICER

A SPOTLIGHT ON THE BOARD'S CORE OPERATIONS

The core operations of the Mine Subsidence Board can be described as:

- ❖ Management of the Mine Subsidence Compensation Fund – this is primarily surrounding claims from those properties damaged by mine subsidence from old, existing or new mining
- ❖ Surface development guidelines where mine subsidence occurs or is likely to occur
- ❖ Repair services where properties are damaged as a result of subsidence and compensation where required
- ❖ The introduction of new districts
- ❖ An advisory service for those buying, building or renovating in a District
- ❖ Advice to developers regarding design and construction techniques
- ❖ The approval on developments within a District
- ❖ Elimination of public danger

The Mine Subsidence Board's mission is to mitigate the effects of mine subsidence on the community by promoting compatibility between surface developments and underground coal mining and restoring damaged improvements. The Board manages this process through the proclamation of Mine Subsidence Districts. Put simply, it means that when building or renovating in these areas, guidelines apply and you may need to get the Mine Subsidence Board's approval to build or subdivide. If damage does occur from subsidence due to coal mining, the support and resources of the Mine Subsidence Board are available to assist you.

If improvements are constructed without Board approval, they are not eligible for compensation and 15B certificates will be refused, usually meaning that the property cannot be sold in the future.

Expert advice is provided to property owners, developers, 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.

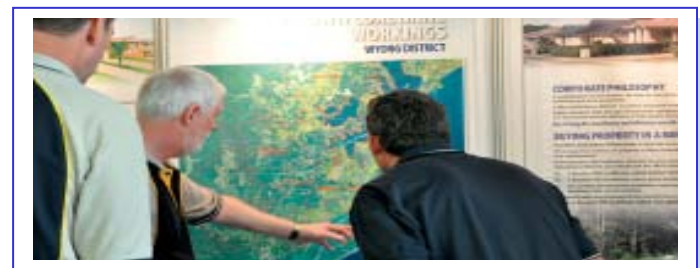
The Board controls building and other surface development in Mine Subsidence Districts, setting building and construction requirements that provide protection from subsidence damage. These requirements cover the nature and class of improvements, including height, type of building materials used and the method of construction.

An integral part of the Mine Subsidence Board's charter is Community Education with regular awareness programmes providing the community with information on the Board's services as well as details and reassurance regarding the effects of mine subsidence. Information on services provided by the Board is made available to property owners in a number of ways; from the mining notification process, direct contact at Mine Subsidence Board offices, Community events and shows, participation in Community Consultative Committees, Pre-mining Inspections, Building Applications or just general information regarding districts or designing for subsidence.

Another vitally important role for the Board is where predicted mine subsidence is to have a significant effect on surface improvements it is the Board's policy to offer Pre-Mining Inspections or PMI's to those properties. This provides an opportunity for the Board's staff to liaise with the community prior to mining.

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. The Board completes all of this work using experienced technical staff.

By working with the Board, homeowners and developers can be assured that their homes and structures are safe, serviceable and repairable.



OUR AIMS AND OBJECTIVES

PRINCIPAL AND DISTRICT OFFICERS

Chief Executive Officer

Greg Cole-Clark BE (Mining) Syd, MBA

Secretary and Manager Finance and Administration

Vacant following the retirement of Mike Clarke

Subsidence Risk Engineer

Peter Evans BE (Hons) Syd, CPPD

District Managers

Newcastle

Phil Alexander

Wyang

Tom Hole

Singleton (Acting)

Richard Pickles

Picton

Darren Bullock



Repairs underway to Charlton Road, Fordwich

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 Mineral Resources and reports through the Minister to the NSW Parliament.

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

OUR MISSION STATEMENT

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

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

These functions form the Board's Mission and Corporate Objectives incorporated in a Corporate Plan. In the performance of our charter, the 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 is 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 PERFORMANCE

- ❖ To provide a prompt and efficient compensation and/or repair scheme for damage
- ❖ To improvements caused by the extraction of coal.
- ❖ To eliminate danger to the community from mine subsidence related events.
- ❖ Given that mining will take place, to promote compatibility between surface development and underground coal mining.
- ❖ To actively use risk management expertise to protect the community by reducing future damage from mine subsidence.
- ❖ To identify, complete and promote subsidence research programmes that meet the existing and future needs of the community and industry.
- ❖ To provide a comprehensive and accessible advisory and technical resources service on mine subsidence and surface development.
- ❖ To increase community knowledge and appreciation of the Board and its functions.
- ❖ 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 9001:2008. To maintain certification, the Board's procedures and performances are regularly subjected to external audit by SAI Global. Trained staff carries out six-monthly internal audits.

CORPORATE

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 (KPI's) 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

Service	Number Processed	Performance Measure	Target	2012—2013	2011—2012
Subdivisions	335	Process within 5 working days	95%	97.3%	99%
15B Certificates	8815		95%	98.6%	98%
15C Certificates	1775		95%	97.5%	97%
Building Applications	4619		95%	96.9%	98%
Claims	362	Determine Claims within 30 working days	85%	89.7%	97%
Elimination of Danger	111	Eliminate Danger within 24 hours	100%	100%	100%

TRANSACTIONS 2012—2013

Transaction Type	Newcastle	Picton	Singleton	Wyong	Total
Building Applications	2585	1227	237	570	4619
2011—2012	2406	966	213	919	4504
Subdivisions	204	70	25	16	422
2011—2012	176	113	15	118	335
Certificates 15B	5651	1174	358	1632	8815
2011—2012	5418	1175	390	1573	8556
Certificates 15C	849	435	155	336	1775
2011—2012	746	519	128	292	1703
Claims	189	133	23	17	362
2011—2012	132	132	14	19	297
Elimination of Danger	83	0	28	0	111
2011—2012	98	0	43	0	141

CERTIFICATES

The Board plays an integral role in protecting home buyers by providing certificates under Section 15 of the *Mine Subsidence Compensation Act 1961*.

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

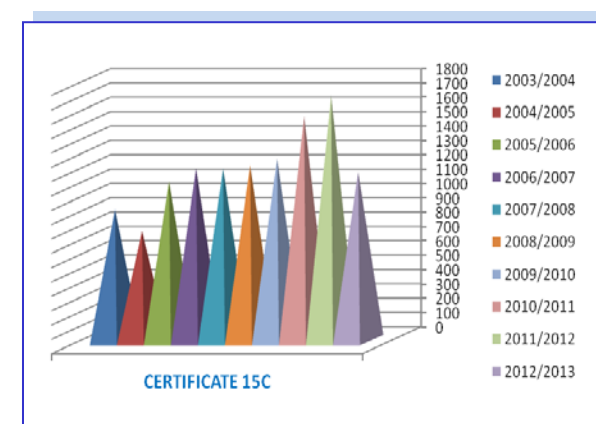
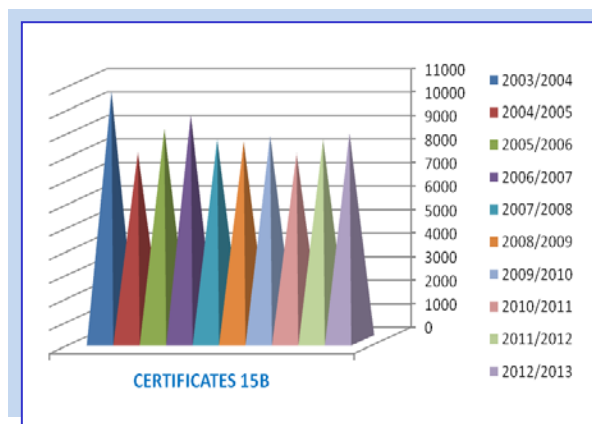
- ❖ **Section 15B Certificate** - Certifies that the requirements of the Act relating to the improvements or subdivisions specified have been complied with. This certificate is an assurance that compensation will be paid in the event of mine subsidence damage.
- ❖ **Section 15C Certificate** - Certifies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

BUILDING AND SUBDIVISION APPLICATIONS—SURFACE DEVELOPMENT

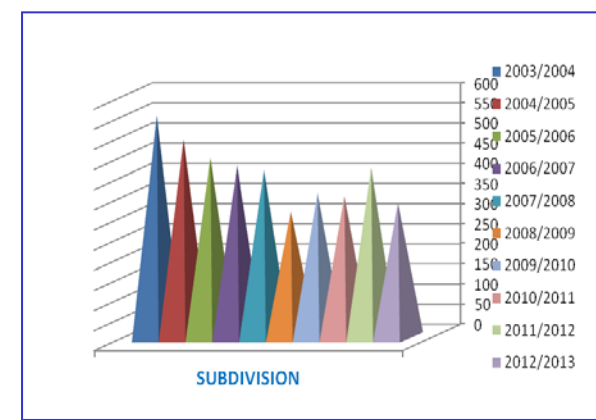
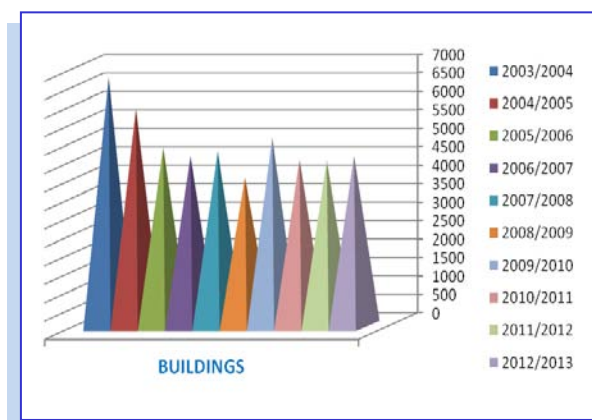
Owners of properties in proclaimed Mine Subsidence Districts must obtain approval to erect improvements or subdivide land. The Board issues guidelines for building, and provides subsidence design parameters for major structures within Mine Subsidence Districts. The Board considers building and subdivision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

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

CERTIFICATE GRAPHS



SURFACE DEVELOPMENT



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 ANALYSIS

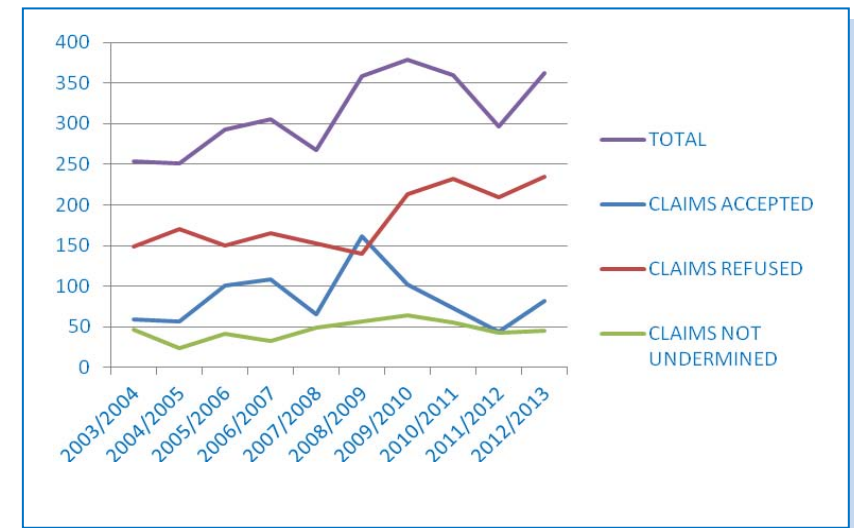
An owner only needs to believe their property may have incurred mine subsidence damage to lodge a claim under the Mine Subsidence Compensation Act. All claims are investigated by qualified staff with experience in building.

The presence of mine workings does not mean there must be mine subsidence damage. There are many naturally occurring causes of damage to residential structures. During claims investigation Board staff endeavour to assist claimants by providing advice as to the cause of damage.

Around 25% of claims received are not undermined. Claims are refused where investigation determines a structure is located over fully extracted old mine working which subsided before the structure was built or overlie first workings that have not subsided. Experience indicates in general less than 25% of residential structures are damaged from current mining and most damage is 'cosmetic' and non-structural.

CLAIMS

YEAR	CLAIMS ACCEPTED	CLAIMS REFUSED	CLAIMS NOT UNDERMINED
2003/2004	59	149	46
2004/2005	57	170	24
2005/2006	101	150	42
2006/2007	108	165	33
2007/2008	65	153	49
2008/2009	162	140	56
2009/2010	102	213	64
2010/2011	73	232	55
2011/2012	44	210	43
2012/2013	82	235	45



REVIEW OF BOARD OPERATIONS

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

Details of the role of the Mine Subsidence Board and information on mine subsidence can be 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 and Federal 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.



Repairs underway to Charlton Road, Fordwich

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 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 (The Department of Premier and Cabinet)
- ❖ Hunter Expressway Expert Panel
- ❖ RMS HW2-Hume Highway Steering Committee for 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 Network

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

- ❖ RTA F3 Extension Link Road extension Committee
- ❖ Hunter Water Corporation
- ❖ Roads and Maritime Services
- ❖ National Parks
- ❖ 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
- ❖ Roads and Maritime Services Technical Committee
- ❖ Sydney Water Technical and Steering Committee
- ❖ SCA Technical Committee
- ❖ Meetings with Coal Mines in the area

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

- ❖ Wyong Community Liaison Committee
- ❖ Central Coast Regional Co-ordination Management Group

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

- ❖ Lithgow, Singleton, Cessnock and Muswellbrook Councils
- ❖ Meetings with Coal Mines in the area

Through the supply of promotional materials, brochures or small monetary donations, the Board assists community groups such as schools, sporting and community organisations.



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. The majority of properties within the Mine Subsidence Districts are undermined by old abandoned mine workings although there are some areas where mining is currently taking place or will occur in the future.

The Board's Newcastle Office consists of a District Manager supported by five (5) Technical Officers and four (4) Clerical Officers. The Technical Officers also carry out relief work at the Board's other District Offices at Wyong, Singleton and Picton.

During 2012-13, Newcastle Office staff processed 2585 building applications, 204 subdivisions and issued over 5600 15B certificates of compliance. One hundred and eighty nine (189) claims for mine subsidence damage were received and assessed.

The Board's Staff also attends displays at various shows, around the Districts. These events allow the Board's staff to provide direct contact with the public to answer any enquiries on building related matters or subsidence issues.

In the district managed by Newcastle Office, there are areas of old mine workings with shallow depth of cover. If a subsidence event does occur in the shallow mined area, the effects are evident at the surface through a pothole or localised depression. The Newcastle Office attended to 83 elimination of danger claims during 2012-13. All of these claims were made safe and rectified by the Board's Contractors.

The Board has a 24 hour emergency number for reporting concerns relating to mine subsidence.

During the year there was a subsidence event at Lambton Gardens which affected properties in the area of McCubbin Way and Roberts Circuit. Emergency repairs were completed and regular structural engineering inspections undertaken to ensure properties remained safe. Board staff worked closely with the owners and their assistance was most appreciated. The Board has subsequently purchased several properties as a result of mine subsidence damage. The Board is continuing to monitor the area and following further investigation will consider options for the properties acquired.

OFFICES AT A GLANCE

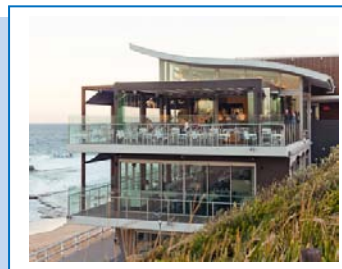
Further development of housing estates continues in the suburbs of Lake Macquarie, Maitland and Newcastle. Many of these subdivisions are over shallow mine workings. The Board requires the risk of subsidence in these areas to be eliminated. This has been achieved by grouting the workings or excavating to the seam floor and crushing the standing pillars of coal and re-compacting the area to an engineering standard. All mitigation works are certified by geotechnical engineers that the selected process has been successful.

Major redevelopment continues within the Newcastle and Lake Macquarie areas. During 2012-13, the Mine Subsidence Board approved projects to an estimated value of \$360m.

Applications were received for major high-rise developments at Newcastle and Charlestown. These areas have extensive old mine workings and it is important detailed geotechnical investigations are completed to ensure the risk of subsidence is eliminated or can be addressed in the structural design. In seam grouting to remove the risk of mine subsidence has now been successfully completed at several sites in Newcastle.



Old Royal Newcastle area



Surf House Merewether



Excavating to the top of the coal seam

PICTON

The Picton District Office manages the operations of the Board in the Southern Coalfields with areas partly affected by old abandoned mine workings in the coastal area. Workings at shallow depths can result in localised pothole type subsidence. The central area of the Southern Coalfields includes five areas of active mining.

Appin and Westcliff Colliery are currently mining to the west and north of Appin Township. Tahmoor Colliery is operating to the north of the Tahmoor township. Mining in these areas is carried out through Longwall methods.

During 2012-13, Picton Office staff processed 1227 building applications, 70 subdivisions and issued over 1100 15B certificates of compliance. One hundred and thirty three (133) claims for mine subsidence damage were received and assessed. There were no elimination of danger claims relating to pothole subsidence.

Tahmoor Colliery commenced mining at Thirlmere in 2004. Since then the Mine Subsidence Board has accepted 523 claims of which 304 have been finalised. Board staff liaise closely with property owners and most owners prefer repair work to be deferred until ground movement has reached levels unlikely to cause further damage. In general, damage is classified as slight and non-structural.



Mining impact on a local road networks

The Mine Subsidence Board is currently undertaking pre-mining inspections in relation to Tahmoor Colliery's Longwall 26 and 27. Over 550 Pre-mining Inspections have been completed in the Tahmoor and Thirlmere areas. The inspections are arranged by the Board at no cost to the property owner and are of great assistance in understanding the status of a structure prior to mining. Pre-mining Inspections have also been of assistance in providing information to the community regarding potential affects from mine subsidence.

Last year a large volume of enquires was received from developers in regards to proposed subdivisions in the Southern Coalfields.

Board staff have been working with a number of infrastructure owners on mitigation and repairs including Sydney Catchment Authority, Sydney Water, Roads and Maritime Services and Australian Rail Track Corporation.



Maurie Mole and the community

SINGLETON

The Singleton District Office manages the operation of the Patrick Plains, Muswellbrook, Mitchells Flat, Tomalpin and Lithgow Mine Subsidence Districts.

West of the Lithgow there is active mining at Ulan, Rhylstone, Kandos, Cullen Bullen, Capertee, Lisdale and east of Lithgow at Clarence. The Gunnedah Basin has a mix of abandoned mining in Gunnedah and active mining in Boggabri, Gunnedah and Werris Creek.

The Mine Subsidence Board is attending to claims and monitoring ground vibrations from longwall mining in the Quorrobolong area. Board staff have met with members of the community to assist with information on mine subsidence. Cessnock Council has also sought input from the Board on proposed development at south Cessnock.

During 2012/13, Singleton Office assessed 23 claims for mine subsidence damage. Elimination of Danger claims decreased by 35% this year mainly due to reduced heavy rainfall events and previous success in addressing a number of areas where subsidence has been reported over a longer period. There were a total of 28 elimination of danger claims.

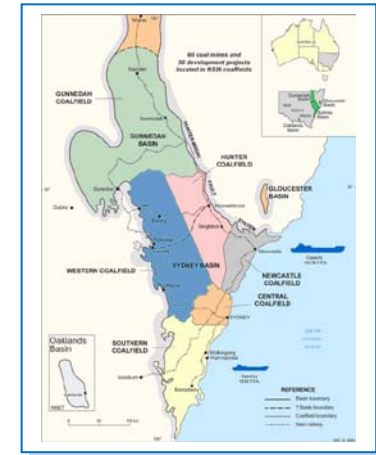
Mine subsidence at the Muswellbrook Common has been filled on a number of occasions. The area is undermined by three relatively shallow seams and the subsidence appears to be related to failure in the top and middle seams. During the year, heavy rain resulted in the slumping of material in an old mine entry in the Gloucester area. The Board eliminated the damage by filling the site which is thought to have been constructed around 1920.

Subdivision applications increased by 67% and building applications by 11%, mainly due to the increase in development in the Muswellbrook Shire. Building applications for supporting infrastructure at a number of mine sites were approved although mining infrastructure subsided by the owner is not covered under the *Mine Subsidence Compensation Act*.

Applications for 15B Certificates, that advise whether a structure is covered under the *Act*, and enquiries were similar to the previous year.

With the new Hunter Expressway from West Wallsend to Branxton still in construction, the Board has attended regular meetings in regard to filling of the old shallow workings at Greta and Stanford Merthyr. The Board has also provided advice to Roads and Maritime Services and Cessnock Council with respect to infrastructure associated with the project that also traverses old mine workings.

Singleton Office staff continue to repair mine subsidence damage to Charlton and Broke Roads as longwall mining progresses in the area.



Areas Covered by Singleton,
Orange, Green, Blue & Pink



Pothole at Abermain in December 2012



Dam in Charlton Road after undermining

WYONG

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

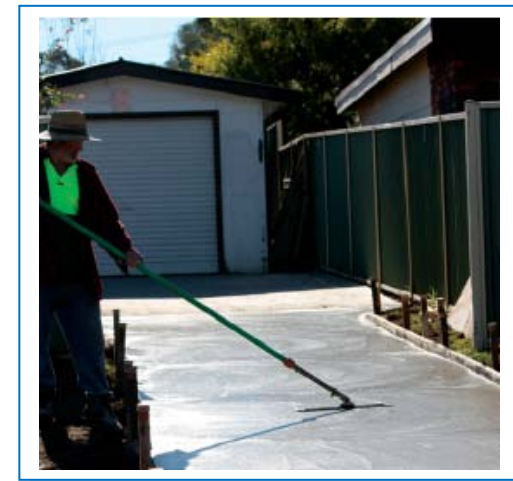
Board staff have been heavily involved with the assessment of mine subsidence issues for the expansion of urban development in the northern part of the Wyong Shire. This includes the Warnervale, Lake Munmorah, Bushells Ridge, Doyalson and Hamlyn Terrace areas.

During 2012-13, Wyong Office staff processed 570 building applications, 16 subdivisions and issued over 1600 15B certificates of compliance. Seventeen (17) claims for mine subsidence damage were received and assessed. There are no shallow mined areas in the district and there no elimination of danger claims were received relating to pothole subsidence.

The Board's Wyong office continues to review surface development guidelines in a number of areas to ensure compatibility between surface development and mining. The Board has approved a number of larger structures in the precinct around Wyong Hospital following consideration of applications on their merits.

Wyong office staff liaise closely with the various collieries, NSW Trade and Investment, Wyong Council and the building industry in this regard.

Chain Valley and Mannering Collieries have been extracting coal in areas with limited surface improvements. The operation of both collieries is ongoing and the Board monitors future mining so we are aware of possible mine subsidence impacts.



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

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

A significant number of major developments were approved throughout NSW Mine Subsidence Districts, proving residential and commercial development can work hand in hand with mine subsidence.

BUILDING GUIDELINES

The Board first 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.



Rail diversion at Tahmoor under construction

SURFACE DEVELOPMENT

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

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

PREMINING 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.



MINE SUBSIDENCE RISK ENGINEERING

Risk engineering has a key role in supporting the Board's core functions including the assessment of its claims and building applications. By identifying potential risks, the Board is better able to implement appropriate controls and treatments to improve its decision making and more effectively manage its potential liability under the Act.

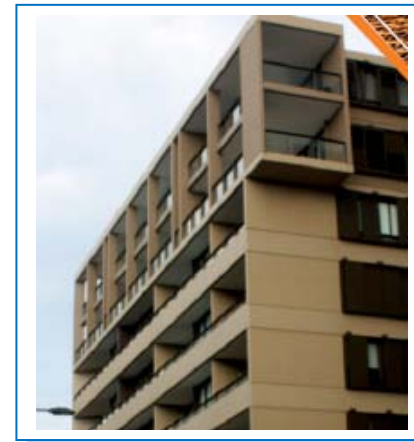
Many factors contribute to the success of risk engineering. AS/NZS ISO 31000 provides a guide to the principles for successfully managing risks. It identifies seven steps in the process;

- ❖ establishing the context
- ❖ risk identification
- ❖ risk analysis
- ❖ risk evaluation
- ❖ risk treatment
- ❖ communication and consultation, and
- ❖ monitoring and review

However the Board applies these principles in the assessment of not only claims and building applications but as an integral part of its strategic planning, strategic management and everyday activities. This is mainly achieved through an integration of risk management processes in the Board's Policy and Procedure Manual for its day-to-day activities. This ensures risk management is consistent across the Board and ensures efficiency, consistency and the reliability of results.

Therefore successful risk management requires the involvement of all the Board officers. And the Board's Subsidence Risk Engineer's role is primarily to provide specialist engineering advice within this risk management framework to enhance the Board's everyday activities. In 2012/13 the Subsidence Risk Engineer's main activities included;

- ❖ Reviewing major claims and development applications.
- ❖ Research and development projects.
- ❖ Managing the Board's ground vibration monitoring program.
- ❖ Managing the financial risk of current and future claims against the Board.
- ❖ Assisting the Board's District Managers and their officers with technical advice, claim assessments, review of developments applications, technical engineering advice and preventative works.
- ❖ Assisting external entities including collieries, developers, and the community, with mine subsidence issues and in particularly building applications.
- ❖ Working with the CEO on surface development and risk analysis.



MAPPING

The computer mapping technology used at the Mine Subsidence Board (MSB) is unique. The digital databases held are fundamental in the decision making processes for the assessment of claims and the development of building guidelines in Mine Subsidence Districts throughout New South Wales.

The Mine Subsidence Board's mapping staff have invested considerable time in the validation of historic maps and the digital capture of the historic mining records held at the Department of Trade and Investment, Regional Infrastructure and Services – Mineral and Energy. 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 MSB and the State.

Mapping data held at the MSB include up to date cadastral and topographic information, proposed land subdivisions and aerial photography and satellite imagery over areas of interest to the MSB. Surface infrastructure can be underlain by current mining records supplied by active mines and the historic coal mining records some dating back over 150 years.

The MSB continually investigates areas to determine the extent of any 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 the old mining maps thus giving greater confidence in decision making.

The Graphical Information System software employed the Mapping section at the MSB is essential in the investigation of claims, the development of surface building guidelines and the production of maps for displays to support the MSB's educational advertising programmes. Mine Subsidence District Maps are currently available on the MSB Website (www.minesub.nsw.gov.au) and then selecting Maps, then District Maps. Where possible mapping information is available on the website, however, interpretation of mine workings requires expert advice.

Currently the Mine Subsidence Board is updating the mapping system using the latest internet technology; this will further enhance the speed of the computer mapping system and allow deployment to the newest mobile devices for its field staff.



REPAIRS AND 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 111 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 2012/2013, some of these included:

- ❖ Properties in Appin, Tahmoor and Berrima
- ❖ Repairs undertaken in the Newcastle District included properties in Adamstown Heights, Fletcher, Highfields, Kotara, Mandalong, New Lambton, North Lambton, Rankin Park, Wallsend and Waratah.
- ❖ Repairs to Charlton and Broke Roads
- ❖ A property in Muswellbrook

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

RESEARCH AND DEVELOPMENT

One of the Board's objectives is to identify, complete and promote research programmes that meet the existing and future needs of the community and industry.

Research projects continued during 2012/13 included;

Analysis of Vibration Data (1995 to 2011): The objective of this project was to collate and examine the entire vibration data from the Mine Subsidence Board's network of ground vibration monitors since 1995 and assess the overall risk of damage to surface infrastructure.

The project has been expanded to analyse goaf fall vibrations and develop a model to distinguish these from other ground vibrations. In addition, examine the behaviour of these vibrations. Data was collected at Mandalong and Quorrobolong.

Other research projects currently underway;

(a) A Case Study - Mine Subsidence at Lambton Gardens: The objective of this project is to assess the cause of a significant subsidence event.

(b) Pothole Subsidence and Rainfall: The objective of this project is to determine the relationship between pothole subsidence and rainfall events

Vibration Monitoring Program

Ground vibrations due to ^{Driveway undergoing repairs} mine subsidence can potentially cause damage to infrastructure and result in a claim under the Mine Subsidence Act. The Board has implemented a vibration monitoring program in sensitive areas to assist with the analysis of claims and to keep the community informed of the nature of ground vibrations.

In 2012/13 the Board upgraded aging monitors to new above ground stations, and relocated monitors closer to longwall activity. There are currently 4x monitors at Mandalong, 2 monitors at Quorrobolong and 1 monitor at Chain Valley Bay.

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, pre-school and school age children on the various roles and services offered by the Board.

The Board's character Maurie Mole, used to promote safety awareness, 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 20 years and was introduced to the Southern Coalfields in mid 2006.

Just some of the Maurie Mole visits in 2012/13 included:

- ❖ Camden Show
- ❖ Newcastle Home Show
- ❖ Hunter region Botanical Gardens
- ❖ Shortland Wetlands Centre Christmas Danger Awareness Event

The Maurie Mole 2013 Danger Awareness campaign at the Shortland Wetlands Centre was a great success. The event was held on a Sunday in early February as suggested by community feedback. Around 30 Families enjoyed a wonderful afternoon and were treated to hands on experiences with the reptiles and animals housed at the Wetlands Centre and also given tours of the site. Our thanks go to staff and volunteers who assisted on the day.

Photos were taken of all winners with Maurie Mole, as well as several others during the event itself. All images were uploaded on to the Board's website where winners were able to select and receive their personal images.

The amount of calls made to the competition hotline was overwhelming; with the campaign run across the three commercial television stations. The addition of advertisements in the Newcastle Herald and posters at the Shortland Wetlands Centre assisted in increasing the number of entries received, as well as promoting the Board's Safety Message regarding danger awareness of old mine workings

The Maurie Mole General Awareness Campaign continued specifically in the Hunter and Central Coast areas throughout the year, as well as specifically targeted school holiday advertising.

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.

The Mine Subsidence Board's Corporate DVD and television commercials are used to promote the role and services available from the Board. Brochures and information are available on the website.

PUBLIC AWARENESS

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 Camden Show, as well as the Newcastle Home Show and Housing Industry Association Newcastle Open Day.

The Board received significant exposure from the 2012 Newcastle Home Show with editorial, advertising and the inclusion of Maurie with the key entertainment timetable.

The Board will be reviewing attendance at these Shows, with a view to ensuring participation is delivering the desired outcomes. Display materials for these events is regularly updated to ensure all information, mining information and maps are accurate at any given time.

In keeping with Best Practise, the Board has continued to send surveys to each and every claimant no matter if their claim was accepted or refused.

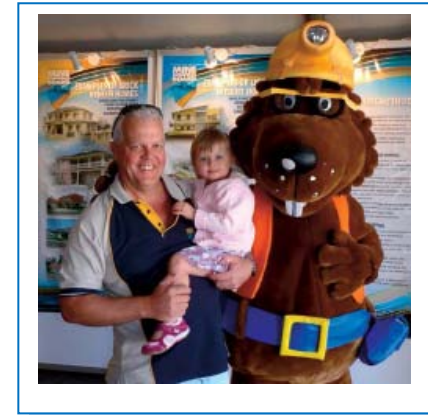
The Board's staff are available at each regional show to answer enquiries and explain the Board's role and services. Feedback indicates that the exchange of information is greatly appreciated by visitors. Many thousands of free show bags containing mine subsidence information were given away to adults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

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

PUBLICATIONS

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



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% UBS Composite All Maturities for the monthly Board Meeting. The portfolio (before fees and taxes) returned 4.3% for 2012 / 2013 compared to the benchmark of 3.0%.

For Annual Report purposes, Treasury has advised us to use their hourglass index of 40% UBS Australian Bank Bill Index + 60% UBS 0 +yr Australian Government Bond Index. For 2012/13, the Board's portfolio returned 4.3% compared to the nominated Government benchmark of 2.3%. The key difference between the performances of the two benchmarks is the Treasury benchmark has a higher duration so the rise in bond yields over the period meant this benchmark returned lower than the benchmark used to monitor the investment performance. Also credit securities produced stronger returns in the UBS Composite All Maturities benchmark than the Treasury benchmark. On funds invested of approximately \$101m, the difference between the fund return and the Treasury benchmark is \$2m than the benchmark, for the year.

ARRANGEMENTS FOR PUBLIC PARTICIPATION IN POLICY FORMULATION

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

SIGNIFICANT JUDICIAL DECISIONS

There were 3 significant judicial decisions made during the year relating to legal action involving Jemena, Venn and Neale.

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

As a small agency the Mine Subsidence Board is required to report on the Government's Waste Reduction and Purchasing Plan (WRAPP), tri-annually in its annual report.

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

Our Information Management and Technology Plan provides for phased introduction of 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 30 June 2013 was 28, comprising:

Location	Male	Female
Head Office	6	2
Newcastle	6	4
Wyang	2	1
Picton	3	2
Singleton	1	1
Total	18	10

Due to a number of retirements there are 5 vacant positions for which replacements are being sought. Some positions are currently being filled on a temporary basis.

All human resource administration is "in-house", with administration of staff records and payroll completed through an integrated software package.

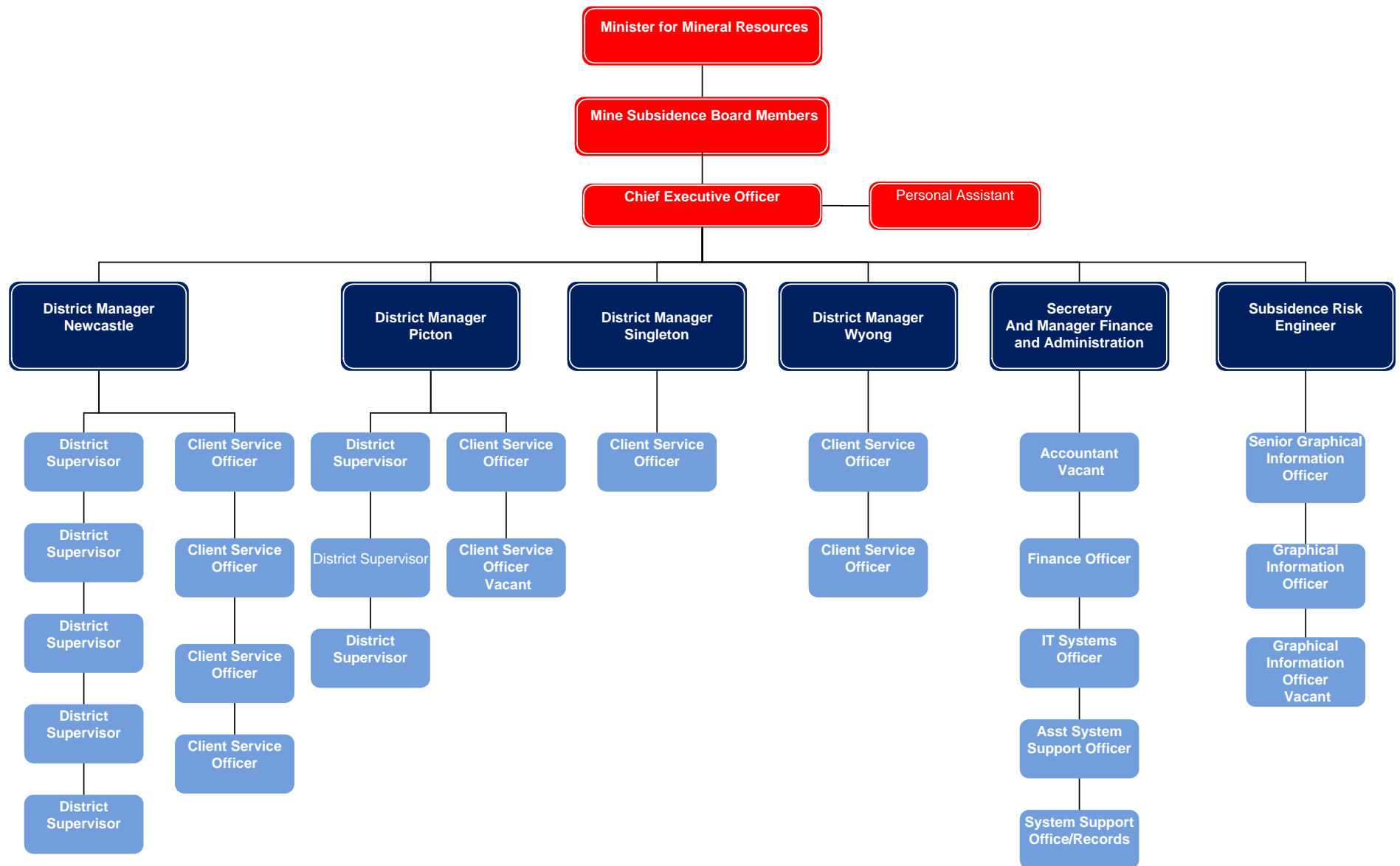
STAFF

In-house and external training courses, were predominately computer system training and attendance at AIMS Conference.

OCCUPATIONAL HEALTH AND SAFETY

Is included in the agenda for each District meeting. Staff are able to submit an improvement request for any issue relating to OH&S. One journey claim was 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.

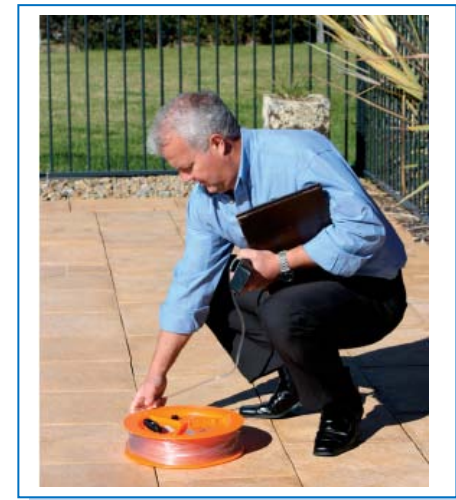
No internal reviews were requested nor conducted during 2012/13.

The Board's Secretary, located at 117 Bull Street Newcastle, telephone (02) 4908 4300 is the Board's Privacy Co-ordinator.

EQUAL EMPLOYMENT

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

	Total	Woman	Aboriginal & Torres Straight Islanders	People from Non English Speaking Backgrounds	People with a Disability
Total Staff	28	35%	0%	0%	0%
Management	1	0%	0%	0%	0%
Corporate Support	3	67%	0%	0%	0%
Technical Services	16	0	0%	6%	0%
Customer Services	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 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.

AVAILABILITY OF ANNUAL REPORT

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 guidelines for Access to Published Information. The annual Report is available on the Board's website (www.minesub.nsw.gov.au). In line with the Mine Subsidence Board's commitment to the environment and modern practices, the 2012/2013 Annual report is available electronically.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 NO 52

Government Information (Public Access) Act 2009 NO52

With the introduction of the Government Information (Public Access) Act 2009 (the GIPA Act) from the 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 formally 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 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, it is suggested that the applicant contact the Mine Subsidence Board as some of the information sought may be available as part of the Board's free community service.

One request was made under the GIPA Act during the year.



OVERVIEW OF FINANCIAL STATEMENTS 2012—2013

The audited financial statements, budget and actual performance for 2012/2013 and budget for the period 2012 to 2015 both operating and capital, follow. The budget information is not subject to audit.

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INDEPENDENT AUDITOR'S REPORT

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 (the Board), which comprise the statement of financial position as at 30 June 2013, 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 Board as at 30 June 2013, and of its financial performance and its cash flows 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 of the financial statements that give a true and fair view 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 financial statements that give a true and fair view and 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 control relevant to the Board's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Board
- that it has carried out its activities effectively, efficiently and economically
- 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 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 roles by the possibility of losing clients or income.

S Bond

Sally Bond
Director, Financial Audit Services

31 October 2013
SYDNEY

STATEMENT BY MEMBERS OF THE BOARD

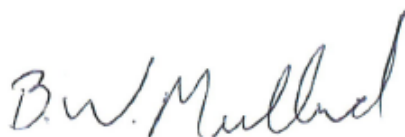
*Mine Subsidence Board
Annual Financial Statements
for the year ended 30 June 2013*

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 and notes thereto present a true and fair view of the financial position of the Mine Subsidence Board as at 30 June 2013 and the results of its operations for the year then ended.
2. The financial statements and notes thereto comply with applicable Australian Accounting Standards, 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 28th day of October 2013.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	Actual 2013 \$'000	Actual 2012 \$'000
Expenses excluding losses			
Operating expenses			
Employee related expenses	2(a)	2,263	2,324
Other operating expenses	2(b)	10,295	21,024
Depreciation	2(c)	187	177
TOTAL EXPENSES EXCLUDING LOSSES		12,745	23,525
Revenue			
Investment revenue	3(a)	4,490	3,754
Fees	3(b)	19,612	18,376
Other income	3(c)	209	4,415
Total Revenue		24,311	26,545
Net Result from ordinary activities		11,566	3,020
Gain/(loss) on disposal of plant and equipment	4	5	(2)
Gain/(loss) on defined benefit plan	4	2,312	(5,094)
Net Result		13,883	(2,076)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		13,883	(2,076)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2013

	Note	Actual 2013 \$'000	Actual 2012 \$'000
ASSETS			
Current assets			
Cash & cash equivalents	5	43,207	39,193
Receivables	6	365	34
Financial assets at fair value	8	64,912	62,022
Total current assets		108,484	101,249
Non-current assets			
Inventories	7	7,741	3,545
Property, plant & equipment	9	536	601
Total non-current assets		8,277	4,146
TOTAL ASSETS		116,761	105,395
LIABILITIES			
Current liabilities			
Payables	10	265	359
Provisions	12	20,605	20,917
Other liabilities	11	76	-
Total current liabilities		20,946	21,276
Non-current liabilities			
Provisions	12	17,256	19,443
Total non-current liabilities		17,256	19,443
TOTAL LIABILITIES		38,202	40,719
NET ASSETS		78,559	64,676
EQUITY			
Accumulated funds		78,559	64,676
TOTAL EQUITY		78,559	64,676

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2012	64,676	64,676
Net Result for the Year	13,883	13,883
Total comprehensive income for the year	13,883	13,883
Balance at 30 June 2013	78,559	78,559
Balance at 1 July 2011	66,752	66,752
Net Result for the Year	(2,076)	(2,076)
Total comprehensive income for the year	(2,076)	(2,076)
Balance at 30 June 2012	64,676	64,676

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	Note	Actual 2013 \$'000	Actual 2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related		(2,263)	(2,932)
Other Expenses		(12,536)	(14,194)
Purchase of inventories		(4,196)	(345)
Total Payments		(18,995)	(17,471)
Receipts			
Fees		21,318	19,950
Investment Revenue		4,439	3,691
Other income		138	169
Total Receipts		25,895	23,810
NET CASH FLOWS FROM OPERATING ACTIVITIES	14(b)	6,900	6,342
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of property, plant & equipment	4	183	23
Proceeds from the sale/maturity of investments		210,937	59,085
Purchase of property, plant & equipment		(299)	(183)
Purchase of investments		(213,707)	(56,135)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(2,886)	2,790
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
NET INCREASE (DECREASE) IN CASH			
Opening cash & cash equivalents		39,193	30,061
Net Increase in cash & cash equivalents		4,014	9,132
CLOSING CASH & CASH EQUIVALENTS	14(a)	43,207	39,193

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2013

(1) Summary Of Significant Accounting Policies

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 2013 has been authorised by the directors of the Board on 28 October 2013.

Basis Of Preparation

The entity's financial statements are general purpose financial statements which have been prepared in accordance with:

- ❖ applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- ❖ the requirements of the Public Finance and Audit Act 1983 and Regulation and
- ❖ the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made 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.

Statement of Compliance

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

(a) Accounting For The Goods And Services Tax (GST)

Income, expenses and assets are recognised net of any amounts of GST, except that:

- ❖ the amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense and
- ❖ receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(b) 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.

(c) 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 values 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.

(d) *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.

(e) *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.

(f) *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 impairment on the purchase price to 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.

(g) *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 classifications are 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.

(h) *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.

(i) *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.

(i) *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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
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.

(k) *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.

(l) *Employee Related 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.

(m) *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.

(n) *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*.

(o) *Critical Accounting Estimates & Judgments*

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.

(p) *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.

(q) *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 – Classification and Measurement (applicable for annual reporting periods beginning on or after 1 January 2015). AASB 9 introduces new requirements for classifying and measuring financial assets, and new requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

AASB 119 Employee Benefits (applicable for annual reporting periods beginning on or after 1 January 2013). AASB 119 Employee Benefits includes revised requirements for pensions and other postretirement benefits, termination benefits and other changes.

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7) (applicable for annual reporting periods beginning on or after 1 January 2013). Amends AASB 7 Financial Instruments: Disclosures to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132) (applicable for annual reporting periods beginning on or after 1 January 2014). Addresses inconsistencies in current practice when applying the offsetting criteria in AASB 132 Financial Instruments: Presentation. Clarifies the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (applicable for annual reporting periods beginning on or after 1 January 2013). Amends a number of pronouncements as a result of the 2009–2011 annual improvements cycle.

AASB 13 Fair Value Measurement (applicable for annual reporting periods beginning on or after 1 January 2013). Replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

The Board does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Board's financial statements.

(2) Expenses

	2013 \$'000	2012 \$'000
(a) <i>Employee related expenses</i>		
Salaries & wages (includes annual leave)	2,069	2,058
Other movements in superannuation and defined benefit funds	(44)	60
Long service leave	122	95
Workers compensation insurance	11	(11)
Payroll tax & fringe benefits tax	105	122
Total Employee related expenses	2,263	2,324
(b) <i>Other Operating Expenses</i>		
Auditor Remuneration		
Amounts paid or payable to the Audit Office of New South Wales for auditing of the financial statements	49	40
Advertising	153	121
Fees for services rendered	887	970
Consultants	-	10
Contractors	402	388
General –bank fees	1	-
Motor vehicle	63	71
Printing & postage	78	78
Operating lease rental expenses	277	264
Stores	124	115
Subsidence claims (Note 2(d))	7,454	13,267
Subsidence preventative works	481	5,369
Insurance	21	20
Telephone & utilities	181	175
Board Fees	20	21
Property Expenses	84	93
Property Commissions (Sales and Rental)	5	6
Travel Expenses	15	16
	10,295	21,024
(c) <i>Depreciation & Amortisation Expense</i>		
Computer	100	74
Plant & Equipment	54	62
Motor Vehicles	33	41
	187	177
(d) <i>Subsidence Claims</i>		
Write down of Inventory	-	115
Claims Expenditure	7,454	13,152
	7,454	13,267

(3) Revenue

	2013 \$'000	2012 \$'000
(a) <i>Investment revenue</i>		
Interest received from		
Financial assets at fair value through Profit and Loss	4,439	3,691
Rental Income	51	63
	4,490	3,754
(b) <i>Fees</i>		
Colliery Contributions	19,149	17,999
Fees from issuance of certificates , Mine Compensation Act 1961:		
Section 15b certificates	421	343
Section 15c certificates	42	34
	19,612	18,376
(c) <i>Other Income</i>		
Net gain on financial assets at fair value through Profit and Loss –held for trading	123	4,319
Bank Interest & Miscellaneous Income	86	96
	209	4,415

(4) Other Gain (Losses)

	2013 \$'000	2012 \$'000
(a) <i>Net profit/(loss) on disposal of plant & equipment</i>		
Carrying value on disposal	(178)	(25)
Less proceeds on disposal	183	23
Net profit/(loss) on disposal of plant & equipment	5	(2)
(b) <i>Net profit/(loss) on defined benefit plan</i>		
Net profit/(loss) on actuarial assessment of defined benefit plan	2,312	(5,094)

(5) Cash and Cash Equivalent

	Note	2013 \$'000	2012 \$'000
Cash on hand	14(a)	1	1
Cash at bank	14(a)	2,148	7,447
Short term investments	14(a)	41,058	31,745
		43,207	39,193
Refer to Note 16 for information on financial instruments			

(6) Receivables

	2013 \$'000	2012 \$'000
GST refundable	171	34
Colliery Contributions	194	-
	365	34

(7) Inventory

	2013 \$'000	2012 \$'000
Non current		
Properties held for resale at net realisable value	7,741	3,545
Carrying value at the beginning of the year	3,545	3,349
Additions	4,196	310
Disposals	-	-
Net write down in value	-	(114)
Carrying value at the end of the year	7,741	3,545

(8) Financial Assets at Fair Value

	Note	2013 \$'000	2012 \$'000
Investments classified as			
Held for trading at fair value through profit or loss	16(a)	64,897	62,017
Interest rate futures	16(a)	15	5
		64,912	62,022
Held for trading at fair value through statement of profit or loss comprise:			
Government & semi government bonds (fixed interest)		38,231	39,411
Corporate bonds – listed entities (fixed interest)		26,666	22,606
Interest Rate Futures		15	5
		64,912	62,022

(9) Property, Plant and Equipment

	2013 \$'000	2012 \$'000
Computer equipment at fair value	872	782
Less accumulated depreciation	(664)	(564)
Net carrying amount	208	218
General plant & equipment at fair value	563	596
Less accumulated depreciation	(497)	(469)
Net carrying amount	66	127
Motor vehicles at fair value	318	371
Less accumulated depreciation	(56)	(115)
Net carrying amount	262	256
Total property, plant & equipment net carrying amount	536	601

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
2013				
Carrying amount at the beginning of the year	218	127	256	601
Additions at cost	111	-	188	299
Disposals	(21)	(7)	(149)	(177)
Depreciation expense	(100)	(54)	(33)	(187)
Carrying amount at the end of the year	208	66	262	536
2012				
Carrying amount at the beginning of the year	154	172	294	620
Additions at cost	138	18	27	183
Disposals	-	(1)	(24)	(25)
Depreciation expense	(74)	(62)	(41)	(177)
Carrying amount at the end of the year	218	127	256	601

(10) Payables

	2013 \$'000	2012 \$'000
Fees for services rendered	88	68
Employee related services payable	124	49
Audit fee payable	41	40
Trade payables	12	200
Other payables	-	2
	265	359

(11) Other Liabilities

	2013 \$'000	2012 \$'000
Fees in advance	76	-
	76	-

(12) Provisions

	Note	2013 \$'000	2012 \$'000
Current			
Employee related services (L S L)	12(b),(c)	1,166	1,075
Employee related services (Annual Leave)	12(b),(c)	230	205
Employers contribution to superannuation	12(b)	5,762	8,392
Claims	12(a)	9,447	9,245
Preventative works	12(a)	4,000	2,000
		20,605	20,917
Non-Current			
Claims	12(a)	16,898	16,549
Preventative Works	12(a)	346	2,874
Employee related services (L S L)	12(b),(c)	12	20
		17,256	19,443

(a) Movements in each of the provisions other than Employee Related Services Payable are set out below

	2013 \$'000	2013 \$'000	2012 \$'000	2012 \$'000
	Claims	Preventative Works	Claims	Preventative Works
Opening balance as at 1 July:	25,794	4,874	16,802	5,325
Additional provisions	8,046	13	16,600	4,714
Amounts used	(7,354)	(557)	(4,819)	(5,139)
Unused amounts reversed	(141)	16	(2,789)	(26)
Closing balance as at 30 June:	26,345	4,346	25,794	4,874
Split between				
Current	9,447	4,000	9,245	2,000
Non-Current	16,898	346	16,549	2,874
	26,345	4,346	25,794	4,874

b) Movement in the provision for employee related services

	Note	2013 \$'000	2012 \$'000
Provisions (Long service leave)	12(c)	1,178	1,095
Provisions (Annual leave)	12(c)	230	205
Employee related services - salaries	10	124	49
Employee related services - superannuation a (defined benefit funds)	13(c)	5,762	8,392
		7,294	9,741

Movement in the provision for employee related services

	2013 \$'000	2012 \$'000
Annual Leave		
Opening balance at 1 July	205	303
Payments for leave taken	(143)	(243)
Annual leave expense	168	145
Closing balance at 30 June	230	205
Long Service Leave		
Opening balance at 1 July	1,095	1,381
Payments for leave taken	(39)	(381)
Long service leave expense	122	95
Closing balance at 30 June	1,178	1,095
Split between		
Current	1,166	1,075
Non-Current	12	20
	1,178	1,095

(13) Post Employment Benefit Obligations

The Board recognises the amounts in note 13 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 participates 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.

	2013 \$'000	2012 \$'000
(a) i. <i>Reconciliation of the present value of the defined benefit</i>		
Present value of partly funded defined benefit obligation at the beginning of the year	18,123	14,075
Current service cost	161	113
Interest cost	546	723
Contributions by participants	86	133
Actuarial (gains)/losses	(1,244)	4,458
Benefits paid	(610)	(1,379)
Present value of partly funded defined benefit obligation at the end of the year	17,062	18,123

Name of Fund	SASS	SANCS	SSS	TOTAL
ii. <i>Reconciliation of the present value of the defined benefit obligation by Fund</i>				
Present value of partly funded defined benefit obligation at beginning of the year	1,750	527	15,846	18,123
Current service cost	73	21	67	161
interest cost	52	15	479	546
Contributions by Fund participants	34	-	52	86
Actuarial (gains)/losses	58	(50)	(1,252)	(1,244)
Benefits paid	(77)	11	(544)	(610)
Present value of partly funded defined benefit obligation at end of the year	1,890	524	14,648	17,062

	2013 \$'000	2012 \$'000
(b) i. <i>Reconciliation of the fair value of fund assets</i>		
Fair value of fund assets at the beginning of the year	9,731	10,552
Expected return on fund assets	821	882
Actuarial gains/(losses)	1,068	(635)
Employer contributions	204	180
Contributions by participants	97	133
Benefits paid	(621)	(1,381)
Fair value of fund assets at the end of the year	11,300	9,731

Name of Fund	SASS	SANCS	SSS	TOTAL
(ii. <i>Reconciliation of the fair value of fund assets by individual fund as at 30 June 2013</i>				
Fair value of Fund assets at beginning of the year	1,576	410	7,745	9,731
Expected return on Fund assets	134	34	653	821
Actuarial gains/(losses)	175	37	856	1,068
Employer contributions	83	23	98	204
Contributions by Fund participants	34	11	52	97
Benefits paid	(77)	-	(544)	(621)
Fair value of Fund assets at end of the year	1,925	515	8,860	11,300

	Note	2013 \$'000	2012 \$'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		17,062	18,123
Fair value of fund assets at the end of the year		(11,300)	(9,731)
Subtotal		5,762	8,392
Net liability/(asset) recognised in provision	12	5,762	8,392

Name of Fund	SASS	SANCS	SSS	Total
(c) ii. Reconciliation of the assets and liabilities recognised in the provision by individual fund as at 30 June 2013				
Present value of partly funded defined benefit obligation at the end of the year	1,890	524	14,648	17,062
Fair value of fund assets at the end of the year	(1,925)	(515)	(8,860)	(11,300)
Subtotal	(35)	9	5,788	5,762
Net liability/(asset) recognised in provision	(35)	9	5,788	5,762

	2013 \$'000	2012 \$'000
(d) i. Employee related expense		
Current service cost	161	113
Current interest cost	546	723
Expected return of fund assets (net of expenses)	(821)	(882)
Expense/(income) recognised	(114)	(46)

Name of Fund	SASS	SANCS	SSS	TOTAL
(d) ii. Employee related expense by individual fund as at 30 June 2013				
Current service cost	73	21	67	161
Interest cost	52	15	479	546
Expected return on Fund assets (net of expenses)	(134)	(34)	(653)	(821)
Expense/(income) recognised	(9)	2	(107)	(114)

	2013 \$'000	2012 \$'000
Amounts recognised in total comprehensive income		
Actuarial (gains)/losses	(2,312)	(278)
Fund assets		
The percentage in each of the asset classes at the balance date were:		
Australian equities	30.4%	28.0%
Overseas equities	26.1%	23.7%
Australian fixed interest securities	6.9%	4.9%
Overseas fixed interest securities	2.2%	2.4%
Property	8.3%	8.6%
Cash	13.1%	19.5%
Other	13.0%	12.9%

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.

	2013 \$'000	2012 \$'000
(e) i. <i>Actual return on fund assets</i>		
<i>Actual return of fund assets</i>	1,625	15
ii. <i>Actual return on fund assets by individual fund as at 30 June 2013</i>		

Name of Fund	SASS	SANCS	SSS	TOTAL
Actual return on fund assets	270	71	1,284	1,625

iii *Valuation method and principal actuarial assumptions at balance date were:*

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.

<i>Economic assumptions</i>	2013	2012
Salary increase rate (excluding promotional increases)	2.25%	2.50%
Rate of CPI increase	2.50%	2.50%
Expected rate of return of assets	8.60%	8.60%
Discount rate	3.80%	3.06%

Demographic assumptions - the assumptions used at 30 June 2013 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the New South Wales Treasury website.

	2013 \$'000	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000
iv. <i>Historical Information</i>					
Present value of defined benefit obligation	17,062	18,123	14,075	12,535	11,331
Fair value of fund assets	(11,300)	(9,731)	(10,552)	(8,955)	(8,303)
(Surplus)/deficit in fund	5,762	8,392	3,523	3,580	3,028
Experience adjustments - fund liabilities	(1,244)	4,458	841	964	1,831
Experience adjustments - fund assets	1,068	635	(645)	(254)	1,413

	2013 \$'000	2012 \$'000
v i. <i>Expected contributions</i>		
Expected employer contributions to be paid in the next period	176	255

Name of Fund	SASS	SANCS	SSS	TOTAL
ii. <i>Expected contributions by individual fund as at 30 June 2013</i>	71	21	84	176

(14) Cash Flow Information

	Note	2013 \$'000	2012 \$'000
(a) <i>Reconciliation of cash</i>			
Cash on hand	5	1	1
Cash at bank	5	2,148	7,447
Short term investments	5	41,058	31,745
		43,207	39,193
(b) <i>Reconciliation of net cash provided by operating activities</i>			
Net Result of the Year		13,883	(2,076)
Depreciation	2(c)	187	177
Actuarial movement in superannuation	2(a)	(2,312)	(278)
Net (gain)/loss on financial assets	3(c)	(123)	(4,319)
Net (gain)/loss on disposal of property, plant & equipment	4	(5)	2
Changes in assets and liabilities:			
Decrease/(increase) in receivables		(331)	29
Decrease/(increase) in inventory		(4,196)	(196)
Increase/(decrease) in payables		(94)	(23)
Increase/(decrease) in provisions		(185)	13,026
Increase/(decrease) in other liabilities		76	-
Net cash provided by operating activities		6,900	6,342

(15) Commitment for Expenditure

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 2013 are as follows:

Operating Lease commitments	2013 \$'000	2012 \$'000
Less than 1 year	66	123
Greater than 1 year but less than 5 years	5	70
Total (including GST)	71	193

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 \$124,608 inclusive of GST (2012: \$135,526 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 10 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.

(a) Carrying amount of each category of financial instrument

	Note	2013 \$'000	2012 \$'000
<i>Financial assets</i>			
Cash & cash equivalents	5	43,207	39,193
Receivables	6	194	-
Financial assets at fair value through the statement of comprehensive income			
Held for trading - investments	8	64,897	62,017
Held for trading - derivatives	8	15	5
Total financial assets		108,313	101,215
<i>Financial liabilities</i>			
Trade & other payables	10	265	359
Other liabilities	11	76	-
Total financial liabilities		341	359

Note – the receivables value excludes statutory receivables of \$171,000 (2012: \$34,000) which are not classified as financial instruments.

(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
2013		
Trade and other payables	265	265
2012		
Trade and other payables	359	359

(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:

<i>Financial Asset</i>	Weighted Average Interest Rate	Variable Interest Rate \$'000	Less than 1 yr \$'000	Greater than 1 yr but less than 5 yrs \$'000	Greater than 5 yrs \$'000
2013					
<i>Cash & cash equivalents</i>					
Cash at bank	3.00%	2,148	-	-	-
Short term investments - discounted securities	3.73%	-	15,036	-	-
<i>Investments at fair value</i>					
Government & semi government bonds	4.99%	-	1,284	17,307	20,924
Corporate bonds & interest rate futures	3.69%	-	18,748	24,829	1,852
Bank bills	2.81%	-	5,990	-	-
		2,148	41,058	42,136	22,776
2012					
<i>Cash & cash equivalents</i>					
Cash at bank	3.00%	7,447	-	-	-
Short term investments - discounted securities	4.71%	-	20,223	-	-
<i>Investments at fair value</i>					
Government & semi government bonds	5.28%	-	1,159	14,476	17,992
Corporate bonds & interest rate futures	6.02%	-	5,378	24,940	4,614
Bank Bills	3.57%	-	4,985	-	-
		7,447	31,745	39,416	22,606

(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 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	Result	Equity	Result	Equity
	Rate	+100 Points \$'000	+100 Points \$'000	-100 Points \$'000	-100 Points \$'000
2013					
Cash & cash equivalents					
Cash at bank	3.00%	21	-	(21)	-
Short term investments - discounted securities	3.73%	150	-	(150)	-
Investments at fair value					
Government & semi government bonds	4.99%	13	-	(13)	-
Corporate bonds	3.69%	188	-	(188)	-
Bank bills	2.81%	60	-	(60)	-
2012					
Cash & cash equivalents					
Cash at bank	3.00%	74	-	(74)	-
Short term investments - discounted securities	4.71%	202	-	(202)	-
Investments at fair value					
Government & semi government bonds	5.28%	174	-	(174)	-
Corporate bonds	6.02%	129	-	(129)	-
Bank bills	3.57%	50	-	(50)	-

(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			2013 Total Carrying Amount \$'000
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	
Financial assets				
Available-for-sale securities	64,897	-	-	64,897
Derivatives used for hedging	15	-	-	15
Floating Rate notes	-	-	-	-
Total	64,912	-	-	64,912
Class	Classification according to fair value hierarchy			2012 Total Carrying Amount \$'000
	Level 1	Level 2	Level 3	
	\$'000	\$'000	\$'000	
Financial assets				
Available-for-sale securities	62,017	-	-	62,017
Derivatives used for hedging	5	-	-	5
Floating Rate notes	-	-	-	-
Total	62,022	-	-	62,022

(17) Contingent Liabilities and Assets

The Board has received claims for compensation up to 30 June 2013 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 point 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 \$0 (2012: \$10,000). In 2012, 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 \$252 (2012: \$2,048).

(20) Events after the Reporting Period

There has not been any matter or circumstances that have arisen since the end of the financial year, which significantly affected, or may significantly affect, the operations of the Board, the results of those operations or these state of affairs of the Board in future years.

END OF AUDITED FINANCIAL STATEMENTS

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.

STANDARD 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.

PREMINING 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 PreMining 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 is happy to assist with any complaint you may have involving the Mine Subsidence Board.

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 iskopa, 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 nekih pitanja molimo vas obratite se najbližoj kancelariji biroa. Službenici 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 okoljama na Main Sabsajdanc (Mine Subsidence) mnogu e važno da stupite u kontakt sa oddelenieto na Main Sabsajdanc (Mine Subsidence). Ova može da go napravi u vaše ime vašiot advokat ili gragevinarot, no ako imate bilo kakvi prasanja ve molime stupete u kontakt sa najbliskata kancelarija na oddelenieto. Službenicite na oddelenieto so zadovolstvo ke vi uslužat. Možerne 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 obezbijediti pomoć prevodioca.

Molimo vas da 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區域購買或興建房屋，最重要的便是與礦區地陷委員會聯絡。你可以委託律師或建築商代為辦理。但假若你有任何疑問，可以與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 zrelatować 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' οριστού ορυχείου, αυτό μπορεί να το κάνει ο δικηγόρος ή ο οικοδόμος, εκ μέρους σας, αλλά εάν έχετε κάποια απορία, σας παρακαλούμε να ερθετε ο' επαφή με το πλησιέστερο γραφείο της επιτροπής. Οι υπάλληλοι της επιτροπής είναι πρόθυμοι να σας εξυπηρετήσουν. Μπορούμε να καλέσουμε διαμεγμένα 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.

SAMOAAN

E tūia le fa'afesootai o lena fa'alapotopotoga o le "Mine Subsidence Board" pe afai o fa'atauina per fausia fo'i sou fale i totonu o lena fa'alapotopotoga. E mafai e lau Lola po'olē o le fa'ausiaina lou fale ona fale se feso'otaiga mo oe. Ae afai e iai se fesili e fa'ama'amalama ai, fa'amolemole ia fa'afeso'otai vave se ofisa o lena fa'alapotopotoga o lo'o latatala ana.

Fa'afia le aufaigaluega o lena 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 mahū'inga 'aupito ke ke fetu'utaki ki he Poate malu'i 'o e keli'anga koloa fakaaenatula (Mine Subsidence Board) 'o kapau te ke fakatau pe langa hao fale 'i ha fetu'u keli'anga koloa fakaaenatula. 'E lava pē ke fai e fetu'utaki ko lā 'e ho'o fakafofonga lāo pe ko e tufunga. Kapau leva 'oku 'i ai ha me'a 'e ta'omahino pea ke kākaki 'o fetu'utaki ki he 'ofisi ofi taha 'o e poate. 'E fiefia 'a e kau 'ofisa 'o e poate ke tokoni'i koe. Kākaki '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 عيطة المناجم (Mine Subsidence Board) إذا كنتم تشترون أو تبنيون بيتاً في حيٍّ من أحياء عيطة المناجم (Mine Subsidence District). من الممكن أن يقوم المحامي أو مهندس البناء بالاتصال بعيبة عتكم، ولكن إذا كانت لديكم أي أسئلة فإن الهيئة سيعودنا أن نساعدكم.

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 kayo ay bibili o gagawa ng bahay sa lugar na may Mine Subsidence. Ito ay puwedeng gawin para sa inyo ng inyong abogado o kontratista, ngunit kung kayo ay may mga tanong, nagagalak ang Lupon ni 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

OFFICE LOCATIONS



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