



NSW DEPARTMENT OF
PRIMARY INDUSTRIES

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NSW Coal Compensation Board — Annual Report 2008

For the six month period 1 July 2007 to 31 December 2007

HIGHLIGHTS

- The Board paid out \$10.43 million in compensation during the six month period 1 July 2007 to 31 December 2007.
- During the period the Office of the Board submitted the remaining claims and applications for final determination. This included seven loss in estate claims and applications, four consequential loss applications, two front end payment claims, 241 native title claims and seven voluntary acquisition applications. The Office of the Board also restored three coal titles to former owners.
- The Coal Acquisition Legislation Repeal Bill came into effect on the 31st December 2007. The Bill abolished the NSW Coal Compensation Board and the NSW Coal Compensation Review Tribunal and provided functions of the Board and Tribunal to be assumed by the Director General of the Department of Primary Industries and the Land and Environment Court respectively.

EXECUTIVE

The Executive comprised the Chief Executive Officer, Principal Solicitor, Manager Operations and Compensation and Manager Assessment and is responsible for the corporate direction and planning for the organisation.

Chief Executive Officer

Carolyn Bloch

Ms Bloch became Chief Executive Officer of the Coal Compensation Board (CCB) following the retirement of the inaugural Chief Executive Officer, Mr Harold Bowman in December 2005. She divides her time between the Maitland and Sydney offices.

Prior to her appointment as Chief Executive Officer, Ms Bloch was Director, Change Program Office within the Department of Primary Industries and Executive Director, Department of Mineral Resources. She has held a number of senior executive officer positions within various Government agencies.

Principal Solicitor

Tish McMullen BA/LLB, MLM

Ms McMullen is a lawyer with experience in commercial litigation, statutory interpretation, administrative law, property and compensation litigation, taxation law, law of estates, plus legislative reform. This broad experience, combined with a Masters in Law and Management, has given Ms McMullen the background required to successfully manage the provision of legal services to the Board. In order to effectively defend the Board's determinations before the NSW Coal Compensation Review Tribunal, Ms McMullen co-ordinates inter-disciplinary teams of professionals from each of the operational branches within the office of the Board.

Manager Operations and Compensation

Peter Sayers BSc (Hons), MAus, IMM

Mr Sayers is a graduate geologist with over twenty five years experience in the coal mining and exploration industry and in public sector management. Prior to joining the Board as an assessor in 1987 he worked for the Joint Coal Board, Arco Australia Ltd and CRA Ltd in geological and senior geological roles involved in coal exploration,

mining feasibility studies and coal project evaluation. His work with the Board has included the roles of Manager Assessment and Manager Modelling. In his current role as Manager Operations and Compensation he is responsible for managing the Board's operations to ensure organisation wide performance outcomes meet corporate and business objectives.

Manager Assessment

Joe Nelson BSc, Dip Geoscience, MAusIMM

Mr Nelson is a graduate geoscientist with over thirty five years experience in the mining and exploration industry, principally in the coal industry. Prior to joining the Coal Compensation Board in late 1999 as a Senior Assessor he worked for BHP Exploration, managing coal exploration projects in Indonesia and Mongolia. Before joining BHP Exploration Mr Nelson consulted extensively to the Gold and Coal mining industries in Australia and New Zealand including a number of years managing a coal utilisation research program being undertaken by BHP Research and CSIRO. He also has extensive experience in managing coal exploration projects in NSW and Qld. In his current role as Manager Assessment Mr Nelson is responsible for ensuring the finalisation of the remaining claims for compensation.

NSW COAL COMPENSATION BOARD

APPOINTMENT OF BOARD MEMBERS

The Board is nominated by the Minister for Mineral Resources and appointed by the Governor in accordance with clause 4 of the Coal Acquisition (Compensation) Arrangements 1985.

Board members are appointed on a part-time basis and included the following:

- Chairperson
- Department of Primary Industries employee
- Three members who do not hold an office of profit under the Crown

BOARD MEETINGS

Board Meetings are generally held once a month. A total of 4 meetings were held during the period July – December 2007. The Board did not sit in the months of July and December 2007. Attendance at Board Meetings is outlined below:

Board Members	Meetings Attended
Alastair Fotheringham	4
Maree Callaghan	4
Robert Martin	3
Sue Myers	4
Brad Mullard	3

PROFILE OF BOARD MEMBERS

Chairperson:

Mr Alastair Fotheringham BSc, AAIB

Appointed 1 November 1999

Reappointed 1 March 2007

Mr Fotheringham retired in 1999 as General Manager, NSW & ACT, of

the ANZ Banking Group. Mr Fotheringham is a graduate economist who commenced his career as an agricultural adviser in Scotland. Subsequently, his career was orientated towards business finance and the management and development of business through periods of considerable change.

Apart from many senior positions within the bank, Mr Fotheringham was a Director of Dalgety Rural Finance and Chief Executive of the Tasmanian Chamber of Commerce and Industry.

Throughout his career he has been involved in helping develop strategy for growth.

Board Member:

Representative of the Department of Primary Industries

Mr Brad Mullard BSc

Appointed 7 December 2005

Reappointed 1 March 2007

Mr Mullard is the current Director, Coal and Petroleum Development with the Department of Primary Industries.

Prior to his appointment as Director, Coal and Petroleum Development, Mr Mullard was Director Corporate Services with the Department of Mineral Resources.

Mr Mullard has been involved in the exploration and mining industry for the past 28 years. He is actively involved in promoting development opportunities in the State for both coal and petroleum and continues to provide strategic advice to Government on the State's energy resources.

Board Member:

Mrs Maree Callaghan FAICD, CMC

Appointed 1 November 1995

Reappointed 1 March 2007

Mrs Callaghan is a former director of Insurance Australia Group, of NRMA Insurance Limited (1992-2003) and NRMA Motoring and Services (1991-2002). Mayor of Cessnock from 1987-1995, Mrs Callaghan has been a member of numerous Hunter boards, with specific experience in evaluating needs and determining eligibility for appeals, grants, applications for government assistance, housing and compensation.

Mrs Callaghan has employment expertise in the health, disability and community sectors and has published works on mining and heritage issues, business, mortality and women. She is vice-president of the Northern District Miners' Women's Auxiliary and is an honorary member of the Miners Federation of Australia.

Board Member:

Ms Sue Myers BA, LLB

Appointed 7 February 2001

Reappointed 1 March 2007

Ms Myers is a lawyer with extensive senior management experience. She was first admitted as a solicitor in 1978. Ms Myers was on the Board of the Australian Red Cross Blood Service and Chairperson of its Finance and Audit Committee from 1996 to 2001. She has held the position of company secretary and general counsel in a number of listed entities, and she is currently Special Counsel to Ridley Corporation Limited.

Ms Myers brings legal and corporate governance experience to the Board, including experience in commercial litigation, and an understanding of the operation of boards.

Board Member:

Mr Robert Martin Dip Ag

Appointed 25 February 2004

Reappointed 1 March 2007

Mr Martin was the Minister for Mineral Resources and Minister for Fisheries from 1995-1999, Shadow Minister for Agriculture, Rural Affairs, Land and Forests (including Soil Conservation and Fisheries) from 1991-1995 and a Member for Port Stephens from 1988-1999.

He was educated at Hurlstone Agricultural High School and Hawkesbury Agricultural College. Former employment has been in the field of horticultural advisory work and fisheries research. He has been an active member of the Hunter community for 35 years.

Mr Martin has also had extensive involvement in community organisations such as the Police Citizens Youth Movement, Nelson Bay Apex Club and the Royal Newcastle Hospital Board.

BOARD MEMBERS' CODE OF CONDUCT

This Code of Conduct sets out standards of ethical behaviour for the Chairperson and Members of the NSW Coal Compensation Board. It is designed to ensure that the Board's activities are conducted with efficiency, impartiality, fairness and integrity.

The Board Members' Code of Conduct provides:

- Each member of the Board has a duty to ensure that the management of the Board is competent, ethical, and that it acts in the best interests of the Board.
- Each member of the Board, shall at all times, act honestly and in good faith in the exercise of their powers and the discharge of their duties.
- Each member of the Board has a duty to use care, skill and due diligence in fulfilling the functions of the Board.
- Board members shall not take improper advantage of their position nor use inside information to gain an advantage, either directly or indirectly, for themselves or any other person.
- Board members shall not allow personal, family, business or other interests to conflict with the interests of the Board and the functions of the Board. Board members are responsible for identifying and recording disclosure of any actual or perceived conflict of interest, pecuniary interest, a non-pecuniary interest or a related party transaction affecting themselves or any other Board member.
- Any direct or indirect pecuniary interest of any Board members shall be recorded in the register of pecuniary interest maintained by the Board pursuant to Schedule 1 Clause 7 of the Coal Acquisition (Compensation) Arrangements 1985. If any such interest is disclosed Clause 7(4) takes effect.
- Where an actual or perceived conflict of interest, a non-pecuniary interest or a related party transaction is disclosed or identified, the Board shall resolve whether it is appropriate for the relevant Board member to be excluded from voting, to be excluded from discussion, or not to receive Board papers relating to the issue.
- Confidential information received by Board members in the course of the exercise of their duties remains the property of the company or person from which it was obtained and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by that company, or the person from whom the information is provided, or is required by law.
- Board members should not engage in conduct likely to bring discredit upon the Board.
- Board members have an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

THE WORK OF THE BOARD

The Board was scheduled to meet normally once a month. As the available work of the Board was nearing completion, there was no Board Meeting in July and December 2007. The regular business of the Board considered issues in the following areas:

- Chairperson's Report
- Chief Executive Officer's Report

- Coal Compensation Status Report
- Board Determinations
- Final Determinations of Claims and Compensation Applications
- Voluntary Acquisitions
- Recommendations to the Minister
- Reports for Information

The Minister received monthly reports on the performance of the Board. The annual report is tabled in Parliament.

ASSESSMENT

The Assessment Branch assesses the value of compensation payable to claimants and applicants for the loss of coal and associated rights. The branch also ensures the compensation budget allocated by Treasury is paid in full.

During the six month period ending 31 December 2007 the Assessment Team finalised all outstanding claims and applications including the 7 remaining loss in estate in coal claims and applications, 2 claims for front end payment compensation and 4 consequential loss applications. The remaining 241 native title claims were also finalised.

The Board received 3 new applications for voluntary acquisition during the 6 months of the Board's operations, bringing the total applications to be processed to 11. The Assessment Team evaluated all available applications and made recommendations to purchase 7 titles on hardship grounds, even though these titles were considered to be of insignificant value to the Crown. It was recommended that a further 2 coal titles be acquired by the State as it was considered the acquisition of these was of benefit to the State. Only 2 voluntary acquisition applications were refused.

The Board paid out a total of \$10.43 million in compensation during the six month period 1 July 2007 to 31 December 2007. This amount included payments of compensation totalling \$10.26 million, and interest of \$0.17 million.

LEGAL

The Legal branch was responsible for managing the Board's litigation, providing legal advice, legal representation and researching legal issues. It also interpreted legislation, legal documents, agreements, contracts and instruments relating to legally, economically, financially, and technically complex claims associated with mining, property, environmental, planning, taxation, administrative and estate law.

REPEAL OF THE LEGISLATION

The Coal Acquisition Legislation Repeal Bill 2007 passed through the NSW Parliament without amendment in November 2007. The Bill dealt with various aspects of the:

- *Coal Acquisition Act 1981*;
- Coal Acquisition (Compensation) Arrangements 1985,
- *Coal Ownership (Restitution) Act 1990*;
- Coal Ownership (Restitution) Regulation 2005, and
- Coal Acquisition (Re-Acquisition Arrangements) Order 1997

Specifically:

1. The entities of the Board and Tribunal were abolished by proclamation on 31 December 2007. Any person who held office as a member of the Board or Tribunal cease to hold office on 31 December 2007.
2. Any claims or applications before the Board that were not finalised by 31 December 2007 were transferred to the Department of Primary Industries with the Director-General assuming all of the functions of the Board.
3. Any appeals that were before the Tribunal and not finalised by 31 December 2007 were transferred into the jurisdiction of the Land and Environment Court. The legislative arrangements will apply in the Land and Environment Court as they applied in the Tribunal.

JUDICIAL DECISIONS

There were 13 significant judicial decisions:

Traditional owners v New South Wales Coal Compensation Board

The NSW Coal Compensation Board consented to requests from four (4) Local Aboriginal Land Councils to vary the name of the claimant in relation to nine (9) compensation claims for pecuniary loss by potential traditional owners. The Board determined to refuse all claims. This resulted in 13 appeals to the NSW Coal Compensation Review Tribunal. The central issue for determination by the Tribunal was the application of section 5 of the *Coal Acquisition Act 1981*, specifically, whether or not holders of native title could be eligible claimants under the 1981 Act.

The Tribunal found in favour of the Board and dismissed all 13 appeals following a hearing in each appeal on the preliminary legal question of eligibility of the claimants to claim compensation.

In January 2008, an appeal was lodged in the Supreme Court of NSW by one (1) traditional owner against the decision of the Tribunal in three (3) claims. Proceedings continue.

FINANCE

Finance provides efficient and effective financial management of the Board's compensation and administrative activities through payment of compensation and creditors in accordance with public sector accounting standards.

From the 1st of July 2007, the NSW Coal Compensation Board entered into a Service Level Agreement for the processing of all financial information with the NSW Department of Primary Industries. As a result all Accounts Payable are sent to DPI for processing with the CCB undertaking the Financial Reporting requirements.

The Board is required under Section 11 of the *Public Finance and Audit Act 1983* to adopt and maintain an effective system of internal control over financial and operational activities.

The NSW Coal Compensation Board ceased use of the MYOB financial system and adopted the financial system of the Department of Primary Industries for financial processing. This has strengthened control with the establishment of a separate independent financial process for the agency.

Reporting

Regular reports are provided to Treasury, NSW Department of Primary Industries (DPI) Board management and the Minister on budgets, forward estimates and financial results.

Monthly financial reports on accounting results and performance, together with a monthly status report on funds available for compensation, compensation paid and a cash flow forecast, was prepared each month for the Board.

Insurance

The Board has comprehensive coverage for workers compensation, motor vehicle, property and public liability insurance, provided through the NSW Treasury Managed Fund. This fund is a government sponsored self insurance scheme which is currently managed by Allianz and the Government Insurance Office.

HUMAN RESOURCES

Under the Arrangements the Board has a number of alternatives for staffing the organisation, and for carrying out its work. The chosen method is for another agency to employ staff to be seconded to the Board. The chosen agency was the Department of Primary Industries.

During 2007-08 there were a total of 12 staff separations. Four of these staff were transferred to other Branches within the Department of Primary Industries.

Financial Statements

NSW COAL COMPENSATION REVIEW TRIBUNAL

Annual Report 1 July 2007 - 31 December 2007

For convenience of interested persons, this report on the activities of the New South Wales Coal Compensation Review Tribunal, for the period 1 July 2007 to 31 December 2007 is published with the Annual Report of the Coal Compensation Board.

The Tribunal is established under the *Coal Acquisition (Compensation) Arrangements 1985*. It is an independent Authority that hears and adjudicates on appeals arising from determinations by the Coal Compensation Board under those Arrangements and the *Coal Acquisition (Re-acquisition Arrangements) Order 1997*.

MEMBERSHIP:

- **Mr G.R. Leader (Chairperson)**

Mr Leader is a solicitor of the Supreme Court and holds a Diploma of Criminology. He was a Stipendiary Magistrate from 1971 until his retirement in 1995. Mr Leader was also Deputy Chairperson of the Serious Offenders Review Council, Chairperson of the Charter Fishing Boats Review Panel and Independent Chairperson of the Advisory Council on Commercial Fishing.

- **Ms Carmel Forbes (Deputy Chairperson)**

Ms Forbes graduated BA/LLB at Macquarie University. She is a part time Magistrate, a Mining Warden and an Industrial Magistrate. Ms Forbes has practised as a solicitor with the Department of Motor Transport, in private practice and as a public solicitor providing criminal legal aid. Ms Forbes was appointed a Magistrate of the Local Court in 2001.

- **Mr F. Fairclough**

Mr Fairclough is a Bachelor of Science, Mining Engineering. He has extensive experience in the coal mining industry both in the United Kingdom and in Australia. Mr Fairclough is a Certificated Colliery Manager and a Chartered Engineer. He was Chief Mining Engineer for the Joint Coal Board.

- **Emeritus Professor F.F. Roxborough AM**

Professor Roxborough was Professor of Mining Engineering at the University of New South Wales from 1975 to 1997 when he retired and was head of the Mining School at the University for most of that time. In addition to his academic qualifications, Professor Roxborough is a Certificated Colliery Manager and a Chartered Professional Engineer. He has a long standing and continuing involvement with the coal mining industry both in Australia and overseas.

- **Professor Colin Ward**

Professor Ward is a Professor of Geology at the University of New South Wales and specialises in Coal Geology, especially coal mining geology and coal petrology. He has been a senior lecturer at the University of Technology, Sydney, and has extensive research and consultancy experience in coal and petroleum geology.

- **Mr John Maitland**

Mr Maitland was appointed as a member of the Tribunal by the Governor on 2 August 2006. Mr Maitland was the National Secretary of the Construction Forestry Mining & Energy Union (CFMEU) from 1996 until 2006. He worked in the coal industry in underground and open cut mines for many years. He is the Chairman of the NSW Department of Primary Industries Coal Competence Board and Chairman of ResCo Services Pty Ltd.

OPERATIONS:

There were no appeals outstanding at 1 July 2007. During the half year to 31 December 2007, 25 further appeals were lodged. Of that total 25 appeals, 14 appeals were dismissed and 11 appeals were undetermined as at 31 December 2007. The undetermined appeals became Class 3 actions in the Land and Environment Court.

Appeals Dismissed	14
Appeals Undetermined	11
Total	25

None of the decisions of the Tribunal between 1 July 2007 and 31 December 2007 were the subject of any orders by superior courts and there are no actions pending in superior courts in respect of those decisions.

In dealing with outstanding appeals during the period the Tribunal expedited the finalisation of appeals by fixing timetables to expedite the commencement of hearings.

The office of the Tribunal was at Level 2, 1 Oxford Street, Darlinghurst in December 2007.

The Tribunal was abolished at the commencement of the *Coal Acquisition Legislation Repeal Act 2007* No. 62.

NSW COAL COMPENSATION BOARD

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

STATEMENT ON BEHALF OF THE BOARD

Pursuant to the Public Finance and Audit Act 1983, I state that:

- (a) the accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, Regulations and Financial Reporting Directions issued by the Treasurer under Section 9 (2) (n) of the Act, applicable Australian equivalents to International Financial Reporting Standards ("A-IFRS") and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB").
- (b) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
- (c) The financial statements exhibit a true and fair view of the financial position of the Board as at 31 December, 2007 and transactions for the period then ended.



**DR RICHARD SHELDRAKE
DIRECTOR-GENERAL
NSW Department of Primary Industries**

Date: 2 JUN 2008



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT COAL COMPENSATION BOARD

To Members of the New South Wales Parliament.

I have audited the accompanying financial report of Coal Compensation Board (the Board), which comprises the balance sheet as at 31 December 2007, and the operating statement, statement of recognised income and expense, cash flow statement and summary of compliance with financial directives for the six month period then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- Presents fairly, in all material respects, the financial position of the Board as of 21 December 2007, and of its financial performance and its cash flows for the six month period then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act* 1983 (the PF&A Act) and the Public Finance and Audit Regulation 2005.

Board's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 report.

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

My opinion does not provide assurance:

- about the future viability of the board,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

Independence

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

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

A Oyetunji
Director, Financial Audit Services
SYDNEY
5 June 2008

OPERATING STATEMENT

For the 6 month Period Ended 31 December 2007

	Notes	Actual 1 July 2007 to 31 Dec 2007 \$'000	Budget 1 July 2007 to 30 June 2008 \$'000	Actual 1 July 2006 to 30 June 2007 \$'000
Expenses				
Operating Expenses				
Employee Related	2a	2 225	3 885	6 322
Other operating expenses	2b	902	1 260	2 268
Maintenance		0	0	22
Depreciation and amortization	2c	63	25	245
Other expenses	2d	0	0	11 756
Total Expenses		3 190	5 170	20 613
Less:				
Retained Revenue				
Sale of goods and services	3a	12	7	34
Investment income	3b	118	10	165
Total Retained Revenue		130	17	199
Gain/(loss) on disposal of non current assets	4	(24)	0	(68)
Net Cost of Services	19	3 084	5 153	20 482
Government Contributions				
Recurrent appropriation	6	13 905	12 105	73 707
Capital appropriation	6	0	0	8
Acceptance by the Crown Entity of employee entitlements and other liabilities	7	33	293	376
Total Government Contributions		13 938	12 398	74 091
SURPLUS / (DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES	15	10 854	7 245	53 610
Non Owner transaction changes in equity				
Total revenues, expenses and valuation adjustments recognised directly in equity		0	0	0
Total Changes in equity other than Those resulting from transactions with owners as	15	10 854	7 245	53 610

The above operating statement is to be read in conjunction with the attached notes

BALANCE SHEET

As at 31 December 2007

	Notes	Actual 31 Dec 2007 \$'000	Budget 30 June 2008 \$'000	Actual 30 June 2007 \$'000
ASSETS				
Current Assets				
Cash and Cash Equivalents	9	4 889	8 244	3 648
Trade and Other Receivables	10	140	0	148
Total Current Assets		5 029	8 244	3 796
Non-Current Assets				
Plant and Equipment	11	45	0	149
Total Non-Current Assets		45	0	149
Total Assets		5 074	8 244	3 945
LIABILITIES				
Current Liabilities				
Trade and Other Payables	12	1 901	0	11 812
Provisions	13	532	2 629	346
Other	14	2 437	329	2 437
Total Current Liabilities		4 870	2 958	14 595
Non-Current Liabilities				
Provisions	13	0	0	0
Total Non-Current Liabilities		0	0	0
Total Liabilities		4 870	2 958	14 595
Net (Deficiency) Assets		204	5 286	(10 650)
EQUITY				
Accumulated funds/(losses)	15	204	5 286	(10 650)
Total Equity		204	5 286	(10 650)

The above balance sheet is to be read in conjunction with the attached notes

STATEMENT OF RECOGNISED INCOME & EXPENSE

For the 6 month Period Ended: 31 December 2007

	Actual 1 July 2007 to 31 Dec 2007 \$'000s	Budget 1 July 2007 to 30 June 2008 \$'000s	Actual 1 July 2006 to 30 June 2007 \$'000s
Net increase/(decrease) in property, plant and equipment asset revaluation reserve	0	0	0
Total income and expense recognised directly in equity	0	0	0
Surplus/(Deficit) for the period	10854	7245	53610
Total income and expense recognised for the period	10854	7245	53610

The above statement of recognised income and expense is to be read in conjunction with the attached notes

CASH FLOW STATEMENT

For The 6 month Period Ended 31 December 2007

	Notes	Actual 1 July 2007 to 31 Dec 2007 \$'000	Budget 1 July 2007 to 30 June 2008 \$'000	Actual 1 July 2006 to 30 June 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1 879)	(4 857)	(5 777)
Other		(489)	(2 564)	(2 281)
Compensation Payments		(10 429)		(64 991)
Total Payments		(12 797)	(7 421)	(73 049)
Receipts				
Sale of goods and services		12	7	33
Interest received		103	(29)	165
Other			(66)	0
Total Receipts		115	(88)	198
Cash Flows from Government				
Recurrent appropriation		13 905	12 105	76 144
Capital appropriation		0		8
Cash reimbursements from the Crown Entity		0	0	0
Cash transfers to Consolidated Fund		0		(2 108)
Net Cash Flows from Government		13 905	12 105	74 044
NET CASHFLOWS FROM OPERATING ACTIVITIES	19	1 223	4 596	1 193
CASH FLOWS – INVESTING ACTIVITIES				
Proceeds of Sale – Plant and Equipment		18	0	0
Purchases of Plant and Equipment		0	0	(8)
NET CASHFLOWS FROM INVESTING ACTIVITIES		18	0	(8)
NET INCREASE/(DECREASE) IN CASH		1 241	4 596	1 185
Opening cash and cash equivalents		3 648	3 648	2 463
CLOSING CASH AND CASH EQUIVALENTS	9	4 889	8 244	3 648

The above cash flow statement is to be read in conjunction with the attached notes.

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

For the 6 month Period Ended 1 July 2007 to 31 December 2007

ORIGINAL BUDGET APPROPRIATION/EXPENDITURE	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000
Appropriation Act	4 743	2 467	0	0
Additional appropriations - Compensation	7 362	7 362	0	0
Sec 21A PF&AA - special appropriations	0	0	0	0
Sec 24A PF&AA – transfer of functions Between departments	0	0	0	0
Sec 26A PF&AA - Commonwealth specific Purpose payments	0	0	0	0
TOTALS	12 105	9 829	0	0
OTHER APPROPRIATIONS/EXPENDITURE				
Treasurers Advance	4 076	4 076	0	0
Sec 22 - Expenditure certain works & services				
Transfers from another agency (See Sec 28 of the Appropriation Act)	0	0	0	0
TOTALS	4 076	4 076	0	0
Total Appropriations /Expenditure/ Net Claim on Consolidated Fund (Includes transfer payments)				
	16 181	13 905	0	0
Amount drawn down against Appropriation		13 905		0
Liability to Consolidated Fund		0		0

NOTES:

The summary of compliance is based on the assumption that Consolidated Funds moneys are spent first (except where otherwise identified or prescribed.)

If there is a liability to consolidated fund the agency must state that this represents the difference between the "Amount Drawn Down against Appropriations" and the "Total Expenditure/Net Claim on Consolidated Funds"

The above summary of compliance is to be read in conjunction with the attached notes.

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES - continued

For the Period Ended 1 July 2006 to 30 June 2007

ORIGINAL BUDGET APPROPRIATION/EXPENDITURE	Recurrent Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure/ Net Claim on Consolidated Fund \$'000
Appropriation Act	52 385	52 385	50	8
Additional appropriations - Compensation	20 000	19 611	0	0
Sec 21A PF&AA - special appropriations	3 300	1 476	0	0
Sec 24A PF&AA - transfer of functions	0	0	0	0
Between departments				
Sec 26A PF&AA - Commonwealth specific	0	0	0	0
Purpose payments				
TOTALS	75 685	73 472	50	8
OTHER APPROPRIATIONS/EXPENDITURE				
Treasurers Advance	3 508	2 108	0	0
Sec 22 - Expenditure certain works & services				
Transfers from another agency	0	0	0	0
(See Sec 28 of the Appropriation Act)	0	0	0	0
TOTALS	3 508	2 108	0	0
Total Appropriations/Expenditure/ Net Claim on Consolidated Fund (Includes transfer payments)	79 193	73 707	50	8
Amount drawn down against Appropriation		76 144		8
Liability to Consolidated Fund		2 437		0

NOTES:

The summary of compliance is based on the assumption that Consolidated Funds moneys are spent first (except where otherwise identified or prescribed.)

If there is a liability to consolidated fund, the agency must state that this represents the difference between the "Amount Drawn Down against Appropriations" and the "Total Expenditure/Net Claim on Consolidated Funds"

The above summary of compliance is to be read in conjunction with the attached notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The Board prepares financial statements on the basis of historical cost, except for the revaluation of certain non-current assets where appropriate. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency. The accounting policies adopted are consistent with those of the previous year except where stated.

Going Concern Assumption

The Board ceased operations on 31 December 2007. All assets and liabilities of the Board at this date were transferred to the NSW Department of Primary Industries. The assets will be liquidated in the ordinary course of the business to pay off the liabilities when due. Hence the accounts for the 6 month period ended 31 December 2007 have been prepared on the going concern basis. Since most of the activities have been wound down, there is no material difference in the going concern and liquidation basis of preparation for the accounts.

The Board was abolished under the *Coal Acquisition Legislation Repeal Act 2007* on 31 December 2007.

(b) Statement of Compliance

This report is a general purpose financial report prepared on an accrual basis and in accordance with:-

- applicable Accounting Standards which include Australian equivalents to International Financial Reporting Standards ("AIFRS");
- the requirements of the *Public Finance and Audit Act 1983* (the "Act") and
- Regulations and Financial Reporting Directions issued by the Treasurer under section 9(2)(n) of the Act.

(c) Reporting Entity

The NSW Coal Compensation Board, (the Board) as a reporting entity, comprises all the entities under its control, including the NSW Coal Compensation Review Tribunal in accordance with the requirements of the Coal Acquisition (Compensation) Arrangements 1985. The operating activities are associated with the Government's plans for either compensating or restoring coal rights to claimants who were former coal owners of private coal pursuant to the *Coal Acquisition Act 1981*.

The *Coal Acquisition Legislation Repeal Act 2007* (the Act) repealed the Coal Acquisition Act 1981, the Coal Ownership (Restitution) Act 1990 and certain other legislation relating to the acquisition and restitution of rights with response to coal. The Act abolished the New South Wales Coal Compensation Board and the New South Wales Coal Compensation Review Tribunal. It also provides for abolition of the Board (whose functions are to be transferred to the Director-General of the New South Wales Department of Primary Industries) and the Tribunal (whose functions are to be transferred to the Land and Environment Court) from 1 January 2008.

The reporting entity is consolidated as part of the NSW Total State Sector and as part of the NSW Public Accounts.

(d) Critical Accounting Judgements and Estimates

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which

the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of AIFRS that have significant effects on the financial statements and estimates with significant risk of material adjustments in the next year, are disclosed, where applicable, in the relevant notes to the financial statements.

The NSW Coal Compensation Board has determined most claims lodged for compensation under the *Coal Acquisition Act 1981* and subsequent legislation. Additional funding has been made available in successive years since 2004-05 through the State Budget, to enable the Board to accelerate operations in order to achieve the Government's objectives of acquiring coal rights as soon as possible. As a result of these initiatives the Board ceased operations on 31 December 2007. There were several claims which were not finalised at this date which will continue to be heard in the Land and Environment Court.

(e) Key Differences in Accounting Policies

The Board has determined the key areas where changes in accounting policies are likely to impact the financial report. To ensure consistency at the whole of government level, NSW Treasury advised agencies of options mandated for the NSW Public Sector. These were confirmed in Treasury Circular TC07/07 (Mandate of Options and Major Policy Decisions under AIFRS, dated the 27th June 2007 and replaced TC06/11 and TC06/14 in relation to AASB 1 (First Time Adoption of Australian Equivalents to International Financial Reporting Standards). This mandate, although extensive, has not seriously impacted the Board's results for 2006-07 and the six month period ended 31 December 2007.

(f) Revenue Recognition

Revenue is recognised when the Board has control of the goods or right to receive, it is probable that the economic benefits will flow to the Board and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Parliamentary Appropriations Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the Board obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions are normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at the year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

The liability is disclosed in Note 14 as part of "Current Liability - Other." The amount will be repaid and the liability will be extinguished.

Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services i.e. user charges. User charges are recognised as revenue when the Board obtains control of the assets that result from them.

Investment income

Interest revenue is recognised as it accrues.

(g) Employee Benefits and Other Provisions

Wages and Salaries, Annual Leave, Sick Leave and On-Costs

Liabilities for wages and salaries, annual leave and vesting sick leave are recognised and measured as the amount unpaid at the reporting date at

current pay rates in respect of employees' services up to that date.
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 entitlements 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 entitlements to which they relate have been recognised.

Long Service Leave and Superannuation

The Board's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Board accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of Employee Entitlements and other Liabilities".

Long service leave is measured using the present value method. The liability is based on the remuneration rates at year end for all employees with five or more years of service. The present value method has been adopted from the year ending 30 June 2004 following the introduction of Treasury Circular 03/08 "LSL Pool Accounting for Long Service Leave." The nominal method employed in previous years is no longer acceptable.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(h) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- the amount of GST incurred by the Board 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.
- receivables and payables are stated with the amount of GST included.

(i) Insurance

The Board's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(j) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Board. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

(k) Plant and Equipment

Items of Plant and Equipment costing \$5,000 and above purchased individually are capitalised. This policy was adopted to comply with NSW Treasurer's Direction 460.04. Networked computer assets have also been capitalised in line with NSW Treasurer's Guidelines for Capitalisation of Expenditure in the NSW Public Sector.

Other items costing less than \$5,000, which are at risk of loss by misappropriation are expensed and recorded in the Record Only Register.

(l) Depreciation of Non-Current Physical Assets

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity. The following depreciation rates were applied to the assets of the Board during the year and represents a minor change in policy to keep abreast of technology. Assets are written off over 3 years to align with other government agencies the Board deals with.

Office Equipment	33%
Computers	33%
Furniture	33%

(m) Leased Assets

A distinction is made between finance leases which transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the inception of the lease. The corresponding liability is established at the same amount.

Lease payments are allocated between the principal component and interest expense.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(n) Maintenance and Repairs

The cost of maintenance is charged to expense as incurred, except where the transaction relates to replacement of a component of an asset, in which case the costs are capitalised and depreciated.

Reference should be made to item (k) above as components valued below \$5,000 will be recorded in the Record Only Register.

(o) Valuation of Coal Compensation Claims

The assessment of claims is carried out in accordance with the guidelines established in the Coal Acquisition (Compensation) Arrangements 1985, the *Coal Ownership (Restitution) Act 1990*, the Coal Ownership (Restitution) Regulation 2005 and the Coal Acquisition (Re-Acquisition Arrangements) Order 1997.

(p) Financial Instruments

Financial Instruments give rise to both a financial asset of one entity and a financial liability (or equity instrument) of another entity. For the Coal Compensation Board these include cash at bank, receivables and creditors. The carrying amount of these assets and liabilities approximates the net fair value. All financial instruments are recognised in the Balance Sheet.

(q) Cash and Cash Equivalents

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (Tcorp) 11am unofficial cash rate adjusted for management fee to The Treasury of NSW. The deposits at balance date were earning an average interest rate of 5.15% (4.75% for 2006-2007).

(r) Trade and Other Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is realised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is charged or earned by the Board on trade debtors.

(s) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Board and other amounts, including interest. Where relevant interest is accrued over the period it becomes due.

(t) Budgeted Amounts

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year together with any adjustments for the effects of additional appropriations, under s 21A, s 24 and/or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow

Statement originate from the amounts disclosed in the NSW Budget Papers. However, in the Balance Sheet the amounts vary from the Budget Papers, as most opening balances in the Budgeted accounts are based on the carried forward actual amounts i.e. per the audited financial statements (rather than carried forward estimates).

(u) New Australian Accounting Standards issued but not effective

At reporting date, two Australian Accounting Standards have been issued by the Australian Accounting Standards Board. The standards issued were: AASB123 Borrowing Costs – the standard has been revised to remove the option to immediately expense borrowing costs that relate to qualifying assets from 1 Jan 2009. This standard has not been early adopted by the Board.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made prior period adjustments or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being at the beginning of the comparative period. This standard has not been early adopted by the Board.

2. EXPENSES

(a) Employee related expenses comprise the following specific items:

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Salaries and wages (including recreation leave)	721	3 999
Redundancies	1 292	1 619
Superannuation (defined benefit plans)	63	326
Long service leave	8	37
Workers compensation insurance	8	30
Payroll tax and fringe benefit tax	133	287
Employee entitlements (On-cost)	0	22
Other	0	2
	2 225	6 322

In the six month period ended 31 December 2007 the liability for superannuation entitlements \$24 000 (\$326 251 in 2006-07) long service leave \$7 800 (\$37 097 in 2006-07) and payroll tax on superannuation entitlements \$1 440 (\$12 881 in 2006-07) was assumed by the Crown. The overall cost of these items - \$33 240 has been raised in the accounts of the Board and offset by an equivalent amount included under the heading of Acceptance by the Crown Entity (\$376 229 in 2006-07).

Employee entitlements (on-cost) totalling \$0 (\$22 084 in 2006-07) has been calculated using the present value method. The decrease compared to 2006-07, reflects the reduced number of staff over the past six months of operations. On-costs are not assumed by the Crown Entity and are the responsibility of the Board.

Long service leave is recorded at present value in compliance with the Treasurer's Directions under Sec 9, Sec 45E and AASB 119. Measurement is based on the application of factors specified in NSW Treasury Circular 03/08 to employees with 5 or more years of service using current rates of pay.

(b) Other operating expenses

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Auditor's remuneration		
-audit of the financial reports	36	38
Board fees	42	85
Consultancies	234	269
Fees for services rendered	165	750
Insurance	13	10
Internal Audit Bureau	0	16
Other	107	209
Rental and cleaning expense	162	431
Stores and provisions	58	28
Travelling expenses	12	163
Coal Compensation Review Tribunal	73	269
	902	2 268

2. EXPENSES (cont'd)

(c) Depreciation and amortisation expense

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Computer & office equipment	63	245

(d) Other expenses

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Repurchase of Property Rights	0	50 873
Compensation - cash payments	0	14 118
Movements in Assessed Claims Provision	0	(53 235)
	0	11 756

3. REVENUES

(a) Sale of goods and services

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Appeal Fees	2	4
Sundry Income	10	30
	12	34

This reflects the lodgement of appeals and recoup of expenses incurred by the Coal Compensation Review Tribunal.

(b) Investment Income

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Interest Income	118	165

Represents interest received and receivable on the Board's bank account held at the Westpac Bank.

4. GAIN/(LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Gain/(loss) on disposal of plant and equipment		
Proceeds from sale	18	0
Written down value of assets disposed of	(42)	(68)
Net gain/(loss) on disposal of plant and equipment	(24)	(68)

5. INDIVIDUALLY SIGNIFICANT ITEMS

The Net Cost of Services does not include the following items settled during the year as part of compensation creditors liability:

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Repurchase of property rights	736	50 442
Compensation Cash Payments	9 693	14 118
Voluntary Acquisitions	0	431
	10 429	64 991

Since the Board commenced operations a cash total of \$794 942 206 in compensation payments (\$784 512 884 in 2006-07) has been paid.

6. APPROPRIATIONS

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Recurrent Appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	13 905	73 378
Add liability to the Consolidated Fund (per Summary of Compliance)	0	2 437
Less Repaid to Consolidated Fund (per Summary of Compliance)	0	(2 108)
Total	13 905	73 707
Comprising		
Recurrent Appropriations (per operating statement)	13 905	73 707
Transfer Payments	0	0
Total	13 905	73 707

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Capital Appropriations		
Total capital drawdowns from Treasury (per Summary of Compliance)	0	8
Less: liability to Consolidated Fund (per Summary of Compliance)	0	0
Total	0	8
Comprising		
Capital appropriations (per Statement of Financial Performance)	0	8
Transfer Payments	0	0
Total	0	8

7. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE ENTITLEMENTS AND OTHER LIABILITIES

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Superannuation	24	326
Payroll tax	1	13
Long Service Leave	8	37
	33	376

8. PROGRAMS / ACTIVITIES OF THE BOARD

(a) Program 1 – Compensation Scheme

The NSW Coal Compensation Board is an independent authority with the role of determining claims from former owners of coal whose coal was acquired by the Crown through the *Coal Acquisition Act 1981*.

The Coal Acquisition (Compensation) Arrangements 1985 sets out the detailed rules by which the Coal Compensation Scheme operates. It is administered by the Coal Compensation Board and payments are from the Coal Compensation Budget.

(b) Programs 2 - 4 (inclusive) – Reacquisition, Restitution and Voluntary Acquisition Schemes

The NSW Coal Compensation Board also administers the role of determining claims from former owners of coal holdings who seek restoration of coal ownership, owners who wish to voluntarily transfer their coal rights to the crown for an appropriate consideration and thirdly, the reacquisition of coal rights for coal acquired by the crown after 1997, under the *Coal Ownership Restitution Act 1990*.

The Coal Acquisition (Re-acquisition Arrangements) Order 1997 sets out the detailed rules by which the *Coal Ownership Restitution Act 1990* operates. It is administered by the Coal Compensation Board and payments are from the Coal Re-Acquisition Budget and the Voluntary Scheme budget as appropriate. The legislation also provides for compensation payable in relation to consequential loss claims relating to the re-vestment of coal.

The Coal Ownership (Restitution) Regulation 2005 regulates the manner of making applications for the restitution of ownership of coal under the *Coal Ownership Restitution Act 1990* and the procedures for dealing with those applications.

9. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank and bank overdraft. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial

Position as follows:

	31 December 2007 \$'000	30 June 2007 \$'000
Cash at Bank	4 889	3 646
Cash on hand	0	2
Closing cash and cash equivalents	4 889	3 648

The Board also had a Credit Card facility of \$18 000 as at balance date.

10. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	31 December 2007 \$'000	30 June 2007 \$'000
Interest Receivable	115	100
GST Receivable	8	39
Rec LSL Payments	0	9
Trade Debtors/Prepayments	17	0
	140	148

11. NON CURRENT ASSETS - PLANT AND EQUIPMENT**(a) Plant and Equipment**

	31 December 2007	30 June 2007
	\$'000	\$'000
At Fair Value	275	410
Less: Accumulated Depreciation	230	261
Total Plant and Equipment At Net Book Value	45	149

(b) Reconciliation

Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year are set out below.

	31 December 2007	30 June 2007
	\$'000	\$'000
Plant and Equipment:		
Carrying amount at start of year	149	453
Additions	0	8
Disposals and Write Offs	(41)	(67)
Depreciation expense	(63)	(245)
Carrying amount at end of year	45	149

12. CURRENT AND NON-CURRENT LIABILITIES – PAYABLE

	31 December 2007	30 June 2007
	\$'000	\$'000
Current		
Accrued salaries and wages	140	12
Assessed Claims	1 264	11 668
Pecuniary Loss Claims	0	25
	1 404	11 705
Creditors	497	107
Total Current	1 901	11 812

Compensation Liability – Analysis

The claims liability can be further analysed by scheme type of claim and interest as below for the current and prior years :-

Class	31 December	31 December	30 June	30 June
	2007	2007	2007	2007
	Claims	\$'000	Claims	\$'000
Assessed Claims		0	32	11 545
Claims Litigation – Compensation	11	1 264	0	0
Claims Litigation – Reacquisition	0	0	0	0
Pecuniary Loss Claims	0	0	2	25
Totals	11	1 264	34	11 570
Interest		0		123
Total including interest estimate		1 264		11 693

13. CURRENT AND NON-CURRENT LIABILITIES - PROVISIONS

	31 December 2007	30 June 2007
	\$'000	\$'000
Current		
Recreation leave	118	312
Provision - Employee Entitlement & Redundancy	414	3
Creditors – Long Term Employee Related	0	31
	532	346

13. CURRENT AND NON-CURRENT LIABILITIES - PROVISIONS (cont'd)

Aggregate employee benefits and related on-costs	31 December 2007	30 June 2007
	\$'000	\$'000
Provisions-current	532	346
Provisions-non-current	0	0
Accrued salaries and wages (Note 12)	140	12
	672	358

14. CURRENT LIABILITIES - OTHER

Liability to Consolidated Fund	31 December 2007	30 June 2007
	\$'000	\$'000
	2437	2437
	2437	2437

15. CHANGES IN EQUITY

	Accumulated Funds		Total Equity	
	31 Dec 2007	30 June 2007	31 Dec 2007	30 June 2007
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the financial period/year	(10650)	(64260)	(10650)	(64260)
Changes in equity - other than transactions with owners as owners				
Surplus / (deficit) for the year	10854	53610	10854	53610
Balance at end of the financial period/year	(204)	(10650)	(204)	(10650)

16. COMMITMENTS FOR EXPENDITURE

	31 December 2007	30 June 2007
	\$'000	\$'000
(a) Other Expenditure Commitments		
Aggregate other expenditure contracted for at balance date but not provided for: -		
Not later than one year	0	196
Later than one year and not later than 5 years	0	0
Total (including GST)	0	196
(b) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided and payable:		
Not later than one year	0	16
Later than one year but not later than 5 years	0	0
Total (including GST)	0	16

There were no outstanding expenditure commitments as at 31 December 2007. Other expenditure commitments are not recognised in the Statement of Financial Position as liabilities. They relate to the rental of office space at Castlereagh Street Sydney and Oxford Street, Darlinghurst in NSW, and a Service Agreement with the NSW Department of Primary Industries in Orange which expired on 31st December 2007.

The operating lease commitments relate to the lease of motor vehicles by the Board based in Sydney. The vehicles were leased through Statefleet and terms expire progressively from 30 September 2007 onwards. All vehicles were returned to Statefleet by 31 December 2007.

17. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent Liabilities

Native Title

The NSW Coal Compensation Board consented to requests from four (4) Local Aboriginal Land Councils to vary the name of the claimant in relation to nine (9) compensation claims. The Board determined that none of the traditional owners nominated were eligible claimants and refused all claims. This resulted in 13 appeals to the NSW Coal Compensation Review Tribunal which were ultimately dismissed following a hearing on the preliminary legal question of eligibility of the claimants to claim compensation.

Appeals

At 31 December 2007 the appeals received by the Tribunal were: 8 relating to Buchanan Borehole Collieries Pty Limited; 2 relating to Enex Foydell Limited; and 1 relating to Australian Agricultural Company Limited. The Tribunal was abolished on 31 December 2007 and the residual jurisdiction transferred to the Land and Environment Court. In December 2007 all 11 appeals before the Tribunal were adjourned generally to be re-listed in the Land and Environment Court in early 2008.

In January 2008 an appeal was lodged in the Supreme Court of NSW by one (1) traditional owner against the decision of the Tribunal in three (3) claims. A hearing date has not been scheduled.

The total estimated legal cost for the above-mentioned appeals is \$207 000.

Accommodation

The Board vacated Level 5 at 1 Castlereagh Street, Sydney on 31st December 2007. Under the lease agreement the Board is required to remove partitioning. A liability has been allowed, however any additional expenses that may be incurred in regard to the 'make good' will be met by NSW Department of Primary Industries.

18. BUDGET REVIEW

Net cost of services

The actual net cost of services for the period ended 31 December 2007 was lower than budget by \$2.069 million. This was primarily due to salary savings because of the progressive closure of the Board's activities.

Assets and liabilities

Total assets were \$3 170 000 less than budget due to the Board's closure on 31 December 2007 resulting in increased payment to finalise operations. The increase in non-current assets reflects assets not sold at 31 December 2007. During the period numerous items were sold. These items resulted in the disposal of non current assets with a written down value of \$42 000.

Total liabilities were higher than projected due to outstanding compensation liability of \$1 264 000 and a Liability to the Consolidated Fund of \$2 437 000 not being repaid as at 31 December 2007.

Cashflows

The variance between actual and budgeted amounts reflects the downward movement in overall compensation liability due to settlement of most unpaid claims in the current period and reflects a much higher payout of compensation than originally budgeted.

19. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	1 July 2007 to 31 December 2007 \$'000	1 July 2006 to 30 June 2007 \$'000
Net Cash used on operating activities	(1 223)	(1 193)
Cash flows from Government appropriations	13 905	73 715
Depreciation	63	245
Acceptance by Crown Entity of Employee and other liabilities	33	376
Increase or (decrease) in provisions	186	(237)
Increase or (decrease) in payables	(9 911)	(53 249)
(Increase) or decrease in receivables	7	428
Increase or (decrease) in prepayments	0	329
Net (Gain) or loss on sale of plant & equipment	24	68
Net Cost of Services	3 084	20 482

20. BOARD MEMBERS PECUNIARY INTEREST

No Board Members have any pecuniary interests in the decisions of the Board. Mr Brad Mullard, Director, Coal and Petroleum Development is a member of the Board but is not remunerated for service in that position.

Other Board Members receive statutory remunerations as appropriate and were appointed to 31st December 2007.

21. FINANCIAL RISK

Risk exposure

The Board's financial instruments consist of cash, accounts payable and accounts receivable. The Board's main risks from its financial instruments are interest rate risk and credit risk.

Net fair values

The net fair values of assets and liabilities approximate their carrying values. No assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Interest risk

At 31 December 2007 the Board had the following financial assets and liabilities exposed to variable interest rate risk:

	31 December 2007		30 June 2007	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial assets				
Cash and cash equivalents	4 889	4 889	3 648	3 648
Receivables	140	140	148	148
	5 029	5 029	3 796	3 796
Financial liabilities				
Trade	1 901	1 901	11 812	11 812
	1 901	1 901	11 812	11 812

The Board's exposure to market risk for changes in interest rates relates to the holding of cash. The Board is required to maintain cash within specific bank accounts as required by NSW Treasury and does not have the authority to invest outside these accounts.

Credit risk

The Board's maximum exposure to credit risk at 31 December 2007 in relation to the recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

Receivables are monitored on an ongoing basis, limiting the exposure to bad debts.

Hedging transactions

The Board did not undertake any hedging transactions during the period.

End of Audited Financial Statements