



Subsidence
Advisory NSW



Mine Subsidence Data Data Summary

14 July 2017

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1 Executive Summary

This report summarises claims for damage arising from mine subsidence caused by active coal mines that were settled through cash compensation.

The data comes from the Subsidence Advisory NSW's (SA NSW) internal software system, which has been used to record information on claims for mine subsidence damage. The residential claims were all completed between August 2016 to May 2017 which correlates to the introduction of a cash compensation operating model. The residential claims cost during this period was c. \$6.9m

Most of the damage claimed to result from subsidence occurred in the southern coalfields, with an average cost of approximately c. \$75,000.

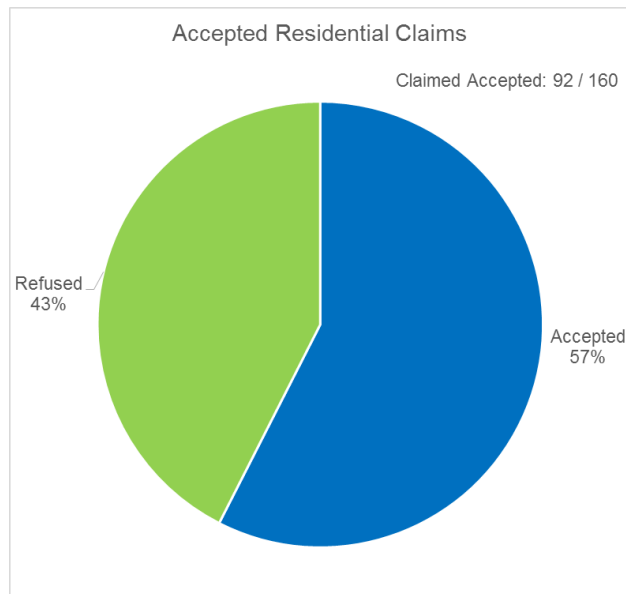
The most common type of damage which occurred was cracking to internal and external walls.

A number of claims were disputed and were resolved through a dispute resolution process. The majority of these claims were due to a dispute as to both the extent of damages judged to have been caused by mine subsidence, and the compensation offered for that damage.

2 Data Summary

160 Claims were resolved during the period under review.

Of the 160 claims, 92 were accepted and 68 refused, or 57% accepted. Please note this does not reflect the proportion of properties impacted by mine subsidence.



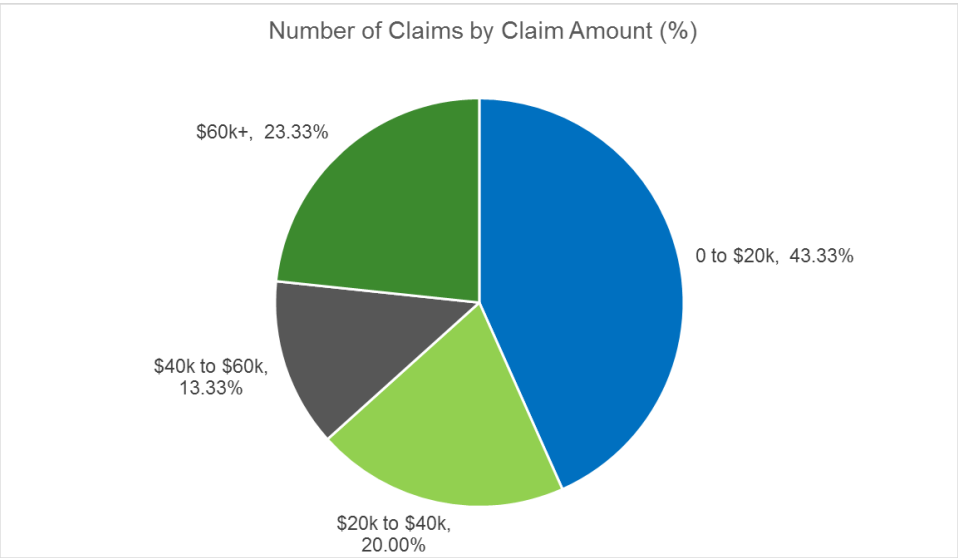
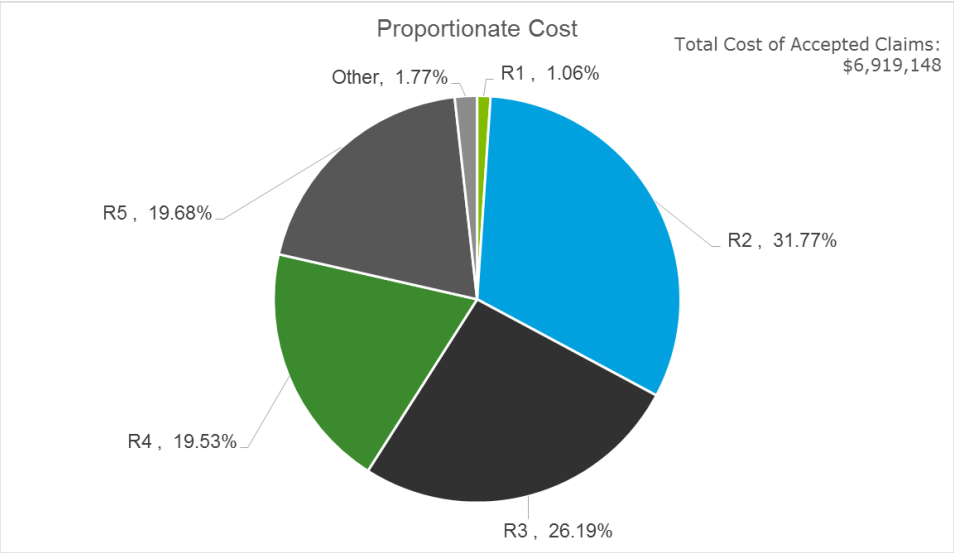
There are some claims made where specific data (e.g. relating to class of damage, type of property damaged, or the type of material damaged) is unavailable. The report below refers to claims where the information being analysed is available.

3 Classes of Damage

3.1 Summary by Class of Damage

Where damage has been found to have been caused by subsidence, the damage is categorised into 1 of 6 categories – R0 to R5, with R5 being the most severe.

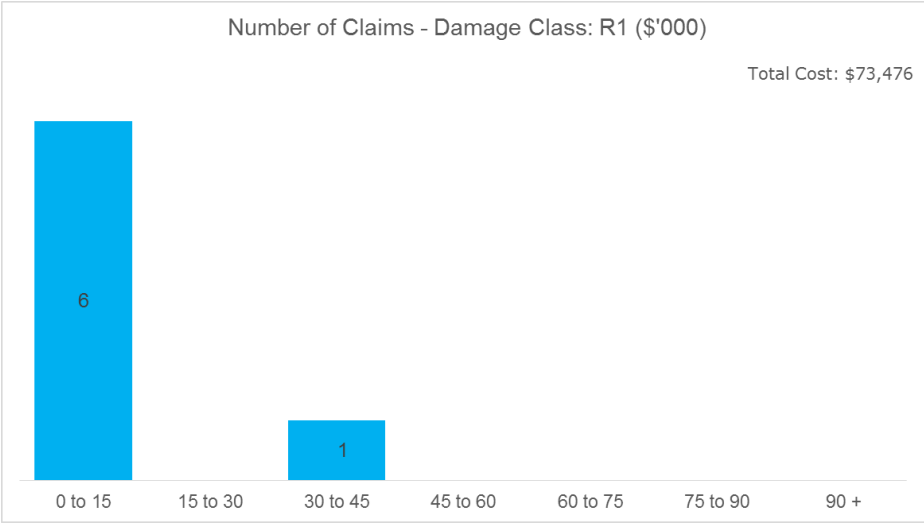
R2 type damage claims are the most common. There are 62 Claims which make up 31.77% of the total compensation claimed. However, R3 and R5 claims were significantly larger in claim size. R3 and R5 make up 26.19% and 19.68% of total claims, despite the relatively infrequent occurrence (9 claims and 2 claims, respectively). The majority of claims were for between 0 to \$20,000, with an average cost to settle a claim of approximately \$75,000.



3.2 R1 Summary

Average Claim (\$)	Number of Claims	Minimum Claim Cost	Median Claim Cost	Average Claim Cost	Maximum Claim Cost	Total Claim Costs Incurred
R1	7	500	6,614	10,497	37,190	73,476

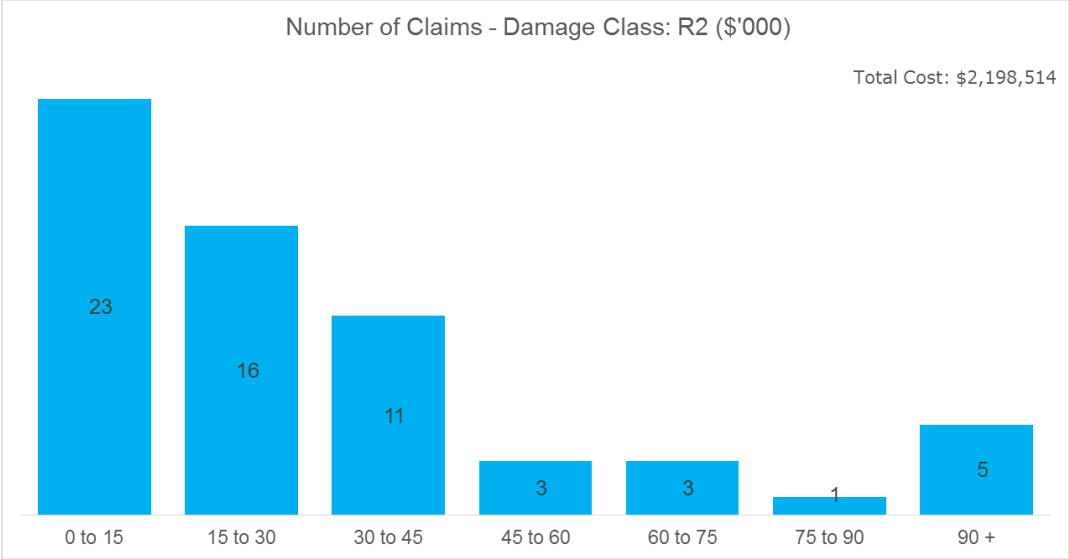
There were 5 claims for R1 classed damage. These all occurred in the southern coal fields, and consisted mainly of minor cracking in walls or sunken floors.



3.3 R2 Summary

Average Claim (\$)	Number of Claims	Minimum Claim Cost	Median Claim Cost	Average Claim Cost	Maximum Claim Cost	Total Claim Costs Incurred
R2	62	1,359	23,175	35,460	346,169	2,198,514

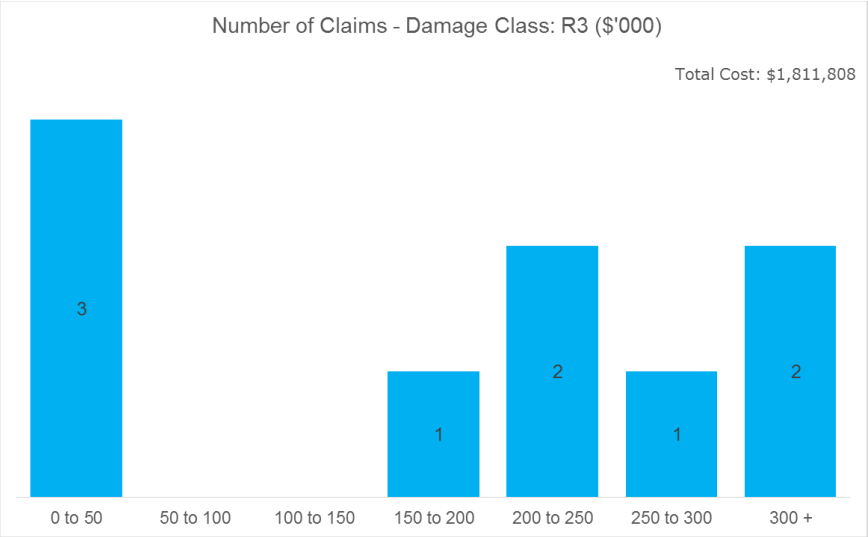
There were 62 claims for R2 classed damage. These often consisted of internal and external cracking, cracked brickwork, and some water damage.



3.4 R3 Summary

Average Claim (\$)	Number of Claims	Minimum Claim Cost	Median Claim Cost	Average Claim Cost	Maximum Claim Cost	Total Claim Costs Incurred
R3	9	24,712	202,223	201,312	514,629	1,811,808

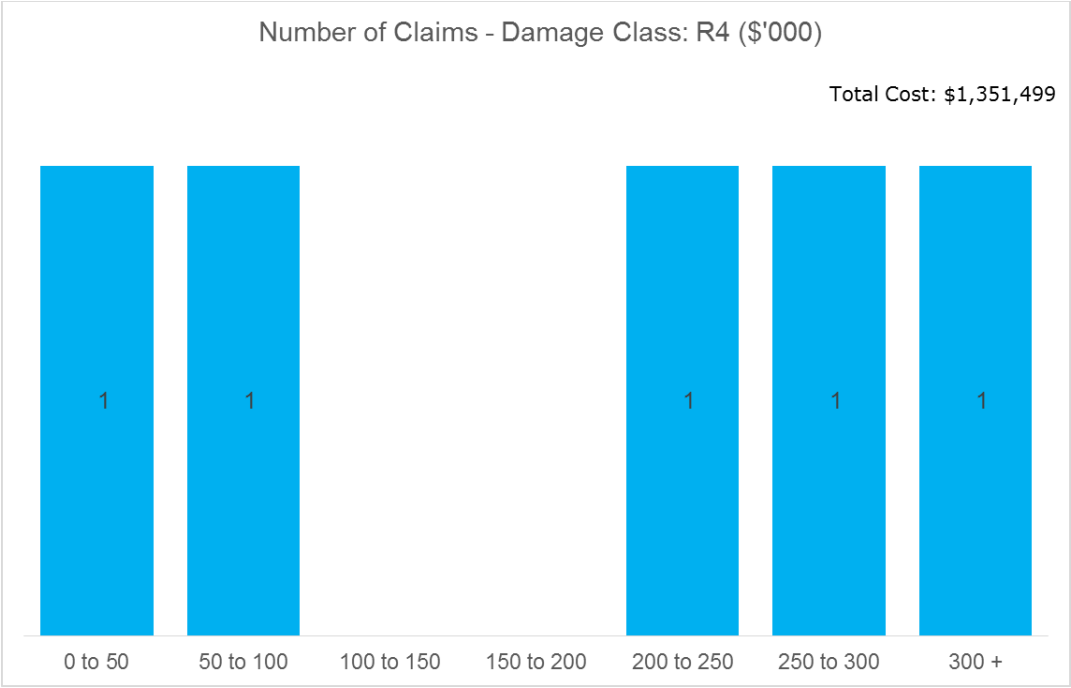
There were 9 claims for R3 classed damage. These often consisted of internal and external cracking, cracked brickwork, tilted floors and damage to ceilings and roofs.



3.5 R4 Summary

Average Claim (\$)	Number of Claims	Minimum Claim Cost	Median Claim Cost	Average Claim Costs	Maximum Claim Cost	Total Claim Costs Incurred
R4	5	42,002	210,289	270,300	778,198	1,351,499

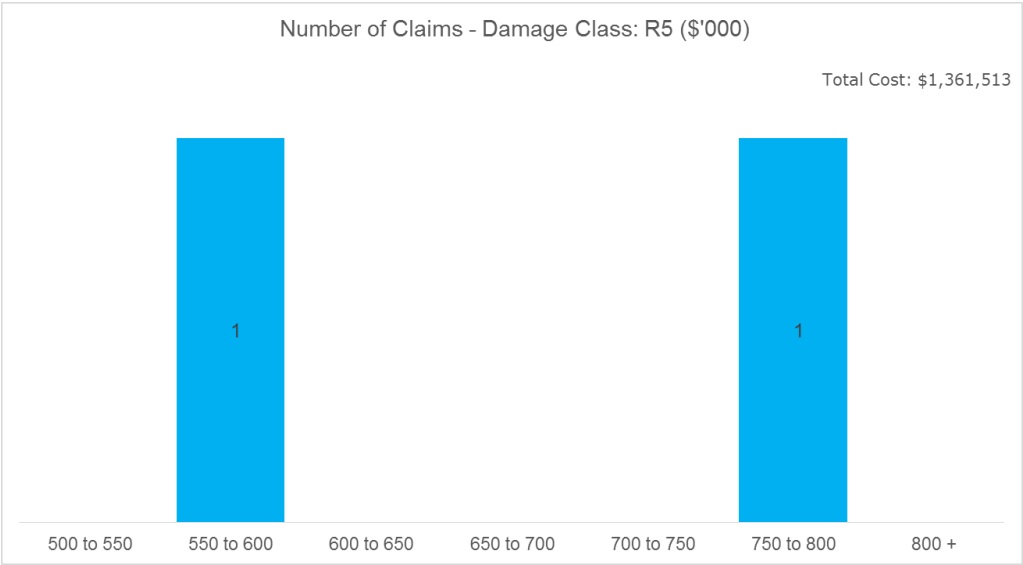
There were 4 claims for R4 classed damage. These often consisted of extensive internal, external damage and damage to outdoor pools.



3.6 R5 Summary

Average Claim (\$)	Number of Claims	Minimum Claim Cost	Median Claim Cost	Average Claim Cost	Maximum Claim Cost	Total Claim Costs Incurred
R5	2	584,597	680,756	680,756	776,916	1,361,513

There were 2 claims for R5 classed damage. These consisted of severe and numerous cracking requiring full demolition.



3.7 Building Material

Damage claims most commonly resulted from damage to the Veneer. Damaged Veneer claims represent the majority of the claims made, although some claims had damage to multiple types of building material.

Building Material	Number of Claims	Minimum Claimed	Median Claimed	Maximum Claimed	Total Claimed (\$)
Veneer	70	-	24,627	778,198	4,778,405
Timber	3	2,548	37,190	225,709	265,447
Brick\Timber	4	14,985	45,048	129,876	234,957
Cavity	1	41,906	41,906	41,906	41,906
Concrete	1	584,597	584,597	584,597	584,597
Other	2	3,898	390,407	776,916	780,814
Data unavailable	11	-	14,424	63,278	233,023

3.8 Number of Stories

Most properties damaged were one story properties. However, the median cost of damage to two story properties was significantly higher than cost of damage to one story properties.

Number of Stories	Number of Claims	Minimum Claimed	Median Claimed	Maximum Claimed	Total Claimed (\$)
One	76	500	24,627	778,198	5,751,861
Two	7	-	60,536	584,597	949,188
Data unavailable	9	-	24,972	63,278	218,099

3.9 Building Size – Number of Bedrooms

The majority of properties involved in damage claims were 3 or 4 bedroom properties. 4 bedroom properties tended to have a higher damage claim amount, with the median claim cost being double that for 3 bedroom properties.

The total claim costs incurred for both types of properties was similar.

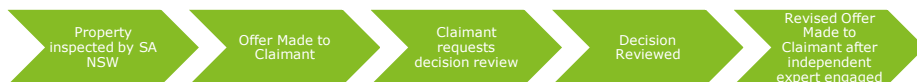
Number of Bedrooms	Number of Claims	Minimum Claimed	Median Claimed	Maximum Claimed	Total Claimed (\$)
1	-	-	-	-	-
2	2	9,720	26,538	43,355	53,075
3	30	-	17,010	778,198	2,292,075
4	35	-	26,527	584,597	2,722,372
5	6	19,040	38,518	263,363	585,776
Data unavailable	18	2,548	25,680	514,629	1,208,204

The majority of damage caused was R2 type damage, regardless of the size of the property. Damage classes as R3 or greater occurred only in properties with more than 3 bedrooms.

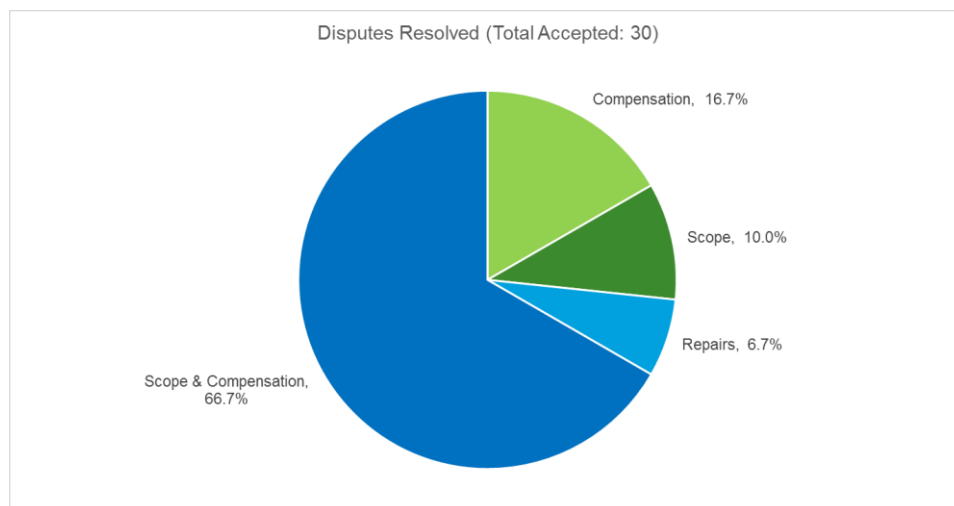
Number of Bedrooms (# of Claims)	R0	R1	R2	R3	R4	R5	Data Unavailable
1	-	-	-	-	-	-	-
2	-	-	2	-	-	-	-
3	-	3	22	-	1	1	3
4	-	1	25	5	1	1	2
5	-	-	3	2	1	-	-
Data unavailable	-	3	10	2	1	-	2

4 Disputed Claims

4.1 Outline of Claim Dispute Resolution Process



4.2 Disputes Resolved



There were a total of 39 claims disputed. 30 of these resulted in a successful claim of damage. The majority of the disputed claims arose due to a dispute of both the scope of damage found to be caused by subsidence, as well as the compensation amount offered.

Dispute Resolution Type (Successful Claims)	Number of Claims	Total Increase	Median Increase	Median Revised Increase (% of Original)	Proportion of Accepted Disputes
Compensation	5	74,759	8,480	23.54%	16.67%
Scope	3	840	280	10.13%	10.00%
Repairs	2	-	-	-	6.67%
Scope & Compensation	20	531,730	13,980	68.48%	66.67%
Refusal	9	-	-	-	-
Total	39	607,329	-	-	-

28 of the successful claim disputes resulted in cash compensation being paid to the claimant. In the 2 remaining cases, the compensation provided was a repair of the damage claimed.

The median increase of amount of cash offered in cash resolution of disputed claims was \$11,004.

