

Jenolan Caves Reserve Trust Annual Report 2012 - 2013



JENOLAN CAVES RESERVE TRUST

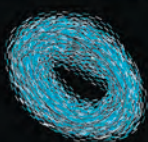


Garangatch and Mirrigan

Where the Blue Lake now lies is the place where Garangatch rested after his struggles with Mirrigan, licking his wounds to heal them. His blood can still be seen staining the rocks at the front of the Grand Arch.

In the Dreaming, Jenolan Caves was not a place of conflict, but one of healing and renewal, as peaceful thoughts flowed from Garangatch as he lay regaining his strength.

THE HEALING WATERS



jenolan caves
explore marvel stay

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Jenolan Caves

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*Jenolan Caves Reserve Trust
acknowledges the traditional
custodians of the land at Jenolan,
the Gundungurra and Wiradjuri peoples,
and pays respect to all elders
both past and present.*

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Our Role

Mission Statement

To manage the natural and cultural heritage and the visitor facilities of Jenolan Caves Karst Conservation Reserve in an environmentally, socially and commercially sustainable manner.

Charter/Legislation

The Jenolan Caves Reserve Trust is a body corporate which has been created under the provisions of the National Parks and Wildlife Act 1974 and is responsible to the Minister for the Environment.

The Trust is responsible for the care, control and management of the Jenolan Caves Visitor Use and Services Zone (VU&SZ), which is regarded as being both environmentally and culturally significant as well as an iconic tourist facility within the state of NSW.

Aims & Objectives

The main goals of the Trust are:-

- the care, control and management of the Jenolan Caves VU&SZ,
- ensuring the protection of the natural and built environment,
- encouraging the enjoyment of the area by visitors through the promotion of the historic, scientific, educational, cultural and environmental values of the area.

The VU&SZ includes a variety of caves, accommodation, walking tracks, picnic and recreational areas. The Trust provides interpretative information on the geological, cultural and historical features of the area.

The beautiful limestone caves and the associated reserve are of important geological, geomorphological and palaeontological value, and play a vital role in conserving rare and endangered plant and animal species.

The reserve also contributes to our understanding of Aboriginal culture and European heritage, and is widely recognised for its interpretative, research and educational importance.

Although the reserve is a significant regional centre for recreational and tourist activities, conservation is a principal focus. The relationship between the commercial, natural and cultural environment is complex but well integrated within the operations of the Trust.

The Jenolan Karst Conservation Reserve has World Heritage status as part of the Greater Blue Mountains World Heritage Area listing and is also listed on the State Heritage Register.

Jenolan Caves are an iconic tourism destination for NSW and are significant tourism assets for the Blue Mountains and Central NSW tourism regions. Operations at Jenolan are important to the regional economies and provide motivation and stimulus for visitors to travel further into regional NSW.



Reserve Location Map

Administrator's Report

2012 / 2013 has been a year of achievement for the Jenolan Caves Reserve Trust. Key achievements over the year have been increased visitation; improved operating performance; prized tourism awards; environmental grants; and enhanced visitor facilities.

Cave visitation for the year increased 10.4% on the previous year resulting in 240,425 visits, the highest visitation numbers in 15 years.

A very pleasing outcome has been the significant improvement in the overall operating performance of the Trust over past years. Cave Operations continues to be the mainstay of the business but there has been a clear improvement in hospitality operations performance through increased stays in Caves House and other on-site accommodation and through better product offerings and cost control. The strong focus throughout 2012/13 on customer service was reflected in improved customer feedback.

Jenolan Caves has again featured strongly in regional, state and national tourism awards. In the year under report Jenolan Caves was awarded the Blue Mountains regional tourism award for Best Tourist Attraction and at the State level was awarded Gold at the NSW Tourism Awards for Ecotourism, Adventure Tourism and Cultural / Heritage Tourism. At the national level Jenolan was awarded Silver in Ecotourism, Adventure Tourism and Cultural / Heritage Tourism. These wins and the recently gained Advanced Ecotourism accreditation further enhance Jenolan's exposure and profile as an ecotourism destination.

The Trust undertook a number of initiatives to enhance the visitor experience:-

The development of new surface walks and Aboriginal cultural tour content was completed under the Destination NSW Regional Tourism Product Development Program. The surface walks have been rebranded as 'Jenolan Trails' with new signage and commentary available via smart phone app. The Trust was also successful in obtaining a grant of almost \$750,000 to continue the stainless steel replacement program of galvanised railings and infrastructure. This will be a major upgrade project into 2013/14.

The Carlotta walking track has also been paved to provide for an enhanced visitor experience and ensuring increased safety of those using the track.

A new look website with new navigation options was launched with traffic to the Trust's website increased significantly in the last few months of the financial year and in line with increased visitation to Jenolan. Work on the Trust's IT system has also been completed with fibre optic cabling installed resulting in a faster connection and more stable technological environment.

The NSW Government commenced an Expression of Interest process for interested private operators to manage and operate the commercial operations at Jenolan Caves under long term lease and licence arrangements. Preparation for transition to private sector operations has added considerably to the workload of key personnel and I am appreciative of the patience and continued professionalism of staff as this process is undertaken. It is anticipated that the process will be finalised in the first quarter of 2014.

I would like to thank the staff and management team for their energy, commitment and efforts in ensuring that Jenolan continues to grow as a sustainable business while maintaining best practice environmental standards.

Dianne Leeson
Administrator
Jenolan Caves Reserve Trust

Dianne Leeson is Administrator of the Jenolan Caves Reserve Trust to implement the structural changes recommended by the Council on the Cost and Quality of Governments review in 2003. The Administrator also acts in the capacity of the Trust Board.

Overview

Jenolan Caves Reserve Trust has continued to operate the cave tour and accommodation facilities at Jenolan throughout 2012/2013, with a strong focus on building the sustainability of business operations across the organisation.

The Trust recorded strong growth across all operations with Caves House occupancy achieving 40.2% an improvement of 8.4% on last year's result and Caves Visitation recording an additional 22,727 visitors on the previous year.

This strong level of growth and was achieved through a multi faceted approach with targeted online packages; launch of the new website in October 2012 and a series of new cave tour products.

In December 2012 the NSW Government commenced a new Expression of Interest (EOI) process to divest management and operations of the commercial facilities at Jenolan Caves to the private sector. It is anticipated that this process will be finalised in the second half of the 2013/2014 year. The Trust is working closely with staff to ensure they are kept informed of progress and to appropriately manage transition arrangements.

Jenolan Caves Reserve Trust Division

In March 2006, the NSW State Government passed the Public Sector Employment Legislative Amendment Bill 2006. The legislation created the new employment entity, Jenolan Caves Reserve Trust Division.

All staff identified in this Report are employees of the Jenolan Caves Reserve Trust Division which provides personnel services to the Jenolan Caves Reserve Trust.

Visitation

The total number of cave visits to Jenolan Caves, as compared to the previous year, follows:

Jenolan	2011/12	2012/13
	217,698	240,425

Income & Expenditure

Revenue from continuing operations was \$11,266,032, an increase of \$822,944 on last year. Total expenditure before impairment expenses was \$10,265,887, an increase of \$505,852 on the previous year.

Key Achievements

Jenolan Caves received a number of important accolades and acknowledgements through the Regional, NSW and National Tourism Awards process in the 2012/13 financial year. Notable achievements were:

2012 QANTAS National Tourism Awards

- Silver – Ecotourism, Adventure Tourism and Cultural / Heritage Tourism.

2012 NSW Tourism Awards

- Gold Award – Ecotourism
- Gold Award – Cultural / Heritage Tourism
- Gold Award – Adventure Tourism

2012 Blue Mountains Tourism Awards

- Best Tourist Attraction
- Festivals and Events (Carols in the Caves)
- Ecotourism

These achievements highlight the commitment of the Trust's staff to ensure that every visitor to Jenolan has an exceptional experience.

Research and Monitoring

The Trust continues to support and encourage important research activities on the Reserve. Details of these are contained in the Research and Development Report.

The Karst and Geodiversity Unit, within the NSW Office of Environment and Heritage, provided the Trust with expert technical and strategic policy advice in relation to environmental, conservation and interpretation issues as well as undertaking an ongoing monitoring program to measure key environmental indicators within the show caves.

Overview (cont)

Marketing

The focus of the Trust marketing team has been to build both Hospitality and Caves business. Whilst the Trust continued to focus on building international group travel and growing events, a number of targeted online marketing opportunities were initiated throughout the year. Through the success of these partnerships combined with the launch of the new website Jenolan has avoided the declines anecdotally reported by other regional tourism operators.

World Heritage

The Trust continues to support the NSW Office of Environment and Heritage, and the Commonwealth Department of Environment, Water, Heritage and the Arts in the management of the Greater Blue Mountains World Heritage Area (GBMWA), which incorporates the Jenolan Karst Conservation Reserve.

The Trust is represented on the GBMWA Management Committee and has active input into decisions affecting, or with the potential to affect the natural, cultural and recreational values of the area.

This year the Trust hosted the GBMWA Management Committee meeting, showcasing the cultural and heritage values of the site.

Major Developments

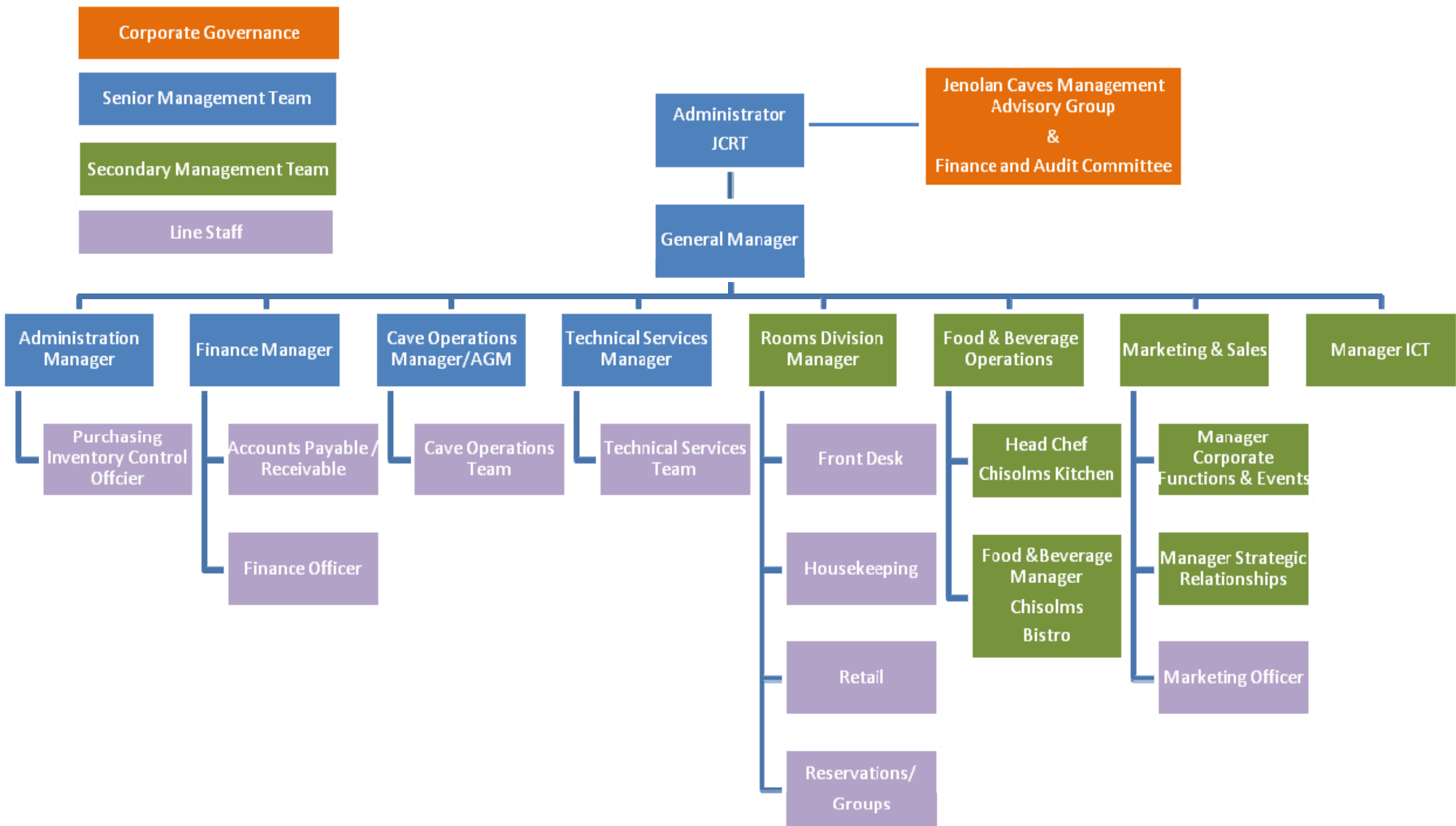
Major capital works projects that were either underway or completed during the 2012/2013 financial year are identified in the Statutory Information section of this report.

Sandy McFeeters
General Manager
Jenolan Caves Reserve Trust



Historic Photograph, Grand Arch, Jenolan Caves

Organisation Chart



Cave Operations

Performance Indicators

Compared to 2011/2012:

- Visitation: +10.44%
- Revenue: +14.66%
- Expenditure: +10.87%
- Number of Cave Tours: +4.6%
- Revenue per FTE: +14.7%
- Total Expense per Visitor: +0.4%
- Total Revenue per Visitor: +3.8%

2012/2013 Financial Year

- Total FTE: 32
- Number of Tours per FTE: 307.8
- Salaries & Wages as % of Total Expenditure: 55.5%

FTE = Full time equivalent staff

Visitation

Visitation increased by 10.4% on previous year's result to 240,425 cave visits, the highest figure for 15 years. Average yield per client increased 3.8% to \$22.18. The current environment for the NSW tourism industry remained intensely competitive throughout 2012/2013, negatively impacted by low consumer confidence and the high value of the \$AUD. In the context of the conditions facing the tourism industry, these results are considered exceptional, and remain favourable in comparison to comparable regional tourist attractions.

In 2011/2012 the NSW Government invested \$123,000 through Destination NSW's 2011/2012 Regional Tourism Product Development Program in the development of new surface walks and Aboriginal cultural tour content at Jenolan. This project was successfully completed in 2012/2013 in collaboration with the Gundungurra Tribal Council, Katoomba. The surface tracks were rebranded as the 'Jenolan Trails', with new signage and interpretive commentary available as a smart phone app. The Nettle Cave self guided

cave tour is now also available in a version dedicated to Indigenous heritage including elements of the Gundungurra language.

Jenolan continues to introduce new products and services. The children's programs have been further refined and expanded, and continue to be popular options. Other products have included 'Poetry in the Caves' and a series of 'Murder Mystery' productions in the Lucas Cave.

The Team

The Cave Operations Department is a highly professional team of Guides and support staff devoted to excellence in customer service in interpretation, sales and protection of the special environment in which they work.

Training

Internal and external training courses have been conducted in the following areas; Senior First Aid, Advanced Resuscitation, Remote Area First Aid, Certificated Level Three Outdoor Recreation (Caving), OHS Induction (White Card), Traffic Management (Blue Card) and Conflict Resolution. A comprehensive training manual has been revised and updated for all new guiding staff, and new workplace standard operating procedures prepared covering show caves, emergency procedures and customer service standards. The Trust has hosted both work experience and work placement students during the year. Programmes are available to cater for High Schools through to mature age students completing advanced studies in Tourism, Outdoor Recreation and Science.

Staff attended the following conferences; Australasian Cave & Karst Management Association Conference (4 Cave Operations staff presented papers), International Show Cave Association Conference (1 staff member), Linnean Society Symposium on the Science of Jenolan Caves (3 staff members presenting).

Cave Operations cont.

Natural Resource Management

The Cave Operations maintenance program continues to focus on cleaning of the show cave system made necessary by human usage, using vacuuming and water cleaning techniques largely developed at Jenolan by the guiding staff. A \$743,000 grant from the NSW Environmental Trust was secured for removal and replacement of all galvanised steel structures within the show cave system – an important step towards long term sustainability. Upgrading of cave lighting with more energy efficient luminaries has continued, with the *Diamond* and *Chifley* Caves largely retrofitted this financial year.

Jenolan Caves was also successful in gaining Advanced Ecotourism Accreditation through Ecotourism Australia.

Awards

Jenolan Caves was the winner of the 2012 Blue Mountains regional tourism awards for Best Tourist Attraction, Ecotourism and Festivals and Events (for 'Carols in the Caves'). At State level, Jenolan won a record three Gold Awards at the NSW Tourism Awards for 'Ecotourism', 'Adventure Tourism' and 'Cultural/Heritage Tourism'. At State level Jenolan also entered the category of Tourist Attractions and won Silver in this area. At the 2012 Qantas National Tourism Awards Jenolan Caves was the only tourist attraction in Australia to win three Silvers, for Ecotourism, Adventure Tourism and Cultural/Heritage Tourism.

Special Events

Jenolan's innovative events calendar continues to both encourage visitation as well as to generate media interest and publicity.

Jenolan again collaborated with the Australian Museum to offer "Science in the Bush", a series of activities and workshops at the Caves for secondary school students.

Musical concerts are a regular weekly event in the caves. Cello and Gypsy concerts featuring Georg Mertens and the Paganini Duo continued for a 15th year. Other events during the year included Opera in the Caves, Anglo/Celtic music, and Australian folk music.

The popular annual Community Christmas Carols was again held in the Grand Arch on December 8. Over \$15,000 was raised and donated to the Childhood Cancer Research Unit at the Children's Hospital at Westmead. Jenolan Caves is now recognised as a Premier Partner of the Children's Hospital for ongoing fundraising efforts.

Dan Cove
Manager Cave Operations
Jenolan Caves Reserve Trust



Temple of Baal Cave, Jenolan Caves

Jenolan Caves House

The hospitality operations of Jenolan comprise four accommodation units – Caves House (38 rooms), Mountain Lodge (30 motel style studios), Gatehouse backpacker lodge (14 rooms accommodating 70 guests) and Jenolan Cottages and Binoomea Cottage (10). Food and beverage operations incorporate Chisolms Grand Dining Room, Bistro day visitor facility and Kanangra Boyd Gallery function room for 120 guests. In addition a retail outlet featuring souvenirs is operated.

Revenue Generation

Hospitality business reported a significant improvement against previous years, achieving a gross revenue of \$4,440,510 an increase of \$505,669 on last year.

Strong results were reported across all areas. Accommodation operations delivered occupancy of 40.54% against 31.58% for the previous year an increase of \$197,582. Both food and beverage outlets also recorded excellent results with Chisolms revenue up \$148,576 and bistro reporting a \$160,421 improvement on last year.

Personnel

Although Jenolan is a key employer for the region, staffing continues to present a challenge for hospitality operations. To address these issues the Trust has continued to utilise the skills of 'travelling' staff to boost the local workforce numbers.

Considerable focus has been placed on building a skilled employee base and linking with local agencies to ensure skilled people are notified of vacancies at Jenolan.

Food & Beverage Facilities

In the 2012/2013 year improved menu options have been implemented through both the Bistro and Chisolms Restaurant resulting in positive guest feedback.

The Trust has focussed on guest feedback this year and has seen a significant improvement in guest satisfaction. The Trust has a Visitor Feedback Program where all forms are reviewed and distributed to the management team for action. A high priority has also been on improving guest amenities and ensuring that services provided meet guest expectations.

The appointment of a Food and Beverage Manager has also improved service levels in both the Bistro and Chisolms. Continued focus will be on the Rooms Division Operation in the 2013/2014 year.

Sandy McFeeters
General Manager
Jenolan Caves Reserve Trust



Jenolan Caves House, Jenolan Caves

Visitor Zone Maintenance

Maintenance

In addition to the regular maintenance associated with the Visitor Use and Services Zone at Jenolan, major initiatives included:-

- Ongoing maintenance on the built infrastructure within the Visitor Use & Services Zone.
- The Technical Services Team have been focusing on the Deferred Maintenance Program and have made substantial inroads into Accommodation, Visitor Areas and Walking Tracks.
- Essential Energy continued upgrading the Power Feed into the Jenolan Caves Precinct over the past 12 months, work will continue throughout the 2013/14 financial Year.
- Outdoor maintenance completed with the assistance of Oberon Correctional Centre including walking track maintenance, Jenolan Cottages maintenance, ground works, painting exterior furniture, decking and handrails.
- Technical Services Staff along with the Guiding Staff installed the new Walking Track App Signage.
- RMS and Contractors (Protection Barriers) replaced the wooden guide posts with Armco Safety Railing on a 4km section of the Five Mile Hill from the Heavy Vehicle Turnaround Bay to Inspiration Lookout. The last 4.5km is scheduled to be replaced in the 2013/14 Financial Year.
- Jenolan Caves suffered some adverse weather conditions during the past year causing considerable damage to the infrastructure on the Self Guided Cave through the Devil's Coachhouse including the Lighting, Pathways and Handrails which resulted in insurance claims being submitted.
- Shutdown of Caves House for Capital Works and Deferred Maintenance took place in February 2013 from the 4th to the 12th activities undertaken included: Replace the Kitchen Floor, Replace Carpet in Bar and Lounge areas of Caves House, Refurb Self Serve area of Chisolms Dining Room, Repairs

and Painting in Caves House and The Mountain Lodge.

- Install new Caves Timetable Board.
- Create a new Staff Room.
- New Contract for Fire Safety was awarded to Wormald.
- Emergency Generator installed at Jenolan Cottages.
- High involvement in the EOI Process with Consultants and Contractors.

Capital Works

- Concreting of the Carlotta Track from Caves House to the paved section above the Main Visitor Precinct.
- Installation of a shelter structure over the Lucas Cave Exit Staircase.
- Install new Exhaust Fans and Ventilation throughout the Mountain Lodge Accommodation Building.

Environmental Maintenance

The Trust has actively sought to continue to reduce its environmental impacts. Key initiatives have included:-

- Hydro electric generator – in operation for most of the year saving on fossil fuels.
- Replacement of Incandescent Lighting in the Cave System and throughout the Accommodation areas.
- Continuation of the riparian zone invasive weeds project and sycamore eradication in association with the Hawkesbury Nepean Catchment Management Authority, NP&WS, Lithgow Oberon Land-care Association with contracted works carried out by The Bush Doctor and The Good Bush People. Volunteer Groups including LOLA, TAFE Jenolan Staff, Residents and Friends also contributed greatly to the eradication of invasive weed species. We especially thank all Volunteers and Organizers involved in these projects for their time and effort and hope to continue working closely with these Volunteer Groups.

Visitor Zone Maintenance (cont.)

- Rubbish Recycling continues through our Rubbish Removal Contractor and Oberon Council.

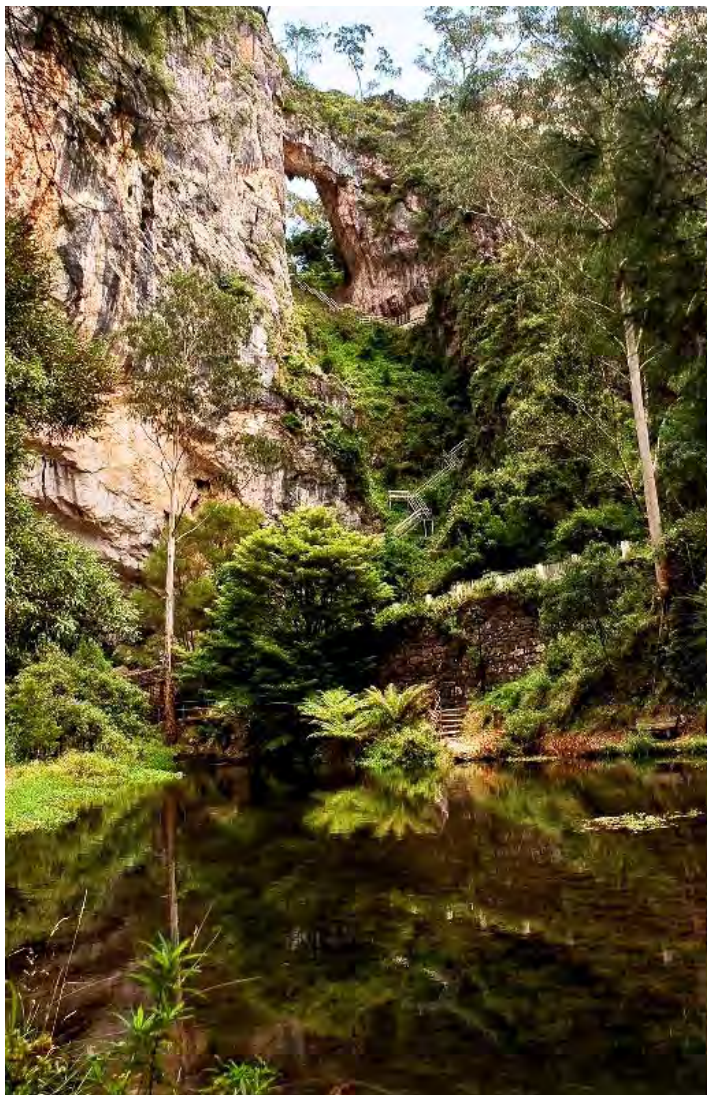
Staff

The remote location requires Jenolan Caves Reserve Trust to be predominantly self sufficient in technical and maintenance services.

Technical Services has a core team of 9.5 staff supplemented by specialist contractors as required.

Technical Services staff were trained in the following areas: - Electrical Test and Tag; Senior First Aid; Remote Area First Aid; Advanced Resuscitation; Asbestos Awareness and Identification, Staff also attended a variety of Trade Shows. In house training for members of staff included, Fire Alarm Response Training; Fire Safety and Fire Warden Training, Front-End Loader and Back-Hoe.

Paul Williams
Manager Technical Services and Capital Works
Jenolan Caves Reserve Trust



Carlotta Arch, Jenolan Caves

Research & Development

Jenolan Air and Water Quality Monitoring Program

The monitoring of air and water quality in Jenolan's show caves and selected water bodies has continued over 2012/13. Monitoring results indicate that cave atmosphere and water quality are within accepted natural parameters and conducive to cave forming and development processes. Results also show a correlation between visitor access and short term fluctuations in cave atmosphere.

Data collected from air and water quality monitoring is currently being compiled for future in depth analysis by scientists from Sydney University and potentially other institutions. Air quality data from the program is also being compared with similar data collected by Dr Chris Waring from the ANSTO Institute for Environmental Research to establish short and long term trends in CO₂ accumulation in caves.

The air and water quality monitoring being undertaken at Jenolan is arguably the most comprehensive of its type in Australia, and is the benchmark for contemporary cave management.

Jenolan Environmental Audit Program

A basic program of environmental auditing conducted by the NSW NPWS Karst and Geodiversity Unit was conducted throughout 2012/13 in the Jenolan Visitor Use and Services Zone to ensure that human activities do not adversely impact on karst values. The Jenolan Environmental Auditing Program (JEAP) sought to identify potential areas for environmental improvement; particularly as they relate to the storage and removal of waste products, and report these to management.

Bi-monthly inspections of the Reserve's major activity hubs where the potential for impacts is often the greatest were undertaken. In 2012/13 these inspections indicated that activities within all of the Reserve's major hubs were of negligible

environmental impact. Moreover, they also confirmed the presence of emergency response kits and related equipment which are essential in the event of an environmental incident.

Linking Modern Hydrology and Weather to Speleothem Climate Records

Dr Chris Waring from the ANSTO Institute for Environmental Research has continued his research into the relationship between speleothems growth, weather and climate. While further analysis is required, the preliminary findings of Dr Waring's work indicate a strong relationship between CO₂ levels in caves and speleothem development. The research undertaken by Dr Waring is also beginning to expand our understanding of bacterial activity within the show cave system through measurements of methane levels in sections of the Chifley Cave.

Jenolan Show Caves Survey

In May 2005, Dr Julia James and students from Sydney University, along with members of the caving community, commenced a detailed survey of Jenolan show caves using the latest in digital technology. The majority of this work is now complete, with three dimensional plans of relevant show caves currently, or soon to be, available for the use of management in guiding future cave development and in better understanding the geophysical structure of caves.

In addition, a small team from the Autonomous Systems Laboratory at CSIRO has been developing 3D mapping technology with a hand held lidar system which has been trialled in the show cave system. The data acquired from this technology shows great promise for more efficient mapping of all cave areas and production of complex 3D maps and models. This will enhance overall understanding of the interrelated nature of the cave system.

Research & Development (cont)

Jenolan Mammoth Cave Survey

The surveying of the Mammoth Cave – the largest in the Jenolan complex – has been a long term project of the Sydney University Speleological Society. 2012/13 saw the advancement of this project with the publication of a series of updated maps and cross sections of the cave. Mammoth is one of the principle commercial adventure caves operated by the Jenolan Caves Reserve Trust.

Linnean Society Symposium

The Linnean Society of NSW held a two day symposium in May 2013, hosted by the Jenolan Caves Reserve Trust, on a multi-disciplinary approach to establishing the current gaps in scientific understanding at Jenolan Caves and establishing future research areas.

Dan Cove

**A/Assistant General Manager
Jenolan Caves Reserve Trust**



Mammoth Cave, Jenolan Caves

Corporate Resources

Finance Department

The Finance department is focussed on meeting the information needs of both internal and external clients. This involves day to day processing, reporting, advice and project participation.

The Finance Department is headed by the Acting Manager Business and Finance and supported by the Acting Finance Officer and Creditors / Debtors Officer.

Capital Expenditure

Expenditure on capital works and equipment totalled \$358,148 and consisted of:

General infrastructure and environmental projects	\$256,094
IT Upgrade	\$102,054
	<u>\$358,148</u>

Information Technology

The Trust has developed a replacement program for all its frontline machines and has commenced replacement of frontline machines in the hospitality operations and cave operations. The Trust installed fibre optic cabling which has improved communications and speed for the site.

Annual Financial Statements

Below is a summary from the Statement of Comprehensive Income for 2012/2013 compared with 2011/2012.

	\$ 2012/2013	\$ 2011/2012
Revenues from continuing operations	11,266,032	10,443,088
Total Expenses (excluding impairment expenses)	10,265,887	9,760,035
Profit/(Loss) from ordinary activities	1,000,145	683,053

Statutory Information

Senior Executive Officers

Total no. of senior executive positions: Current year: nil Previous year: nil
Number of female senior executive officers: Current year: nil Previous year: nil

Classification of Positions

Listed below is the classification of positions for the last 3 years.

	2010/2011	2011/2012	2012/2013
General Manager	1	1	1
Administration Manager	1	1	1
Systems Administrator & Finance Officer	1	1	
Manager Information, Communications & Technology			1
Manager Business & Finance	1	1	1
Administration Officers	4 0.4vacant	4 0.4 vacant	Deleted
Finance Officer			1
Creditors / Debtors Officer			1
Marketing Officer			1
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Visitor Services Officers	Deleted	Deleted	Deleted
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works	1	1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	2	2	2
Maintenance Officer	3.5 1 vacant	3.5 1 vacant	3.5 1 vacant
Manager Food & Beverage Operations	Deleted	Deleted	1
Manager Rooms Division	Deleted	Deleted	1
Manager Hospitality Operations	1	1	Deleted
Head Chef Caves House	1	1	1

Recruitment Statistics

In all there are 34 permanent positions covering 4 categories. Permanent staff also engage in job sharing arrangements in the Cave Operations and Technical Services departments.

Temporary placements, and a casual workforce of up to 120, supplement the Trust's team of permanent employees.

The Trust's estimated full time equivalent staff number (FTE) as at 30 June 2013 was 73.84.

There was one voluntary redundancy payment during the year.

Statutory Information (cont)

Training

Total training costs for the year were \$18,524.

Total paid staff hours for external training:

2012/2013	\$7,793
2011/2012	\$4,151
2010/2011	\$17,739

Courses undertaken during the year included First Aid Training; Outdoor Recreation (Caving); OHS induction; Traffic Management; Conflict Resolution; Electrical Tag and Test; Asbestos Awareness and Identification; Fire Safety.

EEO Statistics

Total positions held by males and females are detailed below:

	Males %	Female %
2010/2011	59	41
2011/2012	50	50
2012/2013	53	51

Of the permanent employees 66% are male and 34% are female. In 2012/2013 the average remuneration for males was \$59,648 and females \$68,244.

Approximately 13.5% of all staff on the payroll are permanent, the balance are employed on a temporary or casual basis.

Staff relieved in higher positions (minimum 5 days relief) on 2 occasions.

Overseas Visits

There were no official overseas visits undertaken by staff during the 2012/2013 financial year.

Consultants

Throughout 2012/2013 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

Equal to or more than \$30,000

Topline Tourism \$ 52,000

Under \$30,000

Financial Consultancies (1) \$ 35,622
Environmental Consultancies (1) \$ 2,614

TOTAL CONSULTANCIES \$ 90,236

Account Payment Performance

Account payment performance indicators for 2012/2013 financial year:

Average value of creditor payments processed per month

Current (within 30 days)	\$44,191
Less than 30 days overdue	\$137,752
Between 30-60 days overdue	\$0
Between 60-90 days overdue	\$0
Over 90 days overdue	\$0
Percentage of accounts paid on time	90%
Total of accounts paid on time	\$5,550,322
Total of accounts paid	\$6,167,025

Commentary:

- Payment is made on invoice after authorisation within terms through the Accounts Payable module of the Accpac accounting package.
- Credit card use in the Trust has been in accordance with Premiers Memorandum and Treasurer's Direction.

The electronic transfer of funds using the Westpac Corporate Online facility was continued in 2012/2013.

Statutory Information (cont)

Disability Plans

The Trust provides a quality experience for all visitors to the Reserve. Strategies for assisting people with special needs range from the construction of access ramps, to staff members helping visitors adjust to 'closed' cave environments. Other services provided by the Trust include:

- The provision of tailored-tours to cater to the special needs of the elderly and visually impaired.
- The grading of show caves in terms of the number of steps and degree of difficulty.
- Easier access for people with limited mobility. Five of the nine show caves at Jenolan now have 50mm stainless steel handrails installed and steps regraded to make them more standard.
- The continuation of relighting in the show caves to provide an optimum and even level of step illumination to assist visitors to negotiate steps in the caves.
- Wheelchair assisted access to part of the self guided tour at Jenolan and two sections of currently guided tours.

Ethnic Affairs Priorities Statement

The four principles of cultural diversity enshrined in the NSW Government legislation are reflected in the Trust's Ethnic Affairs Priority Statement.

A key priority for the Trust is raising awareness of the unique natural and cultural resources of the karst conservation reserves within ethnic communities. In this regard, initiatives have included:

- The provision of 'Meet and Greet Programs' to cater for the special needs of visitors.
- Ongoing liaison with inbound tour operators to ensure that client/customer services are tailored to meet individual needs.
- The recruitment of multi-lingual staff. New guiding positions include a second language as a desirable qualification.
- Ongoing research into the needs of ethnic groups and particular market segments.

- The implementation of competency-based training for guides, which includes a nationally recognised module on cultural awareness.
- Provision of audio guides for the self guided tour at Jenolan in English, German, Mandarin, Japanese, Korean, Russian, French and Spanish.

Consumer Response

The Trust strives to ensure a high level of visitor satisfaction, and considers the views and comments of visitors when devising policies and operating procedures.

A Visitor Monitoring Program (VMP) has been introduced at Jenolan Karst Conservation Reserve to provide feedback on a range of issues. The VMP obtains feedback via the following methods:

- Onsite customer feedback surveys.
- Targeted surveys, activated when significant issues are identified.
- Feedback provided to staff.
- Visitors Book comments.
- Online Surveys.

The collected data is evaluated and used in the development of management actions.

Work Health & Safety

The WHS Committee has been working closely with management and staff and has:

- eliminated slip and trip hazards within the show-cave system.
- implemented workplace inspections.
- meets monthly and distributes information to staff from meetings on a regular basis.
- monitored trends in workplace incidents and advised management of any issues identified.

Statutory Information (cont)

Government Information (Public Access) Act 2009 Requests

There were no GIPA requests in 2012/2013.

Risk Management

The Trust has in place an Audit and Finance Committee which meets monthly. This Committee has completed internal audits of the Trust's Cost of Goods and further internal audits will be completed in the 2013/2014 financial year.

Energy Management

The Trust has reviewed and is compliant with its Energy Management Policy. The Trust has also installed energy efficient bulbs in Jenolan Caves House and has upgraded some show caves to use more energy efficient lighting.

The Trust makes use of its hydro electric generator which was in use for a large portion of the year saving on fossil fuels.

Waste Management

All sewage, septic and garbage waste and refuse is removed from the Jenolan Karst Conservation Reserve and recycled where possible.

Trimmed and removed trees are mulched and distributed on the Reserve gardens.

Policy & Planning

A draft Plan of Management for the Jenolan Karst Conservation Reserve is being prepared by the Office of Environment and Heritage and will be finalised to prior to the Expression of Interest process.

Research

Research projects that were completed or are on-going are identified in the Environment Report.

Major Works Completed or Underway

Major works programs completed or underway are:

- Concreting of Carlotta Walking Track.
- Installation of shelter over the Lucas Cave exit.
- Installation of exhaust fans and ventilation throughout the Mountain Lodge accommodation.
- Installation of fibre optic cabling.

Publications

Brochures/Leaflets:

The Trust publishes a variety of in-house brochures and information sheets on the services and facilities it provides which are available to the public at various tourist sites around NSW and at Jenolan Caves.

Other:

Annual Reports.

Printing Annual Report 2012/2013

Total external cost – Nil.

The Trust's Annual Report is available on the Jenolan Caves Reserve Trust website www.jenolancaves.org.au

Statutory Information (cont)

Internal Audit and Risk Management Statement for 2012-2013 Financial Year for Jenolan Caves Reserve Trust and the Consolidated Entity (JCRT)

I, the Administrator, am of the opinion that the internal audit and risk management processes for JCRT depart from the core requirements set out in Treasury Circular NSW TC 09/08 and that (a) the circumstances giving rise to these departures have been determined by the Portfolio Minister and (b) the JCRT has implemented or plans to implement the following practicable alternative measures that will achieve a level of assurance equivalent to the requirement:

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core Requirements 1 & 6	There is an ongoing relationship with the Internal Audit Bureau to provide advice and assistance with internal control.
Core Requirements 2 to 5	Internal audit and risk processes have been established together with a risk register. JCRT sought to establish a relationship with the then Department of Environment, Climate Change and Water (DECCW) Audit and Risk Committee under the DECCW cluster arrangement. However it has subsequently been determined that as JCRT is not under the control of DECCW whilst an Administrator is in place, DECCW is not in a position to provide independent Audit and Risk Committee functions to JCRT. It is currently proposed that control of JCRT will transfer to Office of Environment and Heritage (OEH) prior to 30 June 2014 and at this time JCRT should fall fully within the OEH Audit and Risk Committee cluster arrangement.

The practicable alternative measures implemented and planned to be implemented, provide a level of assurance that enable and will further enable the senior management of JCRT to understand, manage and satisfactorily control risk exposures.

Dianne Leeson
Administrator

Independent Audit Report



INDEPENDENT AUDITOR'S REPORT

Jenolan Caves Reserve Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Jenolan Caves Reserve Trust (the Trust), which comprise the statements of comprehensive income, the statements of financial position as at 30 June 2013, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Trust and the consolidated entity. The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and the consolidated entity as at 30 June 2013, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *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 Administrator's Responsibility for the Financial Statements

The Administrator of the Trust is 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 Administrator determines is necessary to enable the preparation of the 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 entity's preparation of the financial statements that give a true and fair view 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 Administrator of the Trust, 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 Trust or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, that may have been hyperlinked to/from the financial statements.

Independence

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

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



Karen Taylor
Director, Financial Audit Services

15 October 2013
SYDNEY

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
YEAR ENDED 30 JUNE 2013**

Statement by Members of the Trust

Pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Jenolan Caves Reserve Trust, we declare on behalf of the Trust that in our opinion:

1. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions.
2. The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2013 and the financial performance for the year then ended.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



**Dianne Leeson
Administrator**



**Sandy McFeeters
General Manager**

14th October 2013

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
Income					
Revenue from continuing operations	3	9,780,727	8,676,711	9,780,727	8,676,711
Grants received <i>(NSW Govt & other)</i>	3	1,443,718	1,690,699	1,443,718	1,690,699
Other income	3	41,587	75,678	14,916	16,710
Total income	3	11,266,032	10,443,088	11,239,361	10,384,120
Less: Cost of goods sold		1,436,099	1,285,201	1,436,099	1,285,201
Gross trading surplus		9,829,933	9,157,887	9,803,262	9,098,919
Less: operating expenditure					
Salaries & wages	4.1	6,166,376	5,769,123	-	-
Personnel services <i>(costs of staff provided by the Division)</i>	4.1	-	-	6,166,376	5,769,123
Personnel services <i>(defined benefit fund supplementary charge for fund (gain)/loss)</i>	4.1	-	-	(636,196)	752,911
Administrator costs		-	833	-	833
Bad debts written off/(recovered)		21,461	(18,623)	21,461	(18,623)
Consultancy fee		90,237	153,776	90,237	153,776
Contract labour		37,866	181,280	37,866	181,280
Depreciation & impairment	4.2	350,890	405,341	350,890	405,341
Insurance		92,649	105,855	92,649	105,855
Interest		63,763	80,605	63,763	80,605
Marketing		145,405	172,702	145,405	172,702
Motor vehicle		43,563	32,418	43,563	32,418
Repairs and maintenance		382,895	300,015	382,895	300,015
Telephone, postage & internet		100,422	122,874	100,422	122,874
Utilities		488,440	373,405	488,440	373,405
Other expenses	4.3	845,822	795,230	919,585	822,296
Total operating expenditure		8,829,788	8,474,834	8,267,355	9,254,811
Surplus / (deficit) from continuing operations		1,000,146	683,053	1,535,908	(155,892)
Other comprehensive income					
<i>Items that will not be reclassified to net result:</i>					
Actuarial gains/(losses) on Defined Benefit	14	535,762	(838,945)	-	-
Fund obligations	8	1,550,219	1,734,970	1,550,219	1,734,970
Asset revaluation increment		-	-	-	-
Total other comprehensive income for the year		2,085,981	896,025	1,550,219	1,734,970
Comprehensive surplus / (deficit)		3,086,127	1,579,078	3,086,127	1,579,078

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash & cash equivalents	5	2,450,215	1,746,071	2,450,215	1,746,071
Trade & other receivables	6	348,997	315,891	348,997	315,891
Inventories	7	179,377	178,413	179,377	178,413
Total current assets		2,978,589	2,240,375	2,978,589	2,240,375
Non-current assets					
Property, plant & equipment	8	14,580,987	13,095,360	14,580,987	13,095,360
Total non-current assets		14,580,987	13,095,360	14,580,987	13,095,360
		17,559,576	15,335,735	17,559,576	15,335,735
TOTAL ASSETS					
LIABILITIES					
Current liabilities					
Trade & other payables	9	674,628	894,245	1,445,468	2,301,282
Provisions	10	794,405	780,923	794,405	780,923
Borrowings	2.5/11	1,168,216	61,688	1,168,216	61,688
Total current liabilities		2,637,249	1,736,856	3,408,089	3,143,893
Non-current liabilities					
Defined Benefit Fund liability	14	770,840	1,407,037	-	-
Provisions	10	32,659	27,568	32,659	27,568
Borrowings	2.5/11	-	1,131,572	-	1,131,572
Total non-current liabilities		803,499	2,566,177	32,659	1,159,140
		3,440,748	4,303,034	3,440,748	4,303,034
TOTAL LIABILITIES					
NET ASSETS					
		14,118,828	11,032,701	14,118,828	11,032,701
EQUITY					
Accumulated profits/(losses)	13	(2,186,859)	(3,722,767)	(2,186,859)	(3,722,767)
Contributed equity	12	5,831,749	5,831,749	5,831,749	5,831,749
Reserves	13	10,473,938	8,923,719	10,473,938	8,923,719
TOTAL EQUITY		14,118,828	11,032,701	14,118,828	11,032,701

The above statement of financial position should be read in conjunction with the accompanying notes.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

<u>Consolidated Entity</u>	Notes	Contributed equity \$	Reserves \$	Retained earnings /(accum. losses) \$	Total \$
Balance at 1 July 2011		5,831,749	7,188,749	(3,566,875)	9,453,623
Result for the year	13	-	-	683,054	683,054
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	(838,946)	(838,946)
- Asset revaluation increment	8/13		1,734,970	-	1,734,970
Total comprehensive income for the year		-	1,734,970	(155,892)	1,579,078
Balance at 30 June 2012		5,831,749	8,923,719	(3,722,767)	11,032,701
Result for the year	13	-	-	1,000,146	1,000,146
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	535,762	535,762
- Asset revaluation increment	8/13	-	1,550,219	-	1,550,219
Total comprehensive income for the year		-	1,550,219	1,535,908	3,086,127
Balance at 30 June 2013		5,831,749	10,473,938	(2,186,859)	14,118,828

<u>Jenolan Caves Reserve Trust</u> <i>(Parent Entity)</i>	Notes	Contributed equity \$	Reserves \$	Retained earnings /(accum. losses) \$	Total \$
Balance at 1 July 2011		5,831,749	7,188,749	(3,566,875)	9,453,623
Result for the year	13	-	-	597,019	597,019
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	(752,911)	(752,911)
- Asset revaluation increment	8/13	-	1,734,970	-	1,734,970
Total comprehensive income for the year		-	1,734,970	(155,892)	1,579,078
Balance at 30 June 2012		5,831,749	8,923,719	(3,722,767)	11,032,701
Result for the year	13	-	-	899,712	899,712
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	636,196	636,196
- Asset revaluation increment	8/13	-	1,550,219	-	1,550,219
Total comprehensive income for the year		-	1,550,219	1,535,908	3,086,127
Balance at 30 June 2013		5,831,749	10,473,938	(2,186,859)	14,118,828

The above statements of changes in equity should be read in conjunction with the accompanying notes.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
Cash flows From operating activities					
Receipts from customers		10,475,739	8,562,366	10,475,739	8,562,366
NSW Government supplementation funding		700,000	1,690,699	700,000	1,690,699
Payments to suppliers & employees		(10,152,050)	(9,079,628)	(10,152,050)	(9,079,628)
Interest received		30,517	22,401	30,517	22,401
Interest paid		(63,763)	(80,605)	(63,763)	(80,605)
Net cash inflow/(outflow) from operating activities	15	990,442	1,115,233	990,442	1,115,233
Cash flows from investing activities					
Payments for property, plant & equipment	8	(286,298)	(122,077)	(286,298)	(122,077)
Proceeds from sale of investments		-	-	-	-
Net cash inflow/(outflow) from investing activities		(286,298)	(122,077)	(286,298)	(122,077)
Cash flows from financing activities					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-	-	-	-
Net cash (outflow) inflow from financing activities		-	-	-	-
Net inc/(dec) in cash & cash equivalents		704,144	993,156	704,144	993,156
Cash & cash equivalents at beginning of year	5	1,746,071	752,915	1,746,071	752,915
Cash & cash equivalents at balance date	5	2,450,215	1,746,071	2,450,215	1,746,071

The above statements of cash flows should be read in conjunction with the accompanying notes.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

REPORTING ENTITY

The Jenolan Caves Reserve Trust (the Trust) and Jenolan Caves Reserve Trust Division (the Division), together referred to as the Consolidated Entity, was constituted under the *National Parks and Wildlife Amendment (Abercrombie, Jenolan and Wombeyan Karst Conservation Reserves) Act 1997 No. 2*. The Trust's mission is to conserve the natural and cultural resources of the Jenolan Karst Conservation Reserves, and to promote them as leading visitor destinations in a manner which is environmentally, culturally and commercially sustainable.

The principal activities of the Trust are environmental conservation; cave interpretation and provision of accommodation and hospitality facilities at the Jenolan Caves. During 2010/11 the Trust determined, in context of NSW Treasury's Policy Paper TPP05-4, "Distinguishing For-profit from Not-for-profit Entities", that its operations are undertaken on a "not for profit" basis, as the making of profit is not the Trust's prime objective. The Trust continues to strive to achieve commercial revenue from its considerable natural and built assets and activities. Revenues earned from the Trust's commercial activities are fully retained within the Trust and re-invested in managing and maintaining the Caves and their related infrastructure.

Authorisation of the Financial Report

The consolidated financial report for the year ended 30 June 2013 has been authorised for issue by the Trust on the 14th October 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless stated otherwise. The financial report includes separate financial statements for the Jenolan Caves Reserve Trust and the consolidated entity consisting of Jenolan Caves Reserve Trust and its subsidiaries.

1.1 Basis of preparation

The Trust's financial report is a general-purpose financial report. The financial statements have been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), the provisions of the Public Finance and Audit Act and Regulations, and NSW Treasurer's Directions.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently prepared unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.2 Principals of consolidation

The consolidated financial statements incorporate the assets and liabilities and trading results of the Trust and its subsidiary (the Division) for the year. The Trust has the power to govern the financial and operating policies of the Division.

The subsidiary of the Trust is Jenolan Caves Reserve Trust Division of the Government of NSW (the Division). The Division is a special purpose entity established under the Public Sector Employment Legislation Amendment Act 2006 (PESELAA) on 17 March 2006. The Trust exercised control over the Division from this date.

All inter-company balances and transactions between the Trust and its subsidiary, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiary have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

1.3 Employee benefits

i) Salaries and wages, annual leave and associated costs

Liabilities for salaries and wages, including non-monetary benefits, annual leave and on-cost are expected to be settled within 12 months at the reporting date are recognised in other payables in respect of the employee services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for salaries and wages and annual leave are recognised and are measured as the amount unpaid at balance date at the expected rate of remuneration in respect of employee services up to that date.

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.

ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service.

iii) Superannuation

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.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, Plant and Equipment

Acquisition of assets

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

Plant and equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

Capital work in progress (WIP)

The initial recording of the payment for materials/labour/overheads on all capital works in progress is controlled by the Trust. Once the project has been fully completed, notification is provided and the project is then capitalised.

Basis of revaluation

Physical non-current assets are valued in accordance with the NSW Treasury Department's "Valuation of Physical Non-Current Assets at Fair Value". There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted by the Trust.

Each class of physical non-current assets are normally revalued every five years and with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

During 2012-13, the General Infrastructure asset class was valued by the Trust's management, using a method approved by the Department of Environment, Climate Change and Water (DECCW) – Parks Wildlife Trust. JCRT staff used a method of establishing a per metre unit cost where applicable, and of comparing current quotations and values with indexing of historical works costs to establish a final fair value and new cost valuation of all general infrastructure assets. Due to the specialised nature of these types of assets, this method developed by the Trust's employees is considered to be the only feasible method of valuing this type of infrastructure.

The periodic five year valuation was due to be undertaken on the Trust's land and buildings during 2012/13. However, the Trust and NSW Government have progressed a further Expression of Interest process which may lead to an overall facility valuation being undertaken on a different basis in the near future. In recognition of this possible development, the Trust has again considered it financially prudent to defer a fresh valuation of its major building and land assets. The Trust considered it unlikely there would have been a material change in the assessed depreciated replacement value of the major buildings and infrastructure.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, plant and equipment (continued)

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, the increase is first recognised in other income.

Revaluation decrements are recognised immediately as expenses in the results for the year from ordinary activities, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been re-valued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

Depreciation

Land is not depreciated. Depreciation on other assets is provided on a straight line basis over the useful life of the asset to the Trust based on independent valuation or actual cost where applicable.

Major depreciation periods for significant asset groups are as follows:

Buildings and Workshops	10 to 100 years
Staff Accommodation	100 years
Cave Infrastructure	25 to 100 years
General Infrastructure	10 to 100 years
Plant and Equipment & Vehicles	3 to 10 years
Computer Equipment	3 to 10 years

Impairment

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal at each reporting date.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.5 Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash flow equivalents includes cash on hand deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

1.6 Trade and other receivables

Receivables are recognised at fair value, based on the original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value.

1.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust prior to year end and other amounts, including accrued interest, which are unpaid at balance date. Interest is accrued over the period it becomes due.

1.9 Leased assets

Leases under which the Trust assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating leases

Payments made under operating leases are recognised as an expense in the statement of comprehensive income on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Also refer to Note 17.

1.10 Revenue recognition policy

Revenue is measured at fair value of the consideration received net of the amount of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Cave tours and sale of goods

Revenue from cave interpretations and the sale of goods is recognised (net of returns, discounts and allowances) when control of the goods passes or the service is provided to the customer.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

1.10 Revenue recognition policy *(continued)*

Rendering of services

Sales of services are recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised under the percentage of completion method, based on the actual service provided as a proportion of the total services to be provided.

Government grants

Grants from the NSW Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Trust will comply with all the attached conditions. Other grants and contributions are recognised as revenues when received.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Sale of non-current assets

The net profit/loss from non-current asset sales is included as other income/expense at the date control of the asset passes to the buyer.

1.11 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of the cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO are classified as operating cash flows.

1.12 Investments and other financial assets

Classification

The Trust classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held to maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through Statement of Financial Performance

Financial assets at fair value through the Statement of Financial Performance are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.12 Investments and other financial assets *(continued)*

(iii) Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Trust's management has the positive intention and ability to hold to maturity. If the Trust were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available for sale. Held to maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available for sale financial assets

Available for sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Trust commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Trust has transferred substantially all the risks and rewards of ownership.

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held to maturity investments are carried at amortised cost using the effective interest method.

Available for sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Trust's right to receive payments is established.

Impairment

The Trust assesses at each balance date whether there is objective evidence that a financial asset or Trust of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available for sale are not reversed through the statement of comprehensive income.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.13 Borrowings

Borrowings are initially recognised at fair value, and where the borrowing is not designated as a financial liability at fair value through profit and loss, its fair value plus transaction costs directly attributable to the issue of the financial liability.

Current borrowings from NSW Treasury Corporation are recognised as a financial liability through profit or loss. Borrowings are subsequently carried at its fair value. Gains or losses from changes in the fair value of financial liabilities at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income or other expenses in the period in which they arise.

1.14 Comparative Figures

Comparative figures have adjusted to conform to changes in presentation for the current financial year.

1.15 New accounting standards and interpretations

No new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application. Set out below are changes to be effected, their date of application and the possible impact on the financial statements of the Trust:

- *AASB 9 and AASB 2010-7, Financial Instruments have mandatory application from 1 July 2015 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. The change is not expected to materially impact the financial statements.*
- *AASB 10, Consolidated Financial Statements has mandatory application from 1 July 2013 and provides replacement criteria for the assessment of control in lieu of the provisions of AASB 127. Changes to the reporting of consolidated entities is not expected as a result of this amendment.*
- *AASB 11, Joint Arrangements has mandatory application from 1 July 2013 and defines joint control and the determination of joint control through an assessment of rights and obligations. The Standard is not expected to have any effect for the Trust's accounts.*
- *AASB 12, Disclosure of Interests in Other Entities, has mandatory application from 1 July 2013 and requires disclosure of significant judgements and assumptions made in determining the nature of its interests in another entity or arrangement. The Standard is not expected to have any effect for the Trust's accounts.*
- *AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement have mandatory application from 1 July 2013 and address, inter alia, the assumptions that market participants would use when pricing the asset or liability. Future impact is assessed as minimal.*
- *AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements, have mandatory application from 1 July 2013 and cover the recognition and measurement of short term and long term employee benefits. Any changes to the 2013/14 financial statements will be dependent on the policy of NSW Treasury.*
- *AASB 127, Separate Financial Statements, has mandatory application from 1 July 2013 and applies in accounting for interests in subsidiaries, joint ventures and associates. Based on current activities, it is assessed as having no impact for the Trust.*
- *AASB 128, Investments in Associates and Joint Ventures, has mandatory application from 1 July 2013. Based on current activities, it is assessed as having no impact for the Trust.*
- *AASB 1053 and AASB 2010-2, Application of Tiers of Australian Accounting Standards, have application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.*
- *AASB 1055, Budgetary Reporting, has application from 1 July 2014. Any changes in future disclosures will be determined by the policies adopted by NSW Treasury for whole of government reporting.*

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.15 New accounting standards and interpretations *(continued)*

- AASB 2010-10 regarding removal of fixed dates for first time adopters, has mandatory application from 1 July 2013. Based on current activities, it is assessed as having no impact for the Trust.
- AASB 2011-2, *Trans-Tasman Convergence Project - Reduced Disclosure Requirements*, has mandatory application from 1 July 2013 and may result in a lessening of reporting requirements, dependent on the policy of NSW Treasury.
- AASB 2011-4, *Amendments to Australian Accounting Standards To Remove Individual Key Management Personnel Disclosure Requirements*, has application from 1 July 2013 and removes the requirement to individually report the remuneration of Key Management Personnel, recognising that this is more a governance issue.
- AASB 2011-6, *Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements (AASB 127, AASB 128 and AASB 131)*, applies from 1 July 2013. The exemption is not expected to have a material impact.
- AASB 2011-7, *Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards*, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. The changes have application from 1 July 2013 but are assessed as having no material effect.
- AASB 2011-10, *Amendments to Australian Accounting Standards arising from AASB 119*, applicable from 1 July 2013 assessed as having no material impact.
- AASB 2011-11, *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements*, applicable from 1 July 2013 assessed as having no material impact.

The following changes will depend on the policies determined by NSW Treasury:

- AASB 2012-1, *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements*. Sets out reduced disclosure requirements as a consequence of the issuance of AASB 13, having application from 1 July 2013.
- AASB 2012-2, *Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities*, has application for reporting periods starting on or after 1 January 2013 and seeks to address some of the offsetting criteria of AASB 7.
- AASB 2012-3, *Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities*, has application from 1 January 2014 and seeks to address inconsistencies identified in applying some of the offsetting criteria of AASB 132.
- AASB 2012-4, *Amendments to Australian Accounting Standards – Government Loans (Amendments to AASB 1 'First-time Adoption of International Financial Reporting Standards')*. Applicable to reporting periods on or after 1 January 2013.
- AASB 2012-5 regarding annual improvements 2009 to 2011 cycle. Applicable to reporting periods on or after 1 January 2013.
- AASB 2012-7, *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Applicable to reporting periods on or after 1 January 2013.
- AASB 2012-9, *Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*. Applicable to reporting periods on or after 1 January 2013.
- "AASB 2012-10, *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*. Applicable to reporting periods on or after 1 January 2013.
- AASB 2012-11, *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments*, having application from 1 July 2013.
- AASB 2013-1, *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements*, having application from 1 July 2014.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk management policies

The activities of Jenolan Caves Reserve Trust expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Jenolan Caves Reserve Trust's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse affects on the financial performance of the consolidated entity. The Trust uses different methods to measure different types of risk to which it is exposed including aging analysis for credit risk.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss.

Credit is managed by ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Risk is minimised by ensuring that surplus funds are held only in financial institutions that have a minimum independently assessed credit rating of "A". For customers, management assesses the credit worthiness of the customer, taking into account their financial position, past experience and other factors. Compliance with customer credit limits is monitored by management.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facility and the ability to close out of market positions.

The Trust manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping committed credit lines available. Surplus funds are generally only invested in major financial institutions.

(c) Market risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Trust holds financial instruments which are other than the AUD functional currency of the Trust. The Trust has minimal exposure to commodity, foreign exchange, equity and interest rate risk.

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. In terms of interest rate risk, the borrowings of the Trust are either interest free loans or fixed interest. No borrowings of the Trust are exposed to variable interest rates.

(d) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Trust for similar instruments.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

2 FINANCIAL RISK MANAGEMENT *(continued)*

2.2 Financial instrument composition

The Trust's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:-

	notes	Variable interest		Fixed interest		Non-interest bearing		Total carrying amounts at year end	
		2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
1. Financial assets									
Cash & investments	5	2,421,025	1,713,221	-	-	29,190	32,850	2,450,215	1,746,071
Trade and other receivables	6	-	-	-	-	348,997	315,891	348,997	315,891
Total financial assets		2,421,025	1,713,221	-	-	378,187	348,741	2,799,912	2,061,962
2. Financial liabilities									
Trade & other payables	9	-	-	-	-	674,628	894,245	674,628	894,245
Borrowings	11	-	-	1,168,216	1,193,260	-	-	1,168,216	1,193,260
Total financial liabilities		-	-	1,168,216	1,193,260	674,628	894,245	1,842,844	2,087,505

2.3 Trade and other receivables analysis

(a) Impaired trade receivables

As at 30 June 2013, current trade receivables of the Trust with a nominal value of \$13,702 (2012: \$6,221) were considered impaired as the Trust had taken action through 2012/13 to identify and write-off any debts considered non-recoverable. The Trust has created a Doubtful Debt provision for the current year.

There are no amounts of collateral held as security at 30 June 2013 with regard to these receivables.

(b) Past due but not impaired

As of 30 June 2013, trade receivables of \$113,714 (2012: \$143,483) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013 \$	2012 \$	2013 \$	2012 \$
1-30 days overdue	75,843	93,404	75,843	93,404
31-60 days overdue	26,278	16,219	26,278	16,219
Greater than 60 days over due	11,593	33,860	11,593	33,860
	113,714	143,483	113,714	143,483

There are no amounts of collateral held as security at 30 June 2013 with regard to these receivables.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. FINANCIAL RISK MANAGEMENT *(continued)*

2.3 Trade and other receivables analysis *(continued)*

(c) Other receivables

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these classes, it is expected that these amounts will be received when due.

(d) Foreign exchange and interest rate risk

The Trust is not exposed to foreign currency risk or interest rate risk in relation to trade and other receivables.

(e) Fair value and interest rate risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

2.4 Trade and other payables analysis

(a) Trade and other payables expected to be settled within the next 12 months

Trade and other payables, excluding taxes payable by the Trust, are expected to be paid as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Due within 1 month	459,110	636,774	459,110	636,774
Due within 1-2 months	2,575	23,400	2,575	23,400
Due after 2 months	5,514	776	5,514	776
	467,199	660,950	467,199	660,950

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

2. FINANCIAL RISK MANAGEMENT *(continued)*

a. Borrowings analysis

Maturities of borrowings

The table below analyses the Trust's borrowings into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

2013	< 3 mths	3-12 mths	1-2 years	2-5 years	5 years & over	Total
Interest bearing	1,168,216	-	-	-	-	1,168,216
Non-interest bearing	-	-	-	-	-	-
Total borrowings	1,168,216	-	-	-	-	1,168,216

2012	< 3 mths	3-12 mths	1-2 years	2-5 years	5 years & over	Total
Interest bearing	31,344	31,344	1,130,572	-	-	1,193,260
Non-interest bearing	-	-	-	-	-	-
Total borrowings	31,344	31,344	1,130,572	-	-	1,193,260

2.6 Interest rate sensitivity analysis

The Trust has performed a sensitivity analysis relating to its exposure to interest rate risk. The Trust has assessed its exposure to foreign currency and price risk as minimal.

At 30 June 2013, the effect on profit as a result of changes in the interest rate, if all other variables were to remain constant, would be as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Increase in interest rate by 1%	24,210	17,132	24,210	17,132
Decrease in interest rate by 1%	(24,210)	(17,132)	(24,210)	(17,132)

Based on variable interest rate on net of cash holdings and loans at balance date subject to variable interest rates – refer Note 2.2

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

3. REVENUE FROM CONTINUING OPERATIONS	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013 \$	2012 \$	2013 \$	2012 \$
Sales revenues				
Cave tours & related services	5,234,991	4,585,344	5,234,991	4,585,344
Accommodation	1,531,025	1,383,777	1,531,025	1,383,777
Special events	49,023	71,643	49,023	71,643
Gift shop trading	250,115	268,291	250,115	268,291
Food and beverage sales	2,617,283	2,289,784	2,617,283	2,289,784
	9,682,437	8,598,839	9,682,437	8,598,839
Rental income				
Staff cottages	67,773	55,471	67,773	55,471
Site rental	-	-	-	-
	67,773	55,471	67,773	55,471
Interest income				
Interest – financial institutions	30,517	22,401	30,517	22,401
	30,517	22,401	30,517	22,401
Total revenue From continuing operations	9,780,727	8,676,711	9,780,727	8,676,711
Grants and other income				
Grants received – administration #	700,000	1,690,699	700,000	1,690,699
Environmental rectification payment ##	743,718	-	743,718	-
Defined Benefit Fund costs recognised in the Statement of Comprehensive Income	26,671	58,968	-	-
Other income	14,916	16,710	14,916	16,710
	1,485,305	1,766,377	1,458,634	1,707,409
Total revenues	11,266,032	10,443,088	11,239,361	10,384,120

2013 revenue includes a supplementation grant of \$700,000 which is to support trading activities during 2013/14.

In June 2013, the Trust received an advance payment of \$743,718 from the NSW Environmental Trust for the purpose of replacing galvanised fencing with stainless steel to reduce the current adverse environmental impact that is resulting from decay of the older fencing material within the caves network. The work will be undertaken in 2013/14 after an open tender process is undertaken early in 2013/14. Under the contract between the Trust and the Environmental Trust, in the event certain works are not undertaken, or the actual cost of the replacement works is less than the advance, the Trust will be required to refund the unspent balance to the NSW Environmental Trust. At balance date, the full value of the advanced payment has been treated as a Contribution to the Trust and disclosed as revenue in the period it was received.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

4.1	EMPLOYEE BENEFITS EXPENSE	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
	Salaries & wages	5,103,943	4,885,180	-	-
	Payroll tax	255,089	241,656	-	-
	Superannuation	442,213	434,745	-	-
	Worker's compensation	345,046	187,300	-	-
	Payroll processing charge	20,085	20,242	-	-
	Employee benefits expense	6,166,376	5,769,123	-	-
	Personnel services expenses	-	-	6,166,376	5,769,123
	Personnel services – defined benefit fund charges	-	-	(636,196)	752,911
	Total employee benefits expense	6,166,376	5,769,123	5,530,180	6,552,034

4.2	DEPRECIATION EXPENSE	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
	Depreciation of non-current assets:				
	- Buildings	26,554	20,766	26,554	20,766
	- Plant & equipment	36,856	106,334	36,856	106,334
	- Caves infrastructure	119,432	131,239	119,432	131,239
	- General infrastructure	168,048	147,002	168,048	147,002
	- Impairment	-	-	-	-
	Total depreciation expense	350,890	405,341	350,890	405,341

4.3	OTHER EXPENSES	Consolidated Entity		Jenolan Caves Reserve Trust	
		2013	2012	2013	2012
		\$	\$	\$	\$
	Accounting fees	-	1,453	-	1,453
	Audit fees	60,000	67,456	60,000	67,456
	Bank & credit card	57,921	56,741	57,921	56,741
	Cleaning	194,070	157,598	194,070	157,598
	Expression of interest process	39,492	-	39,492	-
	IT maintenance & supplies	23,841	11,319	23,841	11,319
	Printing & stationery	23,700	17,351	23,700	17,351
	Rental expense on operating leases	275,926	276,677	275,926	276,677
	Travel expenses	6,895	6,033	6,895	6,033
	Other expenses	163,976	200,902	237,739	227,668
	Total other expenses	845,822	795,530	919,585	822,296

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
5. CASH AND CASH EQUIVALENTS	\$	\$	\$	\$
Bank – trading & cheque accounts #	1,937,899	1,170,163	1,937,899	1,170,163
Bank – cash management accounts	483,126	452,983	483,126	452,983
Special purpose grant account	-	90,075	-	90,075
Cash on hand	29,190	32,850	29,190	32,850
Total cash & cash equivalents	2,450,215	1,746,071	2,450,215	1,746,071

The Trust's trading account includes supplementary and special purpose funding for 2013/14 which was received by the Trust shortly prior to the year end. These Government contributions received in advance amounted to \$700,000 (2012: 898,599).

Also in June 2013, the Trust received an advance payment of \$743,718 from the NSW Environmental Trust to undertake replacement of galvanised fencing within the caves to lessen the current the environmental impact of the rusting material. The Trust has a commitment to undertake the works after balance date. As required by its contract, the Trust has placed the advance payment in a specific bank account. The Trust cannot utilise these funds for any other purpose. Any funds not used for the specific designated purpose are required to be refunded to the NSW Environmental Trust.

6. TRADE AND OTHER RECEIVABLES

i) Trade receivables	250,078	295,241	250,078	295,241
Less: Provision for doubtful debts	(13,702)	(6,221)	(13,702)	(6,221)
	236,377	289,020	236,377	289,020
ii) Prepayments	112,620	26,872	112,620	26,872
Total trade & other receivables	348,997	315,891	348,997	315,891

Trade debtors to be settled within 60 days are carried at amounts due. The collectability of each debtor is assessed at balance date and a specific provision is made for any doubtful accounts.

7. INVENTORIES

Marketing	12,542	25,916	12,543	25,916
Maintenance	2,963	3,148	2,963	3,148
Electrical	15,193	18,433	15,193	18,433
Cave Tours	4,809	8,075	4,809	8,075
Gift Shop	68,471	45,670	68,471	45,670
Caves House (incl. Bistro & Restaurant)	75,399	77,171	75,399	77,171
Total inventories	179,377	178,413	179,377	178,413

All stock and materials are accounted for at cost price.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

8. PROPERTY PLANT AND EQUIPMENT

Current year	CONSOLIDATED ENTITY & PARENT ENTITY							Total
	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	
At 1 July 2012								
Cost or fair value	4,444,512	754,829	47,884	8,983,115	5,066,140	41,460	94,034	19,431,974
Accumulated depreciation and impairment	(3,073,100)	(567,367)	(47,884)	(1,114,030)	(1,491,898)	(41,460)	(875)	(6,336,614)
Net carrying amount at start of year	1,371,412	187,462	-	7,869,085	3,574,242	-	93,159	13,095,360
Year ended 30 June 2013								
Additions	104,767	86,994	-	31,180	135,207	-	(71,850)	286,298
Revaluation	-	-	-	-	1,550,219	-	-	1,550,219
Disposals	-	-	-	-	-	-	-	-
Transfers in/(out) (at WDV)	-	-	-	-	-	-	-	-
Depreciation & impairment charge for the year	(26,554)	(36,856)	-	(119,432)	(168,048)	-	-	(350,890)
Net closing book value	1,449,625	237,600	-	7,780,833	5,091,620	-	21,309	14,580,987
At 30 June 2013								
Cost or fair value	4,549,279	841,822	47,884	9,014,295	8,864,691	41,460	21,309	23,380,740
Accumulated depreciation and impairment	(3,099,654)	(604,222)	(47,884)	(1,233,462)	(3,773,071)	(41,460)	-	(8,799,753)
Net carrying amount	1,449,625	237,600	-	7,780,833	5,091,620	-	21,309	14,580,987
Prior year	CONSOLIDATED ENTITY & PARENT ENTITY							Total
	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	
At 1 July 2011								
Cost or fair value	4,444,512	735,130	47,884	8,356,092	3,856,047	41,460	781	17,481,906
Accumulated depreciation and impairment	(3,052,334)	(461,033)	(47,884)	(1,017,097)	(1,208,444)	(41,460)	-	(5,828,252)
Net carrying amount at start of year	1,392,178	274,097	-	7,338,995	2,647,603	-	781	11,653,654
Year ended 30 June 2012								
Additions	-	29,699	-	-	-	-	92,378	122,077
Revaluation	-	-	-	1,734,970	-	-	-	1,734,970
Disposals	-	-	-	-	-	-	-	-
Transfers in/(out)	-	(10,000)	-	(1,073,641)	1,073,641	-	-	(10,000)
Depreciation & impairment charge for the year	(20,766)	(106,334)	-	(131,239)	(147,002)	-	-	(405,341)
Net closing book value	1,371,412	187,462	-	7,869,085	3,574,242	-	93,159	13,095,360
At 30 June 2012								
Cost or fair value	4,444,512	754,829	47,884	8,983,115	5,066,140	41,460	94,034	19,431,974
Accumulated depreciation and impairment	(3,073,100)	(567,367)	(47,884)	(1,114,030)	(1,491,898)	(41,460)	(875)	(6,336,614)
Net carrying amount	1,371,412	187,462	-	7,869,085	3,574,242	-	93,159	13,095,360

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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9. TRADE AND OTHER PAYABLES	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Customer deposits (<i>refundable</i>)	92,533	232,749	92,533	232,749
Trade payables	317,975	444,194	1,088,815	1,851,231
Accrued expenses	79,378	40,893	79,378	40,894
Accrued employee costs	184,742	176,408	184,742	176,408
Total trade & other payables	674,628	894,245	1,445,468	2,301,282

10. PROVISIONS	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Current				
Audit fees	50,000	44,000	50,000	44,000
Employee benefits - annual Leave	330,778	291,944	-	-
Employee benefits - long service leave	356,504	276,283	-	-
Employee benefits – award backpay	57,123	20,097	-	-
Employee benefits - redundancy	-	148,599	-	-
Personnel services	-	-	744,405	736,923
	794,405	780,923	794,405	780,923
Non-current				
Employee benefits - long service leave	32,659	27,568	-	-
Personnel services	-	-	32,659	27,568
	32,659	27,568	32,659	27,568
Total provisions	827,064	808,491	827,064	808,491

11. BORROWINGS	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Current	1,168,216	61,688	1,168,216	61,688
Non-current	-	1,131,572	-	1,131,572
Total borrowings	1,168,216	1,193,260	1,168,216	1,193,260

The fixed term, interest bearing loan is held with the NSW Treasury Corporation. The loan was renewed for a further period of 1 year on the 1st August 2013, with a maturity date of 8 July 2014. The loan is guaranteed by the NSW State Government. The Trust pays interest (currently at 5.5%) as it falls due, however the Trust is not required, does not presently have plans, to make any capital repayments before the maturity date.

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
12. CONTRIBUTED EQUITY				
Capital Trust	5,831,749	5,831,749	5,831,749	5,831,749
13. RESERVES AND RETAINED PROFITS				
(a) Reserves*				
Balance 1 July 2012	8,923,719	7,188,749	8,923,719	7,188,749
Current year movement (<i>asset revaluation</i>)	1,550,219	1,734,970	1,550,219	1,734,970
Balance 30 June 2013	10,473,938	8,923,719	10,473,938	8,923,719
	<i>* includes revaluation reserve arising from periodic revaluation of the Trust's non-current assets.</i>			
(b) Retained profits				
Balance 1 July 2012	(3,722,767)	(3,566,875)	(3,722,767)	(3,566,875)
Result for the year	1,000,146	683,055	899,712	597,019
Actuarial gains/(losses) on Defined Benefit Fund obligations	535,762	(838,947)	636,196	(752,911)
Retained profits/(accum. losses) at year end	(2,186,859)	(3,722,767)	(2,186,559)	(3,722,767)

14. DEFINED BENEFIT FUND OBLIGATIONS

(a) Defined contribution superannuation fund

The total expense recognised in the consolidated statement of comprehensive income of \$442,213 (2012:\$434,745) represents contributions payable to the plan by the consolidated entity at rates specified in the rules of the plan.

(b) Defined benefit superannuation fund

As per NSW Government mandate, provision is made for anticipated future liability for superannuation entitlements arising under prior Government sector defined benefit funds, comprising the following funds:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes were closed to new members during the 1990's, however the Trust has a number of employees who became members of these funds prior to them being closed to new membership.

Since these funds were closed, all superannuation plans operated by the NSW Government are now accumulation funds, which means the results of the funds' investment performance accrue directly to the members entitlements. The Trust's liability is limited to making statutory contributions into those funds.

Movements in the present value of the defined benefit obligation in the current year were as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Opening defined benefit obligation	4,806,456	4,255,085	-	-
Current service cost	63,104	55,487	-	-
Interest cost	141,802	216,720	-	-
Contributions by Fund participants	23,358	23,825	-	-
Actuarial (gains)/losses	(527,092)	559,362	-	-
Benefits paid	(815,595)	(304,023)	-	-
Closing defined benefit obligation	3,692,033	4,806,456	-	-

JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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14. DEFINED BENEFIT FUND OBLIGATIONS *(continued)*

(b) Defined benefit superannuation fund *(continued)*

Movements in the present value of the plan assets in the current year were as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Expected return on fund assets	278,669	299,272	-	-
Actuarial gains / (losses)	8,670	(279,583)	-	-
Employer contributions	26,671	58,967	-	-
Contributions by fund participants	23,358	23,825	-	-
Benefits paid	(815,595)	(304,023)	-	-
Closing fair value of plan assets	2,921,193	3,399,420	-	-

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plan

Present value of the defined benefit obligation	3,692,033	4,806,456	-	-
Fair value of defined benefit fund assets	(2,921,193)	(3,399,420)	-	-
Net liability arising from defined benefit obligation	770,840	1,407,036	-	-

Amounts recognised in statement of comprehensive income in respect of the defined benefit plan are as follows:

Current service cost	63,104	55,487	-	-
Interest cost	141,802	216,720	-	-
Expected return on plan assets	(278,669)	(299,272)	-	-
Contributions	(26,671)	(58,968)	-	-
Total amounts recognised in the statement of comprehensive income	(100,434)	(86,033)	-	-

The percentage invested in each class of fund asset at the end of the reporting period, are as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	%	%	%	%
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	-	-
Fair value of fund assets	100.0	100.0	-	-

All fund assets are invested by State Treasury Corporation at arm's length through independent fund managers.

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

The actual return on plan assets was a positive return of \$482,456 (2012: negative return of \$2,661).

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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14. DEFINED BENEFIT FUND OBLIGATIONS *(continued)*

(b) Defined benefit superannuation fund *(continued)*

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Valuation method

The Projected Unit Credit (PUC) 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.

ii) Economic Assumptions

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013 \$	2012 \$	2013 \$	2012 \$
Salary increase rate (excluding promotional increases)	2.25%	2.50%	-	-
Rate of CPI increase	2.50%	2.50%	-	-
Expected rate of return on assets	8.30%	8.60%	-	-
Discount rate	3.8%	3.06%	-	-

iii) Demographic Assumptions

The demographic assumptions at 30 June 2013 are those that were used in the 2012 triennial actuarial valuation. The full triennial review report is available from the NSW Treasury website.

The history of experience adjustments is as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013 \$	2012 \$	2013 \$	2012 \$
Present value of defined benefit obligation	3,692,033	4,806,456	-	-
Fair value of fund assets	(2,921,193)	(3,399,420)	-	-
(Surplus) / deficit in fund	770,840	1,407,036	-	-
Experience adjustments – fund liabilities	(527,092)	559,362	-	-
Experience adjustments – fund assets	(8,670)	279,583	-	-

The consolidated entity expects to make a contribution of \$51,838 (2012: \$52,788) to the defined benefit plan during the next financial year.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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14. DEFINED BENEFIT FUND OBLIGATIONS *(continued)*

(c) Employer contributions

Employer contributions to the defined benefit section of the funds are based on recommendations by the fund's actuary. Actuarial assessments are made on a monthly basis and the last such assessment was made as at 30 June 2013.

The objective of funding is to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. To achieve this objective, the actuary has adopted a method of funding benefits known as the aggregate funding method. This funding method seeks to have benefits funded by means of a total contribution which is expected to be a constant percentage of member's salaries over their working life.

15. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Result for the year	1,000,146	683,054	1,535,908	(155,892)
<u>Add back:</u>				
Actuarial (gains)/losses on Defined Benefit Fund obligations	535,762	(838,946)	-	-
Depreciation & impairment	350,890	405,340	350,890	405,340
Change in operating assets and liabilities				
(Inc)/dec in receivables	(33,106)	(118,655)	(33,106)	(118,655)
(Inc)/dec in inventories	(964)	(19,025)	(964)	(19,025)
Inc/ (dec) in trade & other payables	(244,661)	106,097	(880,859)	859,008
Inc/(dec) in other provisions & defined benefit fund liability	(617,625)	887,367	18,573	134,456
Inc/(dec) in reserves	-	10,000	-	10,000
Net cash inflow/(outflow) from operating activities	990,442	1,115,233	990,442	1,115,233

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
16. REMUNERATION OF AUDITORS				
Auditing of the Financial Statements	46,200	44,000	46,200	44,000

No other services were provided by the external auditor.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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17. LEASE COMMITMENTS

Operating Leases

Future non-cancellable operating lease rentals (comprising motor vehicles & electronic cave guide system) not provided for and payable in future periods:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
not longer than one year	254,803	205,564	254,803	205,564
longer than one year and not longer than two years	177,027	32,080	177,027	32,080
longer than two years and not longer than five years	-	8,023	-	8,023
Total lease commitments (inclusive of GST)	431,831	245,667	431,831	245,667

18. CONTINGENT LIABILITIES

Applications for native title under the Native Title Act 1993 and Aboriginal Land Rights Act 1983 have been made over various areas of land which may ultimately have certain operational and financial effects depending on the outcomes. It is not possible to assess the quantum of such effects, if any, that may arise upon finalisation of the claims.

Late in 2012/13, the Trust received advice that a hindsight adjustment would be made to its 2013/14 Workers Compensation Insurance premium. The advice indicated an increase of \$105,000 would be payable by the Trust during 2013/14. The Trust recognises there is the possibility of hindsight adjustments in future years, with any increase or decrease dependent upon actuarial assessment of its claims profile at those future period ends.

Also in late 2012/13, the Trust received \$700,000 of supplementary funding from the NSW Government to assist with operational and capital costs during the 2013/14 year. These funds will be utilised by the Trust to supplement revenue obtained from its commercial activities, during 2013/14 to assist it undertake its duties and management activities. As per accounting policy in relation to Contributions, and as these funds were received prior to the 30th June, this amount has been disclosed as revenue in the year received (2012/13).

The Trust also received an advance payment from the NSW Environmental Trust of \$743,718 to undertake rectification works within the caves to remove contaminating fencing materials. These works will be undertaken during 2013/14 following an open tender process. The Trust has an obligation to refund any funds not utilised for the specific rectification works to the NSW Environmental Trust. The Trust is required to meet defined reporting requirements and progress reviews to confirm the works are completed to the contracted requirements.

The Trust has no other contingent liabilities (2012: nil).

19. CAPITAL EXPENDITURE COMMITMENTS

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2013	2012	2013	2012
	\$	\$	\$	\$
Not longer than 1 year	-	-	-	-
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
Total capital commitments	-	-	-	-

At the 30th June 2013, there were no outstanding payments for completed or unfinished capital projects.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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20. RELATED PARTIES

Jenolan Caves Reserve Trust

i) Balances with related parties

2013 **2012**

\$ \$

The Trust has the following balances with the Jenolan Caves Reserve Trust Division:

- Receivables	-	-
- Payables	1,845,467	2,452,932
Net payables / (receivables) with the Division	1,845,467	2,452,932

ii) Transactions with related parties

During the year the Trust received the following charges from the Jenolan Caves Reserve Trust Division:

- Personnel Services	5,530,180	6,522,034
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21. POST BALANCE DATE EVENTS

There were no post balance date events, except as stated elsewhere in this report.

End of audited financial statements.