

Jenolan Caves Reserve Trust

Annual Report
2008 - 2009

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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 Climate Change and 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.

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 background to the area.

The beautiful limestone caves and 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.



Reserve Location Map

Administrator's Report

I am pleased to report that the Trust has completed major capital works on both Caves House and the Caves during 2008/2009. These works will sustain the destination into the future and provide for an improved visitor experience. The Trust also received \$2.14M of funding from the NSW Government for essential safety and environmental capital upgrades and maintenance. The majority of this funding will involve Caves House and includes refurbishments of the kitchen, bistro and visitor areas. This funding will assist with bringing the iconic Jenolan Caves House to a standard which will ensure significant improvements to visitor experience at Jenolan.

Jenolan Caves Reserve Trust is a relatively small organisation that is charged with the protection and operation of an iconic tourism facility. The Trust operates within a complex framework and needs to be commercially focussed. Commercial operations have been difficult to achieve during 2008/2009 due to issues brought on by the global financial crisis, however visitor numbers at Jenolan have remained relatively buoyant.

The NSW Government has recognised that Jenolan faces a variety of issues and has indicated that once a suitable commercial model has been developed which protects the environment at Jenolan and provides sustainable commercial and social outcomes the responsibility for management oversight will be transferred to the Department of Environment, Climate Change and Water.

My appointment as Administrator of Jenolan Caves Reserve Trust commenced on 1 January 2009. Prior to my appointment Mr Alan Griffin had served as Trust Administrator since February 2004. I would like to take this opportunity to acknowledge Alan's contribution. This period saw the foundations developed for a sustainable future for Jenolan Caves.

Peter Duncan
Administrator
Jenolan Caves Reserve Trust

Peter Duncan 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. Peter is also the Deputy Director-General, Government Coordination Division of the NSW Department of Premier and Cabinet.

Overview



The 2008/09 financial year was the third year that the Trust was responsible for the operation of the accommodation facilities at Jenolan in addition to the cave tours and maintenance operations.

A continued priority has been to integrate staff and management systems of the former organisations under the banner of the Jenolan Caves Reserve Trust.

The focus on the Trust's ongoing program to provide new and updated infrastructure within the caves and tourist precinct continued throughout the year and the state of much of the infrastructure associated with Jenolan Caves House continues to present challenges.

The upgrade of the Orient Cave was completed during the 2008/2009 financial year. The Orient is one of Jenolan's best known caves and the upgrade included replacement of galvanised steel handrails and protection barriers with stainless steel which is a metal that is less likely to leach into the cave and cause damage to the delicate cave environment. The other major innovation was the use of Light Emitting Diode (LED) lighting technology to show the features of the cave. This has a number of features including lower energy consumption, the visual elimination of heat from lights and the ability to use lighting more effectively for interpretation. This work means that the Orient Cave is regarded as one of the world's leading showcaves in terms of visual appeal and environmental standards.

Work has also commenced on the development of a Conservation Management Plan (CMP) for the Jenolan Caves Karst Conservation Reserve. Once completed this plan will form the ongoing protection of the significant heritage assets within the Reserve.

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 and provide 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	2007/08	2008/09
	221,864	225,076

Jenolan Caves received a number of important accolades and acknowledgements through the Regional and NSW Tourism Awards process in the 2008/09 financial year. Notable achievements were:

Blue Mountains Tourism Awards:

- Winner – Tourist Attractions Category

NSW Tourism Awards:

- Finalist – Tourism Attractions Category
- Winner – Bronze Award Adventure Tourism
- Winner – Silver Award People's Choice

Acknowledgment as the Silver Award winner in the popular vote 'People's Choice Award' recognises the deep regard with which the destination is held.

Income & Expenditure

Revenue from ordinary activities was \$8,684,806, an increase of \$1,500,361 on last year. Expenses from ordinary activities was \$10,042,609, an increase of \$1,905,238 on the previous year.

Overview (cont)

Our Staff

The implementation of the recommendations of the Council on the Cost and Quality of Government review and the management of the NSW Treasury funded capital works projects has been a major focus of the Trust this past year. Continued integration with Caves House has also been a priority.

Trust staff have met the challenges faced during the year admirably and I commend them on continuing that achievement during this particularly demanding time.

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 Conservation Unit within Department of Environment and Climate Change (NSW) provided the Trust with expert technical and strategic policy advice. This advice particularly related to issues of conservation and interpretation of the caves.

Marketing

Marketing activities during the year have underpinned the revenue generation across all business units. The recorded growth has been achieved against the background of the global financial crisis and declining revenues recorded in the national tourism environment.

A marketing unit commenced operation at the beginning of the year as part of a wider strategy of operating the newly integrated Jenolan business environment. This has enabled the implementation of a wide range of marketing functions.

The current year saw the implementation of the brand refresh representing the integrated businesses. Significant attributes of this strategy included presenting a re-energised Jenolan engaging consumers with a range of vibrant

options with emphasis on adventure and discovery.

A key element of the marketing activity is the establishment of robust partnerships encompassing the community, industry, regional, state and national tourism entities. The results of collaborations are cost effective promotional activities, in particular travel agent and media programs.

World Heritage

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

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

Major Developments

Major capital works projects that were either underway or completed during the 2008/09 financial year are identified in the Statutory Information section of this report.

Jenolan Caves House

The return of the lease for Jenolan Caves House to the Government in early July 2006 meant that the Jenolan Caves Reserve Trust assumed operational control of the Caves House complex which includes buildings and items of significant heritage value.

In mid June 2008 the Trust also assumed responsibility for the operation of the bistro facility located in Jenolan Caves House. The operations at the Bistro have performed well over the last 12 months and upgrades are planned for this area as part of refurbishments planned for 2009/10.

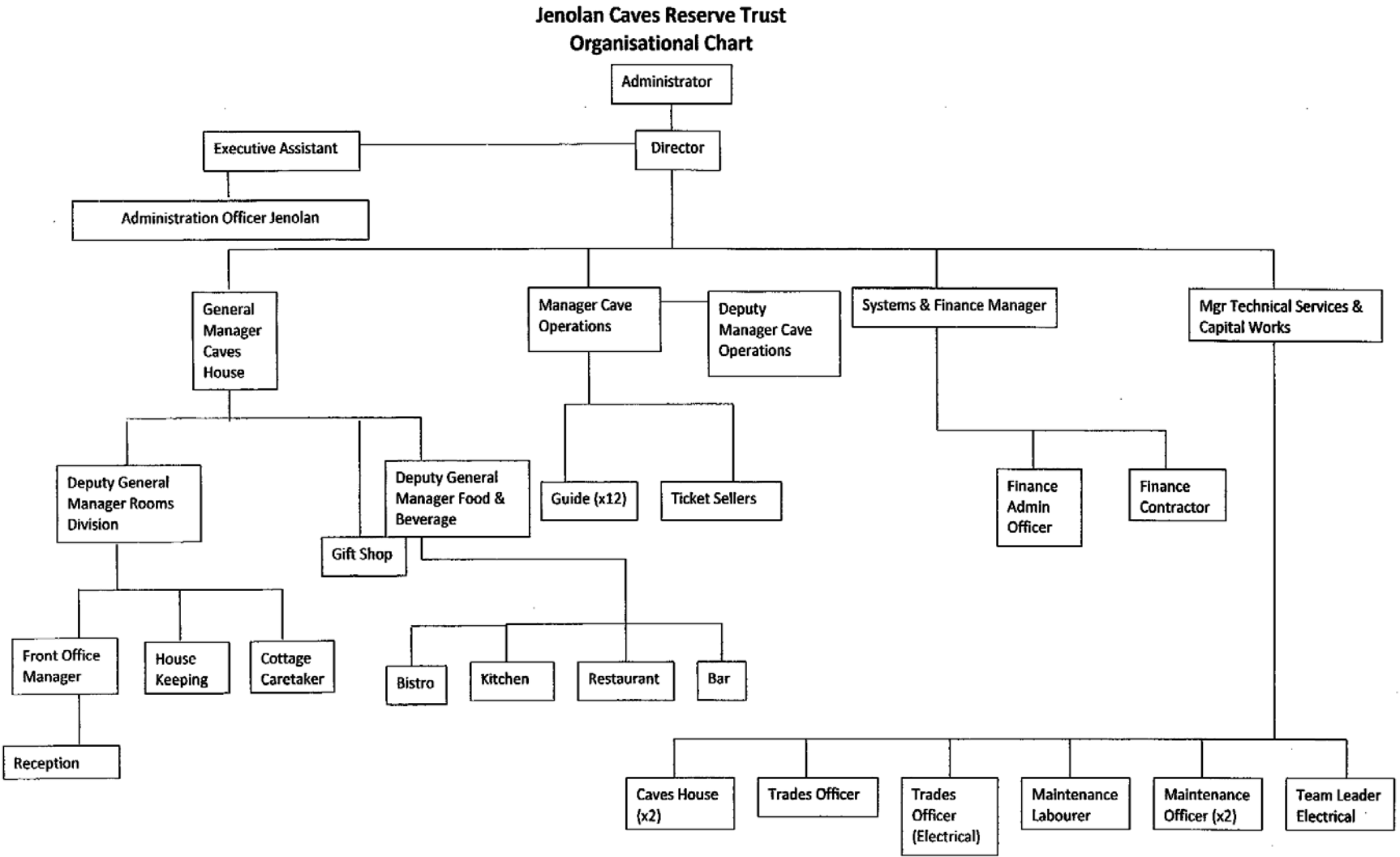
Work is continuing on Jenolan Caves House to ensure it is maintained to a required standard.

Overview (cont)

Key Result Areas

A review of the Trust's Business Plan was undertaken in June 2008 and a new Business Plan was completed early in the new financial year. This plan gives the Trust a renewed focus and prioritises key projects and initiatives for the financial year.

Peter Austen
Director
Jenolan Caves Reserve Trust



Cave Operations

Performance Indicators

Compared to 2007/2008:

- Visitation: +1.45%
- Revenue: +17%
- Expenditure: +19%
- Number of Cave Tours: -1.1%
- Revenue per FTE: +20%
- Total Expense per Visitor: +18%
- Total Revenue per Visitor: +16%

2008/2009 Financial Year

- Total FTE: 22.0
- Number of Tours per FTE: 436.7
- Salaries & Wages as % of Total Expenditure: 48.7%
- Maintenance Expense as % of Total Expenditure: 7%

FTE = Full time equivalent staff

Visitation

Visitation increased by 1.45% on previous year's result to 225,076 cave visits. Yield per client increased to \$17.10. This improvement is particularly pleasing when set against the context of the global economic crisis and the general downturn in regional tourism.

State of the art lighting was completed in the Orient Cave, which now stands as the most advanced example of environmentally sustainable cave lighting in the world. The continued revision of the cave based core product continues to allow Jenolan to remain competitive against other tourism product offerings.

A new program, 'Discovery at Jenolan' has been introduced. This program features tours and activities aimed at children aged 6 to 14. It has been designed by Jenolan's guiding staff. These activities have been run at each school holiday period and are steadily gaining in popularity.

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.

Grant Commins stepped down from his position as Manager Cave Operations in late 2008. He is to be commended for his numerous contributions, most notably including development of the competency progression system and establishing adventure caving as a viable component of the business.

Seven full time Guide positions are currently filled on a temporary basis. Two full time Guides are currently seconded to positions within the Trust's newly created Marketing Unit.

Training

Internal and external training courses have been conducted in the following areas; Senior First Aid, Remote Area First Aid, Advanced Resuscitation, Certificate Level Three Tourism, Certificated Level Three Outdoor Recreation (Horizontal and Vertical Caving), Certificate Level Four Small Business Management, Certificate Level Four Information Technology, Certificate Level Four Trainers and Assessors, Aboriginal Cultural Awareness and Conflict Resolution. In addition, a new course was designed in conjunction with the Division of Professional Learning, University of Sydney, in 'Interpreting Cave Geology' with 35 staff successfully completing this accredited course over two sessions held at Jenolan. The development of this course was a major innovation, and establishes an even higher national standard for the guiding profession.

Cave Operations cont.

The Trust has hosted both work experience and work placement students during the year. Programs are available to cater for High School students through to mature age students completing advanced studies in Tourism, Outdoor Recreation and Science.

Staff attended the following conferences; 1st International Conference on Geotourism, International Symposium on Subterranean Biology, Interpretation Association Australia Annual Conference, Australian Cave and Karst Management Association Conference.

Natural Resource Management

The Cave Operations maintenance program has focussed 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. In addition, maintenance has targeted identified slip/trip hazards within the show cave system, installing new stair treads and carrying out remedial work as required.

Special Events

Historic tours have continued to be an innovative and engaging addition to Jenolan's product range. The fascinating history and characters of Jenolan's past are portrayed by talented guides with a theatrical background, who bring a sense of 'living history' to their tours.

Musical concerts are a regular weekly event in the caves. Cello and Gypsy concerts featuring Georg Mertens and the Paganini Duo continue to be most popular. Other events during the year included Opera in the Caves, Anglo/Celtic music by 'Pastance', Rhythm Hunters Taiko Drumming Concert, Didjeridu Dingo and Solo Harp recital.

The popular annual Community Christmas Carols was again held in the Grand Arch on December 13. An audience of over 900 people was entertained by visiting artists and talented staff members. Proceeds of the concert were donated to the Childhood Cancer Research Unit at The Children's Hospital, Westmead.

Dan Cove
Manager Cave Operations
Jenolan Caves Reserve Trust



Broken Column, Lucas Cave

Jenolan Caves House

The hospitality operations of Jenolan comprise of four accommodation units – Caves House (38 rooms), Mountain Lodge (32 motel style studios), Gatehouse backpacker lodge (14 rooms accommodating 70 guests) and Jenolan Cottages (9). Food and beverage operations incorporate Chisholm's Grand Dining Room, Cafe Bar day visitor facility and Kanangra Boyd Gallery function suite for 120 guests. In addition a retail outlet featuring souvenirs is operated.

The year under review marks the third full year of the hospitality operations being part of the Jenolan integrated business environment. During this period further progress has been achieved in integrating the hospitality business into the operating structure of the Agency. The principal achievements have been revenue growth and enhanced guest satisfaction. The significant revenue growth attained was recorded against industry trends of a downturn regional tourism during the year.

Revenue Generation

Accommodation operations delivered occupancy of 35% against 33% for the previous year representing an additional 803 room nights sold or a 7% increase. The hospitality business achieved gross revenue of \$4.331M representing a \$619K (16%) increase on last year.

Personnel

A major challenge that has faced the hospitality division following the acquisition of the business from the receiver has been that of re-building the staffing establishment to reflect the skill level required to further grow and sustain the business. This challenge has largely been overcome by a blend of developing members of the local community and attracting key personnel to Jenolan. It should be noted that the attraction and retention of personnel continues to require significant focus by management.

Day Visitor Food & Beverage Facility

The integration of this part of the business commenced at the close of the 2007/08 year. During the current year service levels have been raised and operations no longer factor as the major source of visitor dissatisfaction previously recorded.

The operation of this outlet as an integral part of the hospitality operations has developed overall operational efficiencies and facilitated breakfast operations being featured in 'Chisholm's Grand Dining Room'. The revised breakfast operation has improved the guest experience and contributed to an increase in departmental operation contribution.

Capital Works

The funding provided by the Government at year end for essential works to be undertaken during 2009/2010 will allow the Trust to further enhance the guest experience and underpin the capacity to build revenue streams and the hospitality division's operating surplus.



Jenolan Caves House

Dennis Winchester
General Manager
Jenolan Caves House

Visitor Zone Maintenance

Significant milestones within the area of maintenance and capital works were achieved during the 2008/09 financial year.

Maintenance

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

- Continuing work on the Riparian Weed Zone for the third consecutive year, eradication of woody weeds and English Ivy. This maintenance work was partially funded by a Hawkesbury Nepean Catchment Authority Grant.
- Refurbishment of Wallaby Hall to cater for functions was undertaken.
- Amenities within Caves House were upgraded.
- Caves House reception desk was remodeled to accommodate OHS requirements.
- All of Caves House integrated with the master key system.
- General maintenance work to bring Caves House back to an acceptable standard.

Capital Works

Loan funding provided by the NSW Government and funding from the Trust's own capital reserves enabled important capital works projects to be undertaken.

- Refurbishment of the toilet facilities in the Grand Arch.
- Installation of CCTV system within Caves House.
- Installation of fire detection system within Caves House.
- Relighting of the Orient Cave was completed.
- External painting and tiling on Caves House completed.
- A new locker and change room installed in the Guides Office.
- New tiled roof for the Guides Office.

Fleet

The Trust has introduced an additional hybrid vehicle to the fleet. The Trust leases all vehicles through contracts with State Fleet.

Environmental Maintenance

The Trust has taken a proactive approach to be as environmentally friendly as possible with its maintenance. General improvements included:

- Introduction of waterless urinals.
- Jenolan's Hydro Electric Plant was recommissioned.
- Increase in recycling of materials.
- Installation of environmental data loggers above and below ground.

Staff Training

Staff have been provided with the opportunity to participate in a number of training programs to meet the technical requirements associated with this area. Training attended by staff included Aboriginal Cultural Awareness Training, OHS Construction Induction Training, Remote Area First Aid, Senior First Aid, Advanced Resuscitation, Traffic Control, Chain Saw course and attendance at Trade Show Days.

Paul Williams

**Manager Technical Services and Capital Works
Jenolan Caves Reserve Trust**

Research & Development

The monitoring of air and water quality in Jenolan show caves and water bodies has continued over the reporting 2008/09 period.

The 'Jenolan Environmental Monitoring Program' uses specially designed probes to detect minute changes in air and water quality, which may adversely impact on cave forming and development processes and the rare invertebrate fauna inhabiting Jenolan's subterranean water bodies.

While further data collection and analysis is required, preliminary monitoring results indicate that cave atmosphere and water quality are within natural levels. Results also show an early correlation between visitor access and fluctuations in cave atmosphere, which have potential, future application in the design and operation of show cave tours.

The above is excellent news for Jenolan's caves and its subterranean fauna, which rely on stable environmental conditions for their development / survival. It is equally good news from a tourism

perspective, with many of the caves used for exhibition purposes.

The Jenolan Environmental Monitoring Program is on-going and the most significant of its type in Australia. It is intended that the data collected will, over time, provide the basis for in-depth analysis of the cave environment, with emphasis on natural and anthropogenic impacts. More importantly perhaps, it may be used to support studies on climate change and related areas.

The Jenolan Environmental Monitoring Program was funded by the NSW State Government, and is a joint project of the Jenolan Caves Reserve Trust and NSW Department of Environment, Climate Change and Water. The Program was developed under the guidance of scientists from Sydney University.

Stephen Meehan
Manager, Karst Geodiversity Unit
Department of Environment, Climate Change and Water

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 and project participation.

As a result of ongoing structural changes the Trust's accounting service is contracted to an external provider.

Information Technology

There were no significant upgrades or changes made to the Trust's information technology during the 2008/09 financial year.

Key software platforms for ticketing systems and hotel management systems were upgraded with standard upgrades provided by the system providers.

Capital Expenditure

Expenditure on capital works and equipment totalled \$489,740 and consisted of:

Cave infrastructure	\$ 34,017
General infrastructure and environmental projects	\$121,730
Buildings/workshops and leasehold improvements	\$305,001
Computers	<u>\$ 28,992</u>
	<u>\$489,740</u>

Annual Financial Statements

Below is a summary of the Operating Statement for 2008/2009 compared with 2007/2008.

	\$ 2008/2009	\$ 2007/2008
Revenues from ordinary activities	8,684,806	7,184,445
Expenses from ordinary activities	(10,042,609)	(8,137,371)*
Profit (loss) from ordinary activities	(1,357,803)	(952,926)*

* In the 2007/2008 Annual Report expenses from ordinary activities was reported as (\$8,145,901) and profit (loss) from ordinary activities was reported as (\$961,456). This comparative adjustment was due to a change in accounting policy as disclosed in note 1.13 of the financial statements as part of the 2008/2009 Annual Report.

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.

	2006/2007	2007/2008	2008/2009
Commercial Manager	1	Deleted	Deleted
Director		1	1
Personal Assistant	1	1	1
Systems Administrator & Finance Officer	1	1	2
Senior Finance Officer	Vacant	Vacant	Vacant
Administration Officers	1 3.4 vacant	4 0.4 vacant	4 0.4 vacant
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Visitor Services Officers	0.8	0.8	0.8
Caretaker Jenolan Caves Cottages	Vacant	1	1
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works		1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	1	2	2
Maintenance Officer	4 2 vacant	2 3.5 vacant	3.5 1 vacant
Deputy General Manager Rooms Caves House	1	1	1
Deputy General Manager Food & Beverage Caves House		1	1
Head Chef Caves House		1	1
Front Office Manager Caves House		1	1

Recruitment Statistics

The recruitment and employment needs of the Trust for the period 1 July 2008 to 30 June 2009 were met as follows:

- The Senior Finance Officer's position as well as other vacant Administration Officer's positions were filled through temporary appointments and contractors.

In all there are 23 permanent positions covering 4 categories.

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 2009 was 71.7.

There were no voluntary redundancy payments during the year.

Statutory Information (cont)

Training

Total training costs for the year, including staff hours and course costs, was \$74,557.

Paid staff hours for external training:

2008/2009	\$38,681
2007/2008	\$13,756
2006/2007	\$25,786

Courses undertaken during the year included OH&S, Senior First Aid, Remote Area First Aid, Advanced Resuscitation, Tourism Certificate III, Interpreting Cave Geology, Vertical Caving Certificate III and Horizontal Caving Certificate III.

EEO Statistics

Total positions held by males and females are detailed below:

	Males %	Female %
2006/2007	57.0	43.0
2007/2008	49	51
2008/2009	48	52

Of the permanent employees 72% are male and 28% are female. In 2008/2009 the average remuneration for males was \$54,828 and females \$51,541.

Approximately 22% 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 four occasions.

Overseas Visits

There was no official overseas visits undertaken by staff during the 2008/2009 financial year.

Consultants

Throughout 2008/2009 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

Equal to or more than \$30,000

Urbis Consultants	\$119,200
State Planning Authority	\$ 44,425

Under \$30,000

CB Richard Ellis	\$ 27,000
The Ryder Self Group	\$ 7,955
Mercer Human Resources	\$ 2,520
Menolike Pty Limited	\$ 2,000

During the year two other consultants were engaged totalling the amount of: \$1,984

TOTAL CONSULTANCIES \$205,084

Account Payment Performance

Account payment performance indicators for 2007/2008 financial year:

Average value of creditor payments processed per month

Current (within 30 days)	\$268,186
Less than 30 days overdue	\$220,015
Between 30-60 days overdue	\$149,375
Between 60-90 days overdue	\$5,428
Over 90 days overdue	\$3,850
Percentage of accounts paid on time	41%
Total of accounts paid on time	\$2,218,234
Total of accounts paid	\$7,762,255

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 2008/2009. The Trust has successfully utilised the various features this provides.

Statutory Information (cont)

Disability Plans

The Trust provides a quality experience for all visitors to the Reserves. 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.
- User-friendly building design, which caters for the physically disadvantaged.
- 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.

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 and Mandarin.

The Trust's commitment to understanding and catering to the needs of ethnic groups will continue in 2009/2010. It will:

- Investigate the redesign of current public communication programs including the redesign of the Trust's website.
- Support the introduction of an Aboriginal Cultural Heritage Program and training staff in Aboriginal Cultural Awareness through DECC.

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 surveys.
- Targeted surveys, activated when significant issues are identified.
- Feedback provided to staff.
- Visitors Book comments.

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

Statutory Information (cont)

Occupational Health & Safety

The OH&S Committee has been working closely with management and staff and has:

- eliminated all slip and trip hazards within the show-cave system.
- implemented workplace inspections.
- Meets bi-monthly.
- Distributes information to staff from meetings on a regular basis.

Freedom of Information Requests

There was one (third party consultation) FOI request in 2008/2009.

Risk Management

Recommendations stemming from a formal risk assessment of the Jenolan Reserve carried out in 1996 are implemented on a priority basis.

A revised Risk Management Plan and related policy is currently being prepared.

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.

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

The Trust reviewed its Business Plan in June 2008. The plan was finalised early in the new financial year and released to staff.

The draft Plan of Management for the Jenolan Karst Conservation Reserve is currently with the Minister for Climate Change and the Environment for consideration.

Research

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

Advisory Committees

The Trust is fortunate to work with the caving community in relation to aspects of its operation. The Trust gives thanks to:

Speleological Advisory Committee

John Bonwick

Ben Nurse

Chris Norton

Daryll McDowell

Statutory Information (cont.)

Major Works Completed or Underway

Major works programs completed or underway are:

- Refurbishment of the toilet facilities in the Grand Arch.
- Installation of CCTV Systems within Caves House.
- Relighting of the Orient Cave was completed.
- External painting and tiling on Caves House completed.
- New locker and change room installed in the Guides Office.
- New tiled roof for the Guides Office.

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 2008/2009

Total external cost – Nil.

The Trust's Annual Report is available on the Jenolan Caves Reserve Trust website

www.jenolancaves.org.au

Independent Audit Report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Jenolan Caves Reserve Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Jenolan Caves Reserve Trust (the Trust), which comprises the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expenses and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Trust as at 30 June 2009, and its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Administrator's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

tained is sufficient and appropriate to provide a basis for

I believe that the audit evidence I have obtained provides a basis for my audit opinion.

My opinion does *not* provide assurance:

-
- about the future viability of the Trust,
 - that it has carried out its activities effectively, efficiently and economically, or
 - about the effectiveness of its internal controls.

Independence

the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The Auditor-General states independence by:

In conducting this audit, the Auditor-General has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes the independence of the Auditor-General.

including, but not limited to, the Auditor-General being appointed by the Parliament and not the executive government, and the Auditor-General being able to report to the Parliament and not the executive government.

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

precluding the provision of non-audit services to the Audit Office of New South Wales, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.

- mandating the Auditor-General as auditor of public sector agencies but not providing for the Auditor-General to audit 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.



Steven Martin CA
Director, Financial Audit Services

20 October 2009
SYDNEY

Statement by Members of the Trust

1983 and in accordance with a
resolution on behalf of the Trust that

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

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 2005 and the Treasurer's Directions.

statements and notes thereto exhibit a true and fair view of the financial position of the Trust as at 30 June 2009 and the financial performance for the year then ended. We are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

2. The financial position as at 30 June 2009 is true and fair. Further, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



NAME: Peter Duncan
Position: Administrator
Date: 16 October 2009



Name: Peter Austen
Position: Director
Date: 16 October 2009

Start of audited financial statements.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue from Continuing Operations		8,684,806	7,184,445	8,684,806	7,184,445
Other Income		6,852,389	557,252	6,756,940	427,891
Total Income	3	15,537,195	7,741,697	15,441,746	7,612,336
Employee Benefits Expense	4.1	(4,916,315)	(3,734,224)	-	-
Personnel Services Expense	4.1	-	-	(5,877,584)	(3,742,754)
Administrator Costs		(156,433)	(319,894)	(156,433)	(319,894)
Bad Debt Expense		(11,530)	(30,581)	(11,530)	(30,581)
Contract Labour		(491,228)	(333,086)	(491,228)	(333,086)
Consultancy Fee		(205,084)	(97,376)	(205,084)	(97,376)
Cost of Goods Sold		(1,054,305)	(834,998)	(1,054,305)	(834,998)
Depreciation Expenses	4.2	(365,724)	(297,039)	(365,724)	(297,039)
Lease Negotiations		(209)	(15,343)	(209)	(15,343)
Marketing		(278,455)	(280,140)	(278,455)	(280,140)
Insurance		(84,663)	(93,804)	(84,663)	(93,804)
Interest		(372,838)	(225,200)	(372,838)	(225,200)
Motor Vehicle		(84,755)	(90,597)	(84,755)	(90,597)
Heat & Power		(260,762)	(313,100)	(260,762)	(313,100)
Commission		(34,878)	(78,671)	(34,878)	(78,671)
Telephone, Postage & Internet		(162,329)	(128,887)	(162,329)	(128,887)
Repairs and Maintenance		(290,535)	(188,463)	(290,535)	(188,463)
Other Expenses	4.3	(1,272,566)	(1,075,968)	(1,272,566)	(1,075,968)
Total Expenses		(10,042,609)	(8,137,371)	(11,003,878)	(8,145,901)
Profit / (Loss) for the Year		5,494,586	(395,674)	4,437,868	(533,565)
Profit/(Loss) is Attributable to:					
Equity Holders of Jenolan Caves Reserve Trust		5,494,586	(395,674)	4,437,868	(533,565)

The Income Statements are to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
BALANCE SHEETS
AS AT 30 JUNE 2009**

		Consolidated Entity		Jenolan Caves Reserve Trust	
ASSETS	Note	2009	2008	2009	2008
Current Assets		\$	\$	\$	\$
Cash & Cash Equivalents	5	3,693,165	885,284	3,693,165	885,284
Trade & Other Receivables	6	198,160	740,977	198,160	475,425
Inventories	7	179,563	159,461	179,563	159,461
Total Current Assets		4,070,888	1,785,722	4,070,888	1,520,170
Non-Current Assets					
Property, Plant & Equipment	8	14,828,908	14,704,894	14,828,908	14,704,894
Total Non-Current Assets		14,828,908	14,704,894	14,828,908	14,704,894
TOTAL ASSETS		18,899,796	16,490,616	18,899,796	16,225,064
LIABILITIES					
Current Liabilities					
Trade & Other Payables	9	2,079,459	1,700,170	2,079,459	1,434,618
Provisions	10	191,005	118,293	191,005	118,293
Borrowings	11	-	-	-	-
Total Current Liabilities		2,270,464	1,818,463	2,270,464	1,552,911
Non-Current Liabilities					
Provisions	10	87,708	91,182	87,708	91,182
Borrowings	11	1,203,577	3,680,792	1,203,577	3,680,792
Total Non-Current Liabilities		1,291,285	3,771,974	1,291,285	3,771,974
TOTAL LIABILITIES		3,561,749	5,590,437	3,561,749	5,324,885
NET ASSETS		15,338,047	10,900,179	15,338,047	10,900,179
EQUITY					
Contributed Equity	12	5,831,749	5,831,749	5,831,749	5,831,749
Retained Profits	13	2,317,549	(2,120,319)	2,317,549	(2,120,319)
Reserves	13	7,188,749	7,188,749	7,188,749	7,188,749
TOTAL EQUITY		15,338,047	10,900,179	15,338,047	10,900,179

The Balance Sheets are to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
CASH FLOW STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2009	2008	2009	2008
		\$	\$	\$	\$
Cash Flows From Operating Activities					
Receipts From Customers		9,903,378	7,371,852	9,903,378	7,371,852
Receipts From Government		3,240,000	720,000	3,240,000	720,000
Payments to Suppliers & Employees		(10,720,214)	(7,695,595)	(10,720,224)	(7,695,595)
Interest Received		40,607	169,949	40,607	169,949
Interest Paid		(81,233)	(81,222)	(81,233)	(81,222)
Net Cash Provided by Operating Activities	15	2,382,538	484,984	2,382,538	484,984
Cash Flows From Investing Activities					
Payments For Property, Plant & Equipment		(489,657)	(2,435,810)	(489,657)	(2,435,810)
Proceeds From Sale of Investments		-	-	-	-
Net Cash Used In Investing Activities		(489,657)	(2,435,810)	(489,657)	(2,435,810)
Cash flows from financing activities					
Proceeds from borrowings		915,000	-	915,000	-
Repayment of borrowings		-	-	-	-
Net cash (outflow) inflow from financing activities		915,000	-	915,000	-
Net (Decrease)/ Increase In Cash & Cash Equivalents		2,807,881	1,950,826	2,807,881	1,950,826
Cash & Cash Equivalents at Beginning of Period		885,284	2,836,111	885,284	2,836,111
Cash & Cash Equivalents at End of the Period	5	3,693,165	885,284	3,693,165	885,284

The Cash Flow Statements are to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
STATEMENTS OF RECOGNISED INCOME AND EXPENSES
FOR THE YEAR ENDED 30 JUNE 2009**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009 \$	2008 \$	2009 \$	2008 \$
Actuarial (Losses)/ Gains on Retirement Benefit Obligation	(1,056,718)	(137,891)	-	-
Net Income Recognised Directly in Equity	(1,056,718)	(137,891)	-	-
Profit (Loss) for Year	5,494,586	(395,674)	4,437,868	(533,565)
Total Recognised Income and Expense for the Year	4,437,868	(533,565)	4,437,868	(533,565)
Effect of Changes in accounting policy and correction of error in previous year:				
Total equity at the beginning of the financial year		10,900,179		10,900,179
Net adjustment for change of accounting policy		-		-
Restated equity at the end of the financial year		10,900,179		10,900,179
Loss reported in 2008 financial report		(533,565)		(533,565)
Impact on loss of change in accounting policy		137,891		-
Restated 2008 loss		(395,674)		(533,565)

The Statements of Recognised Income and Expense are to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

REPORTING ENTITY

The Jenolan Caves Reserve Trust (JCRT) and Jenolan Caves Reserve Trust Division (the Group) was constituted under the *National Parks and Wildlife Amendment (Abercrombie, Jenolan and Wombeyan Karst Conservation Reserves) Act 1997 No. 2*. The Group'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 administration office of the Group is situated at the Department of Lands (Land and Property Information division), Panorama Avenue Bathurst, whilst the principal places of business are situated at Jenolan Caves, situated in rural New South Wales.

The principal activities of the Group are environmental conservation; cave interpretation and provision of accommodation facilities at Jenolan Caves.

Authorisation of the Financial Report

The consolidated financial report for the year ended 30 June 2009 has been authorised by the Trust on 9 September 2009.

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 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, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, the provisions of the Public Finance and Audit Act and Regulations.

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

The financial statements have been prepared on an accruals basis and are expressed in Australian dollars. Except for certain investments, land and building, plant and equipment, motor vehicles and infrastructure systems, which are recorded at valuation, the financial statements are prepared in accordance with historical cost convention.

Statement of Compliance

Australian Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.2 Principals of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of JCRT 'parent entity' as at 30 June 2009 and the results of all subsidiaries for the year then ended. JCRT and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies.

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

Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

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.

1.3 Employee Benefits

i) Salaries and Wages, Annual Leave and Sick Leave

Liabilities for salaries and wages, including non monetary benefits, annual leave and accumulating sick leave 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. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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 2009**

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.

Fair value is determined as the market buying price (the best indicator of which is the assets replacement cost) as the future economic benefits are not primarily dependent on the asset's ability to generate net cash flows from continued use.

Cave infrastructure was valued by Trust employees, using a method approved by the Department of Environment and Climate Change – Parks Wildlife Group. This method involved applying an approved per metre cost to all items of cave infrastructure. Due to the specialised nature of these types of assets, this method developed by Trust employees is considered to be the only feasible method of valuing this type of infrastructure.

Each class of physical non-current assets is 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.

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 revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, Plant and Equipment (continued)

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 futures 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.

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 balance sheet.

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 Group 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.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.9 Leased Assets

Leases under which the Group 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 income statement 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 Interpretation 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.

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 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 Balance Sheet.

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.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Profit or Loss

Financial assets at fair value through profit or loss 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 balance sheet.

(iii) Held to Maturity Investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group 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 Derecognition

Regular purchases and sales of financial assets are recognised on trade date the date on which the Group 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 Group 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 income statement as gains and losses from investment securities.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.12 Investments and other financial assets (continued)

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 Group's right to receive payments is established.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group 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 income statement. Impairment losses recognised in the income statement on equity instruments classified as available for sale are not reversed through the income statement.

1.13 Changes in Accounting Policy

According with NSW Treasury policy, the entity has changed its policy on the recognition of superannuation actuarial gains and losses. Such actuarial gains and losses are now recognised outside the profit and loss in the 'statement of recognised income and expenses'. Previously, actuarial gains and losses were recognised through the profit and loss. Both options are permissible under AASB 119 Employee Benefits.

The changes in policy has been adopted on the basis that recognition outside profit and loss provides reliable and relevant information as it better reflects the nature of the actuarial gains and losses. This is because actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

Recognition outside profit or loss also harmonises better with the Government Finance Statistics / GAAP comprehensive income presentation for the whole government and general government sector, required under AASB 1049 Whole of Government and General Government Sector Financial Reporting. A comprehensive income presentation will also be available at the entity level from 2009/10 under AASB 101 Presentation of Financial Statements.

The change in accounting policy increases 2009 Consolidated 'profit for period' from \$4,437,868 to \$5,494,586 (2008: loss from \$(533,565) to \$(395,674), by excluding from profit the superannuation actuarial loss line item (2009: \$1,056,718, 2008: \$137,891).

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.14 New Accounting Standards and Interpretations

The following Australian Accounting Standards have been issued or amended and are applicable to the entity but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (applicable for annual reporting periods commencing from 1 January 2009). These standards contain changes to disclosure requirements and do not impact on the measurement or recognition of amounts reported in the entity's financial statements.

AASB 2008-5: Amendments to Australian Accounting Standards Arising from the Annual Improvements Project (applicable for annual reporting periods commencing 1 January 2009). The amendments in this standard are expected to impact on disclosure requirements only, with no anticipated changes to measurement or recognition of amounts reported in the financial statements.

AASB 2008-6: Further amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 July 2009). This standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. This standard will have no impact on amounts currently reported in the financial statements of the entity.

AASB 2009-2: Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (applicable for annual reporting periods commencing from 1 January 2009). These amendments arise from the issuance of Improving Disclosures about Financial Instruments (Amendments to IFRS 7) by the International Accounting Standards Board in March 2009. The amendments require enhanced disclosures about fair value measurements and liquidity risk.

AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (applicable for annual reporting periods commencing from 1 January 2010). The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes. These amendments are not expected to have a material effect on the amounts presented in the financial statements.

AASB 2009-6: Amendments to Australian Accounting Standards (applicable for annual reporting periods commencing from 1 January 2009) and AASB 2009-7: Amendments to Australian Accounting Standards (applicable for annual reporting periods commencing from 1 July 2009). These standards make editorial amendments to most Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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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) Market Risk

The Trust has minimal exposure to commodity, foreign exchange, equity and interest rate risk.

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.

(b) Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. For customers, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Compliance with credit limits by the customer is monitored by management.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets.

(c) Liquidity Risk

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 instruments that tradable in highly liquid markets.

(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
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2 FINANCIAL RISK MANAGEMENT

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:-

	Note	Variable Interest Rate		Fixed Interest		Non-Interest Bearing		Carrying Amount as per Balance Sheet	
		2009	2008	2009	2008	2009	2008	2009	2008
		\$	\$	\$	\$	\$	\$	\$	\$
1. Financial assets									
Cash & Investments	5	3,646,945	865,394	-	-	46,220	19,890	3,693,165	885,284
Trade and Other Receivables	6	-	-	-	-	198,160	740,977	198,160	740,977
Total Financial Assets		3,646,945	865,394	-	-	244,380	760,867	3,891,325	1,626,267
Weighted Average Interest Rate %			7.2%		-		-		3.8%
2. Financial liabilities									
Trade & Other Payables	9	-	-	-	-	2,079,459	1,700,170	2,079,459	1,700,170
Borrowings	11	-	-	1,203,577	1,209,848	-	2,470,944	1,203,577	3,680,792
Total Financial Liabilities		-	-	1,203,577	1,209,848	2,079,549	4,171,114	3,283,036	5,380,962
Weighted Average Interest Rate %			-		7.0%		-		1.6%

2.3 Trade and Other Receivables Analysis

(a) Impaired Trade Receivables

As at 30 June 2009 current trade receivables of the Trust with a nominal value of \$28,413 (2008: \$90,331) were impaired. The amount of the provision was \$28,413 (2008: \$80,000). The individually impaired receivables mainly related to Tour Operators, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

There are no amounts of collateral held as security at 30 June 2009 with regard to these receivables.

(b) Past Due but not Impaired

As of 30 June 2009, trade receivables of \$3,063 (2008: \$91,121) 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	
	2009	2008	2009	2008
	\$	\$	\$	\$
1-30 Days Overdue	2,944	29,432	2,944	29,432
31-60 Days Overdue	119	35,058	119	35,058
Great Than 60 Days Over Due	-	26,631	-	26,631
	3,063	91,121	3,063	91,121

There are no amounts of collateral held as security at 30 June 2009 with regard to these receivables.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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2. FINANCIAL RISK MANAGEMENT

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 Analysis of Trade and Other Payables

(a) Trade and Other Payables Expected to be Settled within the next 12 months

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
Due within 1 Month	699,945	1,171,795	699,945	1,171,795
Due within 2 Months	86,240	-	86,240	-
Due after 2 Months	-	-	-	-
	<u>786,185</u>	<u>1,171,795</u>	<u>786,185</u>	<u>1,171,795</u>

(b) Other Amounts expected to be settled within the next 12 months

Other payables include accruals for annual leave. The entire obligation is presented as current, since the Trust does not have an unconditional right to defer settlement.

The following amounts reflect leave that is expected to be taken in the next 12 months:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
Annual leave and other leave obligation expected to be settled within 12 months	334,395	329,980	-	-

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2. FINANCIAL RISK MANAGEMENT

2.5 Analysis of Borrowings

Maturities of borrowings

The table below analyses the Group's borrowings into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group at 30 June 2009	Less than 6 Months	6-12 Months	Between 1-2 Years	Between 2-5 Year	Over 5 Years	Total
Interest Bearing	40,536	40,536	1,240,536	-	-	1,321,608
Non Interest Bearing	-	-	-	-	-	-
Total	40,536	40,536	1,240,536	-	-	1,321,608

2.6 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.

Interest Rate Sensitivity Analysis

At 30 June 2008, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
Increase in Interest Rate by 1%	36,469	8,654	36,469	8,654
Decrease in Interest Rate by 1%	(36,469)	(8,654)	(36,469)	(8,654)

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009 \$	2008 \$	2009 \$	2008 \$
3. REVENUE FROM CONTINUING OPERATIONS				
Sales Revenue				
Interpretation Services	4,024,155	3,557,330	4,024,155	3,557,330
Accommodation	1,528,349	1,246,214	1,528,349	1,246,214
Special Events	78,592	84,569	78,592	84,569
Kiosk Trading	2,652	1,350	2,652	1,350
Gift Shop Trading	406,561	337,101	406,561	337,101
Food and Beverage Sales	2,364,545	1,132,263	2,364,545	1,132,263
	8,404,854	6,358,827	8,404,854	6,358,827
Rental Income				
Bistro Rental	-	334,169	-	334,169
Staff Cottages	19,789	18,742	19,789	18,742
Site Rental	16,438	8,701	16,438	8,701
	36,227	361,612	36,227	361,612
Interest – Financial Institutions	40,607	169,949	40,607	169,949
Interest – Revaluation of Non-Interest Bearing Loans	203,118	294,057	203,118	294,057
	243,725	464,006	243,725	464,006
Total Revenue From Continuing Operations	8,684,806	7,184,445	8,684,806	7,184,445
Other Income				
Grants Received – Administration #	6,720,712	350,000	6,720,712	350,000
Grants Received – Environmental #	-	20,000	-	20,000
Components of Defined Superannuation Benefit Plan Recognised in the Income Statement	95,449	129,361	-	-
Other	36,228	57,891	36,228	57,891
	6,852,389	557,252	6,756,940	427,891

There are no unfulfilled conditions or contingencies attained to the grant income indicated above. Included in the Grants Received – Administration is a loan forgiveness of \$3,480,712.

4. EXPENSES

4.1 EMPLOYEE BENEFITS EXPENSE

Salaries & Wages	4,198,710	3,192,304	-	-
Payroll Tax	231,254	184,114	-	-
Superannuation	367,113	310,222	-	-
Worker's Compensation	94,790	29,875	-	-
Payroll Processing Charge	24,448	17,709	-	-
Employee Benefits Expense	4,916,315	3,734,224	-	-
Personnel Services Expense	-	-	5,877,584	3,742,754
Total Employee Benefits Expense	4,916,315	3,734,224	5,877,584	3,742,754

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
4. EXPENSES (continued)				
4.2 DEPRECIATION EXPENSE				
Depreciation of Non-Current Assets				
- Buildings	52,259	34,357	52,259	34,357
- Plant & Equipment	36,034	18,995	36,034	18,995
- Caves Infrastructure	125,986	121,816	125,986	121,816
- General Infrastructure	146,262	116,688	146,262	116,688
- Leasehold Improvements	5,183	5,183	5,183	5,183
	365,724	297,039	365,724	297,039
4.3 OTHER EXPENSES				
Accounting Fees	180,882	135,870	180,882	135,870
Audit Fees	45,875	60,050	45,875	60,050
Bank & Credit Card	49,391	56,210	49,391	56,210
Cleaning	261,094	177,810	261,094	177,810
Environmental	12,016	-	12,016	-
IT Maintenance & Supplies	34,205	63,255	34,205	63,255
Printing & Stationery	62,691	54,450	62,691	54,450
Rental Expense on Operating Leases -				
Minimum Lease Payments	324,371	264,147	324,371	264,147
Special Events	48,511	56,670	48,511	56,670
Travel Expenses	26,747	17,186	26,747	17,186
Other expenses	226,783	190,320	226,783	190,320
	1,272,566	1,075,968	1,272,566	1,075,968

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
5. CASH AND CASH EQUIVALENTS	\$	\$	\$	\$
Cash at Bank and on Hand	3,693,165	885,284	3,693,165	885,284

Cash at bank earns interest at floating rates based on daily bank deposit rates

(a) Reconciliation to Cash at the End of the Year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as Above	3,693,165	885,284	3,693,165	885,284
Balances per Statement of Cash Flows	3,693,165	885,284	3,693,165	885,284

6. TRADE AND OTHER RECEIVABLES

Trade Receivables	206,542	541,149	206,542	541,149
Less: Provision for Doubtful Debts	(28,413)	(80,000)	(28,413)	(80,000)
	178,129	461,149	178,129	461,149

Prepaid Superannuation Contributions
(refer note 14)

Prepayments	-	265,552	-	-
	20,031	14,276	20,031	14,276
	20,031	279,828	20,031	14,276
	198,160	740,977	198,160	475,425

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 – at Cost	25,506	-	25,506	-
Maintenance – at Cost	4,218	4,733	4,218	4,733
Electrical – at Cost	17,948	17,911	17,948	17,911
Kiosk – at Cost	1,838	8,534	1,838	8,534
Gift Shop – at Cost	98,579	102,412	98,579	102,412
Caves House – at Cost	31,474	25,871	31,474	25,871
	179,563	159,461	179,563	159,461

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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8. PROPERTY PLANT AND EQUIPMENT

CONSOLIDATED ENTITY & PARENT ENTITY

	Land and buildings	Plant and equipment	Motor vehicles	Caves
At 1 July 2008				
Cost or Fair Value	1,353,990	291,816	39,034	7,036,707
Accumulated Depreciation and Impairment	(136,060)	(174,394)	(39,034)	(581,209)
Net Carrying Amount	<u>1,217,930</u>	<u>117,422</u>	<u>-</u>	<u>6,455,499</u>
Year ended 30 June 2009				
Opening Net Book Amount	1,217,930	117,422	-	6,455,499
Additions	-	-	-	-
Transfers In/(Out)	2,706,222	281,260	-	874,541
Depreciation Charge for the Year	(52,259)	(36,035)	-	(125,986)
Net Closing Book Amount	<u>3,871,893</u>	<u>362,647</u>	<u>-</u>	<u>7,204,054</u>
At 30 June 2009				
Cost or Fair Value	4,060,212	573,076	-	7,911,248
Accumulated Depreciation and Impairment	(188,319)	(210,429)	-	(707,195)
Net Carrying Amount	<u>3,871,893</u>	<u>362,647</u>	<u>-</u>	<u>7,204,053</u>
	General Infrastructure	Leasehold Improvements	Capital Works	Total
At 1 July 2008				
Cost or Fair Value	3,527,920	41,460	3,896,415	16,148,309
Accumulated Depreciation and Impairment	(517,200)	(34,552)	-	(1,443,415)
Net Carrying Amount	<u>3,010,720</u>	<u>6,908</u>	<u>3,896,415</u>	<u>14,704,894</u>
Year ended 30 June 2009				
Opening Net Book Amount	3,010,720	6,908	3,896,415	14,704,894
Additions	-	-	489,739	489,739
Transfers In/(Out)	228,372	-	(4,090,395)	-
Depreciation Charge for the Year	(146,262)	(5,183)	-	(365,725)
Net Closing Book Amount	<u>3,092,830</u>	<u>1,725</u>	<u>295,760</u>	<u>14,828,908</u>
At 30 June 2009				
Cost or Fair Value	3,756,292	41,460	295,760	16,638,048
Accumulated Depreciation and Impairment	(663,462)	(39,735)	-	(1,809,140)
Net Carrying Amount	<u>3,092,830</u>	<u>1,725</u>	<u>295,760</u>	<u>14,828,908</u>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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8. PROPERTY PLANT AND EQUIPMENT (Continued)

CONSOLIDATED ENTITY & PARENT ENTITY

	Land and buildings	Plant and equipment	Motor vehicles	Caves
At 1 July 2007				
Cost or Fair Value	1,353,990	269,848	39,034	7,036,708
Accumulated Depreciation and Impairment	(101,703)	(155,399)	(39,034)	(459,393)
Net Carrying Amount	<u>1,252,287</u>	<u>114,449</u>	<u>-</u>	<u>6,577,315</u>
Year ended 30 June 2008				
Opening Net Book Amount	1,252,287	114,449	-	6,577,315
Additions	-	-	-	-
Transfers In/(Out)	-	21,968	-	-
Depreciation Charge for the Year	(34,357)	(18,995)	-	(121,816)
Net Closing Book Amount	<u>1,217,930</u>	<u>117,422</u>	<u>-</u>	<u>6,455,499</u>
At 30 June 2008				
Cost or Fair Value	1,353,990	291,816	-	7,036,708
Accumulated Depreciation and Impairment	(136,060)	(174,394)	-	(581,209)
Net Carrying Amount	<u>1,217,930</u>	<u>117,422</u>	<u>-</u>	<u>6,455,499</u>
	General Infrastructure	Leasehold Improvements	Capital Works	Total
At 1 July 2007				
Cost or Fair Value	3,019,930	41,460	1,990,563	13,751,533
Accumulated Depreciation and Impairment	(400,512)	(29,369)	-	(1,185,410)
Net Carrying Amount	<u>2,619,418</u>	<u>12,091</u>	<u>1,990,563</u>	<u>12,556,123</u>
Year ended 30 June 2008				
Opening Net Book Amount	2,619,418	12,091	1,990,563	12,566,123
Additions	-	-	2,435,810	2,435,810
Transfers In/(Out)	507,990	-	(529,958)	-
Depreciation Charge for the Year	(116,688)	(5,183)	-	(297,039)
Net Closing Book Amount	<u>3,010,720</u>	<u>6,908</u>	<u>3,896,415</u>	<u>14,704,894</u>
At 30 June 2008				
Cost or Fair Value	3,527,920	41,460	3,896,415	16,148,309
Accumulated Depreciation and Impairment	(517,200)	(34,552)	-	(1,443,415)
Net Carrying Amount	<u>3,010,720</u>	<u>6,908</u>	<u>3,896,415</u>	<u>14,704,894</u>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
9. TRADE AND OTHER PAYABLES				
Refundable deposits	131,464	125,951	131,464	125,951
Trade Payables	660,192	1,022,451	660,192	1,022,451
Accrued Expenses	86,240	72,000	86,240	72,000
Accrued Employee Costs	171,450	149,788	-	-
Employee Benefits - Annual Leave	306,376	311,282	-	-
Employee Benefits - Other Leave	28,019	18,698	-	-
Defined Benefit Plan	695,718	-	-	-
Loans to Related Parties	-	-	1,201,563	214,216
	2,079,459	1,700,170	2,079,459	1,434,618
10. PROVISIONS				
Current				
Employee Benefits - Long Service Leave	191,005	118,293	-	-
Personnel Services Provision	-	-	191,005	118,293
	191,005	118,293	191,005	118,293
Non-current				
Employee Benefits - Long Service Leave	87,708	91,182	-	-
Personnel Services Provision	-	-	87,708	91,182
	87,708	91,182	87,708	91,182
11. BORROWINGS				
Current				
Other Loans	-	-	-	-
	-	-	-	-
Non-current				
Other Loans	1,203,577	3,680,792	1,203,577	3,680,792
	1,203,577	3,680,792	1,203,577	3,680,792

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
12. CONTRIBUTED EQUITY				
Capital Trust	5,831,749	5,831,749	5,831,749	5,831,749

13. RESERVES AND RETAINED PROFITS

(a) Reserves

Movements in Reserves Were as Follows:

Balance 1 July 2008	7,188,749	7,188,749	7,188,749	7,188,749
Current Year Movement	-	-	-	-
Balance 30 June 2009	7,188,749	7,188,749	7,188,749	7,188,749

(b) Retained Profits

Movements in Retained Profits Were as Follows:

Balance 1 July 2008	(2,120,319)	(1,586,754)	(2,120,319)	(1,586,754)
Net Profit/ (Loss) for the Year	5,494,586	(395,674)	4,437,868	(533,565)
Actuarial Losses on Retirement Benefit Obligation	(1,056,718)	(137,891)	-	-
Balance 30 June 2009	2,317,549	(2,120,319)	2,317,549	(2,120,319)

14. RETIREMENT BENEFIT OBLIGATIONS

(a) Superannuation Plan

Funds are provided to cover the anticipated future liability of the Group for superannuation on retirement, disability or death. The group has one plan with a defined benefit section and a defined contribution section. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section received fixed contributions from Group companies and the Groups legal or constructive obligation is limited to these contributions.

The Pooled funds hold in trust the investments of the closed NSW public sector superannuation schemes:
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 are closed to new members.

(b) Balance Sheet Amounts

The amounts recognised in the balance sheets are determined as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
Present Value of the Defined Benefit Obligation	4,017,432	3,625,423	-	-
Fair Value of Defined Benefit Plan Assets	(3,321,714)	(3,890,975)	-	-
Net (Asset)/Liability in the Balance Sheets	695,718	(265,552)	-	-

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

(b) Balance Sheet Amounts (continued)

All fund assets are invested by STC at arm's length through independent fund managers.

Movement in net liability/(asset) recognised in balance sheet

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	\$	\$	\$	\$
Net (Asset)/Liability at Start of Year	(265,552)	(274,082)	(265,552)	(274,082)
Actuarial Losses	1,210,739	575,954	1,210,739	575,954
Adjustment for Limit on Net Assets	(154,021)	(438,063)	(154,021)	(438,063)
Net Expense Recognised in the Income Statement	(39,887)	(73,746)	(39,887)	(73,746)
Contributions	(55,562)	(55,615)	(55,562)	(55,615)
Net (Asset)/Liability to be Disclosed in Balance Sheet	695,717	(265,552)	695,717	(265,552)

(c) Amounts Recognised in Income Statements

The amounts recognised in the income statements are as follows:

Current Service Cost	51,283	47,830	51,283	47,830
Interest Cost	227,848	219,884	227,848	219,884
Expected Return on Plan Assets	(319,018)	(341,460)	(319,018)	(341,460)
Contributions	(55,562)	(55,615)	(55,562)	(55,615)
Total Included in Income	(95,449)	(129,361)	(95,449)	(129,361)
Actual Return on Plan Assets	395,876	280,041	395,876	280,041

(d) Principal Actuarial Assumptions

The assumptions used by the actuary in estimating the deferred liability were:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2009	2008	2009	2008
	%	%	%	%
Discount Rate	5.59	6.55	5.59	6.55
Expected rate of return in assets backing current pension liabilities	8.3	8.3	8.3	8.3
Expected rate of return in assets backing other liabilities	7.3	7.3	7.3	7.3
Future Salary Increases	4.0	3.5	4.0	3.5

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14. RETIREMENT BENEFIT OBLIGATIONS (continued)

(e) **Employer Contributions**

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made on a monthly basis and the last such assessment was made as at 30 June 2009.

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 members 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	
	2009 \$	2008 \$	2009 \$	2008 \$
Profit/ (Loss) for the Year	5,494,586	(395,674)	4,437,868	(533,565)
Depreciation and Amortisation	365,724	297,038	365,724	297,038
Actuarial Losses on Retirement Benefit Obligation	-	-	1,056,718	137,891
Components of Defined Superannuation Benefit Plan Recognised in the Income Statement	(95,449)	(129,361)	(95,449)	(129,361)
Loans Forgiven	(3,480,712)	-	(3,480,712)	-
Fair Value Gain on Revaluation of Interest Free Loan	88,497	(150,079)	88,497	(150,079)
Change in Operating Assets and Liabilities				
(Increase) Decrease in Receivables	277,264	217,653	277,264	217,653
(Increase) Decrease in Inventories	(20,102)	(37,410)	(20,102)	(37,410)
Increase (Decrease) in Trade & Other Payables	(348,098)	544,823	(348,098)	544,823
Increase (Decrease) in Other Operating Liabilities	31,590	147,412	31,590	147,412
Increase (Decrease) in Other Provisions	69,238	(9,418)	69,238	(9,418)
Net Cash (Outflow) Inflow from Operating Activities	2,382,538	484,984	2,382,538	484,984

16. REMUNERATION OF AUDITORS

	Consolidated	
	2009 \$	2008 \$
Auditing of the Financial Report	45,875	60,050
No other services were provided by the auditor		

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

Operating Leases – Office Accommodation and Equipment

Future non-cancellable operating lease rentals not provided for and payable;

	Consolidated 2009	2008
	\$	\$
not longer than one year	82,333	261,000
longer than one year and not longer than two years	-	82,333
longer than two years and not longer than five years	-	-
Total lease commitments (inclusive of GST)	<u>82,333</u>	<u>343,333</u>

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 might ultimately result in a liability being incurred by the Group. It is impossible to assess the quantum of compensation likely to be paid, if any, following resolution of the claims.

The Group has no other contingent liabilities (Nil in 2008).

19. CAPITAL EXPENDITURE COMMITMENTS

	2009	2008
	\$	\$
General Infrastructure		
Not longer than 1 year	1,822,000	550,600
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	<u>1,822,000</u>	<u>550,600</u>

20. SUBSEQUENT EVENTS

There were no subsequent events in respect of the year ended 30 June 2009.

In relation to the \$46 million damages claimed by the ex lessee, reported as a subsequent event for the year ended 30 June 2008, settlement was reached in the Industrial Court of NSW and the Supreme Court of NSW. The settlement will be finalised as soon as all litigants are in the position to execute the Deed of Release. JCRT has been indemnified by its insurer.

End of audited financial statements.