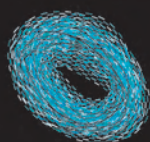


# Jenolan Caves Reserve Trust Annual Report 2010 - 2011



jenolan caves  
explore marvel stay

1300 76 33 11  
[www.jenolancaves.org.au](http://www.jenolancaves.org.au)

# Contact Details

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JENOLAN CAVES NSW 2790  
Ph: 1300 76 3311  
Fx: 02 6359 3092  
Hours: 9am to 5pm

Cave Operations  
Guides Office  
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Ph: 1300 76 3311  
Fx: 02 6359 3307  
Hours: 8.30am to 5.30pm

Maintenance Department  
JENOLAN CAVES NSW 2790  
Ph: 1300 76 3311  
Fx: 02 6359 3307

Jenolan Caves House  
JENOLAN CAVES NSW 2790  
Ph: 1300 76 3311  
Fx: 02 6359 3227

*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

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## Mission Statement

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

## Charter/Legislation

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

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

## Aims & Objectives

The main goals of the Trust are:-

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

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

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

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

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

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

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



Reserve Location Map

# Administrator's Report

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The year 2010/2011 has been another busy and productive one for Jenolan Caves. Work has continued on the upgrade of Jenolan Caves House with a significant achievement being the completion of the upgrade to the Caves House kitchen. This upgrade will assist with bringing historic Jenolan Caves House to a standard which will support the 250,000 visitors each year and provide enhanced capacity for future growth. The ongoing upgrade of the show cave system continues, and in 2010/2011 with a joint funded project with Jenolan Caves Reserve Trust and a Federal Government TQUAL grant, a new LED lighting system was installed in the River Cave.

Although, visitation has declined by 1.7% during 2010/2011 Jenolan Caves continues to achieve significant industry recognition. Jenolan Caves won a Gold Award at the NSW Tourism Awards for Best Tourist Attraction and silver for both Ecotourism and Heritage / Cultural Tourism. Anecdotally the decline in visitation numbers has been far less than has been experienced by other tourism products located in regional areas. Indications are that despite Jenolan's popularity and iconic status the coming year will present significant challenges due to the uncertain economic outlook.

The NSW Government has recognised that Jenolan is an important environmental, tourism and heritage precinct and has indicated that once a sustainable commercial model is in place to protect the environment at Jenolan and provide commercial and social outcomes, the responsibility for management will be transferred to the NSW Office of Environment and Heritage. The Jenolan Caves Karst Conservation Reserve is listed on the NSW Heritage Register. Jenolan Caves also achieved international recognition, being selected as the venue for the next congress of the International Show Cave Association in 2014. This will only be the second time that this congress has been held outside of Europe and the first ever in the Southern Hemisphere.

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

**Dianne Leeson**  
**Administrator**  
**Jenolan Caves Reserve Trust**

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

# Overview



Jenolan Caves Reserve Trust has continued to operate the cave tour and accommodation facilities at Jenolan throughout 2010/2011. The relocation of administrative staff from Bathurst to Jenolan in 2009 has continued to provide efficiencies for staff and improvement to systems.

In May 2010 the Trust commenced an Expression of Interest (EOI) process to manage and operate the hospitality facilities and market this unique tourism destination. This process is currently scheduled for completion during the 2011/2012 financial year. The Trust is working closely with staff to ensure they are kept informed of progress and to ensure that all staff entitlements are fully maintained.

## Jenolan Caves Reserve Trust Division

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

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

## Visitation

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

Jenolan	2009/10	2010/11
	<b>231,195</b>	<b>227,175</b>

Jenolan Caves received a number of important accolades and acknowledgements through the Regional and NSW Tourism Awards process in the 2010/11 financial year. Notable achievements were:

### 2010 NSW Tourism Awards

- Gold Award – Tourist Attraction
- Silver Awards – Ecotourism and Heritage / Cultural Tourism

### 2010 Blue Mountains Tourism Awards

- Best Tourist Attraction
- Festivals and Events (Carols in the Caves)
- Adventure Tourism
- Tourism Restaurants and Catering (Chisolms)

## Income & Expenditure

Revenue from continuing operations was \$9,411,474, an increase of \$331,890 on last year. Total expenditure before impairment expenses was \$9,962,777, a reduction of \$244,403 on the previous year.

## 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 continued as a major focus of the Trust this past year as has continuing integration of the hospitality and attraction elements of the operation.

Trust staff now have another new challenge facing them with the EOI process and the potential transition to a private sector operator. Senior managers will be working closely to assist with a successful outcome for all staff.

## Overview (cont)

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### Research and Monitoring

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

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

### Marketing

In contrast to recent years the focus of the Trust marketing has been to preserve levels of activity in the context of an increasingly depressed tourism economy. By focussing on international group travel and growing events, Jenolan has avoided the substantial declines reported by other regional tourism operators.

### World Heritage

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

The Trust is represented on the GBMWhA Management Committee and has active input

into decisions affecting, or with the potential to affect the natural, cultural and recreational values of the area.

### Major Developments

Major capital works projects that were either underway or completed during the 2010/2011 financial year are identified in the Statutory Information section of this report. The Trust completed major works on the Jenolan Caves House kitchen and the River Cave.

### Jenolan Caves House

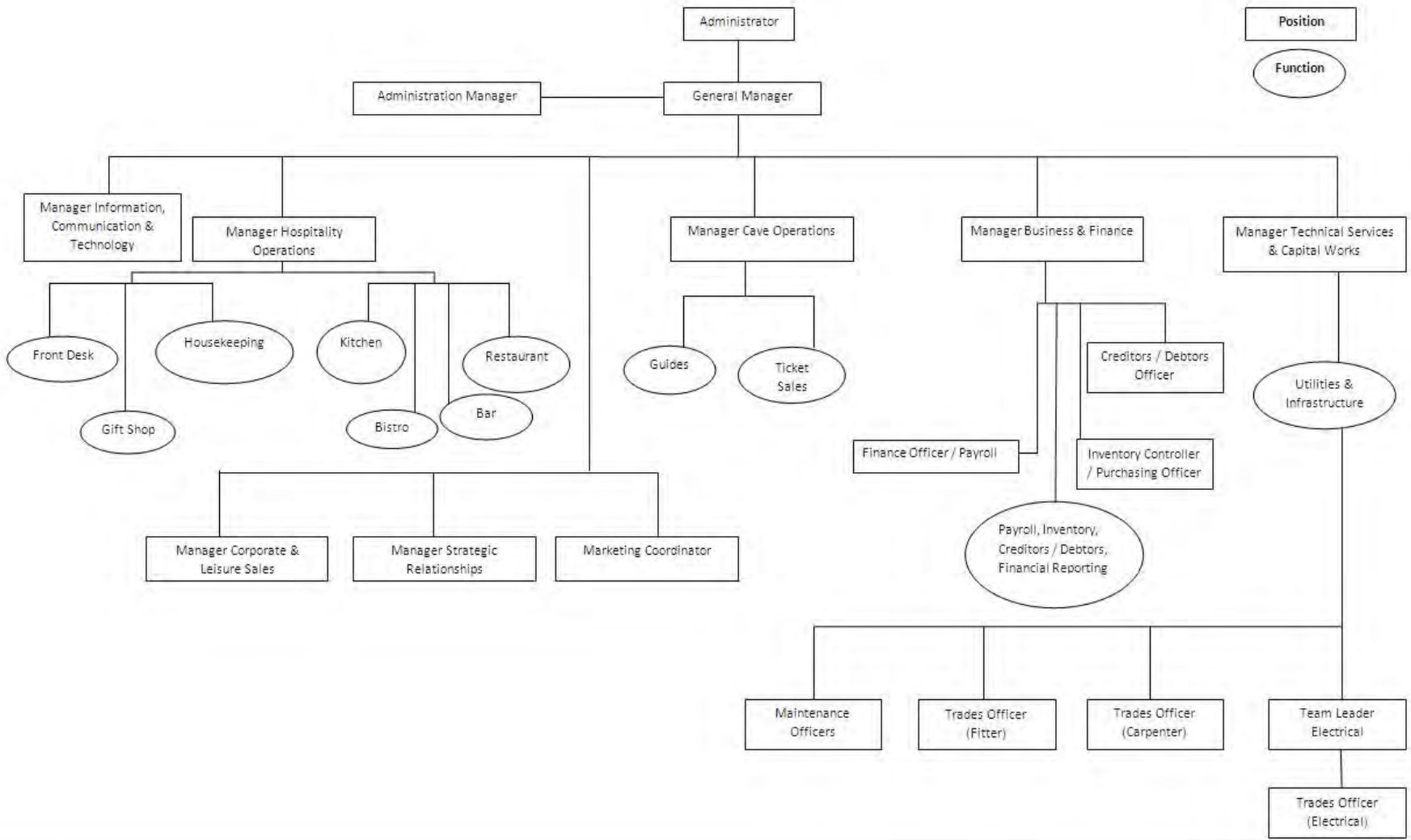
The return of the lease for Jenolan Caves House to the Government in early July 2006 meant that the Jenolan Caves Reserve Trust assumed operational control of the Caves House complex which includes buildings and items of significant heritage value which were key drivers in the listing of Jenolan Karst Conservation Reserve on the NSW Heritage Register.

Work is continuing on Jenolan Caves House to ensure it is maintained to a required standard in sympathy with its heritage status.

**Peter Austen**  
**General Manager**  
**Jenolan Caves Reserve Trust**



# Organisation Chart



# Cave Operations

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## Performance Indicators

### Compared to 2009/2010:

- Visitation: -1.7%
- Revenue: +0.54%
- Expenditure: +3%
- Number of Cave Tours: +4.9%
- Revenue per FTE: +0.5%
- Total Expense per Visitor: +4.8%
- Total Revenue per Visitor: +2.3%

### 2010/2011 Financial Year

- Total FTE: 32
- Number of Tours per FTE: 362
- Salaries & Wages as % of Total Expenditure: 57.8%

*FTE = Full time equivalent staff*

## Visitation

Visitation decreased by 1.7% on previous year's result to 227,175 cave visits. Average yield per client increased 2.6% to \$20.60. The current environment for the NSW tourism industry is intensely competitive and being negatively impacted by low consumer confidence and the high value of the \$AUD. In the present conditions facing the tourism industry, these results are considered satisfactory.

State of the art lighting was completed in the River Cave, funded in part by a TQUAL Grant. The continued revision of the core product is an important factor in allowing Jenolan to remain competitive against other tourism product offerings and the increasing competition for discretionary spending in the leisure market.

Jenolan continues to introduce new products and services. The children's programs developed last year have been refined and expanded, and have grown in popularity with uptake on these tours increased by 51%. An additional three language versions were added to the self-guided audio tour including 'Klingon', the constructed language from the 'Star Trek' series. The addition of this language provided unprecedented publicity.

Jenolan also launched an iPhone 'App' based upon the self-guided tour and available in 10 languages. Marketing expanded in the area of Social Media to encompass Facebook, Twitter, a Blog and Podcast series based on the free lectures given by staff in holiday periods.

## 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.

Ian Eddison retired from the Trust after 15 years service as a Guide. Ian was an outstanding Guide and advocate for conservation and land care at Jenolan and his service is commended.

Two full time Guide positions were filled on a fixed term contract basis. Two full time Guides are currently seconded to positions with the Trust's Marketing Unit.

## Training

Internal and external training courses have been conducted in the following areas; Senior First Aid, Advanced Resuscitation, Certificate Level Three Tourism, Certificated Level Three Outdoor Recreation (Horizontal and Vertical Caving), Advanced Diploma in Tourism, OHS Induction (White Card), Women in Business and Conflict Resolution. A comprehensive 110 page training manual has been implemented for all new guiding staff, and new workplace procedures prepared. The Trust has hosted both work experience and work placement students during the year. Programmes are available to cater for High Schools through to mature age students completing advanced studies in Tourism, Outdoor Recreation and Science.

## Cave Operations cont.

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Staff attended the following conferences; Interpretation Association Australia Annual Conference, Australasian Cave & Karst Management Association Conference (4 Cave Operations staff presented papers) and the International Show Cave Association conference in Liptovsky Mikolas Slovakia.

### Natural Resource Management

The Cave Operations maintenance program continues to focus on cleaning of the show cave system made necessary by human usage, using vacuuming and water cleaning techniques largely developed at Jenolan by the guiding staff. In addition, elimination of slip/trip hazards within the show cave system is almost complete with new stair treads proving effective. Remedial work has been carried out to harden and stabilise small sections of those caves used for adventure activities.

### Awards

Jenolan Caves was the winner of the 2010 Blue Mountains regional tourism award for Best Tourist Attraction, Festivals and Events (for 'Carols in the Caves') and Adventure Tourism. Jenolan was also a State finalist in these categories, winning a Gold Award in the NSW Tourism Awards for Tourist Attractions. At State level Jenolan also entered the categories of Ecotourism and Heritage/Cultural Tourism and won Silver in each of these areas.



*River Cave, Jenolan*

### Special Events

In the current period of tourism downturn, Jenolan's innovative events calendar continues to both encourage visitation as well as to generate media interest and publicity.

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.

A new product offering, 'Murder Mysteries', commenced with a local theatre company presenting 'The Lair of the Werewolf' in the Lucas Cave. This product has proved initially popular and will be a future staple of the events calendar.

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, ABBA's Back and a Jazz festival.

The popular annual Community Christmas Carols was again held in the Grand Arch on December 11. Over \$13,500 was raised and donated to the Childhood Cancer Research Unit at the Children's Hospital Westmead.

**Dan Cove**  
**Manager Cave Operations**  
**Jenolan Caves Reserve Trust**

# Jenolan Caves House

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The hospitality operations of Jenolan comprise four accommodation units – Caves House (38 rooms), Mountain Lodge (30 motel style studios), Gatehouse backpacker lodge (14 rooms accommodating 70 guests) and Jenolan Cottages (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.

## Revenue Generation

Accommodation operations delivered occupancy of 32.08% against 33.6% for the previous year. The hospitality business achieved gross revenue of \$3.8M representing a decrease of \$400K on last year.

## Personnel

Staffing arrangements continue to present a challenge for the operations at Jenolan Caves House with the main issue being the ability to build and sustain a skilled employee base. The Trust has recruited for more ‘local’ based staff to provide a more stable workforce.

The Trust has also recruited a number of trainees and apprentices to staff these operations. The trainees and apprentices gain valuable work skills whilst at Jenolan and are given the opportunity to pursue their passion for hospitality.

## Food & Beverage Facilities

In 2010/2011 Chisholms Grand Dining Room was further utilised with the continuation of a lunch service. The lunch service was packaged with Cave Tour options and has seen growth for Food and Beverage Operations in this area.

Major capital works were completed on the kitchen located in Jenolan Caves House. The kitchen now has adequate space for food preparation and new equipment installed which has seen the quality of food increase substantially.

The streamlining of Cafe Bar operations with one point cashier and automatic coffee machines has resulted in a decrease in staffing costs and a better spend per head. The Trust is considering further improvements that can be made to the Cafe Bar operations.

The improvement in service standards within the Food and Beverage area at Jenolan was highlighted by success at the Regional Tourism Awards. Chisolms Grand Dining Room won the ‘Best Tourism Restaurant / Catering’ category in the 2010 Blue Mountains, Lithgow and Oberon Awards of Excellence.

**James Brady**  
**Acting Manager Hospitality Operations**  
**Jenolan Caves House**



# Visitor Zone Maintenance

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Significant milestones within the area of maintenance and capital works were achieved during the 2010/11 financial year.

## Maintenance

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

- Ongoing maintenance on the built infrastructure within the Visitor Use & Services Zone including walking tracks and caves.
- Outdoor maintenance completed with the assistance of Oberon Correctional Centre including walking track maintenance, Jenolan Cottages maintenance, ground works, painting of exterior furniture, decking and handrails.
- Carpark One and Boiler House Road was resealed.
- Significant maintenance was completed on Jenolan Caves House accommodation facilities in February 2011.
- Sewage Treatment Plant was upgraded.
- All leased motor vehicles were replaced except for two Prius vehicles.

## Capital Works

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

- Re-electrification of the River Cave.
- Caves House kitchen upgrade.
- Conversion of old laundry to central store.

## Environmental Maintenance

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

- Hydro Electric generator – in operation for the full year saving on fossil fuels.
- Continuation of the Riparian Zone invasive weeds project in association with the Hawkesbury Nepean Catchment Management Authority with contracted works carried out by The Bush Doctor.

- The Trust increased its recycling program with recyclable goods sent to Oberon Waste Facility.
- All motor vehicles running on E10 fuel.

## Staff Training

Technical Services staff were trained in the following areas:- Senior First Aid; Remote Area First Aid; Advanced Resuscitation; Bushfire Training; Electrical C-Bus and attended a variety of Trade Shows.

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

# Research & Development

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## **Air and Water Quality Monitoring Program**

The monitoring of air and water quality in Jenolan's show caves and water bodies has continued over 2010/11.

Monitoring results indicate that cave atmosphere and water quality are within accepted natural parameters and conducive to cave forming and development processes. Results also show a correlation between visitor access and fluctuations in cave atmosphere.

Data collected from air and water quality monitoring is currently being compiled for future in depth analysis by scientists from Sydney University and potentially other institutions. Air quality data from the program is also being compared with similar data collected by Dr Chris Warring from the ANSTOW Institute for Environmental Research to establish short and long term trends in CO<sub>2</sub> accumulation in caves.

## **Biodiversity Survey**

The OEH Biodiversity Survey and Assessment Section, supported by staff from the Karst and Geodiversity and Trust, completed a two week vertebrate fauna survey of the Jenolan Karst Conservation Reserve. The survey extended to above and below ground environments and had a particular focus on micro bats, which have been

previously recorded in a number of the reserve's caves.

Findings of the survey support previous assessments that the reserve is a significant site for biodiversity with a broad range of species confirmed. They also yielded valuable information on the extent of caves and other limestone features used by the vulnerable Large-eared Pied Bat (*Chalinolobus dwyeri*) and the habitat range of the uncommon and rarely sighted Tiger Quoll (*Dasyurus maculatus*).

## **Linking Modern Hydrology and Weather to Speleothem Climate Records**

Dr Chris Warring from the ANSTO Institute for Environmental Research has continued his research into the relationship between speleothems growth and external weather and climate. An outcome of this research will be the development of tools to assist in more accurately predicting future climatic conditions and their impacts on speleothem growth and the environment more generally.

**Stephen Meehan**  
**Manager, Karst Geodiversity Unit**  
**NSW Office of Environment and Heritage**

# Corporate Resources

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## Finance Department

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

## Information Technology

The Trust has developed a replacement program for all its frontline machines and will commence replacement in the 2011/2012 year.

## Capital Expenditure

Expenditure on capital works and equipment totalled \$661,091 and consisted of:

General infrastructure and environmental projects	\$233,787
Buildings/workshops	\$427,304
	<u>\$661,091</u>

## Annual Financial Statements

Below is a summary from the Statement of Comprehensive Income for 2009/2010 compared with 2008/2009.

	\$ 2010/2011	\$ 2009/2010
Revenues from continuing operations	9,411,474	8,926,266
Total Expenses (excluding impairment expenses)	(9,962,777)	(9,718,374)
Profit/(Loss) from ordinary activities	(551,303)	(792,108)

# 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.

	2008/2009	2009/2010	2010/2011
Commercial Manager	Deleted	Deleted	Deleted
Director	1		
General Manager		1	1
Personal Assistant	1		
Executive Assistant		1	
Administration Manager			1
Systems Administrator & Finance Officer	2	2	1
Senior Finance Officer	Vacant	Deleted	Deleted
Manager Business & Finance		1	1
Administration Officers	4 0.4 vacant	4 0.4 vacant	4 0.4vacant
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Visitor Services Officers	0.8	0.8	Deleted
Caretaker Jenolan Caves Cottages	1	Deleted	Deleted
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works	1	1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	2	2	2
Maintenance Officer	3.5 1 vacant	3.5 1 vacant	3.5 1 vacant
Deputy General Manager Rooms Caves House	1	Deleted	Deleted
Manager Food & Beverage Operations		1	Deleted
Deputy General Manager Food & Beverage Caves House	1	Deleted	Deleted
Manager Rooms Division		1	Deleted
Manager Hospitality Operations			1
Head Chef Caves House	1	1	1
Front Office Manager Caves House	1	1	Deleted

## Recruitment Statistics

In all there are 35 permanent positions covering 4 categories. Permanent staff also engage in job sharing arrangements in the Cave Operations and Technical Services departments.

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

The Trust's estimated full time equivalent staff number (FTE) as at 30 June 2011 was 74.9.

There were no voluntary redundancy payments during the year.



## Statutory Information (cont)

### Training

Total training costs for the year were \$43,082.

Total paid staff hours for external training:

2010/2011	\$17,739
2009/2010	\$22,535
2008/2009	\$40,598

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 %
<b>2008/2009</b>	48	52
<b>2009/2010</b>	50	50
<b>2010/2011</b>	59	41

Of the permanent employees 70% are male and 30% are female. In 2010/2011 the average remuneration for males was \$61,415 and females \$53,212.

Approximately 15% 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 1 occasion.

### Overseas Visits

There was one official overseas visit undertaken by staff during the 2010/2011 financial year. Ministerial approval was granted for this travel.

### Consultants

Throughout 2010/2011 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

*Equal to or more than \$30,000*

Internal Audit Bureau \$ 34,181

*Under \$30,000*

Morse Group \$ 3,570

**TOTAL CONSULTANCIES \$37,751**

### Account Payment Performance

Account payment performance indicators for 2010/2011 financial year:

#### Average value of creditor payments processed per month

Current (within 30 days)	\$10,707
Less than 30 days overdue	\$368,200
Between 30-60 days overdue	\$163,490
Between 60-90 days overdue	\$10,540
Over 90 days overdue	\$1,886
Percentage of accounts paid on time	48%
Total of accounts paid on time	\$3,195,470
Total of accounts paid	\$6,657,229

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 2010/2011. The Trust has successfully utilised the various features this provides.

## Statutory Information (cont)

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### Disability Plans

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

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

### Ethnic Affairs Priorities Statement

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

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

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

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

The Trust continues to pursue its commitment to understanding and catering to the needs of ethnic groups will continue in 2010/2011. It will:

- Investigate the redesign of current public communication programs including the redesign of the Trust's website.

### 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.
- Online Surveys.

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

## Statutory Information (cont)

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### 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 and distributes information to staff from meetings on a regular basis.

### Government Information (Public Access) Act 2009 Requests

There were no GIPA requests in 2010/2011.

### Risk Management

The Trust has in place an Internal Audit and Risk Management Committee which meets monthly. This Committee has completed internal audits of the Trust's Cash Handling and further internal audits will be completed in the 2011/2012 financial year.

### Energy Management

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

### Waste Management

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

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

### Policy & Planning

A draft Plan of Management for the Jenolan Karst Conservation Reserve has been prepared.

### Research

Research projects that were completed or are ongoing are identified in the Environment Report.

### Major Works Completed or Underway

Major works programs completed or underway are:

- Staff Accommodation
- Café Bar Upgrade – ongoing
- Fire Shed
- Relighting – River Cave
- Jenolan Caves House Kitchen – ongoing

### 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 2010/2011

Total external cost – Nil.

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

[www.jenolancaves.org.au](http://www.jenolancaves.org.au)

# Independent Audit Report



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Jenolan Caves Reserve Trust and the Consolidated Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Jenolan Caves Reserve Trust and the Consolidated Entity (the Trust), which comprises the balance sheets as at 30 June 2011, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Trust and the consolidated entity. The consolidated entity comprises the Trust and the entities it controlled at the year's end or from time to time during the financial year.

#### Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and the consolidated entity as at 30 June 2011, and of their financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

#### Administrator's Responsibility for the Financial Statements

The Administrator of the Trust is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Administrator of the Trust determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Trust or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, which may have been hyperlinked to/from the financial statements.

#### **Independence**

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

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



Steven Martin CA  
Director, Financial Audit Services

26 October 2011  
SYDNEY

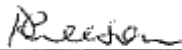
**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
YEAR ENDED 30 JUNE 2011**

**Statement by Members of the Trust**

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

1. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2011 and the Treasurer's Directions.
2. The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2011 and the financial performance for the year then ended.

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



**Dianne Leeson**  
Administrator



**Dan Cove**  
Acting General Manager

**26th October 2011**

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Consolidated Entity		Jenolan Caves Reserve Trust	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>Income</b>					
Revenue from continuing operations		8,683,200	8,926,266	8,683,200	8,926,266
Grants received		510,000	90,000	510,000	90,000
Other income		218,274	63,318	148,234	4,923
<b>Total income</b>	3	<b>9,411,474</b>	<b>9,079,584</b>	<b>9,341,434</b>	<b>9,021,189</b>
<b>Less: Expenses</b>					
Salaries & wages	4.1	5,680,513	5,090,291	-	-
Personnel services	4.1	-	-	5,486,497	5,172,675
Administrator costs		8,686	10,000	8,686	10,000
Bad debts written off		-	27,063	-	27,063
Commission		213,837	120,617	213,837	120,617
Consultancy fees		77,457	42,870	77,457	42,870
Contract labour		82,639	343,562	82,639	343,562
Cost of goods sold		1,034,287	1,036,284	1,034,287	1,036,284
Depreciation & impairment	4.2	1,526,723	4,045,711	1,526,723	4,045,711
Electricity and gas		294,208	307,324	294,208	307,324
Insurance		103,490	104,730	103,490	104,730
Interest		43,721	81,249	43,721	81,249
Marketing		168,431	238,863	168,431	238,863
Motor vehicles		107,516	98,188	107,516	98,188
Repairs and maintenance		358,495	259,998	358,495	259,998
Telephone, postage & internet		163,732	191,288	163,732	191,288
Other expenses	4.3	1,164,362	1,262,505	1,234,401	1,262,505
<b>Total expenses</b>		<b>11,028,097</b>	<b>13,260,543</b>	<b>10,904,120</b>	<b>13,342,927</b>
<b>Profit / (loss) for the year</b>		<b>(1,616,623)</b>	<b>(4,180,959)</b>	<b>(1,562,686)</b>	<b>(4,321,738)</b>
<b>Other comprehensive income</b>					
Actuarial (losses)/ gains on retirement benefit obligations		53,937	(140,779)	-	-
<b>Other comprehensive income for the year</b>		<b>53,937</b>	<b>(140,779)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to the equity holders of Jenolan Caves Reserve Trust</b>		<b>(1,562,686)</b>	<b>(4,321,738)</b>	<b>(1,562,686)</b>	<b>(4,321,738)</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**BALANCE SHEETS**  
**AS AT 30 JUNE 2011**

	Notes	Consolidated Entity		Jenolan Caves Reserve Trust	
		2011	2010	2011	2010
<b>Assets</b>					
<b>Current assets</b>					
Cash & cash equivalents	5	\$ 752,915	\$ 2,159,606	\$ 752,915	\$ 2,159,606
Trade & other receivables	6	197,236	188,311	197,236	188,311
Inventories	7	159,388	154,855	159,388	154,855
<b>Total current assets</b>		<b>1,109,539</b>	<b>2,502,772</b>	<b>1,109,539</b>	<b>2,502,772</b>
<b>Non-current assets</b>					
Property, Plant & Equipment	8	11,653,654	11,991,059	11,653,654	11,991,059
<b>Total non-current assets</b>		<b>11,653,654</b>	<b>11,991,059</b>	<b>11,653,654</b>	<b>11,991,059</b>
<b>Total Assets</b>		<b>12,763,193</b>	<b>14,493,831</b>	<b>12,763,193</b>	<b>14,493,831</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade & other payables	9	1,460,192	1,641,452	1,460,192	1,641,452
Provisions	10	619,746	541,063	619,746	541,063
Borrowings	2.5/11	61,648	1,203,577	61,648	1,203,577
<b>Total current liabilities</b>		<b>2,141,586</b>	<b>3,386,092</b>	<b>2,141,586</b>	<b>3,386,092</b>
<b>Non-current liabilities</b>					
Provisions	10	54,289	91,430	54,289	91,430
Borrowings	2.5/11	1,113,695	-	1,113,695	-
<b>Total non-current liabilities</b>		<b>1,167,984</b>	<b>91,430</b>	<b>1,167,984</b>	<b>91,430</b>
<b>Total liabilities</b>		<b>3,309,570</b>	<b>3,477,522</b>	<b>3,309,570</b>	<b>3,477,522</b>
<b>Net assets</b>		<b>9,453,623</b>	<b>11,016,309</b>	<b>9,453,623</b>	<b>11,016,309</b>
<b>Equity</b>					
Contributed equity	12	5,831,749	5,831,749	5,831,749	5,831,749
Accumulated losses	13	(3,566,875)	(2,004,189)	(3,566,875)	(2,004,189)
Reserves	13	7,188,749	7,188,749	7,188,749	7,188,749
<b>Total equity</b>		<b>9,453,623</b>	<b>11,016,309</b>	<b>9,453,623</b>	<b>11,016,309</b>

*The above balance sheets should be read in conjunction with the accompanying notes.*



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2011**

<u>Consolidated</u>	Notes	Contributed equity	Reserves	Retained earnings/ (accumulated losses)	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2009</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>2,317,549</b>	<b>15,338,047</b>
Profit/(Loss) as reported in the 2010 financial statements	13	-	-	(4,180,959)	(4,180,959)
Other comprehensive income	13	-	-	(140,779)	(140,779)
<b>Total comprehensive income for the year</b>		-	-	<b>(4,321,738)</b>	<b>(4,321,738)</b>
<b>Balance at 30 June 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>11,016,309</b>
Profit/(Loss) for the year	13	-	-	(1,616,623)	(1,616,623)
Other comprehensive income	13	-	-	53,937	53,937
<b>Total comprehensive income for the year</b>		-	-	<b>(1,562,686)</b>	<b>(1,562,686)</b>
<b>Balance at 30 June 2011</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(3,566,875)</b>	<b>9,453,623</b>

<u>Parent Entity</u>	Notes	Contributed equity	Reserves	Retained earnings/ (accumulated losses)	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2009</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>2,317,549</b>	<b>15,338,047</b>
Profit/(Loss) as reported in the 2010 financial statements	13	-	-	(4,321,738)	(4,321,738)
<b>Total comprehensive income for the year</b>		-	-	<b>(4,321,738)</b>	<b>(4,321,738)</b>
<b>Balance at 30 June 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>11,016,309</b>
Profit/(Loss) for the year	13	-	-	(1,562,686)	(1,562,686)
<b>Total comprehensive income for the year</b>		-	-	<b>(1,562,686)</b>	<b>(1,562,686)</b>
<b>Balance at 30 June 2011</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(3,566,875)</b>	<b>9,453,623</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	Consolidated Entity		Jenolan Caves Reserve Trust	
		2011	2010	2011	2010
		\$	\$	\$	\$
<b>Cash Flows From operating activities</b>					
Receipts from customers		8,837,153	9,658,967	8,837,153	9,658,967
Receipts from government		500,000	90,000	500,000	90,000
Payments to suppliers & employees		(9,531,864)	(10,092,609)	(9,531,864)	(10,092,609)
Interest received		49,293	99,194	49,293	99,194
Interest paid		(43,721)	(81,249)	(43,721)	(81,249)
<b>Net cash (outflow) / inflow provided from operating activities</b>	15	<b>(189,139)</b>	<b>(325,697)</b>	<b>(189,139)</b>	<b>(325,697)</b>
<b>Cash Flows From investing activities</b>					
Payments For Property, Plant & Equipment		(1,189,318)	(1,207,862)	(1,189,318)	(1,207,862)
<b>Net cash (outflow) / inflow From investing activities</b>		<b>(1,189,318)</b>	<b>(1,207,862)</b>	<b>(1,189,318)</b>	<b>(1,207,862)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		(28,234)	-	(28,234)	-
<b>Net cash (outflow) /inflow from financing activities</b>		<b>(28,234)</b>	<b>-</b>	<b>(28,234)</b>	<b>-</b>
<b>Net (decrease)/ increase In cash &amp; cash equivalents</b>		<b>(1,406,691)</b>	<b>(1,533,559)</b>	<b>(1,406,691)</b>	<b>(1,533,559)</b>
Cash & cash equivalents at the beginning of the year		2,159,606	3,693,165	2,159,606	3,693,165
<b>Cash &amp; cash equivalents at the end of the year</b>	5	<b>752,915</b>	<b>2,159,606</b>	<b>752,915</b>	<b>2,159,606</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**REPORTING ENTITY**

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

**Authorisation of the Financial Report**

The consolidated financial report for the year ended 30 June 2011 has been authorised by the Trust on 26th October 2011.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1.1 Basis of Preparation**

The Trust's financial report is a general-purpose financial report. The financial statements have been prepared in accordance with Australian Accounting Standards, 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 property, plant and equipment, 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).

**Comparative information**

Comparative balances for Cash & Cash Equivalents, Trade & Other Receivables, Trade & Other Payables and Provisions for 2010, have been reclassified to align with the 2011 classifications. These reclassifications do not impact the profit or loss reported for the year.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**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 2011 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 consistencies 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 JCRT Division). The JCRT 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 On-Cost***

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

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

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised.

***ii) Long Service Leave***

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels experience of employee departures and period of service. 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 2011**

**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 Group. 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 Group. 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.

Cave infrastructure was valued by the Group's employees, using a method approved by the Department of Environment, Climate Change and Water (DECCW) – 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 the Group's employees is considered to be the only feasible method of valuing this type of infrastructure.

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

The periodic five year valuation was due to be undertaken on the Trust's land and buildings during 2010/11. However, the Trust and NSW Government had been undertaking a formal Expression of Interest process (which had offered certain Trust assets under long term lease arrangements to private operators), with the process expected to result in an arrangement being in place by the end of the financial year. Late in the financial year, the Trust considered it was financially prudent to defer a fresh valuation until the outcome of the EOI was determined. Subsequent to the year end, the EOI was terminated; however, it is still the intention of the government to undertake a new EOI process with the objective of arranging a long term lease with a private operator. Until that process is finalised the Trust's buildings continue to be valued as a cash generating unit based on net cash flows. If the policy changes and these assets are not leased they will be valued on a depreciated replacement value basis. That valuation will be undertaken during the coming year in context with the management arrangements for the Caves and facilities at the time of the valuation.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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

**1.4 Property, Plant and Equipment (continued)**

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

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

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

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

**Depreciation**

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

Major depreciation periods for significant asset groups are as follows:

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

**Impairment**

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

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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

**1.5 Cash and Cash Equivalents**

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

**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.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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

**Rendering of Services**

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

**Government Grants**

Grants from the 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.

**1.12 Going Concern Basis**

Although the Trust has net current liabilities of \$1,032,047 as at 30 June 2011 (2010: \$883,320), the financial statements are prepared on a going concern basis. The net current liability position is impacted by the defined benefit plan which is presented as current since the Trust does not have an unconditional right to defer settlement. The Trust is a not for profit entity and is reliant on government funding to operate the business and to pay its debts as and when they fall due.

**1.13. Investments and other financial assets**

**Classification**

The Group 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.



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

**(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.

**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.

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

**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.

**1.14. New Accounting Standards and Interpretations**

The following standards have been issued but are not mandatory for the year ended 30 June 2011. Only those standards or guidelines relevant to the operations of the Group have been considered:

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013). AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Group has not yet assessed the impact nor when to adopt AASB 9.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011). In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Group will apply the amended standard from 1 July 2011. However, there will be no impact on any of the amounts recognised in the financial statements.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011). In December 2009, the AASB made an amendment to Interpretation 14. The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the Group's defined benefit scheme. It permits the Group to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. The Group does not make any such prepayments. The amendment is therefore not expected to have any impact on the Group's financial statements. The Group intends to apply the amendment from 1 July 2011.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013). On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Group has not yet assessed the impact nor when to adopt AASB 1053.

It is considered that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the Group.

**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 (Continued)**

**2.2 Financial Instrument Composition**

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

	Note	Variable interest rate		Fixed interest		Non-interest bearing		Carrying amount as per Balance Sheet	
		2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
<b>1. Financial assets</b>									
Cash & investments	5	727,675	2,114,706	-	-	25,240	44,900	752,915	2,159,606
Trade and other receivables	6	-	-	-	-	197,236	188,311	197,236	188,311
<b>Total financial assets</b>		<b>727,675</b>	<b>2,114,706</b>	<b>-</b>	<b>-</b>	<b>222,476</b>	<b>233,211</b>	<b>950,151</b>	<b>2,347,917</b>
<b>2. Financial liabilities</b>									
Trade & other payables	9	-	-	-	-	1,460,192	1,641,452	1,460,192	1,641,452
Provisions	10	-	-	-	-	674,035	632,493	674,035	632,493
Borrowings	11	-	-	1,175,343	1,203,577	-	-	1,175,343	1,203,577
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,175,343</b>	<b>1,203,577</b>	<b>2,134,227</b>	<b>2,273,945</b>	<b>3,309,570</b>	<b>3,477,522</b>

**2.3 Trade and Other Receivables Analysis**

*(a) Impaired Trade Receivables*

As at 30 June 2011, current trade receivables of the Trust with a nominal value of \$40,487 (2010: \$40,487) were impaired and an amount equal to this value has been set aside in a Provision. 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 2011 with regard to these receivables.

*(b) Past Due but not Impaired*

As of 30 June 2011, trade receivables of \$145,783 (2010: \$25,261) 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	
	2011 \$	2010 \$	2011 \$	2010 \$
1-30 days overdue	43,052	15,895	43,052	15,895
31-60 days overdue	26,598	9,366	26,598	9,366
Greater than 60 days overdue	76,133	-	76,133	-
	<b>145,783</b>	<b>25,261</b>	<b>145,783</b>	<b>25,261</b>

There are no amounts of collateral held as security at 30 June 2011 with regard to these receivables.

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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 Payables and Accrued Expenses**

**(a) Trade Payables and Accrued Expenses expected to be settled within the next 12 months:**

Trade payables and accrued expenses, excluding taxes payable by the Group, are expected to be paid as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
	\$	\$	\$	\$
Due within 1 Month	288,251	427,020	288,251	427,020
Due within 1-2 Months	148,882	76,454	148,882	76,454
Due after 2 Months	6,669	-	6,669	-
	<b>443,802</b>	<b>503,474</b>	<b>443,802</b>	<b>503,474</b>

**(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	
	2011	2010	2011	2010
	\$	\$	\$	\$
Annual leave and other leave obligation expected to be settled within 12 months	<b>333,306</b>	<b>334,070</b>	<b>333,306</b>	<b>334,070</b>

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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.

<b>Group at 30 June 2011</b>	less than 3 months	between 3-12 months	between 1-2 years	between 2-5 years	over 5 years	<b>Total</b>
Interest bearing	31,208	30,440	58,669	1,055,026	-	<b>1,175,343</b>
Non interest bearing	-	-	-	-	-	-
<b>Total</b>	<b>31,208</b>	<b>30,440</b>	<b>58,669</b>	<b>1,055,026</b>	<b>-</b>	<b>1,175,343</b>

**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 2011, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	\$	\$	\$	\$
Increase in interest rate by 1%	7,277	20,837	7,277	20,837
Decrease in interest rate by 1%	(7,277)	(20,837)	(7,277)	(20,837)

*Based on variable interest rate cash holdings and loans at balance date – refer Note 2.2*

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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>3. REVENUES FROM CONTINUING OPERATIONS</b>				
<b>Sales Revenue</b>				
Interpretation services	4,574,034	4,566,860	4,574,034	4,566,860
Accommodation	1,361,482	1,400,583	1,361,482	1,400,583
Special events	97,889	75,714	97,889	75,714
Kiosk trading	14,033	5,752	14,033	5,752
Gift shop trading	299,640	386,225	299,640	386,225
Food and beverage	2,239,731	2,360,043	2,239,731	2,360,043
<b>Total sales revenue</b>	<b>8,586,809</b>	<b>8,795,177</b>	<b>8,586,809</b>	<b>8,795,177</b>
<b>Rental income</b>				
Staff cottages	26,405	18,937	26,405	18,937
Site rental	20,693	12,958	20,693	12,958
<b>Total rental income</b>	<b>47,098</b>	<b>31,895</b>	<b>47,098</b>	<b>31,895</b>
<b>Interest received</b>				
Interest – financial institutions	49,293	99,194	49,293	99,194
<b>Total interest received</b>	<b>49,293</b>	<b>99,194</b>	<b>49,293</b>	<b>99,194</b>
<b>Total revenue from continuing operations</b>	<b>8,683,200</b>	<b>8,926,266</b>	<b>8,683,200</b>	<b>8,926,266</b>
<b>Grants and other income</b>				
Grants received – administration #	500,000	-	500,000	-
Grants received – environmental ##	10,000	90,000	10,000	90,000
Components of defined superannuation benefit plans recognised in the Income Statement	70,040	58,395	-	-
Other	148,234	4,923	148,234	4,923
<b>Total grants &amp; other income</b>	<b>728,274</b>	<b>153,318</b>	<b>658,234</b>	<b>94,923</b>
<b>Total revenues</b>	<b>9,411,474</b>	<b>9,079,584</b>	<b>9,341,434</b>	<b>9,021,189</b>

# There are no unfulfilled conditions or contingencies attained to the grant income indicated above.

## There are unfulfilled conditions or contingencies attained to the grant income indicated above.

**4. EXPENSES**

**4.1 Employee benefits & Personnel services expense**

Salaries & wages	4,830,027	4,298,936	-	-
Payroll tax	254,974	238,954	-	-
Superannuation	445,895	410,241	-	-
Worker's compensation	121,504	113,804	-	-
Payroll processing charge	28,113	28,356	-	-
<b>Employee benefits expense</b>	<b>5,680,513</b>	<b>5,090,291</b>	<b>-</b>	<b>-</b>
<b>Personnel services expense</b>	<b>-</b>	<b>-</b>	<b>5,486,497</b>	<b>5,172,675</b>
<b>Total expense</b>	<b>5,680,513</b>	<b>5,090,291</b>	<b>5,486,497</b>	<b>5,172,675</b>

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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>4. EXPENSES (continued)</b>				
<b>4.2 Depreciation expense</b>				
Depreciation of non-current assets:				
- Buildings	20,057	63,482	20,057	63,482
- Plant & equipment	138,855	120,600	138,855	120,600
- Caves infrastructure	155,489	154,413	155,489	154,413
- General infrastructure	147,002	163,322	147,002	163,322
- Leasehold improvements	-	1,725	-	1,725
- Impairment	1,065,320	3,542,169	1,065,320	3,542,169
<b>Total depreciation expense</b>	<b>1,526,723</b>	<b>4,045,711</b>	<b>1,526,723</b>	<b>4,045,711</b>
<b>4.3 Other expenses</b>				
Other expenses comprise the following categories:				
Accounting fees	1,440	37,435	1,440	37,435
Audit fees	39,480	40,000	39,480	40,000
Bank charges	55,437	51,835	55,437	51,835
Cleaning	251,598	252,288	251,598	252,288
Environmental	-	5,792	-	5,792
Expression of Interest process	144,301	-	144,301	-
IT maintenance & supplies	13,317	45,670	13,317	45,670
Printing & stationery	33,051	67,387	33,051	67,387
Rental expense on operating leases	193,474	224,893	193,474	224,893
Special events	-	47,494	-	47,494
Travel expenses	21,058	19,061	21,058	19,061
Other expenses	411,206	470,650	481,245	470,650
<b>Total other expenses</b>	<b>1,164,362</b>	<b>1,262,505</b>	<b>1,234,401</b>	<b>1,262,505</b>



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
<b>5. CASH AND CASH EQUIVALENTS</b>	\$	\$	\$	\$
Cash at bank and on hand	752,915	2,159,606	752,915	2,159,606

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	752,915	2,159,606	752,915	2,159,606
Balances per Statement of Cash Flows	<b>752,915</b>	<b>2,159,606</b>	<b>752,915</b>	<b>2,159,606</b>

**6. TRADE & OTHER RECEIVABLES**

Trade receivables	206,064	196,830	206,064	196,830
Less: Provision for doubtful debts	(40,487)	(40,487)	(40,487)	(40,487)
<b>Net trade receivables</b>	<b>165,577</b>	<b>156,343</b>	<b>165,577</b>	<b>156,343</b>
Prepayments	31,659	31,968	31,659	31,968
<b>Total other receivables</b>	<b>31,659</b>	<b>31,968</b>	<b>31,659</b>	<b>31,968</b>
<b>Total Trade &amp; other receivables</b>	<b>197,236</b>	<b>188,311</b>	<b>197,236</b>	<b>188,311</b>

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**

All inventories are recorded at cost:

Marketing	12,441	19,124	12,441	19,124
Maintenance	3,139	3,139	3,139	3,139
Electrical	17,898	21,582	17,898	21,582
Kiosk	8,959	6,569	8,959	6,569
Gift Shop	76,931	69,144	76,931	69,144
Caves House	40,020	35,297	40,020	35,297
<b>Total inventories</b>	<b>159,388</b>	<b>154,855</b>	<b>159,388</b>	<b>154,855</b>

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**8. PROPERTY PLANT AND EQUIPMENT**

**CONSOLIDATED ENTITY & PARENT ENTITY**

	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Caves infrastructure</b>
<b>At 1 July 2010</b>				
Cost or fair value	4,210,724	710,470	39,034	7,943,449
Accumulated depreciation and impairment	(3,032,276)	(331,029)	(39,034)	(861,608)
<b>Net carrying amount</b>	<b>1,178,448</b>	<b>379,441</b>	<b>-</b>	<b>7,081,841</b>
<b>Year ended 30 June 2011</b>				
Opening net book amount	1,178,448	379,441	-	7,081,841
Additions	-	18,848	-	-
Transfers in/(out)	1,299,107	14,661	-	412,643
Depreciation & impairment charge for the year	(1,085,377)	(138,855)	-	(155,489)
<b>Net closing book amount</b>	<b>1,392,178</b>	<b>274,095</b>	<b>-</b>	<b>7,338,995</b>
<b>At 30 June 2011</b>				
Cost or fair value	5,509,831	743,979	39,034	8,356,092
Accumulated depreciation and impairment	(4,117,653)	(469,884)	(39,034)	(1,017,097)
<b>Net carrying amount</b>	<b>1,392,178</b>	<b>274,095</b>	<b>-</b>	<b>7,338,995</b>

	<b>General infrastructure</b>	<b>Leasehold improvements</b>	<b>Capital works</b>	<b>Total</b>
<b>At 1 July 2010</b>				
Cost or fair value	3,856,049	41,460	1,083,758	17,884,944
Accumulated depreciation and impairment	(1,061,442)	(41,460)	(527,036)	(5,893,885)
<b>Net carrying amount</b>	<b>2,794,607</b>	<b>-</b>	<b>556,722</b>	<b>11,991,059</b>
<b>Year ended 30 June 2011</b>				
Opening net book amount	2,794,607	-	556,722	11,991,059
Additions	-	-	1,170,470	1,189,318
Transfers in/(out)	-	-	(1,726,411)	-
Depreciation & impairment charge for the year	(147,002)	-	-	(1,526,723)
<b>Net closing book amount</b>	<b>2,647,605</b>	<b>-</b>	<b>781</b>	<b>11,653,654</b>
<b>At 30 June 2011</b>				
Cost or fair value	3,856,049	41,460	527,817	19,074,262
Accumulated depreciation and impairment	(1,208,444)	(41,460)	(527,036)	(7,420,608)
<b>Net carrying amount</b>	<b>2,647,605</b>	<b>-</b>	<b>781</b>	<b>11,653,654</b>

**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 infrastructure
<b>At 1 July 2009</b>				
Cost or fair value	4,060,212	573,076	39,034	7,911,248
Accumulated depreciation and impairment	(188,319)	(210,429)	(39,034)	(707,195)
<b>Net carrying amount</b>	<b>3,871,893</b>	<b>362,647</b>	-	<b>7,204,053</b>
<b>Year ended 30 June 2010</b>				
Opening net book amount	3,871,893	362,647	-	7,204,053
Additions	-	137,394	-	32,201
Transfers in/(out)	150,512	-	-	-
Depreciation & impairment charge for the year	(2,843,957)	(120,600)	-	(154,413)
<b>Net closing book amount</b>	<b>1,178,448</b>	<b>379,441</b>	-	<b>7,081,841</b>
<b>At 30 June 2010</b>				
Cost or fair value	4,210,724	710,470	39,034	7,943,449
Accumulated depreciation and impairment	(3,032,276)	(331,029)	(39,034)	(861,608)
<b>Net Carrying Amount</b>	<b>1,178,448</b>	<b>379,441</b>	-	<b>7,081,841</b>
	General infrastructure	Leasehold Improvements	Capital works	Total
<b>At 1 July 2009</b>				
Cost or fair value	3,756,292	41,460	295,760	16,677,082
Accumulated depreciation and impairment	(663,462)	(39,735)	-	(1,848,174)
<b>Net carrying amount</b>	<b>3,092,830</b>	<b>1,725</b>	<b>295,760</b>	<b>14,828,908</b>
<b>Year ended 30 June 2010</b>				
Opening net book amount	3,092,830	1,725	295,760	14,828,908
Additions	99,757	-	938,510	1,207,862
Transfers in/(out)	-	-	(150,512)	-
Depreciation & impairment charge for the Year	(397,980)	(1,725)	(527,036)	(4,045,711)
<b>Net closing book amount</b>	<b>2,794,607</b>	-	<b>556,722</b>	<b>11,991,059</b>
<b>At 30 June 2010</b>				
Cost or fair value	3,856,049	41,460	1,083,758	17,884,944
Accumulated depreciation and impairment	(1,061,442)	(41,460)	(527,036)	(5,893,885)
<b>Net carrying amount</b>	<b>2,794,607</b>	-	<b>556,722</b>	<b>11,991,059</b>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011 \$	2010 \$	2011 \$	2010 \$
<b>9. TRADE AND OTHER PAYABLES</b>				
Refundable deposits	128,099	132,004	128,099	132,004
Trade payables	382,775	427,020	382,775	427,020
Accrued expenses	61,027	76,454	61,027	76,454
Accrued employee costs	234,165	227,872	-	-
Defined benefit plan	654,126	778,102	-	-
Loans to related parties	-	-	888,291	1,005,974
	<b>1,460,192</b>	<b>1,641,452</b>	<b>1,460,192</b>	<b>1,641,452</b>

The defined benefit plan is presented as current since the Trust does not have an unconditional right to defer settlement.

**10. PROVISIONS**

**Current**

Employee benefits - annual leave	309,656	310,420	-	-
Employee benefits - long service leave	260,150	166,803	-	-
Employee benefits - other leave	23,650	23,650	-	-
Audit fees	26,290	40,190	26,290	40,190
Personnel services provision	-	-	593,456	500,873
<b>Total current provisions</b>	<b>619,746</b>	<b>541,063</b>	<b>619,746</b>	<b>541,063</b>

**Non-current**

Employee benefits - long service leave	54,289	91,430	-	-
Personnel services provision	-	-	54,289	91,430
<b>Total non-current provisions</b>	<b>54,289</b>	<b>91,430</b>	<b>54,289</b>	<b>91,430</b>

**Total provisions**

	<b>674,035</b>	<b>632,943</b>	<b>674,035</b>	<b>632,943</b>
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**11. BORROWINGS**

**Current**

Borrowings	61,648	1,203,577	61,648	1,203,577
<b>Total current borrowings</b>	<b>61,648</b>	<b>1,203,577</b>	<b>61,648</b>	<b>1,203,577</b>

**Non-current**

Borrowings	1,113,695	-	1,113,695	-
<b>Total non-current borrowings</b>	<b>1,113,695</b>	<b>-</b>	<b>1,113,695</b>	<b>-</b>

**Total borrowings**

	<b>1,175,343</b>	<b>1,203,577</b>	<b>1,175,343</b>	<b>1,203,577</b>
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The fixed term, interest bearing loan is held with the NSW Treasury Corporation. The loan was renewed for a further period of 3 years in August 2010 with a maturity date of 1 August 2013. The loan is guaranteed by the NSW State Government. The Trust pays interest as it falls due, however the Trust does not presently have plans to make any capital repayments before the maturity date.

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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>12. CONTRIBUTED EQUITY</b>				
Capital Trust	<u>5,831,749</u>	<u>5,831,749</u>	<u>5,831,749</u>	<u>5,831,749</u>

**13. RESERVES AND RETAINED PROFITS**

**(a) Reserves**

Movements in reserves were:

Balance 1 July 2010	7,188,749	7,188,749	7,188,149	7,188,749
Current year movement	-	-	-	-
<b>Balance 30 June 2011</b>	<u><b>7,188,749</b></u>	<u><b>7,188,749</b></u>	<u><b>7,188,749</b></u>	<u><b>7,188,749</b></u>

**(b) Retained profits/(accumulated losses)**

Movements in retained profits/(accumulated losses) were:

Balance 1 July 2010	(2,004,189)	2,317,549	(2,004,189)	2,317,549
Net Profit/ (Loss) for the Year	(1,616,623)	(4,180,959)	(1,562,686)	(4,321,738)
Actuarial Gains/(Losses) on Retirement Benefit Obligation	53,937	(140,779)	-	-
<b>Balance 30 June 2011</b>	<u><b>(3,566,875)</b></u>	<u><b>(2,004,189)</b></u>	<u><b>(3,566,875)</b></u>	<u><b>(2,004,189)</b></u>

**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	
	2011	2010	2011	2010
	\$	\$	\$	\$
Present value of the defined benefit obligation	4,255,088	4,178,663	-	-
Fair value of defined benefit plan assets	(3,600,962)	(3,400,559)	-	-
<b>Net (asset)/liability in the Balance Sheets</b>	<u><b>654,126</b></u>	<u><b>778,104</b></u>	<u><b>-</b></u>	<u><b>-</b></u>

**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 the Balance Sheet are as follows:

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	\$	\$	\$	\$
<b>Net (asset)/liability at start of year</b>	<b>778,104</b>	<b>695,717</b>	<b>778,104</b>	<b>695,717</b>
Actuarial (gains)/losses	(53,937)	140,779	(53,937)	140,779
Net expense recognised in the Income Statement	(21,846)	(3,792)	(21,846)	(3,792)
Contributions	(48,195)	(54,600)	(48,195)	(54,600)
<b>Net (asset)/liability disclosed in the Balance Sheet</b>	<b>654,126</b>	<b>778,104</b>	<b>654,126</b>	<b>778,104</b>

**(c) Amounts Recognised in Income Statements**

The amounts recognised in the Income Statements are as follows:

Current service cost	53,344	56,061	53,344	556,061
Interest cost	210,849	218,114	210,849	218,114
Expected return on plan assets	(286,038)	(277,967)	(286,038)	(277,967)
Contributions	(48,195)	(54,603)	(48,195)	(54,603)
<b>Total included in Income Statement</b>	<b>(70,040)</b>	<b>(58,395)</b>	<b>(70,040)</b>	<b>(58,395)</b>
<b>Actual return on plan assets</b>	<b>284,398</b>	<b>307,590</b>	<b>284,398</b>	<b>307,590</b>

**(d) Principal Actuarial Assumptions**

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

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	%	%	%	%
Discount rate	5.28	5.17	5.28	5.17
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	4.0	4.0	4.0

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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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 2011.

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	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Profit/ (Loss) for the Year</b>	<b>(1,616,623)</b>	<b>(4,180,959)</b>	<b>(1,562,686)</b>	<b>(4,321,738)</b>
<b>Add back</b>				
Depreciation and Impairment	1,526,723	4,045,711	1,526,723	4,045,711
Actuarial (Gains)/Losses on Retirement Benefit Obligation Components of Defined Superannuation Benefit Plan Recognised in the Income Statement	-	-	(53,937)	140,779
	(70,040)	(58,395)	(70,040)	(58,395)
Change in Operating Assets and Liabilities				
(Increase) Decrease in Receivables	(8,925)	9,849	(8,925)	9,849
(Increase) Decrease in Inventories	(4,533)	24,708	(4,533)	24,708
Increase (Decrease) in Trade & Other Payables	(181,260)	(202,766)	(181,260)	(202,766)
Increase (Decrease) in Other Operating Liabilities	123,977	56,635	123,977	56,635
Increase (Decrease) in Other Provisions	41,542	(20,480)	41,452	(20,480)
<b>Net Cash (Outflow) Inflow from Operating Activities</b>	<b>(189,139)</b>	<b>(325,697)</b>	<b>(189,139)</b>	<b>(325,697)</b>

**16. REMUNERATION OF AUDITORS**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2011	2010	2011	2010
	\$	\$	\$	\$
<b>Auditing of the financial statements</b>	<b>39,480</b>	<b>40,000</b>	<b>39,480</b>	<b>40,000</b>

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:

	<b>Consolidated</b>	
	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Not longer than one year	54,644	70,470
Longer than one year and not longer than two years	47,601	61,651
Longer than two years and not longer than five years	7,559	58,886
<b>Total lease commitments (inclusive of GST)</b>	<b>109,804</b>	<b>191,007</b>

**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 2010).

**19. CAPITAL EXPENDITURE COMMITMENTS**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>General Infrastructure</b>		
Not longer than 1 year	-	1,185,000
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
<b>Total capital expenditure commitments</b>	<b>-</b>	<b>1,185,000</b>

At the 30<sup>th</sup> June 2011, there were no outstanding payments for completed or unfinished capital projects.

**20. RELATED PARTIES**

	<b>2011</b>	<b>2010</b>
		<b>\$</b>
<b>Balances with related parties</b>		
<b>\$</b>		

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

Receivables	-	-
Payables	1,536,036	1,598,277

**Transactions with related parties**

During the year the Trust was charged the following amounts by the Jenolan Caves Reserve Trust Division:

Personal Service Expense	5,486,497	5,172,675
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**21. POST BALANCE DATE EVENTS**

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

*End of audited financial statements.*