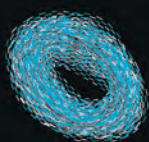


# Jenolan Caves Reserve Trust Annual Report 2011 - 2012



jenolan caves  
explore marvel stay

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

# Table of Contents

- 1 OUR ROLE**
- 2 ADMINISTRATOR'S REPORT**
- 3 OVERVIEW**
- 5 ORGANISATION CHART**
- 6 CAVE OPERATIONS**
- 8 JENOLAN CAVES HOUSE**
- 9 VISITOR ZONE MAINTENANCE**
- 10 RESEARCH & DEVELOPMENT REPORT**
- 11 CORPORATE RESOURCES**
- 12 STATUTORY INFORMATION**
- 17 INDEPENDENT AUDIT REPORT**
- 19 STATEMENT BY MEMBERS OF THE TRUST**
- 20 FINANCIAL STATEMENTS**

# 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 features of the area.

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

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

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

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

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



Reserve Location Map

# Administrator's Report

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The 2011/2012 year has been another busy year for the team at Jenolan Caves in a challenging tourism environment.

Jenolan Caves attracted over 200,000 visitors in the past year and continued to achieve significant industry recognition, winning a number of prestigious national and state tourism awards. Prize among them were first place in the Qantas National Tourism Awards for Best Tourist Attraction and Cultural / Heritage Tourism, with matching success in the NSW Tourism Awards.

This recognition and the attendant media attention assisted Jenolan to sustain a comparatively higher rate of visitation with the wider tourism industry. Nonetheless, Jenolan was not immune from the overall sluggishness of the regional tourism industry with absolute visitor numbers down by around 4%. Against this backdrop a key focus over 2011/12 has been to explore ways to reinvigorate the products and offerings of Jenolan Caves to encourage new visitation and return visitation. This has included introduction of commercial practices such as dynamic pricing for accommodation offerings and refreshing product lines and services. A major revamp of the Trust's website has commenced and will be launched in the 2012/2013 year.

Preparations and planning for the International Show Cave Association Congress scheduled to be held at Jenolan in 2014 have commenced. This Congress is the premier event on the Show Cave calendar and has never before been held outside the Northern Hemisphere.

A number of minor works were undertaken across the precinct including in Caves House kitchen and painting, the Cafe Bar, the Gatehouse and some staff accommodation.

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. I would also like to acknowledge the contribution of the former General Manager, Peter Austen, who retired at the end of the financial year after over 8 years' service with the Trust.

**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

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Jenolan Caves Reserve Trust has continued to operate the cave tour and accommodation facilities at Jenolan throughout 2011/2012.

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 has been terminated and the Government is reviewing future management options. It is anticipated this review will be completed during the 2012/2013 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	2010/11	2011/12
	227,175	217,698

Jenolan Caves received a number of important accolades and acknowledgements through the Regional, NSW and National Tourism Awards process in the 2011/12 financial year. Notable achievements were:

### 2011 QANTAS National Tourism Awards

- Best Tourist Attraction
- Cultural / Heritage Tourism

### 2011 NSW Tourism Awards

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

### 2011 Blue Mountains Tourism Awards

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

These achievements are a recognition of the great work that the Trust's staff complete in ensuring that every visitor to Jenolan has a wonderful experience.

## Income & Expenditure

Revenue from continuing operations was \$10,443,088, an increase of \$1,031,614 on last year. Total expenditure before impairment expenses was \$9,760,035, a reduction of \$202,742 on the previous year.

## Our Staff

The implementation of the recommendations of the Council on the Cost and Quality of Government review 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.

## Research and Monitoring

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

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

## Overview (cont)

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### 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.

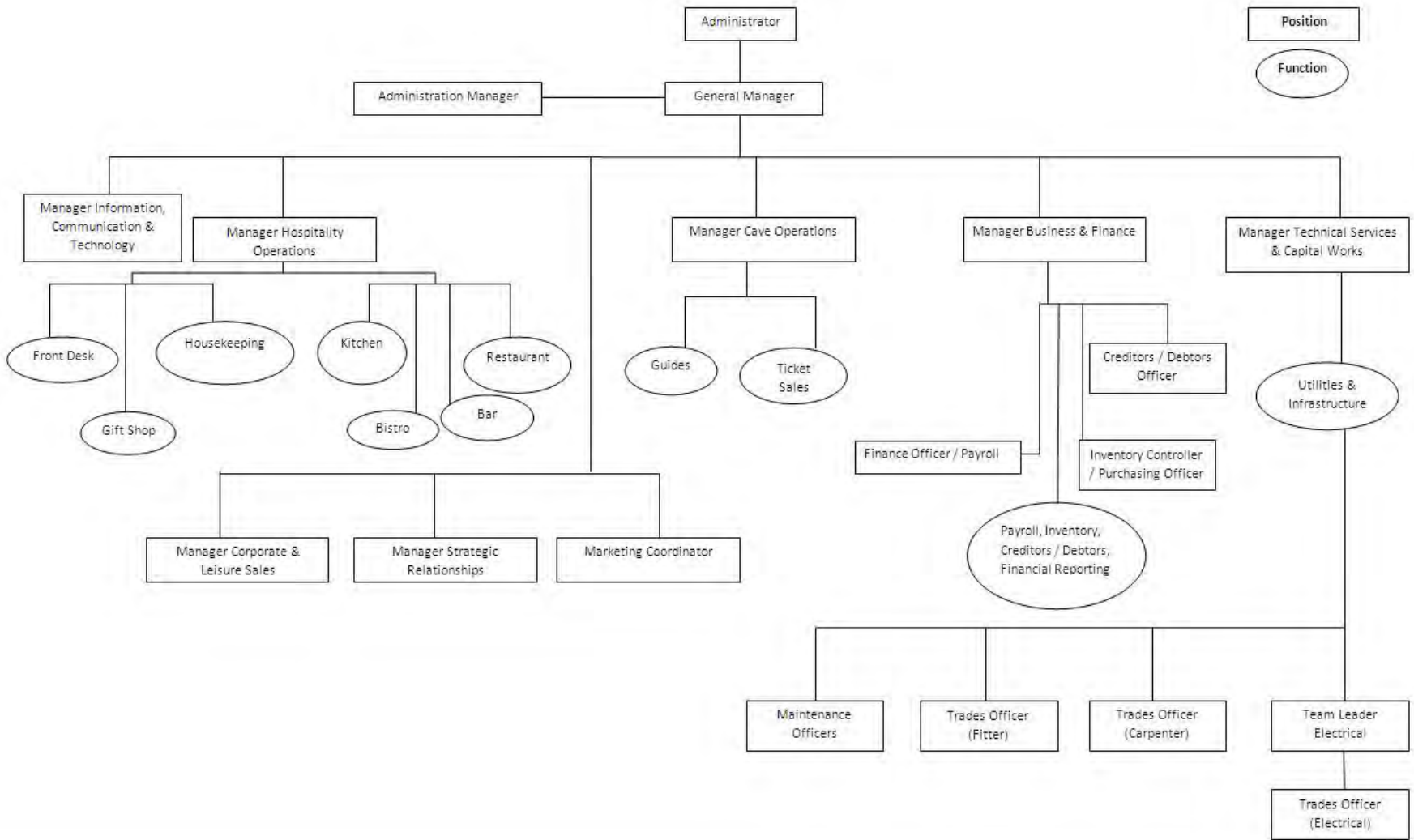
### Major Developments

Major capital works projects that were either underway or completed during the 2011/2012 financial year are identified in the Statutory Information section of this report.

**Sandy McFeeters**  
**Acting General Manager**  
**Jenolan Caves Reserve Trust**



# Organisation Chart



# Cave Operations

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## Performance Indicators

### Compared to 2010/2011:

- Visitation: -4%
- Revenue: -0.5%
- Expenditure: +0.9%
- Number of Cave Tours: -1.75%
- Revenue per FTE: -0.7%
- Total Expense per Visitor: +3.8%
- Total Revenue per Visitor: +3.7%

### 2011/2012 Financial Year

- Total FTE: 32
- Number of Tours per FTE: 294.3
- Salaries & Wages as % of Total Expenditure: 53.8%

*FTE = Full time equivalent staff*

## Visitation

Visitation decreased by 4% on previous year's result to 217,698 cave visits. Average yield per client increased 3.7% to \$21.36. The current environment for the NSW tourism industry remains intensely competitive, negatively impacted by low consumer confidence and the continuing high value of the \$AUD. In the context of the conditions facing the tourism industry, these results are considered acceptable, and remain favourable in comparison to comparable regional tourist attractions.

Jenolan was successful in applying for funding of new surface walks and Aboriginal cultural tour content. The NSW Government invested \$140,000 in this project through Destination NSW's 2011/12 Regional Tourism Product Development Program. The aim of this program was to improve tourism experiences in regional NSW. The new products are currently under development in collaboration with the Gundungurra Tribal Council, Katoomba.

Jenolan continues to introduce new products and services. The children's programs have been further refined and expanded, and continue to be popular options. An additional three language

versions were added to the self-guided audio tour, with 13 languages now available for both the audio tour and as downloadable smart-phone 'Apps'. A series of free information podcasts were written and recorded by Jenolan Guides and have proved a popular download.

## The Team

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

## Training

Internal and external training courses have been conducted in the following areas; Senior First Aid, Advanced Resuscitation, Remote Area First Aid, Certificate Level Three Tourism, Certificated Level Three Outdoor Recreation (Horizontal and Vertical Caving), OHS Induction (White Card), Traffic Management (Blue Card) and Conflict Resolution. A comprehensive training manual has been revised and updated for all new guiding staff, and new workplace 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.

Staff attended the following conferences; Australasian Cave & Karst Management Association Conference (4 Cave Operations staff presented papers), American National Cave Association Conference, Luray Virginia (invited speaker), Local Government and Shires Association tourism conference (invited speaker).

## Cave Operations cont.

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### 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. Upgrading of cave lighting with more energy efficient luminaries has continued on a replacement basis, however there were no major cave lighting upgrades this year.

### Awards

Jenolan Caves was the winner of the 2011 Blue Mountains regional tourism award for Best Tourist Attraction, Festivals and Events (for 'Carols in the Caves') and Tourism Restaurants. At State level, Jenolan won Gold Awards at the NSW Tourism Awards for 'Tourist Attractions' and 'Cultural/Heritage Tourism'. At State level Jenolan also entered the categories of Ecotourism and Adventure Tourism and won Silver in each of these areas. At the 2011 QANTAS National Tourism Awards Jenolan was the only tourist attraction in Australia to win two Golds, for Best Tourist Attraction and Cultural/Heritage Tourism.



### Special Events

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

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

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, and a Jazz festival.

The popular annual Community Christmas Carols was again held in the Grand Arch on December 10. Over \$16,000 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 and Binoomea Cottage (10). Food and beverage operations incorporate Chisolms 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 31.58% against 32.08% for the previous year. The hospitality business achieved gross revenue of \$3,938,686 representing an increase of \$37,833 on last year.

## Personnel

The Trust continues to recruit for more 'local' based staff to provide a stable workforce complemented by 'travelling' staff to boost workforce numbers in peak periods. Considerable focus has been placed on building a skilled employee base.

Jenolan is a key employer for the region.

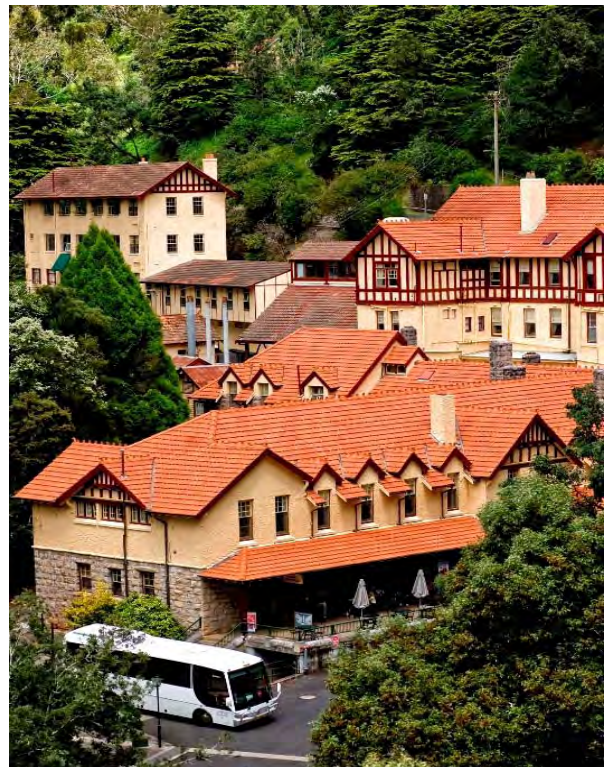
## Food & Beverage Facilities

Minor refurbishment of the Cafe Bar in 2011/2012 has enabled improved customer service and access and improved revenues.

The completion of the kitchen refurbishment in 2011 has streamlined service resulting in an improved dining experience in Chisolms Restaurant. This has been highlighted by Chisolms Grand Dining Room being awarded the 'Best Tourism Restaurants and Catering' category at the 2011 Blue Mountains Tourism Awards.

The 2012/2013 year will see continued improvements to the hospitality operations with scheduled improvements to service standard levels and the personnel structure of the operations.

**Sandy McFeeters**  
**Acting General Manager**  
**Jenolan Caves Reserve Trust**



# Visitor Zone Maintenance

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## 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 Accommodation Buildings, Walking Tracks and Caves.
- Armco Safety Railing installed for the full length of the Two Mile Hill, work carried out by Roads and Maritime Services.
- Country Energy have been upgrading the Power Feed into the Jenolan Caves Precinct over the past 12 months, work will continue throughout the 2012/13 financial Year.
- Emergency generator power installed at the Jenolan Caves Cottages accommodation to allow power to site during ongoing Power Outages.
- Outdoor maintenance completed with the assistance of Oberon Correctional Centre including walking track maintenance, Jenolan Cottages maintenance, ground works, painting exterior furniture, decking and handrails.
- Maintenance upgrade was completed in the Vernon Wing of Jenolan Caves House staff accommodation facilities in February 2011.
- Jenolan Caves suffered some adverse weather conditions during the past year causing considerable damage to the infrastructure above and below ground which resulted in insurance claims being submitted.
- Replaced two fleet vehicles during the financial year. Prius for Prius (Marketing) and Prius for Outlander 4x4 (General Manager). The availability of a 4 Wheel Drive Vehicle during inclement weather periods is a substantial advantage to Jenolan operations. Jenolan was affected by several roads closures due to snowfalls several times in the past year

## Capital Works

- Major works were undertaken in the Bistro to improve flows for visitors and the layout of the area.

## Environmental Maintenance

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

- Hydro electric generator – in operation for most of the year saving on fossil fuels.
- Continuation of the riparian zone invasive weeds project and sycamore eradication in association with the Hawkesbury Nepean Catchment Management Authority, NP&WS, Lithgow Oberon Landcare Association with contracted works carried out by The Bush Doctor and The Good Bush People. Volunteer Groups including LOLA, TAFE Jenolan Staff, Residents and Friends also contributed greatly to the eradication of invasive weed species
- The Trust increased its recycling program with recyclable goods sent to Oberon Waste Facility including used cooking oils.
- All motor vehicles running on E10 fuel.

## Staff

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

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

Technical Services staff were trained in the following areas:- Senior First Aid; Remote Area First Aid; Advanced Resuscitation; Bushfire Training; Electrical C-Bus and attended a variety of Trade Shows. In house training for members of staff included Front-End Loader and Back-Hoe.

## Paul Williams

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

# Research & Development

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

The monitoring of air and water quality in Jenolan's show caves and selected water bodies has continued over 2011/12. 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.

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

## **Jenolan Environmental Audit Program**

A basic program of environmental auditing has been implemented in the Jenolan Visitor Use and Services Zone to ensure that human activities do not adversely impact on karst values (including biotic and abiotic). The Jenolan Environmental Auditing Program (JEAP) does this by identifying potential areas for environmental improvement; particularly as they relate to the storage and removal of waste products, and reporting this to management.

A key component of the audit program is the undertaking of bi-monthly, inspections of the Reserve's major activity hubs (e.g. the works

depot, Jenolan Caves House, staff accommodation precincts), where the potential for impacts is often the greatest. In 2011/12 these inspections indicated that activities within all of the Reserve's major hubs were of negligible environmental impact. Moreover, they also confirmed the presence of emergency response kits and related equipment which are essential in the event of an environmental incident.

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

Dr Chris Warring from the ANSTO Institute for Environmental Research has continued his research into the relationship between speleothems growth, weather and climate. While further analysis is required, the preliminary findings of Dr Warring's work indicate a strong relationship between CO<sub>2</sub> levels in caves and speleothem development, a theory which is supported by similar work being undertaken at Yarrangobilly Caves.

## **Jenolan Show Caves Survey**

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

**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.

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

## Capital Expenditure

Expenditure on capital works and equipment totalled \$122,077 and consisted of:

General infrastructure and environmental projects	\$92,378
IT Upgrade	\$29,699
	<u>\$122,077</u>

## Information Technology

The Trust has developed a replacement program for all its frontline machines and has commenced replacement of frontline machines in the hospitality operations and cave operations. The Trust also upgraded its main IT server in 2011/2012.

## Annual Financial Statements

Below is a summary from the Statement of Comprehensive Income for 2011/2012 compared with 2010/2011.

	\$ 2011/2012	\$ 2010/2011
Revenues from continuing operations	10,443,088	9,411,474
Total Expenses (excluding impairment expenses)	9,760,035	(9,962,777)
Profit/(Loss) from ordinary activities	683,053	(551,303)

# Statutory Information

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## 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.

	2009/2010	2010/2011	2011/2012
Commercial Manager	Deleted	Deleted	Deleted
General Manager	1	1	1
Executive Assistant	1		
Administration Manager		1	1
Systems Administrator & Finance Officer	2	1	1
Manager Business & Finance	1	1	1
Administration Officers	4 0.4 vacant	4 0.4vacant	4 0.4 vacant
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Visitor Services Officers	0.8	Deleted	Deleted
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works	1	1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	2	2	2
Maintenance Officer	3.5 1 vacant	3.5 1 vacant	3.5 1 vacant
Manager Food & Beverage Operations	1	Deleted	Deleted
Manager Rooms Division	1	Deleted	Deleted
Manager Hospitality Operations		1	1
Head Chef Caves House	1	1	1
Front Office Manager Caves House	1	Deleted	Deleted

## Recruitment Statistics

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

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

The Trust's estimated full time equivalent staff number (FTE) as at 30 June 2012 was 74.08.

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:

2011/2012	\$4,151
2010/2011	\$17,739
2009/2010	\$22,535

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 %
2009/2010	50	50
2010/2011	59	41
2011/2012	50	50

Of the permanent employees 65% are male and 35% are female. In 2011/2012 the average remuneration for males was \$65,591 and females \$61,380.

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 3 occasions.

### Overseas Visits

There were no official overseas visit undertaken by staff during the 2011/2012 financial year.

### Consultants

Throughout 2011/2012 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

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

AC Hospitality Bizconsult \$ 93,841

*Under \$30,000*

Financial Consultancies (4) \$ 51,717

Environmental Consultancies (1) \$ 8,218

**TOTAL CONSULTANCIES \$153,776**

### Account Payment Performance

Account payment performance indicators for 2011/2012 financial year:

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

Current (within 30 days)	\$73,607
Less than 30 days overdue	\$205,179
Between 30-60 days overdue	\$254
Between 60-90 days overdue	\$0
Over 90 days overdue	\$776
Percentage of accounts paid on time	75%
Total of accounts paid on time	\$4,162,370
Total of accounts paid	\$5,549,827

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 2011/2012. 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 2012/2013. 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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### Work Health & Safety

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

- eliminated slip and trip hazards within the show-cave system.
- implemented workplace inspections.
- meets bi-monthly and distributes information to staff from meetings on a regular basis.
- completed a self assessment of its WHS Management System. The Committee will continue to implement recommendations from that assessment in the 2012/2013 year.

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

There were no GIPA requests in 2011/2012.

### Risk Management

The Trust has in place an Audit and Finance Committee which meets monthly. This Committee has completed internal audits of the Trust's payroll systems and further internal audits will be completed in the 2012/2013 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:

- Café Bar Upgrade – ongoing
- 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 2011/2012

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)

## Statutory Information (cont)

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### Internal Audit and Risk Management Statement for 2011-2012 Financial Year for Jenolan Caves Reserve Trust and the Consolidated Entity (JCRT)

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

Ministerially Determined Departure	Reason for Departure and Description of Practicable Alternative Measures Implemented
Core Requirements 1 & 6	There is an ongoing relationship with the Internal Audit Bureau to provide advice and assistance with internal control.
Core Requirements 2 to 5	Internal audit and risk processes have been established together with a risk register. JCRT sought to establish a relationship with the then Department of Environment, Climate Change and Water (DECCW) Audit and Risk Committee under the DECCW cluster arrangement. However it has subsequently been determined that as JCRT is not under the control of DECCW whilst an Administrator is in place, DECCW is not in a position to provide independent Audit and Risk Committee functions to JCRT. It is currently proposed that control of JCRT will transfer to Office of Environment and Heritage (OEH) prior to 30 June 2013 and at this time JCRT should fall fully within the OEH Audit and Risk Committee cluster arrangement.

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

Dianne Leeson  
Administrator

# Independent Audit Report



## INDEPENDENT AUDITOR'S REPORT

### Jenolan Caves Reserve Trust 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 comprise the statements of financial position as at 30 June 2012, 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 2012, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

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

The Administrator of the Trust is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Administrator determines is necessary to enable the preparation of the financial statements that 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 Trust's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Administrator of the Trust, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

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

### **Independence**

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

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



Steven Martin  
Director, Financial Audit Services

19 October 2012  
SYDNEY

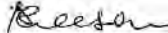
**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
YEAR ENDED 30 JUNE 2012**

**Statement by Members of the Trust**

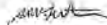
Pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, and in accordance with a resolution of the members of the Jenolan Caves Reserve Trust, we declare on behalf of the Trust that in our opinion:

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 2012 and the financial performance for the year then ended.

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



**Dianne Leeson  
Administrator**



**Sandy McFeeters  
General Manager**

18 October 2012

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Income</b>					
Revenue from continuing operations	3	8,676,711	8,683,200	8,676,711	8,683,200
Grants received	3	1,690,699	510,000	1,690,699	510,000
Other income	3	75,678	218,274	16,710	148,234
<b>Total income</b>	3	<b>10,443,088</b>	<b>9,411,474</b>	<b>10,384,120</b>	<b>9,341,434</b>
Less: Cost of goods sold		1,285,201	1,248,124	1,285,201	1,248,124
<b>Gross trading surplus</b>		<b>9,157,887</b>	<b>8,163,350</b>	<b>9,098,919</b>	<b>8,093,310</b>
<b>Less: operating expenditure</b>					
Salaries & wages	4.1	5,769,123	5,680,513	-	-
Personnel services (costs of staff provided by the Division)	4.1	-	-	5,769,123	5,610,475
Personnel services (defined benefit fund supplementary charge for fund (gain)/loss)	4.1	-	-	752,911	(123,978)
Administrator costs		833	8,686	833	8,686
Bad debts written off/(recovered)		(18,623)	-	(18,623)	-
Consultancy fee		153,776	77,457	153,776	77,457
Contract labour		181,280	82,639	181,280	82,639
Depreciation & impairment	4.2	405,341	1,526,723	405,341	1,526,723
Insurance		105,855	103,490	105,855	103,490
Interest		80,605	43,721	80,605	43,721
Marketing		172,402	168,431	172,702	168,431
Motor vehicle		32,418	107,516	32,418	107,516
Repairs and maintenance		300,015	358,495	300,015	358,495
Telephone, postage & internet		122,874	163,732	122,874	163,732
Utilities		373,405	294,208	373,405	294,208
Other expenses	4.3	795,530	1,164,362	822,296	1,234,401
<b>Total operating expenditure</b>		<b>8,474,834</b>	<b>9,779,973</b>	<b>9,254,811</b>	<b>9,655,996</b>
<b>Surplus / (deficit) from continuing operations</b>		<b>683,053</b>	<b>(1,616,623)</b>	<b>(155,892)</b>	<b>(1,562,686)</b>
<b>Other comprehensive income</b>					
Actuarial gains/(losses) on Defined Benefit	14	(838,945)	53,937	-	-
Fund obligations	8	1,734,970	-	1,734,970	-
Asset revaluation increment					
<b>Total other comprehensive income for the year</b>		<b>896,025</b>	<b>53,937</b>	<b>1,734,970</b>	<b>-</b>
<b>Comprehensive surplus / (deficit)</b>		<b>1,579,078</b>	<b>(1,562,686)</b>	<b>1,579,078</b>	<b>(1,562,686)</b>

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



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2012**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash & cash equivalents	5	1,746,071	752,915	1,746,071	752,915
Trade & other receivables	6	315,891	197,236	315,891	197,236
Inventories	7	178,413	159,388	178,413	159,388
<b>Total current assets</b>		<b>2,240,375</b>	<b>1,109,539</b>	<b>2,240,375</b>	<b>1,109,539</b>
<b>Non-current assets</b>					
Property, plant & equipment	8	13,095,360	11,653,654	13,095,360	11,653,654
<b>Total non-current assets</b>		<b>13,095,360</b>	<b>11,653,654</b>	<b>13,095,360</b>	<b>11,653,654</b>
		<b>15,335,735</b>	<b>12,763,193</b>	<b>15,335,735</b>	<b>12,763,193</b>
<b>TOTAL ASSETS</b>					
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade & other payables	9	894,245	806,066	2,301,282	1,460,192
Provisions	10	780,923	619,746	780,923	619,746
Borrowings	2.5/11	61,688	61,648	61,688	61,648
<b>Total current liabilities</b>		<b>1,736,856</b>	<b>1,487,460</b>	<b>3,143,893</b>	<b>2,141,586</b>
<b>Non-current liabilities</b>					
Defined Benefit Fund liability	14	1,407,037	654,126	-	-
Provisions	10	27,568	54,289	27,568	54,289
Borrowings	2.5/11	1,131,572	1,113,695	1,131,572	1,113,695
<b>Total non-current liabilities</b>		<b>2,566,177</b>	<b>1,822,110</b>	<b>1,159,140</b>	<b>1,167,984</b>
		<b>4,303,034</b>	<b>3,309,570</b>	<b>4,303,034</b>	<b>3,309,570</b>
<b>TOTAL LIABILITIES</b>					
<b>NET ASSETS</b>		<b>11,032,701</b>	<b>9,453,623</b>	<b>11,032,701</b>	<b>9,453,623</b>
<b>EQUITY</b>					
Current year comprehensive trading income/(loss) (prior to asset revaluation)		597,019	(1,686,664)	597,019	(1,686,664)
Current year surplus/(deficit) arising from Defined Benefit Fund actuarial gain/(loss) net of contributions and fund earnings and costs	13/14	(752,911)	123,978	(752,911)	123,978
Prior period accum. profits/(losses)	13	(3,566,875)	(2,004,189)	(3,566,875)	(2,004,189)
Contributed equity	12	5,831,749	5,831,749	5,831,749	5,831,749
Reserves	13	8,923,719	7,188,749	8,923,719	7,188,749
<b>TOTAL EQUITY</b>		<b>11,032,701</b>	<b>9,453,623</b>	<b>11,032,701</b>	<b>9,453,623</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2012**

<u>Consolidated Entity</u>	Notes	Contributed equity \$	Reserves \$	Retained earnings /(accum. losses) \$	Total \$
<b>Balance at 1 July 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>11,016,309</b>
Result for the year	13	-	-	(1,616,623)	(1,616,623)
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	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>
Result for the year	13	-	-	683,055	683,055
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	(838,947)	(838,947)
- Asset revaluation increment	8/13	-	1,734,970	-	1,734,970
<b>Total comprehensive income for the year</b>		-	<b>1,734,970</b>	<b>(155,892)</b>	<b>1,579,078</b>
<b>Balance at 30 June 2012</b>		<b>5,831,749</b>	<b>8,923,719</b>	<b>(3,722,767)</b>	<b>11,032,701</b>

<u>Jenolan Caves Reserve Trust (Parent Entity)</u>	Notes	Contributed equity \$	Reserves \$	Retained earnings /(accum. losses) \$	Total \$
<b>Balance at 1 July 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>11,016,309</b>
Result for the year	13	-	-	(1,562,686)	(1,562,686)
<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>
Result for the year	13	-	-	597,019	597,019
Other comprehensive income:					
- Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	(752,911)	(752,911)
- Asset revaluation increment	8/13	-	1,734,970	-	1,734,970
<b>Total comprehensive income for the year</b>		-	<b>1,734,970</b>	<b>(155,892)</b>	<b>1,579,078</b>
<b>Balance at 30 June 2012</b>		<b>5,831,749</b>	<b>8,923,719</b>	<b>(3,722,767)</b>	<b>11,032,701</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  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
<b>Cash flows From operating activities</b>					
Receipts from customers		8,562,366	8,837,153	8,562,366	8,837,153
Receipts from the NSW Government		1,690,699	500,000	1,690,699	500,000
Payments to suppliers & employees		(9,079,628)	(9,531,864)	(9,079,628)	(9,531,864)
Interest received		22,401	49,293	22,401	49,293
Interest paid		(80,605)	(43,721)	(80,605)	(43,721)
<b>Net cash inflow/(outflow) from operating activities</b>	15	<b>1,115,233</b>	<b>(189,139)</b>	<b>1,115,233</b>	<b>(189,139)</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant & equipment	8	(122,077)	(1,189,318)	(122,077)	(1,189,318)
Proceeds from sale of investments		-	-	-	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(122,077)</b>	<b>(1,189,318)</b>	<b>(122,077)</b>	<b>(1,189,318)</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>-</b>	<b>(28,234)</b>	<b>-</b>	<b>(28,234)</b>
<b>Net inc/(dec) in cash &amp; cash equivalents</b>		<b>993,156</b>	<b>(1,406,691)</b>	<b>993,156</b>	<b>(1,406,691)</b>
Cash & cash equivalents at beginning of year	5	752,915	2,159,606	752,915	2,159,606
<b>Cash &amp; cash equivalents at balance date</b>	5	<b>1,746,071</b>	<b>752,915</b>	<b>1,746,071</b>	<b>752,915</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 2012**

**REPORTING ENTITY**

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

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

**Authorisation of the Financial Report**

The consolidated financial report for the year ended 30 June 2012 has been authorised for issue by the Trust on the 18<sup>th</sup> October 2012.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1.1 Basis of preparation**

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

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

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

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.2 Principals of consolidation**

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

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

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

**1.3 Employee benefits**

***i) Salaries and wages, annual leave and associated costs***

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

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

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

***ii) Long service leave***

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

***iii) Superannuation***

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.4 Property, Plant and Equipment**

**Acquisition of assets**

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

**Plant and equipment**

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

**Capital work in progress (WIP)**

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

**Basis of revaluation**

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

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

During 2011-12, the Caves Infrastructure was valued by the Trust's management, using a method approved by the Department of Environment, Climate Change and Water (DECCW) – Parks Wildlife Trust. 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 Trust's employees is considered to be the only feasible method of valuing this type of infrastructure.

It is proposed to undertake a new valuation for the General Infrastructure asset class during 2012/13.

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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 2012**

**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 Trust prior to year end and other amounts, including accrued interest, which are unpaid at balance date. Interest is accrued over the period it becomes due.

**1.9 Leased assets**

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

**Operating leases**

Payments made under operating leases are recognised as an expense in the 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 tours and sale of goods**

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



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.10 Revenue recognition policy** *(continued)*

**Rendering of services**

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

**Government grants**

Grants from the 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 Investments and other financial assets**

**Classification**

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

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

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

**(ii) Loans and receivables**

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.12 Investments and other financial assets** *(continued)*

**(iii) Held to maturity investments**

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

**(iv) Available for sale financial assets**

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

**Recognition and de-recognition**

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

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in equity are included in the 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 Trust's right to receive payments is established.

**Impairment**

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.13 Borrowings**

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

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

**1.14 Comparative Figures**

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

**1.15 New accounting standards and interpretations**

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

- *AASB 9 and AASB 2010-7, Financial Instruments: have mandatory application from 1 July 2013 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. Financial assets of the Trust are not significant and the change is not expected to materially impact the financial statements.*
- *AASB 10, Consolidated Financial Statements: has mandatory application from 1 July 2013 and provides replacement criteria for the assessment of control in lieu of the provisions of AASB 127. Changes to the reporting of consolidated entities is not expected to result from this amendment.*
- *AASB 11, Joint Arrangements: has mandatory application from 1 July 2013 and defines joint control and the determination of joint control through an assessment of rights and obligations. The Standard is not expected to have any effect for the Trust.*
- *AASB 12, Disclosure of interests in Other Entities: has mandatory application from 1 July 2013 and requires disclosure of significant judgements and assumptions made in determining the nature of its interests in another entity or arrangement. It is not expected that the changes will have material impact on the Trust.*
- *AASB 13, AASB 2011-8 and AASB 2012-1, Fair Value Measurement: have mandatory application From 1 July 2013 and address, inter alia, the assumption that market participants would use when pricing the asset or liability. Future impact is assessed as minimal.*
- *AASB 119, AASB 2011-10 and AASB 2011-11, regarding employee entitlements: have mandatory application from 1 July 2013 and cover the recognition and measurement of short term and long term employee benefits. Any changes to the 2012/13 financial statements will be dependent on the policy mandated by the NSW Treasury.*
- *AASB 127, Separate Financial Statements: has mandatory application from 1 July 2013 and applies in accounting for interests in subsidiaries, joint ventures and associates. Based on current activities, it is assessed as having no future impact the Trust.*
- *AASB128, Investments in Associates and Joint Ventures: has mandatory application from 1 July 2013 and, based on current acclivities, is assessed as having no impact on the Trust.*
- *AASB1053 and AASB2010-2, Application of Tiers of Australian Accounting Standards: have application from 1 July 2013 and may result in a lessening of reporting requirements, subject to future mandate by NSW Treasury.*
- *AASB2010-8, Deferred Tax - Recovery of Underlying Assets: has application from 1 July 2012 and addresses deferred tax relating to Investment Property, and as such will have no impact for the Trust.*

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

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

**1.15 New accounting standards and interpretations** *(continued)*

- *AASB 2010-10, Removal of Fixed Dates for First Time Adopters: has application from 1 July 2013, and is assessed as having no impact on the Trust.*
- *AASB 2011-2, Trans Tasman Convergence Project - Reduced Disclosure Requirements: has mandatory application from 1 July 2013, however this will have no impact for the Trust.*
- *AASB 2011-3, Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and related amendments: has application from 1 July 2012 and changes in disclosure will be dependent on mandate by NSW Treasury.*
- *AASB 2011-4, Amendments to Australian Accounting Standards To Remove Individual Key Management Personnel Disclosure Requirements: has application from 1 July 2013 and removes the requirement to individually report the remuneration of Key Management Personnel, recognising that this is more a governance issue.*
- *AASB 2011-6, Amendments to Australian Accounting Standards . Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements (AASB 127, AASB 128 and AASB 131), applies from 1 July 2013. The exemptions from preparing the consolidation is not expected to apply to the Trust.*
- *AASB 2011-7 Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the insurance of AASB 10, AASB 11, AASB 12, AASB 127, and AASB 128. The changes have application from 1 July 2013 but are assessed as having no material effect on the Trust's accounts.*
- *AASB 2011-8, Amendments to Australian Accounting Standards, Fair Value Measurement affects 32 standards and nine interpretations consequential to the requirements contained in AASB 13, Fair Value Measurement. The change is effective from 1 July 2013.*
- *AASB 2011-9, Amendments to Australian Accounting Standards, Presentation of Items of Other Comprehensive Income has application from 1 July 2012. The amendments require entities to group items presented in other Comprehensive Income on the basis of whether they are potentially reclassified to Profit or Loss. No change is expected,*
- *AASB 2011-10, Amendments to Australian Accounting standards arising from AASB 119 has application from 1 July 2013 and makes consequential amendments to 7 standards and 1 interpretation to the changes made by AASB 119, Employee Entitlements. Any change to the 2013/14 financial statements will be dependent on policy mandated by NSW Treasury.*
- *AASB 2011-11, Amendments to AASB 119 arising from Reduced Disclosure Requirements: has application from 1 July 2013 and any changes will be dependent on mandate by NSW Treasury.*
- *AASB 2011-12 Amendments to AASB 119 arising from Reduced Disclosure Requirements: has application from 1 July 2013 and any changes will be dependent on mandate by NSW Treasury.*
- *AASB 2011-13, Amendments to Australian Accounting Standard – Improvements to AASB 1049: has application from 1 July 2013 and relates to the Whole of Government General Purpose Financial Statements and General Government Sector Financial Statements. Any change will be dependent on the mandate of NSW Treasury.*

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**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 effects on the financial performance of the consolidated entity. The Trust uses different methods to measure different types of risk to which it is exposed including aging analysis for credit risk.

**(a) Credit risk**

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

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

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

**(b) Liquidity risk**

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

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

**(c) Market risk**

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

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

**(d) Fair value estimation**

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

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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 instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:-

	notes	Variable interest		Fixed interest		Non-interest bearing		Total carrying amounts at year end	
		2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$
<b>1. Financial assets</b>									
Cash & investments	5	1,713,221	727,675	-	-	32,850	25,240	1,746,071	752,915
Trade and other receivables	6	-	-	-	-	315,891	197,236	315,891	197,236
<b>Total financial assets</b>		<b>1,713,221</b>	<b>727,675</b>	<b>-</b>	<b>-</b>	<b>348,741</b>	<b>222,476</b>	<b>2,061,962</b>	<b>950,151</b>
<b>2. Financial liabilities</b>									
Trade & other payables	9	-	-	-	-	894,245	806,066	894,245	806,066
Borrowings	11	-	-	1,193,260	1,175,343	-	-	1,193,260	1,175,343
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,193,260</b>	<b>1,175,343</b>	<b>894,245</b>	<b>806,066</b>	<b>2,087,505</b>	<b>1,981,409</b>

**2.3 Trade and other receivables analysis**

*(a) Impaired trade receivables*

As at 30 June 2012, current trade receivables of the Trust with a nominal value of \$nil (2011: \$40,487) were considered impaired as the Trust had taken action through 2011/12 to identify and write-off any debts considered non-recoverable. The Trust has created a Doubtful Debt provision for the current year.

There are no amounts of collateral held as security at 30 June 2012 with regard to these receivables.

*(b) Past due but not impaired*

As of 30 June 2012, trade receivables of \$143,483 (2011: \$145,783) 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	
	2012 \$	2011 \$	2012 \$	2011 \$
1-30 days overdue	93,404	43,052	93,404	43,052
31-60 days overdue	16,219	26,598	16,219	26,598
Greater than 60 days over due	33,860	76,133	33,860	76,133
	<b>143,483</b>	<b>145,783</b>	<b>143,483</b>	<b>145,783</b>

There are no amounts of collateral held as security at 30 June 2012 with regard to these receivables.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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 Trade and other payables analysis**

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

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

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	\$	\$	\$	\$
Due within 1 month	636,774	492,660	636,774	492,660
Due within 1-2 months	23,400	87,855	23,400	87,855
Due after 2 months	776	6,669	776	6,669
	<b>660,950</b>	<b>587,184</b>	<b>660,950</b>	<b>587,184</b>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**2. FINANCIAL RISK MANAGEMENT**

**2.5 Borrowings analysis**

*Maturities of borrowings*

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

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

<b>2011</b>	<b>&lt; 3 mths</b>	<b>3-12 mths</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5 years &amp; over</b>	<b>Total</b>
Interest bearing	31,208	30,440	1,055,026	-	-	<b>1,175,343</b>
Non-interest bearing	-	-	-	-	-	-
<b>Total borrowings</b>	<b>31,208</b>	<b>30,440</b>	<b>1,055,026</b>	-	-	<b>1,175,343</b>

**2.6 Interest rate sensitivity analysis**

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

At 30 June 2012, the effect on profit as a result of changes in the interest rate, if all other variables were to remain constant, would be as follows:

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Increase in interest rate by 1%	17,132	7,277	17,132	7,409
Decrease in interest rate by 1%	(17,132)	(7,277)	(17,132)	(7,409)

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



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012 \$	2011 \$	2012 \$	2011 \$
<b>3. REVENUE FROM CONTINUING OPERATIONS</b>				
Cave tours & related services	4,588,510	4,588,067	4,588,510	4,588,067
Accommodation	1,383,777	1,361,482	1,383,777	1,361,482
Special events	71,643	97,889	71,643	97,889
Gift shop trading	268,291	299,640	268,291	299,640
Food and beverage sales	2,286,618	2,239,731	2,286,618	2,239,731
	<b>8,598,839</b>	<b>8,586,809</b>	<b>8,598,839</b>	<b>8,586,809</b>
<b>Rental income</b>				
Staff cottages	55,471	26,405	55,471	26,405
Site rental	-	20,693	-	20,693
	<b>55,471</b>	<b>47,098</b>	<b>55,471</b>	<b>47,098</b>
<b>Interest income</b>				
Interest – financial institutions	22,401	49,293	22,401	49,293
	<b>22,401</b>	<b>49,293</b>	<b>22,401</b>	<b>49,293</b>
<b>Total revenue from continuing operations</b>	<b>8,676,711</b>	<b>8,683,200</b>	<b>8,676,711</b>	<b>8,683,200</b>
<b>Grants and other income</b>				
Grants received – administration #	1,690,699	500,000	1,690,699	500,000
Grants received – environmental ##	-	10,000	-	10,000
Defined Benefit Fund costs recognised in the Statement of Comprehensive Income	58,968	70,040	-	-
Other income	16,710	148,234	16,710	148,234
	<b>1,766,377</b>	<b>728,274</b>	<b>1,707,409</b>	<b>658,234</b>
<b>Total Revenues</b>	<b>10,443,088</b>	<b>9,411,474</b>	<b>10,384,120</b>	<b>9,341,434</b>

# 2012 includes Treasury and a Tourism development grant amounting to \$990k which will be expended during 2012/13.

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

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

4.1	EMPLOYEE BENEFITS EXPENSE	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
	Salaries & wages	4,885,180	4,830,027	-	-
	Payroll tax	241,656	254,974	-	-
	Superannuation	434,745	445,895	-	-
	Worker's compensation	187,300	121,504	-	-
	Payroll processing charge	20,242	28,113	-	-
	<b>Employee benefits expense</b>	<b>5,769,123</b>	<b>5,680,513</b>	-	-
	Personnel services expenses	-	-	5,769,123	5,610,475
	Personnel services – defined benefit fund charges	-	-	752,911	(123,978)
	<b>Total employee benefits expense</b>	<b>5,769,123</b>	<b>5,680,513</b>	<b>6,552,034</b>	<b>5,486,497</b>

4.2	DEPRECIATION EXPENSE	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
	Depreciation of non-current assets:				
	- Buildings	20,766	20,057	20,766	20,057
	- Plant & equipment	106,334	138,855	106,334	138,855
	- Caves infrastructure	131,239	155,489	131,239	155,489
	- General infrastructure	147,002	147,002	147,002	147,002
	- Impairment	-	1,065,320	-	1,065,320
	<b>Total depreciation expense</b>	<b>405,341</b>	<b>1,526,723</b>	<b>405,341</b>	<b>1,526,723</b>

4.3	OTHER EXPENSES	Consolidated Entity		Jenolan Caves Reserve Trust	
		2012	2011	2012	2011
		\$	\$	\$	\$
	Accounting fees	1,453	1,440	1,453	1,440
	Audit fees	67,456	20,700	67,456	20,700
	Bank & credit card	56,741	55,437	56,741	55,437
	Cleaning	157,598	251,598	157,598	251,598
	Expression of interest process	-	144,301	-	144,301
	IT maintenance & supplies	11,319	13,317	11,319	13,317
	Printing & stationery	17,351	33,051	17,351	33,051
	Rental expense on operating leases	276,677	193,474	276,677	193,474
	Travel expenses	6,033	21,058	6,033	21,058
	Other expenses	200,902	429,986	227,668	500,025
	<b>Total other expenses</b>	<b>795,530</b>	<b>1,164,362</b>	<b>822,296</b>	<b>1,234,401</b>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
5. CASH AND CASH EQUIVALENTS	\$	\$	\$	\$
Bank – trading & cheque accounts #	1,106,398	277,135	1,106,398	277,135
Bank – cash management accounts	452,983	413,723	452,983	413,723
Special purpose grant account	90,075	31,310	90,075	31,310
Cash on hand	96,615	30,747	96,615	30,747
<b>Total cash &amp; cash equivalents</b>	<b>1,746,071</b>	<b>752,915</b>	<b>1,746,071</b>	<b>752,915</b>

*# The Trust's trading account includes supplementary and special purpose funding for 2012/13 which was received from the Trust shortly prior to the year end. These Government contributions received in advance amounted to \$898,599 (2011:nil).*

<b>6. TRADE AND OTHER RECEIVABLES</b>				
<b>i) Trade receivables</b>	295,241	206,064	295,241	206,064
Less: Provision for doubtful debts	(6,221)	(40,487)	(6,221)	(40,487)
	<b>289,020</b>	<b>165,577</b>	<b>289,020</b>	<b>165,577</b>
<b>ii) Prepayments</b>	26,872	31,659	26,872	31,659
<b>Total trade &amp; other receivables</b>	<b>315,891</b>	<b>197,236</b>	<b>315,891</b>	<b>197,236</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.

<b>7. INVENTORIES</b>				
Marketing	25,916	12,441	25,916	12,441
Maintenance	3,148	3,139	3,148	3,139
Electrical	18,433	17,898	18,433	17,898
Cave Tours	8,075	8,959	8,075	8,959
Gift Shop	45,670	76,931	45,670	76,931
Caves House (incl. Bistro & Restaurant)	77,171	40,020	77,171	40,020
<b>Total inventories</b>	<b>178,413</b>	<b>159,388</b>	<b>178,413</b>	<b>159,388</b>

All stock and materials are accounted for at cost price.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**8. PROPERTY PLANT AND EQUIPMENT**

Current year	CONSOLIDATED ENTITY & PARENT ENTITY							Total
	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	
<b>At 1 July 2011</b>								
Cost or fair value	4,444,512	735,130	47,884	8,356,092	3,856,047	41,460	781	17,481,906
Accumulated depreciation and impairment	(3,052,334)	(461,033)	(47,884)	(1,017,097)	(1,208,444)	(41,460)	-	(5,828,252)
<b>Net carrying amount at start of year</b>	<b>1,392,178</b>	<b>274,097</b>	<b>-</b>	<b>7,338,995</b>	<b>2,647,603</b>	<b>-</b>	<b>781</b>	<b>11,653,654</b>
<b>Year ended 30 June 2012</b>								
Additions	-	29,699	-	-	-	-	92,378	122,077
Revaluation	-	-	-	1,734,970	-	-	-	1,734,970
Disposals	-	-	-	-	-	-	-	-
Transfers in/(out) (at WDV)	-	(10,000)	-	(1,073,641)	1,073,641	-	-	(10,000)
Depreciation & impairment charge for the year	(20,766)	(106,334)	-	(131,239)	(147,002)	-	-	(405,341)
<b>Net closing book value</b>	<b>1,371,412</b>	<b>187,462</b>	<b>-</b>	<b>7,869,085</b>	<b>3,574,242</b>	<b>-</b>	<b>93,159</b>	<b>13,095,360</b>
<b>At 30 June 2012</b>								
Cost or fair value	4,444,512	754,829	47,884	8,983,115	5,066,140	41,460	94,034	19,431,974
Accumulated depreciation and impairment	(3,073,100)	(567,367)	(47,884)	(1,114,030)	(1,491,898)	(41,460)	(875)	(6,336,614)
<b>Net carrying amount</b>	<b>1,371,412</b>	<b>187,462</b>	<b>-</b>	<b>7,869,085</b>	<b>3,574,242</b>	<b>-</b>	<b>93,159</b>	<b>13,095,360</b>
Prior year	CONSOLIDATED ENTITY & PARENT ENTITY							Total
	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	
<b>At 1 July 2010</b>								
Cost or fair value	4,210,724	701,620	47,884	7,943,449	3,856,045	41,460	556,722	17,357,904
Accumulated depreciation and impairment	(3,032,276)	(322,179)	(47,884)	(861,608)	(1,061,440)	(41,460)	-	(5,366,847)
<b>Net carrying amount at start of year</b>	<b>1,178,448</b>	<b>379,441</b>	<b>-</b>	<b>7,081,841</b>	<b>2,794,605</b>	<b>-</b>	<b>556,722</b>	<b>11,991,057</b>
<b>Year ended 30 June 2011</b>								
Additions	-	18,848	-	-	-	-	1,343,162	1,362,010
Revaluation	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Transfers in/(out)	1,299,107	14,663	-	412,643	-	-	(1,899,103)	(172,690)
Depreciation & impairment charge for the year	(1,085,377)	(138,855)	-	(155,489)	(147,002)	-	-	(1,526,723)
<b>Net closing book value</b>	<b>1,392,178</b>	<b>274,097</b>	<b>-</b>	<b>7,338,995</b>	<b>2,647,603</b>	<b>-</b>	<b>781</b>	<b>11,653,654</b>
<b>At 30 June 2011</b>								
Cost or fair value	4,444,512	735,130	47,884	8,356,092	3,856,047	41,460	781	17,481,906
Accumulated depreciation and impairment	(3,052,334)	(461,033)	(47,884)	(1,017,097)	(1,208,444)	(41,460)	-	(5,828,252)
<b>Net carrying amount</b>	<b>1,392,178</b>	<b>274,097</b>	<b>-</b>	<b>7,338,995</b>	<b>2,647,603</b>	<b>-</b>	<b>781</b>	<b>11,653,654</b>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

9. TRADE AND OTHER PAYABLES	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
Customer deposits (refundable)	232,749	128,099	232,749	128,099
Trade payables	444,194	522,349	1,851,231	1,176,475
Accrued expenses	40,893	61,027	40,894	61,027
Accrued employee costs	176,408	94,591	176,408	94,591
<b>Total trade &amp; other payables</b>	<b>894,245</b>	<b>806,066</b>	<b>2,301,282</b>	<b>1,460,192</b>

10. PROVISIONS	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Current</b>				
Audit fees	44,000	26,290	44,000	26,290
Employee benefits - annual Leave	291,944	309,656	-	-
Employee benefits - long service leave	276,283	260,150	-	-
Employee benefits - other leave	-	23,650	-	-
Employee benefits – award backpay	20,097	-	-	-
Employee benefits - redundancy	148,599	-	-	-
Personnel services	-	-	736,923	593,456
	<b>780,923</b>	<b>619,746</b>	<b>780,923</b>	<b>619,746</b>
<b>Non-current</b>				
Employee benefits - long service leave	27,568	54,289	-	-
Personnel services	-	-	27,568	54,289
	<b>27,568</b>	<b>54,289</b>	<b>27,568</b>	<b>54,289</b>
<b>Total provisions</b>	<b>808,491</b>	<b>674,035</b>	<b>808,491</b>	<b>674,035</b>

11. BORROWINGS	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
Current	61,688	61,648	61,688	61,648
Non-current	1,131,572	1,113,695	1,131,572	1,113,695
<b>Total borrowings</b>	<b>1,193,260</b>	<b>1,175,343</b>	<b>1,193,260</b>	<b>1,175,343</b>

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 (currently at 5.5%) as it falls due, however the Trust is not required, does not presently have plans, to make any capital repayments before the maturity date.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>12. CONTRIBUTED EQUITY</b>				
<b>Capital Trust</b>	<b>5,831,749</b>	<b>5,831,749</b>	<b>5,831,749</b>	<b>5,831,749</b>
<b>13. RESERVES AND RETAINED PROFITS</b>				
<b>(a) Reserves*</b>				
Balance 1 July 2011	7,188,749	7,188,749	7,188,749	7,188,149
Current year movement ( <i>asset revaluation</i> )	1,734,970	-	1,734,970	-
<b>Balance 30 June 2012</b>	<b>8,923,719</b>	<b>7,188,749</b>	<b>8,923,719</b>	<b>7,188,749</b>
	<i>* includes revaluation reserve arising from periodic revaluation of the Trust's non-current assets.</i>			
<b>(b) Retained profits</b>				
Balance 1 July 2011	(3,566,875)	(2,004,189)	(3,566,875)	(2,004,189)
Result for the year	683,055	(1,616,623)	597,019	(1,686,664)
Actuarial gains/(losses) on Defined Benefit Fund obligations	(838,947)	53,937	(752,911)	123,978
<b>Retained profits/(accum. losses) at year end</b>	<b>(3,722,767)</b>	<b>(3,566,875)</b>	<b>(3,722,767)</b>	<b>(3,566,875)</b>

**14. DEFINED BENEFIT FUND OBLIGATIONS**

**(a) Defined contribution superannuation fund**

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

**(b) Defined benefit superannuation fund**

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

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

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

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

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Opening defined benefit obligation</b>	4,255,088	4,178,663	-	-
Current service cost	55,485	53,344	-	-
Interest cost	216,720	210,849	-	-
Contributions by Fund participants	23,825	23,316	-	-
Actuarial (gains)/losses	559,362	(54,610)	-	-
Benefits paid	(304,023)	(156,473)	-	-
<b>Closing defined benefit obligation</b>	<b>4,806,457</b>	<b>4,255,089</b>	-	-

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**14. DEFINED BENEFIT FUND OBLIGATIONS** *(continued)*

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

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

<b>Opening fair value of plan assets</b>				
Expected return on fund assets	3,600,962	3,400,560	-	-
Expected return on fund assets	299,272	286,038	-	-
Actuarial gains / (losses)	(279,583)	(674)	-	-
Employer contributions	58,967	48,195	-	-
Contributions by fund participants	23,825	23,316	-	-
Benefits paid	(304,023)	(156,473)	-	-
<b>Closing fair value of plan assets</b>	<b>3,399,420</b>	<b>3,600,963</b>	-	-

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

Present value of the defined benefit obligation	4,806,457	4,255,089	-	-
Fair value of defined benefit fund assets	(3,399,420)	(3,600,963)	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>1,407,037</b>	<b>654,126</b>	-	-

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

Current service cost	55,485	53,344	-	-
Interest cost	216,720	210,849	-	-
Expected return on plan assets	(299,272)	(286,038)	-	-
Contributions	(58,968)	(48,195)	-	-
<b>Total amounts recognised in the statement of comprehensive income</b>	<b>(86,035)</b>	<b>(70,040)</b>	-	-

The major categories of plan assets at the end of the reporting period for each category, are as follows:

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>Fair Value</b>		<b>Fair Value</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Australian equities	951,838	1,202,721	-	-
Overseas equities	805,663	1,062,284	-	-
Australian fixed interest securities	166,572	205,255	-	-
Overseas fixed interest securities	81,586	111,630	-	-
Property	292,350	356,495	-	-
Cash	662,887	183,649	-	-
Other	438,524	478,929	-	-
<b>Fair value of fund assets</b>	<b>3,399,420</b>	<b>3,600,963</b>	-	-

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

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

The actual return on plan assets was a negative return of \$2,661 (2011: positive return \$284,398).

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**14. DEFINED BENEFIT FUND OBLIGATIONS** *(continued)*

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

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

**i) Valuation method**

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

**ii) Economic Assumptions**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012 \$	2011 \$	2012 \$	2011 \$
Salary increase rate (excluding promotional increases)	2.50%	3.50%	-	-
Rate of CPI increase	2.50%	2.50%	-	-
Expected rate of return on assets	8.60%	8.60%	-	-
Discount rate	3.06%	5.28%	-	-

**iii) Demographic Assumptions**

The demographic assumptions at 30 June 2012 are those that were used in the 2009 triennial actuarial valuation plus an additional allowance for staff reductions consistent with the Labour Expense Cap advised in the 2012-13 Budget. The triennial review report is available from the NSW Treasury website.

The history of experience adjustments is as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012 \$	2011 \$	2012 \$	2011 \$
Present value of defined benefit obligation	4,806,457	4,255,089	-	-
Fair value of fund assets	(3,399,420)	(3,600,963)	-	-
(Surplus) / deficit in fund	1,407,037	654,126	-	-
Experience adjustments – fund liabilities	559,362	(54,610)	-	-
Experience adjustments – fund assets	279,583	674	-	-

The consolidated entity expects to make a contribution of \$52,788 (2011: \$44,300) to the defined benefit plan during the next financial year.



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**14. DEFINED BENEFIT FUND OBLIGATIONS** *(continued)*

**(c) Employer contributions**

Employer contributions to the defined benefit section of the funds are based on recommendations by the fund's actuary. Actuarial assessments are made on a monthly basis and the last such assessment was made as at 30 June 2012.

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	
	2012	2011	2012	2011
	\$	\$	\$	\$
<b>Result for the year</b>	683,054	(1,616,623)	(155,892)	(1,562,686)
<u>Add back:</u>				
Actuarial (gains)/losses on Defined Benefit Fund obligations	(838,946)	53,937	-	-
Depreciation & impairment	405,340	1,526,723	405,340	1,526,723
<b>Change in operating assets and liabilities</b>				
(Inc)/dec in receivables	(118,655)	(8,925)	(118,655)	(8,925)
(Inc)/dec in inventories	(19,025)	(4,533)	(19,025)	(4,533)
Inc/ (dec) in trade & other payables	106,097	(181,260)	859,008	(181,260)
Inc/(dec) in other provisions & defined benefit fund liability	887,367	41,542	134,456	41,542
Inc/(dec) in reserves	10,000	-	10,000	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,115,233</b>	<b>(189,139)</b>	<b>1,115,233</b>	<b>(189,139)</b>

**16. REMUNERATION OF AUDITORS**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012	2011	2012	2011
	\$	\$	\$	\$
Auditing of the Financial Statements	44,000	39,480	44,000	39,480

No other services were provided by the external auditor.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**17. LEASE COMMITMENTS**

**Operating Leases**

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012 \$	2011 \$	2012 \$	2011 \$
not longer than one year	205,564	204,644	205,564	204,644
longer than one year and not longer than two years	32,080	160,101	32,080	160,101
longer than two years and not longer than five years	8,023	7,559	8,023	7,559
<b>Total lease commitments (inclusive of GST)</b>	<b>245,667</b>	<b>372,504</b>	<b>245,667</b>	<b>372,504</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 may ultimately have certain operational and financial effects depending on the outcomes. It is not possible to assess the quantum of such effects, if any, that may arise upon finalisation of the claims.

Late in 2011/12, the Trust received advice that a hindsight adjustment would be made to its 2012/13 Workers Compensation Insurance premium. The advice indicated an increase of \$123,000 would be payable by the Trust during 2012/13. The Trust recognises there is the possibility of hindsight adjustments in future years, with any increase or decrease dependent upon actuarial assessment of its claims profile at those future period ends.

Also late 2011/12, the Trust received supplementary funding from the NSW Government to assist with operational and capital costs during the 2012/13 year. It also received a Tourism development grant which was largely unspent by the year end. Combined, these grants received in advance of the year of expenditure amounted to \$990k. As required by Treasury policy and the standards for grants received that are considered 'non-reciprocal' (ie: not repayable), these grants have been disclosed as revenue in the 2011/12 accounts.

The Trust has no other contingent liabilities (2011: nil).

**19. CAPITAL EXPENDITURE COMMITMENTS**

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2012 \$	2011 \$	2012 \$	2011 \$
Not longer than 1 year	-	-	-	-
Longer than 1 year and not longer than 5 years	-	-	-	-
Longer than 5 years	-	-	-	-
<b>Total capital commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

At the 30<sup>th</sup> June 2012, there were no outstanding payments for completed or unfinished capital projects.

**20. RELATED PARTIES**

	<b>Jenolan Caves Reserve Trust</b>	
	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>i) Balances with related parties</b>		
The Trust has the following balances with the Jenolan Caves Reserve Trust Division:		
- Receivables	-	-
- Payables	2,452,932	1,535,557
<b>Net payables / (receivables) with the Division</b>	<b>2,452,932</b>	<b>1,535,557</b>
<b>ii) Transactions with related parties</b>		
During the year the Trust received the following charges from the Jenolan Caves Reserve Trust Division:		
- Personnel Services	6,522,034	5,486,497

**21. POST BALANCE DATE EVENTS**

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

**End of audited financial statements.**