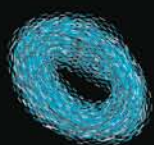


Jenolan Caves Reserve Trust Annual Report 2014 - 2015



jenolan caves
explore marvel stay

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Ph: 1300 76 3311
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Jenolan Caves House
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Fax: 02 6359 3227

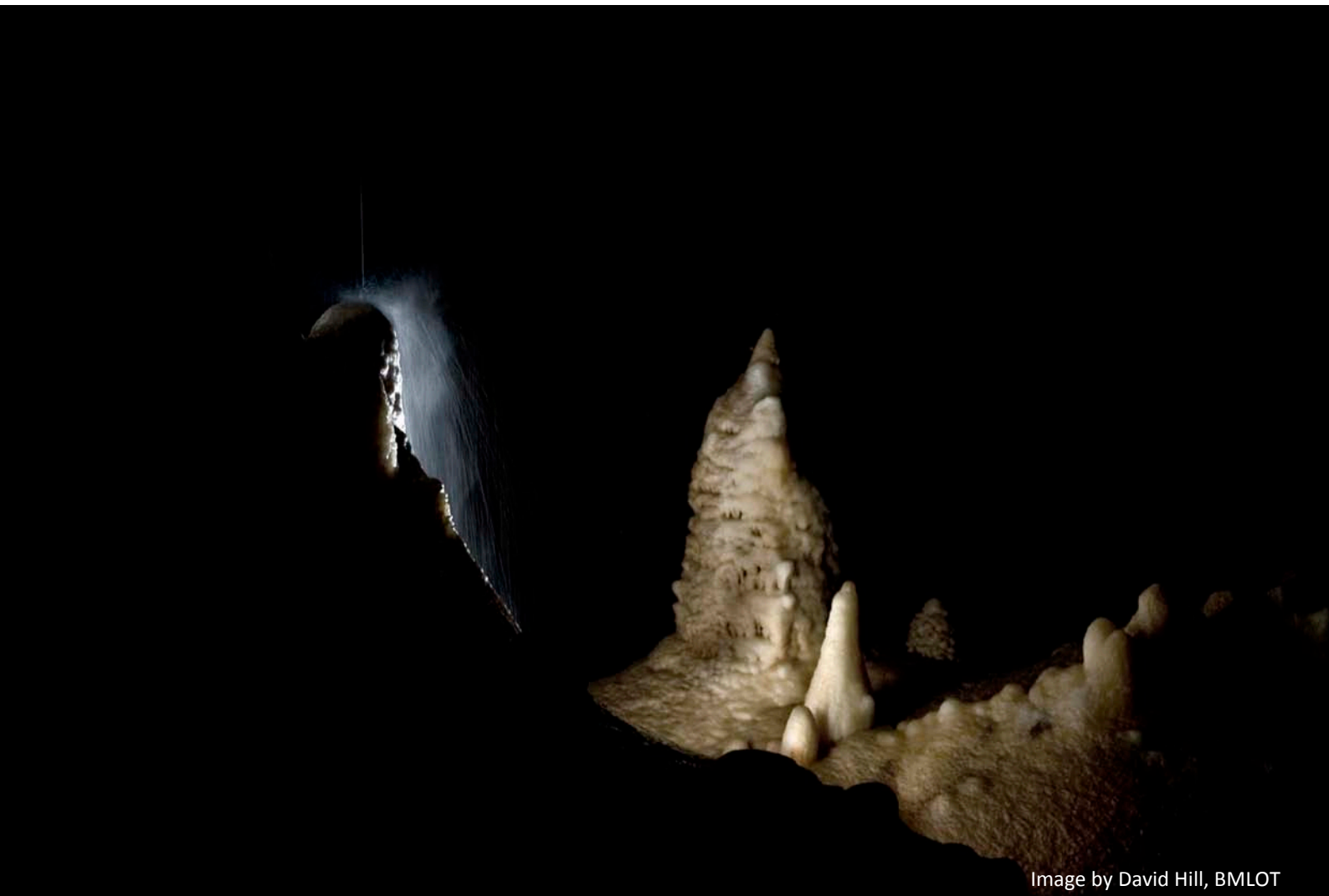
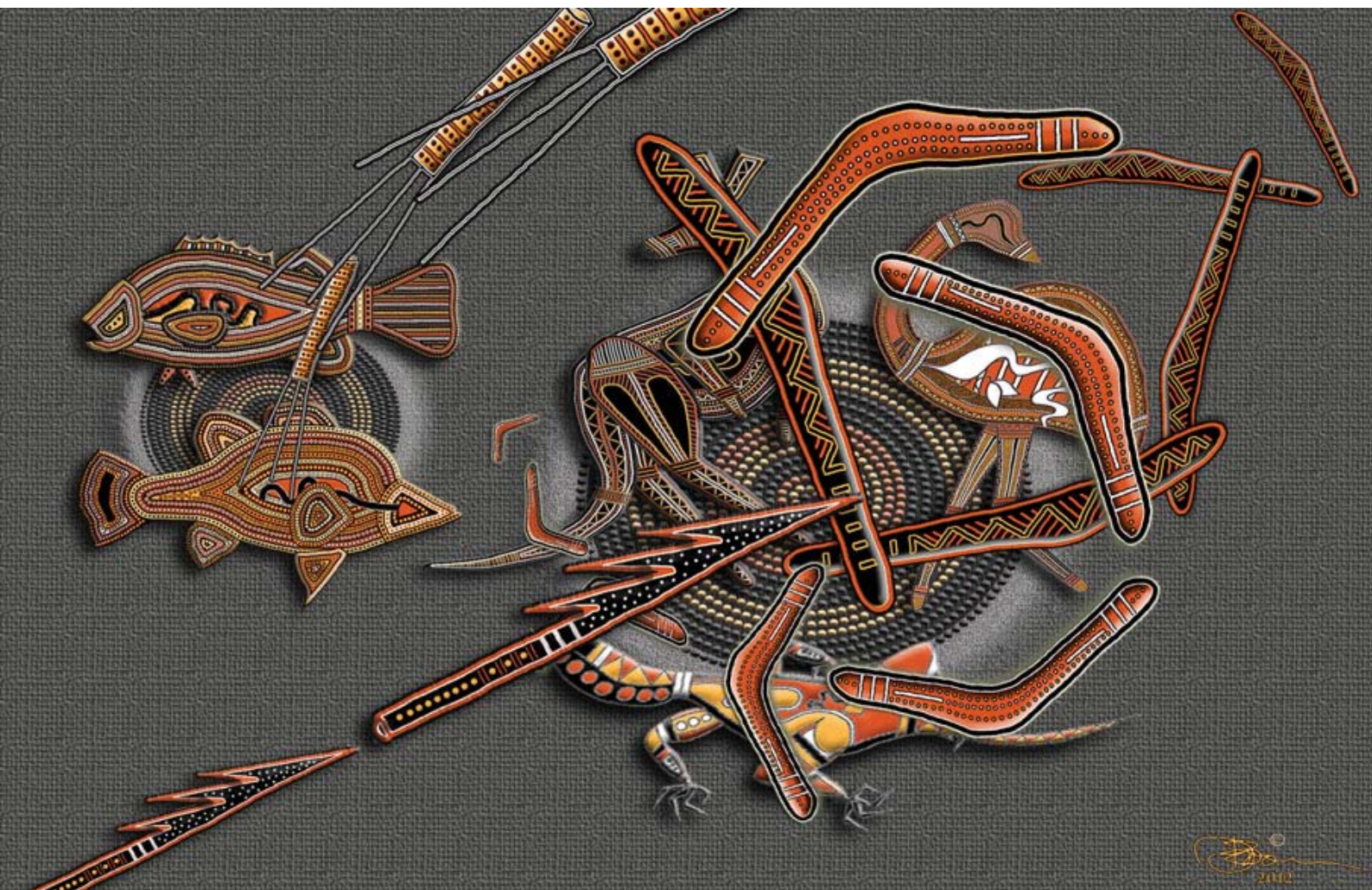


Image by David Hill, BMLOT



Painted by
Gundungurra artist,
Tom Brown.

*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.*

Contents

Contact Details	2
Contents	4
Our Role	5
Administrator's Report	7
Overview	8
Organisational Chart	11
Cave Operations	12
Jenolan Caves House	14
Technical Services	15
Research & Development	17
Corporate Resources	18
Statutory Information	20
Independent Audit Report	27
Financial Statements	29



Our Role

Mission Statement

To manage the natural and cultural heritage and the visitor facilities of Jenolan 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 and 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.

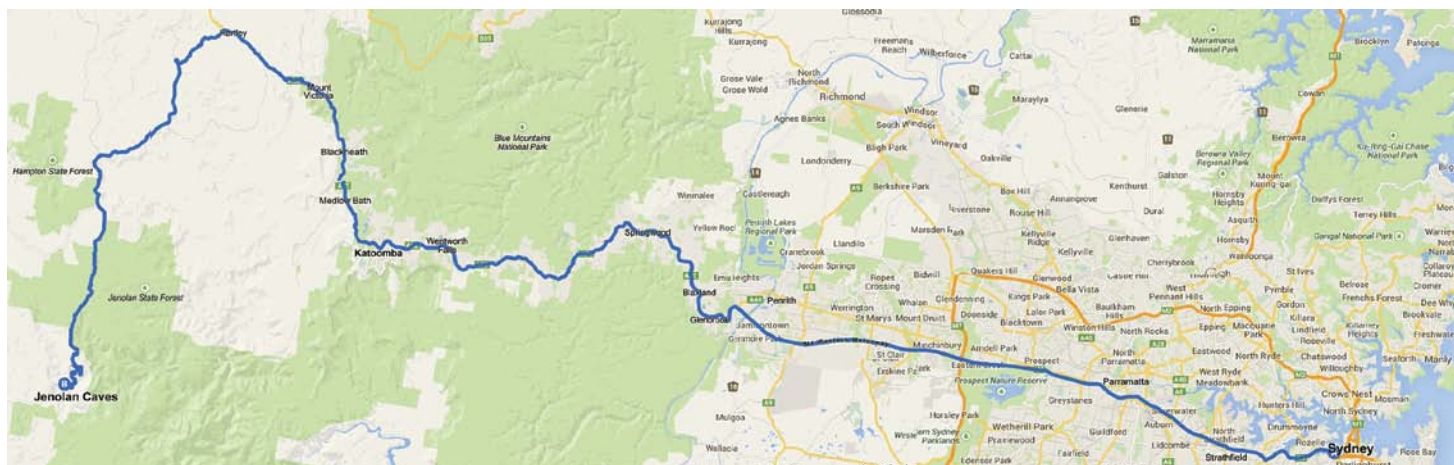
The beautiful limestone caves and the associated reserve are of important geological, geomorphological and palaeontological value, and play a vital role in conserving rare and endangered plant and animal species.

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.





Administrator's Report

This has been another year of achievement for the Jenolan Caves Reserve Trust, despite the challenges of working within a world heritage, national heritage and state heritage listed property. The impacts of the Blue Mountains fire emergency in November 2014 and the demise of the Blue Mountains Lithgow and Oberon Tourism organisation were felt across the region, with some impacts on regional visitation, marketing and revenue for the year. However the improved operational practices and the Trust management team's focus on controlling costs achieved a modest operational profit, before accounting for the receipt of a major grant, the details of which are expected to be announced in 2015-16.

The transfer of the administration of the Trust to the Office of Environment and Heritage (OEH) in April 2014 has been a very positive management reform for the Trust resulting in improved access to a wider range of corporate and other services within this larger agency in 2014-15, particularly in terms of implementing employment reforms under the Government Sector Employment Act 2013. Negotiations will be continuing during 2015-16 for the cost effective provision of an additional range of specialist skills and services from OEH.

The process of looking for opportunities to divest visitor services at Jenolan Caves to an external provider at least cost and risk to the taxpayers of NSW is continuing, despite negotiations being stalled with a preferred provider in early 2015. In the meantime, the Trust has been focussed on implementing a range of improvements aimed at improving its business operations, reducing corporate risks and improving visitor services.

The draft plan of management (dPoM) for the Jenolan Karst Conservation Reserve has been placed on public exhibition in 2013 and was considered by the National Parks and Wildlife Advisory Council in July 2014. The dPoM was referred to the Karst Management Advisory Committee and its advice was considered by Council in February 2015. The Trust will be amongst a small group of stakeholders who will now be consulted on the finalisation of this draft plan. The Trust has also been engaged in the review of the Greater Blue Mountains World Heritage Area Strategic Plan.

The Gundungurra Indigenous Land Use Agreement which was registered on 27th February 2015, reinforced the need for the Trust to better engage with those Aboriginal people who have an interest in the conservation and presentation of Jenolan Caves. In 2014-15, the Trust has been actively engaged with other agencies in consulting with Gundungurra elders for the purposes of improving access for traditional practices, developing Aboriginal culture interpretive programs and employment opportunities with the Trust managed property.

This year has seen a real focus on planning, consolidation of our business operations, improved risk management especially associated with management of the sewage treatment plant and work health and safety matters, and improved management and presentation of our assets and visitor services.

I would like to especially thank the very dedicated and committed Trust staff and our tireless management team for continuing to show dedication to the mission, aims and objectives of the Trust. A special thanks is also extended to the Chief Executive and those many staff members from OEH who have provided specialist and professional advice to the Trust. The Trust has also been very fortunate to have strong support from the Minister for the Environment and his office, which is also very gratefully acknowledged.

Robert Conroy
Administrator
Jenolan Caves Reserve Trust

Robert Conroy is Administrator of the Jenolan Caves Reserve Trust, appointed in accordance with Section 58 (2) of the National Parks and Wildlife Act 1974.

Overview

Over the last 12 months, Jenolan Caves Reserve Trust has focussed on building on the foundation of the 2013-14 result, where the Trust was self funding for the first time in many years. However only very modest results were achieved in 2014-15 as a result of increased costs associated with transitional reform and change processes and actively addressing deferred maintenance issues.

The Trust has been working on modernising employment conditions to comply with the new Government Sector Employment Act. This change involves providing greater employment security to Trust staff by reducing the Trust's reliance on casual staff and employing part-time and full time staff, in both Cave Operations and Hospitality areas. There has also been work done to bring hospitality staff under the Crown Employees (Jenolan Caves Reserve Trust Division) Salaries Award, from the obsolete NSW Hospitality Award.

Several Training courses have been run over the year including *'Respect in the Workplace'*, First Aid courses, staff inductions and training in emergency procedures.

During November 2014, the Trust hosted the International Show Caves Association (ISCA) conference, which brought over 90 visitors, most of whom were Cave System managers, from around the world, to our world famous Caves. The Trust received exceptional reviews from the participants.

In March 2015, the Trust hosted the finish of the largest *'Six Foot Track'* fundraising event in the history of the marathon, with a field of 932 runners, including world champions. Despite the challenges of hosting nearly 3,000 people on the

day, it was a great success for the Trust, participants and event organisers.

New food and beverage concepts for Chisolms Restaurant and Jeremiah's Bar, with a focus on quality regional produce at a reasonable price, were introduced. This resulted in a good increase on annual restaurant covers. However, figures are still well down, relative to the long term annual average for restaurant covers.

There has been an increased focus this year on staff and visitor work health and safety, with the reinvigoration of Trust WHS Committee; the ongoing identification and treatment of hazards such as asbestos and confined spaces; contractor safety improvements; audits of first aid facilities and fire systems; first aid and fire warden training; adoption of OEH safe work method statements and job safety analyses and engineering inspections of high risk structures such as elevated platforms, bridges, weirs and water tanks. The Trust is working very closely with the Committee, with the OEH and with the WorkCover to address outstanding workplace safety issues.

The Trust has commenced planning for major asset upgrades addressing both capital improvements and deferred maintenance projects. The first of these projects include refurbishment of the onsite staff accommodation, commencement of works to upgrade the hydro-electric generator, upgrading of the fire services water capacity and upgrading of the lift in Caves House. Also, a planning process aimed at a major redesign of the Jenolan Caves Bistro has commenced in order to improve efficiency, staff safety and guest satisfaction.



Visitation

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

2013/14	2014/15
226,529	230,261

Income & Expenditure

Revenue from continuing operations was \$15,264,617. This was up on last year's \$10,903,883, due mainly to the divestment grant from Premier and Cabinet, an increase of \$4,360,734. However, total expenditure was \$11,099,354.

Grants

NSW Environmental Trust Grant funding of \$743,000 was received, for removal of all ferrous materials in the show cave system. Works were initiated in November 2013, and due to a number of reviews, we are now working towards a revised completion date of early 2016.

Research and Monitoring

The Trust continues to support and encourage important research activities on the Reserve. *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.

An environmental report on the condition of the show caves was prepared in December 2014 and concluded that the overall condition and security of the show cave system was good to excellent. This was a result of the Trust introducing sound

guiding practices, ongoing installation of LED lighting and stainless steel railings and stairways and an innovative cave cleaning program.

The results of various research programs were published in May 2014 but not reported in the 2013-14 Annual Report. These are summarised in the Research and Development Section below.

Marketing

The Trust marketing area has continued to focus on building both Hospitality and Caves business. In 2014/15, this was achieved by performing in-depth market research, targeting specific demographic and geographic markets and an increased focus on Internet, specifically social media.

Approximately 500 visitors completed Jenolan's online survey in 2014/5, adding to a growing database, which provides invaluable information about how visitors research holiday destinations and also about their expectations and perceptions of Jenolan.

The Trust continued to focus on building international and domestic group travel by attending industry workshops, offering industry discounts to 165 Inbound Tour Operators and 70 smaller domestic tourism businesses and by nurturing relationships with those businesses. During 2014/15, Jenolan made agreements with 24 additional such businesses and hosted groups of international travel agents from Hong Kong and India.

Jenolan enjoys a regular presence on regional radio and was visited by 12 journalists (or film crews) during the year. On TV, Jenolan was featured on *'Dave's Offroad Adventure Show'* and popular children's show, *'Totally Wild'*.



Jenolan has between 50 and 60 marketing strategies operating continually, with the primary goal of attracting more retirees and international tourists mid-week, to stay at least one night. With the ongoing success of the new web site, and the success of a number of targeted online marketing opportunities, management reduced the use of, 'traditional' marketing methods. Instead they increased the focus on social media, search engine optimisation, raising Jenolan's profile on key tourism websites and other lower cost Internet-related mediums. This includes issuing monthly e-newsletters to more than 4,500 subscribers. Twelve news articles were written during the year, and posted on Jenolan's new blog. Online special offer company, *Groupon*, was used extensively, and very successfully, throughout the year, to market accommodation.

Facebook ads were Jenolan's main marketing tool in 2014/15, increasing the *Facebook* following to 36,000. *Twitter*, *LinkedIn*, *Instagram* and *Google+* are also utilised. Jenolan's website was viewed by 385,010 individual users (2,502,554 page views), in 198 countries. Although 85% of viewers were in Australia, the website was also viewed extensively in the US, India, UK, Singapore, New Zealand, Canada, Hong Kong, Indonesia and many other countries. As more than 1,000 other websites include links to Jenolan Caves, the website enjoys considerable referral traffic.

To attract adventure seekers and corporate team building groups, Jenolan posted approximately 7,000 Adventure Caving images on the internet, in 2014/15 alone. These have been widely shared in Australia and internationally.

Jenolan Caves was mentioned in online news articles over 100 times during the year. Early in the year, in conjunction with the CSIRO, educational software company, *3PLearning*, developed a new product. The news of their product launch, *'The World's Biggest School*

Excursion', featuring Jenolan Caves, and targeting teachers, was publicised online world-wide and boosted Jenolan's school excursion business.

Jenolan has issued newly designed wedding information packs in response to leads from several high profile wedding websites. Information packages for Corporate Groups, School Excursions and Inbound Tour Groups were also completely redesigned.

Early in July 2014, two Marketing staff accepted voluntary redundancy. We thank Domino Houlbrook-Cove and Charles Degotardi for all their hard work, both as Guides and then in their Marketing roles, and wish them well in the future.

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.

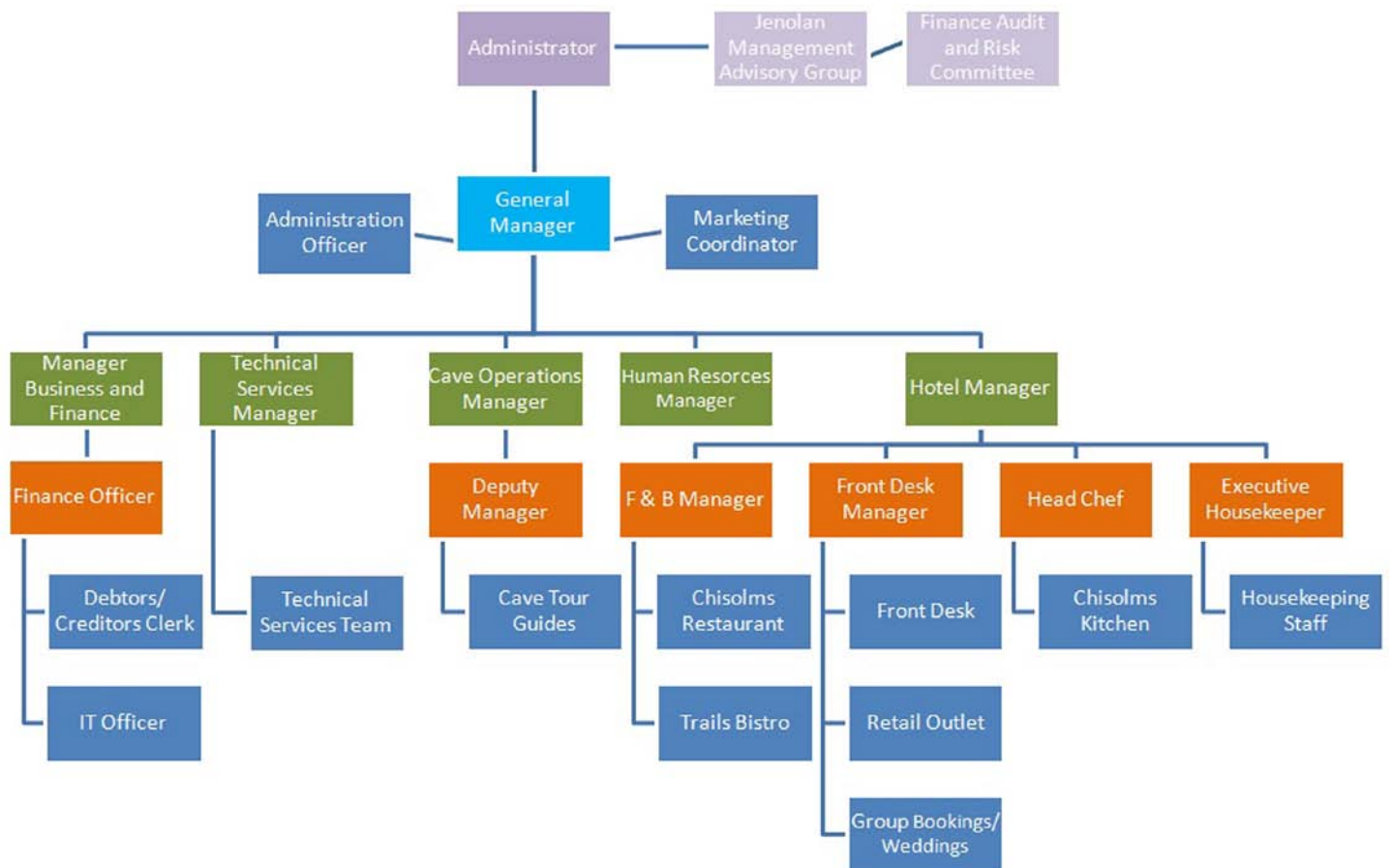
Major Developments

Major capital works projects that were either underway or completed during the 2014/2015 financial year include the refurbishment of the staff housing with other works being scheduled for commencement in the new Financial Year.

David Bragg
Acting General Manager
Jenolan Caves Reserve Trust



Organisational Chart



Cave Operations

Performance Indicators

Compared to 2013/2014:

- Visitation:+1.7%
- Revenue:.....+2.7%
- Expenditure:.....-9.5%
- Number of Cave Tours:11,211
- Revenue per FTE:+6.8%
- Total Expense per Visitor:.....\$12.51
- Total Revenue per Visitor:.....\$23.78

2014/2015 Financial Year:

- Total FTE:.....25
- Number of Tours per FTE:448
- Salaries & Wages as % of Total Expenditure:.....82%

FTE=Full time equivalent staff

Visitation

Visitation increased by 1.7% on previous year's result to 230,261 cave visits. The previous year had seen a decline in visitation due to the October 2013 bush fires in the Blue Mountains, so this year is showing a re-establishment of visitation levels. Average yield per client increased 2.3% to \$23.78.

The International Show Cave Association (ISCA) conference was held in November 2014 at which 92 delegates attended from 21 different countries. During the conference the delegates inspected the

caves and Caves House and were favourably impressed.

Jenolan continues to introduce new products and services. The children's programs have been further expanded, and continue to be popular options. A new tour, 'Fossils Unearthed', was introduced, focussed upon the paleontological heritage of the caves, and has proven popular.

Staffing

During 2014/15 the Cave Operations Department has undergone a significant change in staffing arrangements with a shift from a predominantly casual staff workforce to permanent status. 10 new permanent staff members were employed in January 2015 and a further 2 in May 2015. The new staff members were integral to the development of an induction and training program for guides resulting in an extensive training program with procedures and manuals finalised. Given the increased training programs and new guides requiring time to become effective revenue earners the Revenue per FTE increasing by 6.8% is an excellent result.

Internal and external training courses have been conducted in the following areas: Senior First Aid, Advanced Resuscitation, Respect in the Workplace and a rollout of induction program to all employees.



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 June 2013, Jenolan Caves received \$743,000 through the *NSW Environmental Trust* for the removal of all ferrous metals from the tourist cave system and their replacement with non-reactive stainless steel. In 2014/15 512 metres of handrailing has been replaced with stainless steel rail. The project is continuing in 2015/16 with expected completion 1st quarter 2016.

Upgrading of cave lighting with more energy efficient luminaries has continued, with replacement of failed lights with LED..

Special Events

Jenolan again collaborated with the *Australian Museum* to offer 'Science at the Caves', a series of activities and workshops at the Caves, for secondary school students. Jenolan staff also attended the annual *Science Week Expo* held at the *Australian Museum*.

Ongoing collaboration with the *Gundungurra Tribal Council* led to the further development of Indigenous tour content which was offered over the Christmas holiday period.

Peter Walsh
Acting Manager Cave Operations
Jenolan Caves Reserve Trust



Jenolan Caves House

The hospitality operations of Jenolan comprise four accommodation units – *Caves House* (38 rooms), *Mountain Lodge* (30 motel style studios), *Gatehouse* backpacker lodge (14 rooms accommodating 70 guests) and *Jenolan Cottages* (8).

Food and beverage operations incorporate *Chisolm's Grand Dining Room*, *Bistro* day visitor facility and *Kanangra Boyd Gallery* function room for 120 guests.

In addition, a retail outlet featuring souvenirs is operated. Retail operations were extended into the Caves Operations ticket office, to enable the capture of time restricted day tour visitors, however this has not been successful and has been relocated back to the Giftshop.

Revenue Generation

During 2014/15 the Hospitality business achieved a gross revenue 2.5% above the previous year's result, only to fall behind the previous year with an overrun of expenses 9% above budget

A strong result was reported across Accommodation operations, which delivered improved revenues ahead of the previous year, with occupancy of 39.6% which was marginally ahead the 2013/14 occupancy of 39.16%.

However food and beverage outlets did not perform as well, with overall revenues falling just behind budget.

Personnel

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

Considerable focus has been placed on building a skilled employee base and linking with local agencies and the Oberon High School to ensure we have staff available when there are vacancies at Jenolan.

Food and Beverage Facilities

Efforts continued through 2014/2015 to improve menu options across both the *Bistro* and *Chisolm's Restaurant*, resulting in positive guest feedback.

Guest Service continued to be a focus of the management team, with in-house training modules delivered to all front of house and Hospitality staff.

David Bragg
Acting General Manager
Jenolan Caves Reserve Trust



Technical Services

Staff

During the 2014/2015 financial year, Technical Services (TS) staff members experienced across-the-board changes:

- Created a new office under the Gatehouse, (formerly used for storage).
- Created a Job Safety Analysis (JSA) system.
- Undertook research for white & blue card courses. It is now necessary to also have Yellow Card holder at Jenolan.
- Participated in the new WHS Committee.
- Performed WHS improvement work as required.
- Supported *Crown Project Services*, to help in the understanding of Jenolan's technical issues.
- Sam Smallwood joined TS for 3 month Work Experience. Sam's expertise is in mapping – TS staff assisted with site familiarisation.
- Worked on internal departmental relationships to ensure smooth running.
- All TS staff:
 - Received Personal Protective Equipment (PPE) bags, with all necessary equipment.
 - Received new uniforms.
 - Received Hepatitis vaccines - necessary for Sewage Treatment Plant (STP) work.
 - Participated in Work Health & Safety (WHS) training sessions at Jenolan, weekly, including workshop procedures for using power tools, manual handling, STP and generator sequence.
 - Were trained on the new water tester.
 - Gained First Aid Certificates, as part of ongoing First Aid training.
 - Attended the Induction course.

New Issues

Security

- Performed security checks on all vacant staff cottages – both five and two mile roads. (Some cottages were defaced and broken into).
- Re-keyed all vacant staff cottages.
- Removed gift shop from Guides' Office.
- Repaired Ticket Office break-in damage.
- Tested new system for maintenance planning
- Repaired gutters & flues at the two mile managers' cottages.

Bistro & kitchen

- Health Department identified issues in the kitchen and bistro. As a result, TS:
 - Prepared bistro hot food area for the addition of stainless steel.
 - Prepared bistro for new gas lines & fittings.
 - Purchased hot water pressure cleaner for more efficient cleaning of floor in both areas.
 - Repaired bistro linoleum in the food preparation and barista areas.
 - Seals in all under-bench fridges and freezers were replaced.

Visitor Area Maintenance

- Revamped the relationship with *Oberon Correctional Centre (OCC)* which now works at Jenolan more frequently.
- The OCC bush gang completes tasks as required.

Caves House

- Dealt with ongoing electrical, plumbing issues and repairs to rooms as reported.
- Replaced window sashes in all rooms.
- Endeavoured to keep the lift functioning during peak periods. The lift undergoes frequent repairs and fails more often when under pressure in holidays and other peak times.
- OCC removed rubbish in various storage areas in Caves House, to enable better use of limited storage.

Jenolan Caves Cottages

- Upgraded two hot water services (now LPG) and two stoves/ovens.
- Replaced locks with digital locks.
- Cleaned out the Fire Shed.

Mountain Lodge

- Upgraded fire doors.
- Replaced TVs with flat screens as required.
- Upgraded two bathrooms in C2 and C4.
- OCC removed rubbish from rear alley.

Gatehouse

- Maintained plumbing as necessary.

Reserve – Weeds and Animals

- Sprayed weeds and removed dead animals as necessary.
- *Delta Force* performed ongoing pest & termite inspections, and have recommended all termite traps be renewed.

Reserve Precinct and Car Parks

- Upgraded tennis court near Hill Flats
- Installed hand rail on the concrete tank pathway.
- Installed new lid on steel tank.
- Reviewed the structural integrity of all bridges.
- Cut &/or pruned trees on both 2 and 5 mile roads.
- Removed tree in Car Park 2 which was hanging over the power line.
- Removed ivy from rock face adjacent to the Binoomea Cut.
- Renewed line marking in all three car parks
- Performed car park duties during special events and some public holidays.
- Maintained supply of firewood for Caves House.
- Serviced the information bay at Hampton.
- Complied with internal requests for special events, such as The Six Foot Track. Installed power outlet for a coffee machine in the precinct and purchased extra portable gas BBQs for the event.
- Hired portable fridges & freezers for school holidays, public holidays and other special events.
- Inspected and obtained quotes for a safety fence for the Elder Cave entrance.
- Created a valve labelling system for the entire precinct – dog-tags number 1-200.
- OCC performed walking track maintenance on Blue Lake Loop and 6 Foot Track.

Environment

Electricity

- Switched over to generators, both in the precinct and at Jenolan Caves Cottages, during power outages.
- Sourced and used power saving devices, especially throughout Caves House and all accommodation.

Sewage Treatment Plant (STP)

- Manufactured & installed safety chain for the walkway at the STP.
- Engaged in preventative measures to alleviate the possibility of over flow, on June 5 to 8 2015.
- Contractors are on site to upgrade the STP. TS staff continued support by manufacturing and supplying parts, etc.

Water

- Water supply system has undergone extensive chlorination, to comply with NSW Department of Health drinking water standards.
- Boiler blowing & testing - acid treatment of the boilers included training for new staff.
- Investigated the sprinkler system in Caves House fire protection, to determine which tank/s are the main supply.

Rubbish Removal

- Engaged *Hayden's* bin hire.
- Removed waste from the drying beds at the STP, with the bobcat and tipper.
- Continued support for the regular disposal of rubbish via contractor, addressing cardboard separation and daily removal.
- OCC cleared rubbish from maintenance compound, engineer's cottage and Burma Road staff cottages.

Vehicles, Plant & Equipment

- All plant and vehicles were serviced.
- Trailer was upgraded.
- Bobcat has been registered and serviced onsite by *Tracserv* who have also supplied new tyres and rims.
- Service was conducted onsite by staff, using Massey Fergusson parts and oils.
- All vehicles have been serviced to meet registration requirements.

Summary

The Technical Services team have continued to provide a professional Trust-wide service, by supporting all departments and contractors alike. TS has maintained a safe environment for visitors & staff without prejudice and without neglecting the overall financial position of JCRT.

David Rowling
Acting Tech Services Manager
24/09/2015

Research & Development

Jenolan Air and Water Quality Monitoring Program

Air monitoring was undertaken at seven sites in the Reserve's show caves. The captured data indicates no adverse impacts of cave tours and associated operations on air quality. However due to some technical issues, monitoring of water quality was not undertaken. A review of the existing water quality program has commenced.

Radon gas concentrations are also monitored by portable detection devices carried by the guiding staff. Fixed control monitors which were introduced in 2013/14 continue to monitor the concentration of this gas to ensure levels are safe for staff who are repeatedly exposed to very small doses.

A new service agreement for air and water quality monitoring is being negotiated with the Landform and Restoration Team within the National Parks and Wildlife service of OEH and is expected to be arguably the most comprehensive of its type in Australia, and a benchmark for contemporary cave management.

Understanding the Origin and Evolution of Jenolan Caves

New questions have been raised about the origin and development of Jenolan Caves, already considered to be the oldest show cave system in the world and the need to develop a structured program of dating, geological, mineralogical and geomorphic studies (see Osborne, R.A.L. (2014). Understanding the origin and evolution of Jenolan Caves: the next steps. *Proceedings of the Linnean Society of New South Wales* 136, 77-97).

ISCA papers

Trust staff presented a number of papers at the 7th International Show Caves Congress covering interpretation of palaeontological heritage, use of digital age technology in interpretations and building cave guide interpretive skills.

Invertebrate Cave Fauna

The vast array of specialised invertebrate fauna was inventoried and summarised and has been reported in a paper by Eberhard, S.M., Smith, G.B., Gibian, M.M., Smith, H.M. and Gray, M.R. (2014). Invertebrate cave fauna of Jenolan. *Proceedings of the Linnean Society of New South Wales* 136: 35-67.

The inventory recorded at least 136 individual taxa although less than one-half (43%) are assigned to described species, the rest were either undescribed (8%) or were identified to genus level (31%) or higher taxa (18%) only.

Jenolan Caves Geology and Geomorphology

A paper by Branagan, D.F., Pickett, J.W. and Percival, I.G. (2014) titled "Geology and Geomorphology of Jenolan Caves and the Surrounding Region" and published in the *Proceedings of the Linnean Society of New South Wales* 136, 99-130, has provided clarification to the proliferation of informal stratigraphic names in the Jenolan area, provided a better understanding of the different ages of limestone formation, defined a new geologic unit being the Inspiration Point Formation, and described the age and processes of landscape formation around the Jenolan Caves area.

History of Show Cave names

Members of the Jenolan Caves Historical and Preservation Society and surveyors collaborated to place cave and feature names on maps being produced by the Jenolan Caves Survey Project. Their sources for these names were guidebooks, newspaper articles, tourist publications, postcards, and photographs. Valuable contributions also came from the oral history supplied by past and current guiding staff. For further information see Bellamy, K. and Barnes, C. (2014). "Jenolan show caves: origin of cave and feature names". *Proceedings of the Linnean Society of New South Wales* 136, 69-75.

Corporate Resources

Finance Department

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

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

Information Technology

The Trust has replaced much of the frontline computing equipment, however 2015-16 will require the replacement of servers and some back office equipment.

Capital Expenditure

Expenditure on capital works and equipment totalled \$349,280, and consisted of:

• General infrastructure and environmental projects.....	\$343,842
• IT Upgrade.....	\$5,438
Total	\$349,280

Annual Financial Statements

Below is a summary from the *Statement of Comprehensive Income* for 2014/2015 compared with 2013/2014.

	2013/2014	2014/2015
Revenues from continuing operations	\$10,903,883	\$15,264,617
Total Expenditure	\$9,946,910	\$11,099,354
Profit/(Loss) from ordinary activities	\$956,974	\$4,165,263





Statutory Information

Senior Executive Officers

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

Classification of Positions

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

	2012/2013	2013/2014	2014/2015
General Manager	1	1	1
Administration Manager	1	1	1
Systems Administrator & Finance Officer	1	1	1
Manager Information, Communications & Technology		1	Deleted
Manager Business & Finance	1	1	1
Administration Officers	4 0.4 vacant	Deleted	1
Finance Officer	1	1	1
Creditors / Debtors Officer	1	1	1
Marketing Officer	1	1	1
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Customer Services Officers	n/a	n/a	20
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works	1	1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	2	2	2
Maintenance Officer	3.5 1 vacant	3.5 1 vacant	3.5 1 vacant
Manager Food & Beverage Operations	Deleted	1	1
Manager Rooms Division	Deleted	1	1
Manager Hospitality Operations	1	Deleted	1
Head Chef Caves House	1	1	1

Recruitment Statistics

In all there are 78 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 20, supplement the Trust's team of permanent employees.

The Trust's estimated full time equivalent staff number (FTE), as at 30 June 2015, was 74.88.

Statutory Information continued

Training

Total training costs for the year were \$74,188.

Total paid staff hours for external training:

2014/2015	\$21,212
2013/2014	\$10,213
2012/2013	\$7,793

Courses undertaken during the year included First Aid Training; Outdoor Recreation (Caving); OHS induction; Fire Safety; Respect in the Workplace.

EEO Statistics

Total positions held by males and females are detailed below:

	Males %	Female %
2012/2013	53	51
2013/2014	47	54
2014/2015	41	59

Of the permanent employees, 47% are male and 53% are female. In 2014/2015, the average remuneration for males was \$49,725 and females \$46,972.

Approximately 80% 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 visits undertaken by staff during the 2014/2015 financial year.

Consultants

Throughout 2014/2015, the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

Equal to or more than \$30,000:

Crown Projects Pty Ltd.....	\$96,102
Wood & Grieve.....	\$57,500
IT Consultancies.....	\$34,498

Under \$30,000:

Financial Consultancies.....	\$21,280
Other Consultancies.....	\$39,338

TOTAL CONSULTANCIES.....\$248,718

Account Payment Performance

Account payment performance indicators for 2014/2015 financial year:

Average value of creditor payments processed per month

Current (within 30 days)	\$469,775
Less than 30 days overdue	\$24,725
Between 30-60 days overdue	0
Between 60-90 days overdue	0
Over 90 days overdue	0
Percentage of accounts paid on time	95
Total of accounts paid on time	5,637,300
Total of accounts paid	5,934,000

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 2014/2015.

Statutory Information continued

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:

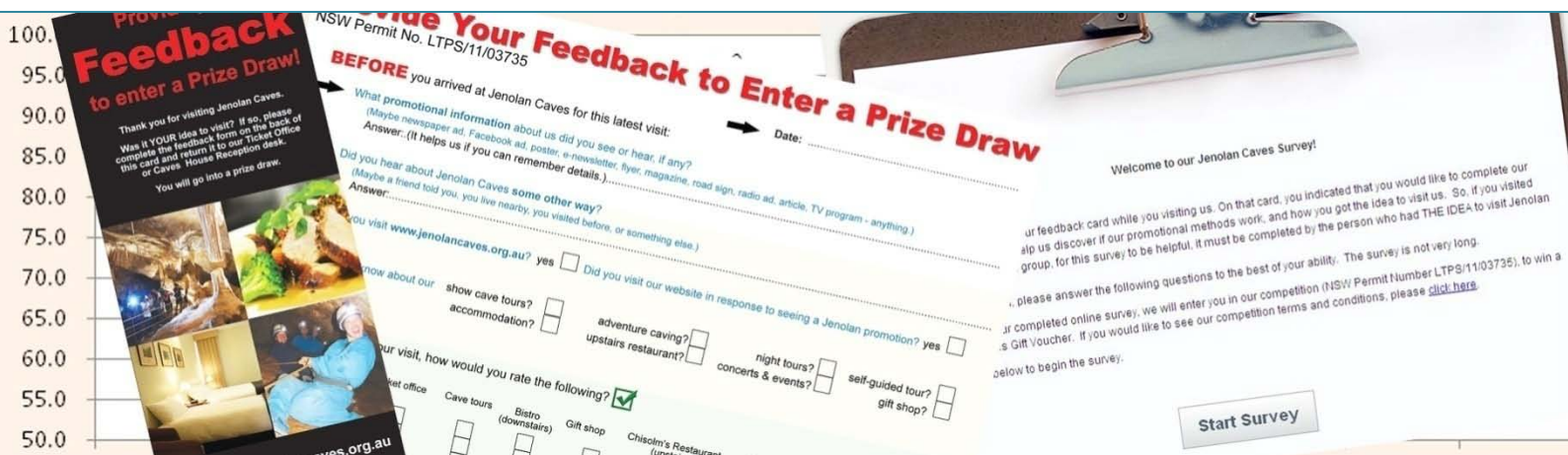
- The provision of 'Meet and Greet Programs' to cater for the special needs of visitors.
- Ongoing liaison with inbound tour operators, to ensure that client/customer services are tailored to meet individual needs.
- Ongoing research into the needs of ethnic groups and particular market segments.
- Provision of audio guides for the self guided tour at Jenolan, in English, German, Mandarin, Japanese, Korean, Russian, French and Spanish.

Customer Response

A *Visitor Monitoring Program (VMP)* has continued through 2014/15 at Jenolan Karst Conservation Reserve, to provide feedback on a range of issues. The VMP obtains feedback via the following methods:

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

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



Statutory Information continued

Government Information (Public Access) Act 2009 Requests

JCRT responded to requests for information relevant to the Trust. These GIPA applications received in 2014/15 were initiated through both the *Department of Premier and Cabinet* and the *Office of Environment and Heritage*. These requests are reported in the Annual Reports of each of these departments.

Risk Management

The Trust has in place an *Audit and Finance Committee* which meets regularly to review and manage risks.

A number of independent audits and assessments were undertaken throughout the 2014-15 financial year, to mitigate risk inclusive of:

- Audit of the Trust's ICT Infrastructure and Systems
- Annual Leave and Long Service Leave entitlements audit
- An audit and assessment of Hazardous Materials was completed on site extending
- The *Hazardous Materials Register* was updated with buildings that were not previously surveyed as part of the *Parsons Brinckerhoff Audit* completed in 2007 and all works completed to date since 2007
- Changes to the *Public Health Act 2011* required all *Drinking Water Management Plans* to meet the *NSW Guidelines for Drinking Water Management Systems* by September 2014. The JCRT's *2007 Drinking Water Management Plan* was reviewed, and a stakeholder lead risk workshop undertaken to

develop a *Drinking Water Management System* to meet requirements of the *Public Health Act 2011*.

- An independent contractor was engaged to develop an integrated *Environmental Management Plan* with project due for completion December 2014.

Further internal audits will be completed in the 2015/2016 financial year.

Energy Management

The Trust has reviewed and is compliant with its *Energy Management Policy*. The Trust also continues to install energy efficient bulbs throughout Jenolan Caves House and also upgrades show caves as existing infrastructure fails.

The Trust makes use of its hydro electricity generator which was out of service for a large portion of the year. The generator is being upgraded, and will represent a large saving on fossil fuels when the project is complete.

Waste Management

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

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

Policy & Planning

A draft *Plan of Management* for the Jenolan Karst Conservation Reserve is currently being finalised by the *Office of Environment and Heritage*.



Statutory Information continued

Research

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

Major Works Completed or Underway

Major works programs completed or underway are listed below:

- Replacement of grease trap covers around Caves House,
- Upgraded fire doors in Mountain Lodge,
- Commenced refurbishment on the staff cottages,
- Replaced roof on Main Water tank supplying Caves House.

Environmental Trust

Grant

NSW Environmental Trust Grant funding of \$743,000 was received in 2013/2014, for removal of all ferrous materials in the show cave system. Works were initiated in November 2013 and due for completion in early 2016.

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 2014/2015

Total external cost – Nil.

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



Statutory Information continued

Internal Audit and Risk Management Statement for 2014/2015 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 <i>Internal Audit Bureau</i> 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. These are monitored and reviewed by the <i>Jenolan Caves Finance Audit and Risk Committee</i> which meets bi monthly or additionally as required.

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.

Bob Conroy
Administrator





RECEPTION
5 min.
PARKING



INDEPENDENT AUDITOR'S REPORT

Jenolan Caves Reserve Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Jenolan Caves Reserve Trust (the Trust), which comprise the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Trust.

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 2015, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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 preparing 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 financial statements that give a true and fair view and 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 an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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
- that it carried out its activities effectively, efficiently and economically
- about the effectiveness of the 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 other information which may have been hyperlinked to/from the financial statements.

Independence

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

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



Karen Taylor
Director, Financial Audit Services

20 October 2015
SYDNEY

JENOLAN CAVES RESERVE TRUST

FINANCIAL REPORT FOR THE YEAR ENDED **30 JUNE 2015**

**JENOLAN CAVES RESERVE TRUST
YEAR ENDED 30 JUNE 2015**

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 2015 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 2015 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.

Bob Conroy
Administrator



David Bragg
Acting General Manager

19th October 2015

Start of audited financial statements

JENOLAN CAVES RESERVE TRUST STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Income			
Revenue from continuing operations	3	9,840,739	9,727,808
Grants received (NSW Govt & other)	3	5,407,977	1,152,341
Other income	3	15,901	23,734
Total income		15,264,617	10,903,883
Less: Cost of goods sold		1,205,271	1,263,177
Gross trading surplus		14,059,346	9,640,706
Less: operating expenditure			
Personnel services (costs of staff provided by the Division/OEH)	4.1	6,131,849	5,894,099
Personnel services (supplementary charge arising from (gains)/losses incurred by Defined Benefit Funds)	4.1/14	59,277	64,563
Bad debts written off/(recovered)		12,000	24,578
Consultancy fee		248,719	166,269
Contract labour		385,392	45,047
Depreciation & impairment	4.2	600,902	504,899
Insurance		107,566	113,632
Interest		-	4,987
Marketing		92,625	96,918
Motor vehicles		65,002	46,873
Repairs and maintenance		589,978	378,206
Telephone, postage & internet		130,736	106,979
Utilities		453,223	452,628
Other expenses	4.3	1,016,816	839,327
Total operating expenditure		9,894,083	8,739,005
Surplus / (deficit) from continuing operations		4,165,263	901,701
Other comprehensive income			
<i>Items that will not be reclassified to net result:</i>			
Actuarial gains/(losses) on Defined Benefit Fund obligations	14	782	166,669
Asset revaluation increment	8	-	453,223
Total other comprehensive income for the year		782	619,892
Comprehensive surplus / (deficit)		4,166,045	1,521,593

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

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014* \$	2013* \$
ASSETS				
Current assets				
Cash & cash equivalents	5	6,749,562	2,442,754	2,450,215
Trade & other receivables	6	226,190	163,741	348,997
Inventories	7	205,477	224,894	179,377
Total current assets		7,181,229	2,831,389	2,978,589
Non-current assets				
Property, plant & equipment	8	14,811,799	15,039,090	14,580,987
Defined benefit fund assets*	14(i)	281,751	268,436	183,505
Total non-current assets		15,093,550	15,307,526	14,764,492
TOTAL ASSETS		22,274,779	18,138,915	17,743,081
LIABILITIES				
Current liabilities				
Trade & other payables	9	767,931	872,583	655,246
Provisions	10	660,946	656,079	794,405
Borrowings	2.5/11	-	-	1,168,216
Total current liabilities		1,428,877	1,528,662	2,617,867
Non-current liabilities				
Defined Benefit Fund liability *	14(i)	1,117,234	1,045,424	1,081,981
Provisions	10	30,453	32,659	32,659
Borrowings	2.5/11	-	-	-
Total non-current liabilities		1,147,687	1,078,083	1,114,640
TOTAL LIABILITIES		2,576,564	2,606,745	3,732,507
NET ASSETS		19,698,215	15,532,170	14,010,574
EQUITY				
Accumulated profits/(losses)	13	2,939,303	(1,226,742)	(2,295,113)
Contributed equity	12	5,831,749	5,831,749	5,831,749
Reserves	13	10,927,163	10,927,163	10,473,938
TOTAL EQUITY		19,698,215	15,532,170	14,010,574

* As identified in Note 1.3(iii), after completion of the 2014 Financial Statements, it was identified that Pillar had provided the Trust with incorrect actuarial assessments in relation to the Trust's Defined Benefit net liability at 30 June 2014. Balances reported in 2014 pertained to a separate, unrelated NSW Government entity. The 2013 and 2014 balances have been re-stated to the correct values within this year's Financial Statements (refer Note 21).

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

JENOLAN CAVES RESERVE TRUST

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Notes	Contributed equity	Reserves	Retained earnings /(losses)	Total
		\$	\$	\$	\$
2013					
Equity at 1 July 2013		5,831,749	10,473,938	(1,660,526)	14,645,161
Change due to prior period error	21	-	-	(634,586)	(634,586)
Re-stated equity at 1 July 2013		5,831,749	10,473,938	(2,295,112)	14,010,575
2014					
Result for the year	13	-	-	901,701	901,701
Other comprehensive income:					
Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	166,669	166,669
Asset revaluation increment	8/13	-	453,225	-	453,225
Total comprehensive income for the year		-	453,225	1,068,370	1,521,595
Equity at 30 June 2014		5,831,749	10,927,163	(1,226,742)	15,532,170
2015					
Result for the year	13	-	-	4,165,263	4,165,263
Other comprehensive income:					
Actuarial (losses)/ gains on Defined Benefit Fund obligations	14	-	-	782	782
Total comprehensive income for the year		-	-	4,166,045	4,166,045
Equity at 30 June 2015		5,831,749	10,927,163	2,939,303	19,698,215

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
Cash flows From operating activities			
Receipts from customers		9,736,532	9,865,666
NSW Government supplementation funding		5,407,977	1,152,341
Payments to suppliers & employees		(10,521,749)	(9,413,619)
Interest received		57,659	71,133
Interest paid		-	(4,987)
Net cash inflow/(outflow) from operating activities	15	4,680,419	1,670,534
Cash flows from investing activities			
Payments for property, plant & equipment	8	(373,611)	(509,779)
Proceeds from sale of investments		-	-
Net cash inflow/(outflow) from investing activities		(373,611)	(509,779)
Cash flows from financing activities			
Repayment of borrowings		-	(1,168,216)
Net cash (outflow) inflow from financing activities		-	(1,168,216)
Net inc/(dec) in cash & cash equivalents		4,306,808	(7,461)
Cash & cash equivalents at beginning of year	5	2,442,754	2,450,215
Cash & cash equivalents at balance date	5	6,749,562	2,442,754

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

REPORTING ENTITY

The Jenolan Caves Reserve Trust (the Trust) 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 wherever practical, with any surplus funds arising from the Trust's commercial activities being fully retained within the Trust and used to maintain and protect the Caves and related infrastructure managed by the Trust.

Authorisation of the Financial Report

The financial report for the year ended 30 June 2015 has been authorised for issue by the Trust on the 19th October 2015.

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.

1.1 Basis of preparation

The entity's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015* and
- the Financial Reporting Directions published in the Financial Reporting Code for NSW General Government Sector Entities or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest dollar and expressed in Australian currency (except Note 14 tables which are rounded to the nearest \$'000).

1.2 Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.3 Employee benefits

i) Salaries and wages, annual leave and associated costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled within 12 months of the end of the period in which the employees render their services are recognised and measured at the undiscounted amounts of these benefits.

Annual leave entitlements which are not expected to be taken wholly within the next 12 months are required to be measured at present value under AASB119 (as recently updated). AS the Trust does not require staff to nominate expected periods of leave to be taken in the next twelve months, it is unable to determine a possible value for accumulated leave that may be taken after the next 12 months.

The Trust considers that, as its total annual leave liability totals \$276.7k (2014: \$283.3k), the discounting of a minor component of that liability for a 1 year period would be immaterial to the total value reported. Details of this liability are disclosed in Note 10.

ii) Long service leave

The liability for long service leave is 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. At balance date, the liability has been determined as \$377.8k (2014: \$366.5k). Details of this liability are disclosed in Note 10.

iii) Superannuation

The superannuation expense for the financial year comprises the Superannuation guarantee levies payable on behalf of employees during the year, as well as any contribution required to the Defined Benefit Funds as directed by the administrator of those funds, determined by using the formulae specified in the Treasurer's Directions.

Currently the Trust has liabilities for the unfunded portion of the relevant Defined Benefit Funds. These liabilities are determined by the funds' administrator (Pillar Administration) utilising the services of professional actuaries. The liability disclosures included in these notes in accord with AASB119, are as per advices received from the fund administrator.

After completion of the 2014 Financial Statements, it was identified that Pillar had provided the Trust with incorrect actuarial assessments in relation to the Trust's Defined Benefit Fund net liability at 30 June 2014. Balances reported in 2014 pertained to a separate, unrelated NSW Government entity. The 2013 and 2014 balances have been re-stated to the correct values within this year's Financial Statements (*refer Note 21*).

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, Plant and Equipment

i) 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.

ii) Capitalisation threshold

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

iii) 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.

iv) Revaluation of non-current assets

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 14-01). This policy adopts fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

The Trust considers 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.

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.

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

v) Fair value measurement of non-financial assets

Under AASB 13, there are three levels of inputs to be utilised when determining fair values of non-current assets. These are defined as:

- Level 1 inputs - observable prices for identical assets in an active market (such as listed shares);
- Level 2 inputs – inputs, other than observable prices included within Level 1 that are observable, for a particular asset, either directly or indirectly;
- Level 3 inputs – unobservable inputs.

The Standard defines that Level 1 inputs should be given the highest priority, and Level 3 inputs given the lowest priority.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, plant and equipment (continued)

The primary building (Caves House) and its related support buildings and facilities, and the Caves system and its supporting infrastructure, are considered “specialised assets” on the basis the House and the Caves are unique heritage and environmental assets. Due to the remote and fixed location and uniqueness of these assets, there is no active markets or observable market prices for these assets managed by the Trust. Also due to the unique and specialised nature of these heritage assets, the Trust considers there is no feasible alternate use available for these assets.

vi) Valuation techniques

a. Land and Buildings

On the basis there is no feasible alternate use for the Trust’s assets, the Trust continues to value its land and building assets on a depreciated replacement cost basis (using Level 3 inputs). The Trusts has a number of assets which are utilised for non-commercial ancillary activities. The Trust considers these assets are impaired for financial reporting purposes.

b. Infrastructure assets

The Trust periodically re-values its infrastructure assets on a depreciated replacement cost basis, by referencing current market prices (Level 2 inputs) for similar source materials and equipment, and relevant labour and installation costs for similar construction types. However, these assets are included in Level 3 as these assets have a high level of unobservable inputs.

During interim reporting periods, the Trust applies an annual indexation factor, as an indicator of recent product price movements, so that reported replacement costs remain relatively closely aligned with indicative market price movements for similar products and materials.

c. Plant & equipment

For non-specialised assets with relatively short useful lives (such as minor plant and equipment), AASB13 allows recognition of the value of such assets on a depreciated historical cost basis (as a surrogate for fair value, on the basis any difference to either depreciated replacement value, or disposal market value, would be immaterial). Therefore, the Trust’s Plant and Equipment assets are not required to be reported under the fair value hierarchy.

d. Summary of the fair value valuation hierarchy as applied to the Trust’s assets

	Level 1	Level 2	Level 3
Land & Buildings	-	-	X
Caves Infrastructure	-	-	X
General Infrastructure	-	-	X

A reconciliation of these Level 3 fair value measurements is included within Note 8. There were no transfers of assets between classes during the year ended 30 June 2015.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.4 Property, plant and equipment (continued)

vii) Depreciation

Land is not a depreciable asset. 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 (Land & Buildings), management valuation (Caves & General Infrastructure), or actual cost whichever is applicable to a particular class of asset.

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

viii) 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.

ix) Recent revaluations undertaken

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.

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

During 2013/14, the Land & Buildings asset class was valued by an independent professional valuer, CBRE Valuations Pty Limited. CBRE have extensive experience in valuing major assets primarily held for heritage and environmental purposes by not-for-profit entities such as the Trust.

In 2014/15 there were no asset revaluations undertaken.

1.5 Cash and cash equivalents

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.6 Trade and other receivables

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

1.7 Inventories

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

1.8 Trade and other payables

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

1.9 Leased assets

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

Operating leases

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

1.10 Revenue recognition policy

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

Cave tours and sale of goods

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

Rendering of services

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

Government grants

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

Interest income

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

Sale of non-current assets

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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

1.11. Goods and Services Tax

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

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

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

1.12 Investments and other financial assets

Classification

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

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

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

(ii) Loans and receivables

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

(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.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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

1.12 Investments and other financial assets *(continued)*

Recognition and de-recognition

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

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

Subsequent measurement

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

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

Impairment

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

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.

Prior borrowings from NSW Treasury Corporation were recognised as a financial liability, and were carried at its fair value. In June 2014, the NSW Department of Premier and Cabinet directly settled the Trust's loan with NSW Treasury in full under a partial capital restructuring. Since that time, the Trust has not required, nor sought, new loan funding.

Gains or losses from changes in the fair value of financial liabilities at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income or other expenses in the period in which they arise.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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

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

i) Effective for the first time in 2014-15

The accounting policies applied in 2014-15 are consistent with those of the previous financial year, except as a result of the following new or revised Australian Accounting Standards that became effective during this year :

- *AASB 2011-7, Amendments to Australian Accounting Standards for the consolidation and joint arrangement standards, arise from the issuance of AASB 10, AASB 11, AASB 12, AASB127, and AASB 128. For not-for-profit entities (such as the Trust), the changes have application from 1 July 2014. Particularly as the Trust no longer has an employment division or any other subsidiary, these changes have no effect on the Trust's financial statements.*
- *AASB 1055 and AASB 2013-1, regarding Budgetary Reporting, has application from 1 July 2014. There are no changes relevant to the Trust or its financial reports in this financial year. Any change in future disclosures, where relevant to the Trust, will be in accord with reporting policies adopted by NSW Treasury.*
- *AASB 2012-3, Amendments to Australian Accounting Standard – Offsetting Financial Assets and Liabilities, has application from 1 January 2014 and seeks to address inconsistencies identified in applying some of the offsetting criteria of AASB 132. In the current year's statements, the Trust has separately identified the Defined Benefit Fund in surplus within assets, and reported the fund in deficit as a liability. The Trust's prior year statements have reported the net liability of the three Superannuation Defined Benefit Funds.*

ii) Issued but not yet effective

In accord with general NSW Treasury policy, no new or revised accounting standards or interpretations are adopted earlier than their prescribed date of application.

Subject to any relevant NSW Treasury directives in regard entity reporting in future periods, following are new or amended Standards that are expected to be effective for future reporting periods, and the possible impact on the financial statements of the Trust once they are applied:

- *AASB 9, Financial Instruments, has application from 1 Jan 2017. Standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.*
- *AASB 2010-7, Financial Instruments, have mandatory application from 1 July 2015 and comprise changes to improve and simplify the approach for classification and measurement of financial assets. Application of this Standard is not expected to have any material effect on the Trust's financial statements.*
- *AASB 15, Revenue from Contracts with Customers, has mandatory application from 1 January 2017. This standard defines revenue and profit recognition arising during construction contracts, and sale of major building and plant and equipment constructed under such contracts. As such activities are not undertaken by the Trust in its normal course of business, the Trust consider this standard will have no effect on the Trust's future financial reports.*

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk management policies

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

a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss. Credit is managed by ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Risk is minimised by ensuring that surplus funds are held only in financial institutions that have a minimum independently assessed credit rating of "A". For customers, management assesses the credit worthiness of the customer, taking into account their financial position, past experience and other factors. Compliance with customer credit limits is monitored by management.

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

b) Liquidity risk

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

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

c) Market risk

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

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. FINANCIAL RISK MANAGEMENT *(continued)*

2.1 Financial Risk Management Policies *(continued)*

d) Fair value estimation

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

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

2.2 Financial instrument composition

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

	notes	Variable interest		Fixed interest		Non-interest bearing		Total carrying amounts at year end	
		2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
1. Financial assets									
Cash & investments	5	6,717,132	2,405,394	-	-	32,430	37,360	6,749,562	2,442,754
Trade and other receivables	6		-	-	-	226,190	163,741	226,190	163,741
Total financial assets		6,717,132	2,405,394	-	-	258,620	201,101	6,975,572	2,606,495
2. Financial liabilities									
Trade & other payables	9	-	-	-	-	767,931	872,583	767,931	872,583
Borrowings	11	-	-	-	-	-	-	-	-
Total financial liabilities		-	-	-	-	767,931	872,583	767,931	872,583

2.3 Trade and other receivables analysis

(a) Impaired trade receivables

Trade receivables that are overdue and which are considered at risk of recovery are provided for within a Provision for Doubtful Debts. At the end of the year, accounts with a nominal value of \$16,951 (2014: \$16,324) were considered impaired and have been provided for. After the Trust exhausts all reasonable avenues to collect outstanding accounts, the amounts are considered unrecoverable and are written-off to expenses, 2015: \$12,000 (2014: \$24,578). There are no amounts of collateral held by the Trust as security at 30 June 2015 in regard to any receivables.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. FINANCIAL RISK MANAGEMENT *(continued)*

2.3 Trade and other receivables analysis *(continued)*

(b) Past due but not impaired

As of 30 June 2015, trade receivables of \$126,482 (2014: \$97,679) 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:

	2015	2014
Accounts Receivable - overdue amounts	\$	\$
1-30 days overdue	85,544	49,590
31-60 days overdue	5,747	9,396
Greater than 60 days over due	35,171	38,693
Total overdue accounts receivable	126,462	97,679

There are no amounts of collateral held as security at 30 June 2015 relevant to these receivables.

(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

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

Accounts payable amounts	2015	2014
	\$	\$
Due within 1 month	609,772	676,939
Due within 1-2 months	6,271	5,650
Due after 2 months	-	-
Total accounts payable	616,043	682,589

2.5 Borrowings analysis

As noted later under Note 11, the previous fixed term, interest bearing loan held with the NSW Treasury Corporation, was repaid by the Department of Premier and Cabinet (DPC) in June 2014. Since that date, the Trust has not required or sought any new loan funding.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. FINANCIAL RISK MANAGEMENT *(continued)*

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 2015, 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:

	2015	2014
	\$	\$
Increase in interest rate by 1%	67,171	24,054
Decrease in interest rate by 1%	(67,171)	(24,054)
	9,714,600	9,558,424

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

3. REVENUE FROM CONTINUING OPERATIONS

	2015	2014
	\$	\$
Sales revenues		
Cave tours & related services	5,288,729	5,220,177
Accommodation	1,645,276	1,587,645
Special events	-	43,456
Gift shop trading	278,069	278,798
Food and beverage sales	2,502,526	2,428,348
	9,714,600	9,558,424
Rental income <i>(staff cottages)</i>	68,480	98,252
Interest income <i>(financial institutions)</i>	57,659	71,133
	9,840,739	9,727,809
Grants and other income		
Grants received #	5,407,977	1,152,341
Other income	15,901	23,733
	5,423,878	1,176,074
Total revenue	15,264,617	10,903,883

During 2014/15, the Trust received a \$5M contribution from the Department of Premier and Cabinet to assist the Trust undertake essential capital works and improvements and major maintenance projects, with the aim to enhance the Trusts assets and quality of services that are provided to visitors to the Jenolan Caves and related accommodation facilities. Other grant funds were received from OEHL for general funding purposes, and to reimburse the Trust for specific redundancies paid earlier in the current financial year.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
4.1 PERSONNEL SERVICES EXPENSE		
Personnel services expense		
- provided by JCRT Division	-	3,672,484
- provided by OEH	6,131,849	2,221,615
Total direct personnel services expense	6,131,849	5,894,099
Personnel services – (gain)/loss component of the defined benefit fund cost	59,277	64,563
Total personnel services expense	6,191,126	5,958,662
4.2 DEPRECIATION EXPENSE		
Depreciation of non-current assets:		
Buildings	56,273	38,886
Plant & equipment	57,387	56,146
Caves infrastructure	182,625	118,335
General infrastructure	304,617	291,532
Impairment	-	-
Total depreciation expense	600,902	504,899
4.3 OTHER OPERATING EXPENSES		
Accounting fees	-	-
Audit fees	50,720	50,000
Bank & credit card	59,377	55,619
Cleaning	204,813	182,997
IT maintenance & supplies	24,605	12,329
Printing & stationery	17,828	26,832
Rental expense on operating leases	296,401	269,550
Travel expenses	5,081	7,122
Other expenses	357,990	234,878
Total other operating expenses	1,016,816	839,327
5. CASH AND CASH EQUIVALENTS		
Bank – trading & cheque accounts	1,254,809	1,397,504
Bank – cash management accounts	341,404	547,530
Special purpose grant account	5,120,919	460,363
Cash on hand	32,430	37,357
Total cash & cash equivalents	6,749,562	2,442,754

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
6. TRADE AND OTHER RECEIVABLES		
Trade receivables	208,611	155,732
Less: Provision for doubtful debts	(16,951)	(16,324)
Net trade receivables	191,661	139,408
Other receivables		
Prepayments	34,530	24,333
Total other receivables	34,530	24,333
Total trade & other receivables	226,190	163,741

Trade debtors to be settled within 60 days are carried at amounts due. The collectability of each debtor is assessed at balance date with a specific provision created for any outstanding debt considered doubtful.

7. INVENTORIES		
Marketing	14,439	14,439
Maintenance	2,918	2,918
Staff Uniforms	3,306	3,306
Electrical	10,375	10,375
Cave Tours	40,444	14,810
Gift Shop	64,585	74,282
Caves House (incl. Bistro & Restaurant)	69,410	104,764
Total inventories	205,477	224,894

All stock and materials are accounted for at cost price.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

8. PROPERTY PLANT AND EQUIPMENT

Current year	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
At 1 July 2014								
Cost or fair value	8,179,320	857,391	19,466	9,602,083	9,135,794	41,460	298,871	28,134,385
Accumulated depreciation and impairment	(6,740,059)	(660,368)	(19,466)	(1,442,984)	(4,190,958)	(41,460)	-	(13,095,295)
Net carrying amount at start of year	1,439,261	197,023	-	8,159,099	4,944,836	-	298,871	15,039,090
Year ended 30 June 2015								
Additions	-	5,439	-	-	10,000	-	358,172	373,611
Revaluation/impairment	-	-	-	-	-	-	-	-
Disposals (net WDV)	-	-	-	-	-	-	-	-
Transfers in/(out) (at WDV)	-	-	-	-	-	-	-	-
Depreciation charge for the year	(56,273)	(57,387)	-	(182,625)	(304,617)	-	-	(600,902)
Net closing book value	1,382,988	145,075	-	7,976,474	4,650,219	-	657,043	14,811,799
At 30 June 2015								
Cost or fair value	8,179,320	862,830	19,466	9,602,083	9,145,794	41,460	657,043	28,507,996
Accumulated depreciation and impairment	(6,796,332)	(717,755)	(19,466)	(1,625,609)	(4,495,575)	(41,460)	-	(13,696,197)
Net carrying amount	1,382,988	145,075	-	7,976,474	4,650,219	-	657,043	14,811,799
Prior year	Land and buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
At 1 July 2013								
Cost or fair value	4,549,279	841,822	47,884	9,014,295	8,864,691	41,460	21,309	23,380,740
Accumulated depreciation and impairment	(3,099,654)	(604,222)	(47,884)	(1,233,462)	(3,773,071)	(41,460)	-	(8,799,753)
Net carrying amount at start of year	1,449,625	237,600	-	7,780,833	5,091,620	-	21,309	14,580,987
Year ended 30 June 2014								
Additions	134,648	15,569	-	82,000	-	-	277,562	509,779
Revaluation & impairment	(106,126)	-	-	414,601	144,748	-	-	453,223
Disposals (net WDV)	-	-	-	-	-	-	-	-
Transfers in/(out)	-	-	-	-	-	-	-	-
Depreciation charge for the year	(38,886)	(56,146)	-	(118,335)	(291,532)	-	-	(504,899)
Net closing book value	1,439,261	197,023	-	8,159,099	4,944,836	-	298,871	15,039,090
At 30 June 2014								
Cost or fair value	8,179,320	857,391	19,466	9,602,083	9,135,794	41,460	298,871	28,134,385
Accumulated depreciation and impairment	(6,740,059)	(660,368)	(19,466)	(1,442,984)	(4,190,958)	(41,460)	-	(13,095,295)
Net carrying amount	1,439,261	197,023	-	8,159,099	4,944,836	-	298,871	15,039,090

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
9. TRADE AND OTHER PAYABLES		
Customer deposits (<i>refundable</i>)	90,362	101,160
Trade payables	454,575	507,983
Accrued expenses	7,591	33,347
Accrued employee costs/personnel services	215,403	230,093
Total trade & other payables	767,931	872,583
10. PROVISIONS		
Current		
Audit fees	37,000	35,400
Employee benefits - annual Leave	-	-
Employee benefits - long service leave	-	-
Employee benefits – award backpay	-	-
Personnel services	623,946	620,679
	660,946	656,079
Non-current		
Employee benefits - long service leave	-	-
Personnel services	30,453	32,659
	30,453	32,659
Total provisions	691,399	688,738
11. BORROWINGS		
Current	-	-
Non-current	-	-
Total borrowings	-	-
<i>The previous fixed term, interest bearing loan, held with the NSW Treasury Corporation, was repaid by the Department of Premier and Cabinet (DPC) in June 2014. Since that date, the Trust has not required, nor sought, any new loan funding.</i>		
12. CONTRIBUTED EQUITY		
Balance 1 July	5,831,749	5,831,749
Current year movement	-	-
Balance 30 June	5,831,749	5,831,749
13. RESERVES AND RETAINED PROFITS		
(a) Reserves*		
Balance 1 July	10,927,163	10,473,938
Current year movement (<i>asset revaluation</i>)	-	453,225
Balance 30 June	10,927,163	10,927,163
<i>* includes revaluation reserve arising from periodic revaluation of the Trust's non-current assets.</i>		
(b) Retained profits		
Balance 1 July	(1,226,742)	(2,295,112)
Result for the year	4,165,263	901,701
Actuarial gains/(losses) on Defined Benefit	782	166,669
Fund obligations	-	-
Retained profits/(accumulated losses) at year end	2,939,303	(1,226,742)

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. DEFINED BENEFIT FUND OBLIGATIONS

Important note: After completion of the 2014 Financial Statements, it was identified that Pillar had provided the Trust with incorrect actuarial assessments in relation to the Trust's Defined Benefit Fund net liability at 30 June 2014. Balances reported in 2014 pertained to a separate, unrelated NSW Government entity. The 2013 and 2014 balances have been re-stated to the correct values within this year's Financial Statements (refer Note 21).

(a) Defined contribution superannuation fund

The superannuation expense recognised in the statement of comprehensive income of \$459.3k (2014:\$444.3k), represents the contribution paid to superannuation plans by the Trust. This amount is primarily the payment of Superannuation Guarantee Levies into relevant superannuation plans, which are external to the Trust. The Trust has no other obligation or liability in regard to these plans.

(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 had a number of employees who became members of these funds prior to them being closed to new membership and who continue to have entitlements.

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.

The Fund Administrator provided the Trust with detailed calculations for the defined benefit funds' net liability. The remaining liability was largely incurred in relation to fund members who are no longer employed by the Trust, however these members continue to have superannuation entitlements which require the Trust to recognise the liability that arise in relation to these entitlements. As the liability does not relate to current employees, the liability has been reported by the Trust rather than by OEH (as the current Personnel Services provider) to which current staff were transferred in March 2014 from the JCRT Division (which was subsequently dissolved).

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

14. DEFINED BENEFIT FUND OBLIGATIONS *(continued)*

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

all amounts shown are \$000's

	SASS		SANCS		SSS		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
i) Reconciliation of the net defined benefit liability/(asset)								
Defined benefit liability/(asset) at start of year	(208)	(138)	(60)	(45)	1,045	1,082	777	899
Current service cost	27	26	5	4	-	-	32	30
Net interest on the defined benefit liability/(asset)	(7)	(5)	(2)	(2)	37	41	28	34
Actual return on funds less interest income	(48)	(94)	(9)	(12)	(166)	(178)	(223)	(284)
Actuarial (gains).losses	22	19	(1)	(2)	201	100	222	117
Employer contributions	-	(16)	-	(3)	-	-	-	(19)
Net defined benefit liability/(asset) at end of year	(214)	(208)	(67)	(60)	1,117	1,045	836	777
ii) Reconciliation of the fair value of the funds assets								
Fair value of fund assets at start of year	842	722	158	134	2,111	2,065	3,111	2,921
Interest income	29	27	6	5	72	75	107	107
Actual return on fund assets less interest income	48	94	8	12	167	178	223	284
Employer contributions	-	16	-	4	-	-	-	20
Member contributions	4	9	-	-	-	-	4	9
Benefits paid	(504)	(22)	(64)	-	(163)	(220)	(731)	(242)
Taxes, premiums and expenses paid	-	(4)	2	3	20	13	22	12
Fair value of fund assets at end of year	419	842	110	158	2,207	2,111	2,736	3,111
iii) Reconciliation of the defined benefit obligation								
Present value of the defined benefit obligation at start of year	634	584	97	89	3,157	3,147	3,888	3,820
Current service cost	27	26	5	4	-	-	32	30
Interest cost	22	21	3	3	110	117	135	141
Member contributions	4	10	-	-	-	-	4	10
Actuarial (gains)/losses	22	19	(1)	(2)	201	100	222	117
Benefits paid	(504)	(22)	(64)	-	(164)	(220)	(732)	(242)
Taxes, premiums and expenses paid	-	(4)	2	3	20	13	22	12
Present value of the defined benefit obligation at end of year	205	634	42	97	3,324	3,157	3,571	3,888
iv) Summary of the funds' financial position at year end								
Accrued benefits	209	609	43	90	1,923	1,922	2,175	2,621
Net market value of fund assets	(419)	(842)	(110)	(158)	(2,207)	(2,111)	(2,736)	(3,111)
Net (surplus)/deficit in fund assets	(210)	(233)	(67)	(68)	(284)	(189)	(561)	(490)
v) Reconciliation of amounts which have a profit and loss impact								
Current service cost	27	26	5	4	-	-	32	30
Net interest	(8)	(5)	(2)	(2)	37	41	27	34
Past service cost	-	-	-	-	-	-	-	-
(Gains)/losses on settlement	-	-	-	-	-	-	-	-
Profit/(loss) component of defined benefit cost	19	21	3	2	37	41	59	64
vi) Reconciliation of amounts recognised in Other Comprehensive Income								
Actuarial (gains)/losses on liabilities	22	19	(1)	(2)	201	100	222	117
Actual return on fund assets less interest income	(48)	(94)	(8)	(12)	(167)	(178)	(223)	(284)
Adjustment for effect of asset ceiling	-	-	-	-	-	-	-	-
Total re-measurement in other comprehensive income	(26)	(75)	(9)	(14)	34	(78)	(1)	(167)

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

14. DEFINED BENEFIT FUND OBLIGATIONS *(continued)*

	2015	2014
	%	%
vii) Funds investment allocation		
	<i>all values are percentages</i>	
Short term securities	6.5	6.5
Australian fixed interest securities	6.6	6.2
International fixed interest securities	2.5	2.3
Australian equities	25.7	30.9
International equities	32.4	28.8
Property	8.6	8.6
Alternatives	17.7	16.7
	100.0	100.0

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

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

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

a) 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.

b) Actuarial assumptions

	<i>all values are percentages</i>	
Discount rate	3.03	3.57
Expected salary increase rates:		
- to 30 June 2016	2.5	2.27
- to 30 June 2019	2.5	2.5
- to 30 June 2020	3.5	-
- to 30 June 2025	3.0	3.0
- years thereafter	3.5	3.5
Expected rate of CPI increase	2.5	2.5

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
15. RECONCILIATION OF PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Result for the year	4,165,263	901,701
<u>Add back:</u>		
Actuarial (gains)/losses on Defined Benefit Fund obligations	782	166,669
Depreciation & impairment	600,902	504,899
Change in operating assets and liabilities		
(Inc)/dec in receivables	(62,449)	185,256
(Inc)/dec in inventories	19,417	(45,517)
Inc/ (dec) in trade & other payables	(104,652)	217,340
Inc /(dec) in provisions & defined benefit fund net liability	61,156	(259,814)
Net cash inflow/(outflow) from operating activities	4,680,419	1,670,534

16. REMUNERATION OF AUDITORS

Auditing of the Financial Statements	49,500	48,400
No other services were provided by the external auditor during the financial year.		

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:

not longer than one year	112,573	199,524
longer than one year and not longer than two years	24,519	30,373
longer than two years and not longer than five years	16,106	5,801
Total lease commitments (inclusive of GST)	153,198	235,698

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.

In 2012/13, the Trust received an advance payment from the NSW Environmental Trust of \$743,718 to undertake rectification works within the caves to remove contaminating fencing materials. These works were commenced during 2013/14, and continued during 2014/15.

Work undertaken to date has been periodically inspected by the Environmental Trust officers. The inspections have confirmed the works have been undertaken to the Environmental Trust's satisfaction. At balance date, the Trust expects the remaining work to continue to full completion, and accordingly, the Trust (Jenolan Caves) expects the Environmental Trust will not request refund of any of the previously advanced funding for the project (the full grant funding was disclosed as revenue upon receipt in 2012/2013).

The Trust had no other contingent liabilities at balance date (2014: nil).

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

19. CAPITAL EXPENDITURE COMMITMENTS

	2015	2014
	\$	\$
Not longer than 1 year	-	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
Total capital commitments	-	-

At the 30th June 2015, the Trust had no outstanding payments for completed or unfinished capital projects.

20. RELATED PARTIES

The Trust's Division was dissolved on the 24 February 2014. Since that date, Personnel Services have been provided to the Trust by the Office of Environment & Heritage (OEH). OEH, a NSW Government agency, is not a related entity of the Trust.

21. CORRECTION OF PRIOR PERIOD ERROR

After completion of the 2014 Financial Statements, it was identified that Pillar had provided the Trust with incorrect actuarial assessments in relation to the Trust's Defined Benefit Fund net liability at 30 June 2014. Balances reported in 2014 pertained to a separate, unrelated NSW Government entity. The 2013 and 2014 balances have been re-stated to the correct values within this year's Financial Statements.

The impact of replacing the DBF fund values with the correct values on the Trust's Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position, were primarily as follows:

All amounts are nearest \$

	2014 accounts			2013 accounts		
	revised	change	original	revised	change	original
Statement of Financial Position						
- DBF Liability (net of surplus & deficit funds)	(776,988)	(582,440)	(194,548)	(898,476)	(653,968)	(244,508)
- Net all other assets/(liabilities)	16,309,158	-	16,309,158	14,909,050	19,382	14,889,668
Net assets/equity	15,532,170	(582,440)	16,114,610	14,010,574	(634,586)	14,645,160
Statement of Comprehensive Income						
- DBF gain/(loss) incurred by Defined Benefit Funds	(64,563)	(64,563)	-			
- Operating expenses - other expenses	(839,327)	9,291	(848,618)			
- Actuarial gains/(losses) in Other Comp Income	166,669	107,418	59,251			
- Net all other revenue and expenditure	2,258,814	-	2,258,814			
Total comprehensive surplus /(deficit)	1,521,593	52,146	1,469,447			

22. POST BALANCE DATE EVENTS

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

End of audited financial statements.

