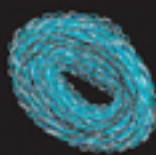
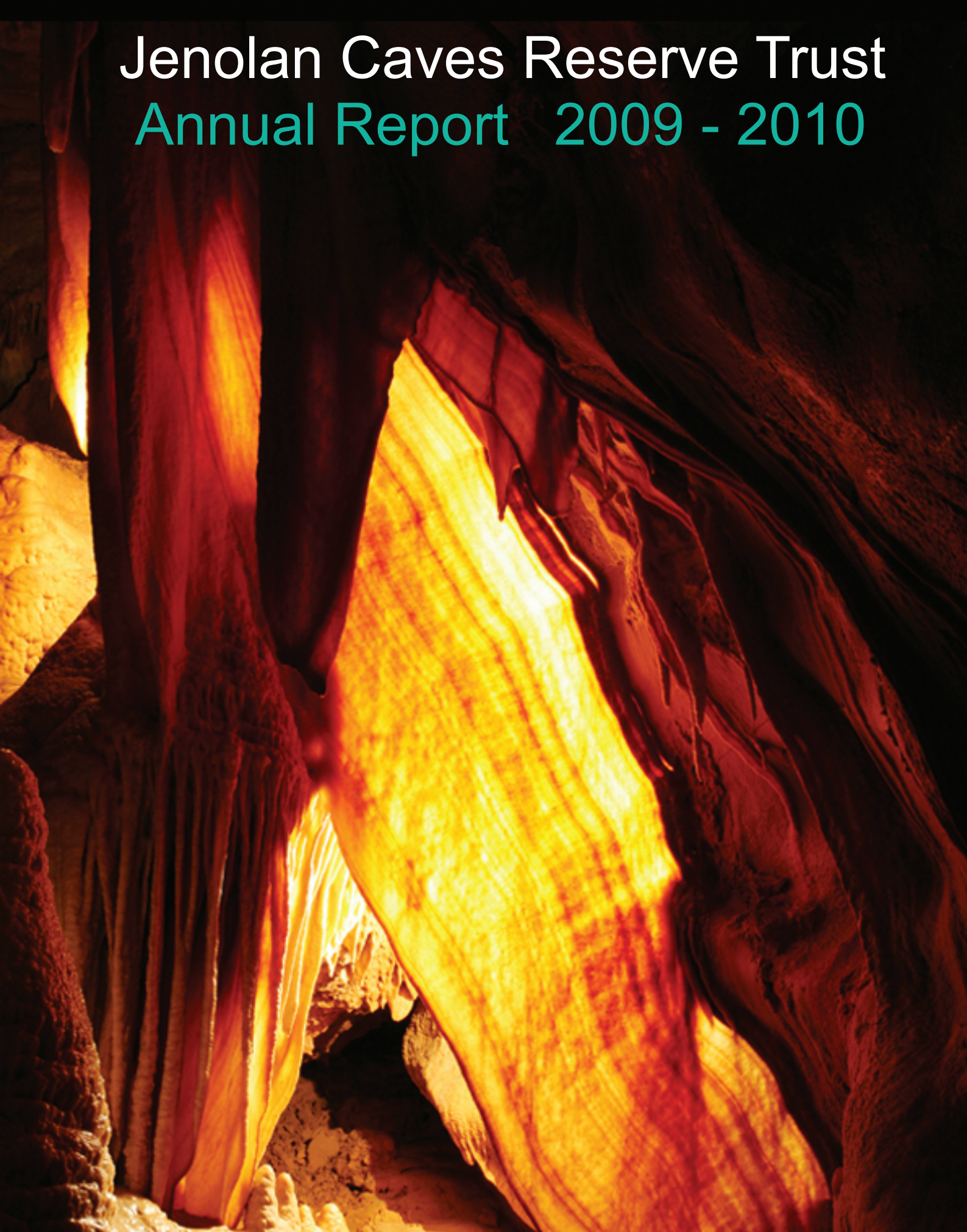


# Jenolan Caves Reserve Trust

## Annual Report 2009 - 2010



jenolan caves  
explore marvel stay

# Contact Details

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

Cave Operations  
Guides Office  
JENOLAN CAVES NSW 2790  
Ph: 1300 76 3311  
Fx: 02 6359 3307  
Hours: 8.30am to 5.30pm

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

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

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

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# Our Role

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## Mission Statement

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

## Charter/Legislation

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

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

## Aims & Objectives

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

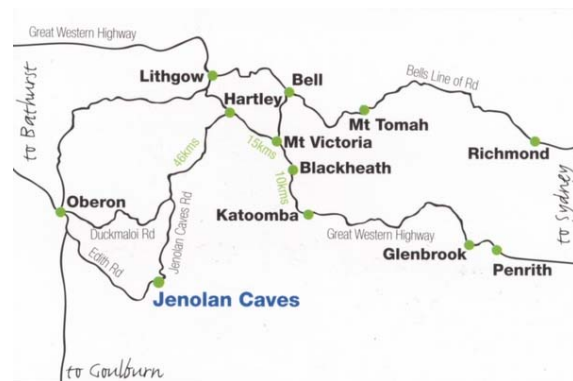
The VU&SZ includes a variety of caves, accommodation, walking tracks, picnic and recreational areas. The Trust provides interpretative information on the geological, cultural and historical background to the area.

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

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

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

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



*Reserve Location Map*



# Administrator's Report

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I am pleased to report that the Trust has continued to complete major capital works on both Caves House and the Caves during 2009/2010. These works will sustain Australia's most outstanding cave system into the future and provide for an improved visitor experience. The Trust received \$2.14M of funding from the NSW Government for essential safety and environmental capital upgrades and maintenance in 2008/2009. Works commenced on the kitchen upgrade in Caves House in the current financial year and are due for completion in 2010/2011. This upgrade will assist with bringing the iconic Jenolan Caves House to a standard which will support the 250,000 visitors each year and provide enhanced capacity for future growth.

Jenolan Caves Reserve Trust is the organisation that is charged with the protection and operation of an award-winning tourism facility. The Trust operates within a sensitive world heritage environment and needs to be commercially focussed. It is pleasing to report that Jenolan Caves continues to exceed regional tourism trends and has achieved increased visitation numbers in 2009/2010.

The NSW Government has recognised that Jenolan is an important environmental, tourism and heritage precinct and has indicated that once a sustainable commercial model is in place to protect the environment at Jenolan and provide commercial and social outcomes, the responsibility for management will be transferred to the Department of Environment, Climate Change and Water.

My appointment as Administrator concludes on 30 June 2010 and I am pleased with the results that have been achieved over the past 18 months. I would like to thank the staff, management team and the Jenolan Management Advisory Group for their commitment and efforts in ensuring that Jenolan continues to grow as a sustainable business while maintaining best practice environmental standards.

**Peter Duncan**  
**Administrator**  
**Jenolan Caves Reserve Trust**

*Peter Duncan is Administrator of the Jenolan Caves Reserve Trust to implement the structural changes recommended by the Council on the Cost and Quality of Governments review in 2003. The Administrator also acts in the capacity of the Trust Board. Until April 2010, Peter was also the Deputy Director-General, Government Coordination Division of the NSW Department of Premier and Cabinet and in April 2010 was appointed as Director General of the Department of Services, Technology and Administration.*

# Overview



Jenolan Caves Reserve Trust has continued to operate the cave tour and accommodation facilities at Jenolan throughout 2009/2010. The process to integrate staff and management systems

continued during the year with the successful relocation of the administration department from Bathurst to the Jenolan Precinct in early October 2009. This has provided better efficiencies for staff and improvement to system processes. The Trust completed renovation works to the former staff accommodation wing of Jenolan Caves House, 'St Trinnians', to accommodate the seven staff involved.

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

## Jenolan Caves Reserve Trust Division

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

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

## Visitation

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

Jenolan	2008/09	2009/10
	<b>225,076</b>	<b>231,195</b>

Jenolan Caves received a number of important accolades and acknowledgements through the Regional and NSW Tourism Awards process in the 2009/10 financial year. Notable achievements were:

2009 NSW Tourism Awards

- Silver – Tourist Attractions
- Bronze – Adventure Tourism

2010 Blue Mountains Tourism Awards

- Winner – Tourist Attractions, Adventure Tourism, Restaurants & Catering and Events.

## Income & Expenditure

Revenue from continuing operations was \$8,926,266, an increase of \$214,460 on last year. Total expenditure before impairment expenses was \$9,718,374, a reduction of \$324,235 on the previous year.

## Our Staff

The implementation of the recommendations of the Council on the Cost and Quality of Government review and the management of the NSW Treasury funded capital works projects has continued as a major focus of the Trust this past year as has continuing integration of the hospitality and attraction elements of the operation.

Trust staff now have another new challenge facing them with the EOI process and senior managers will be working closely to assist with a successful outcome for all staff.

## Overview (cont)

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### Research and Monitoring

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

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

### Marketing

The Trust established a dedicated marketing unit last financial year, a decision that has contributed to strong growth this financial year. Focus has been on groups and events. The dedicated marketing team consists of three staff and they work closely with management to ensure that positive results are achieved.

It is pleasing to report that the events have been a huge success this year and will continue to be a focus for Jenolan moving into the new year. Jenolan now has a regular program of monthly concerts as well as a variety of feature events at various times throughout the year.

### World Heritage

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

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

Following the success of a Living Culture Camp held in 2008 at Ganguddy (Dunn's Swamp) the six Aboriginal language groups of the GBMWA hosted a Living Country Culture Camp at Jenolan Caves in November 2009. The camp was a celebration of co-management in the World Heritage Area, and an opportunity to bring people together to connect with Country and to share stories and culture. It also provided an opportunity for Jenolan Caves to strengthen its relationships with its Aboriginal stakeholders.

### Major Developments

Major capital works projects that were either underway or completed during the 2009/2010 financial year are identified in the Statutory Information section of this report.

#### Jenolan Caves House

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

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

### Key Result Areas

A review of the Trust's Business Plan was undertaken in June 2010 and a new Business Plan was completed early in the new financial year. This plan gives the Trust a renewed focus and prioritises key projects and initiatives for the 2010/2011 financial year.

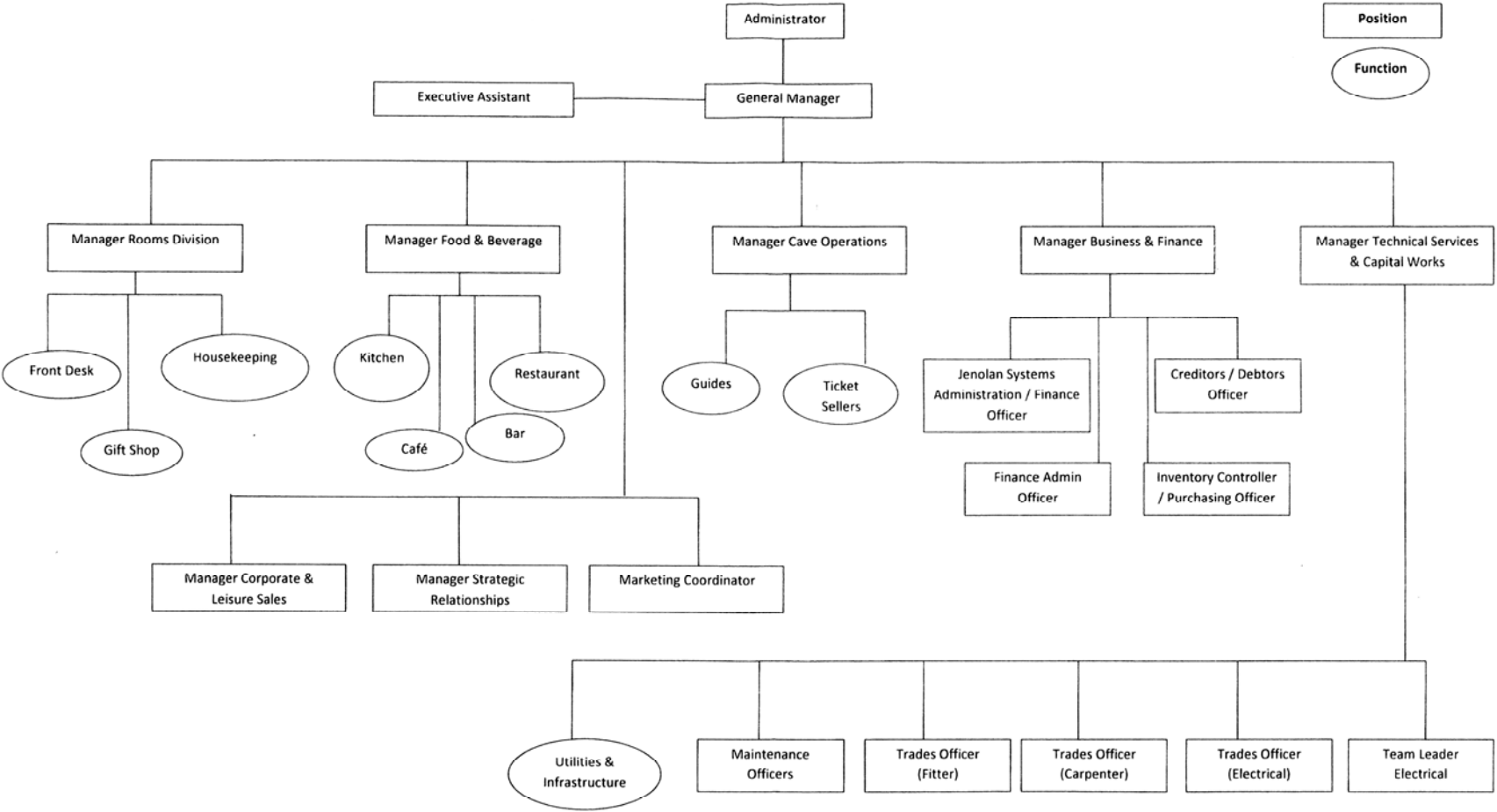
**Peter Austen**

**General Manager**

**Jenolan Caves Reserve Trust**



# Organisational Chart



# Cave Operations

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## Performance Indicators

### Compared to 2008/2009:

- Visitation: +2.7%
- Revenue: +13%
- Expenditure: +12%
- Number of Cave Tours: +5.7%
- Revenue per FTE: +6%
- Total Expense per Visitor: +9%
- Total Revenue per Visitor: +10%

### 2009/2010 Financial Year

- Total FTE: 32
- Number of Tours per FTE: 345
- Salaries & Wages as % of Total Expenditure: 52%

*FTE = Full time equivalent staff*

## Visitation

Visitation increased by 2.7% on previous year's result to 231,195 cave visits. Average yield per client increased 17% to \$20.08. This improvement is particularly pleasing against the background of a continuing downturn in regional tourism and is considered to be a highly satisfactory result.

State of the art lighting was completed in the Ribbon Cave. The continued revision of the core product is an important factor in allowing Jenolan to remain competitive against other tourism product offerings and with the increasing competition for discretionary spending in the overall leisure market.

Jenolan continues to introduce new products and services. The Children's programs developed last year have been refined and expanded, with dedicated tours now available for Teenagers – the 'Boundaries Series' tours. In addition, a dedicated Children's version has been added to the audio tour of the self guided cave as well as an additional three language versions.

## The Team

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

Eva Van Dalen retired from the Trust after over 20 years service as a Ticket Seller. She was a well known fixture for many thousands of visitors and her service is commended.

Five full time Guide positions are currently filled on a temporary basis. Two full time Guides are currently seconded to positions with the Trust's Marketing Unit.

## Training

Internal and external training courses have been conducted in the following areas; Senior First Aid, Advanced Resuscitation, Certificate Level Three Tourism, Certificated Level Three Outdoor Recreation (Horizontal and Vertical Caving), Certificate Level Four Small Business Management, Certificate Level Four Sales and Marketing, Certificate Level Four Trainers and Assessors, Aboriginal Cultural Awareness and Conflict Resolution. In addition a new comprehensive 110 page training manual has been written for all new guiding staff. The Trust has hosted both work experience and work placement students during the year. Programmes are available to cater for High Schools through to mature age students completing advanced studies in Tourism, Outdoor Recreation and Science.

## Cave Operations cont.

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Staff attended the following conferences; Interpretation Association Australia Annual Conference, Australasian Cave & Karst Management Association AGM and Streamwatch Australia.

### Natural Resource Management

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

### Awards

Jenolan Caves was the winner of the 2009 Blue Mountains regional tourism award for Best Tourist Attraction and Adventure Tourism. Jenolan was also a State finalist in these categories, winning a Bronze Award in the NSW Tourism Awards for Adventure Tourism and a Silver Award for Tourist Attractions.

### Special Events

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

A Living Culture Camp was organised in collaboration with NPWS and the Gundungurra Local Tribal Council and was held at Jenolan Caves in November 2009. The event was well attended.

Musical concerts are a regular weekly event in the caves. Cello and Gypsy concerts featuring Georg Mertens and the Paganini Duo continue to be most popular. Other events during the year included Opera in the Caves, Anglo/Celtic music by 'Pastance', ABBA's Back and a Jazz festival.

The popular annual Community Christmas Carols was again held in the Grand Arch on December 12. A record \$17,000 was raised and donated to the Childhood Cancer Research Unit at the Children's Hospital Westmead.

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



*Temple of Baal Cave*

# Jenolan Caves House

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

## Revenue Generation

Accommodation operations delivered occupancy of 33.6% against 35% for the previous year. The hospitality business achieved gross revenue of \$4.2M representing a decrease of \$100K on last year.

## Personnel

Staffing arrangements continue to present a challenge for the operations at Jenolan Caves House with the main issue being the ability to build and sustain a skilled employee base. The use of ‘ex-pat’ travellers has proven to be beneficial and a healthy mix of ‘ex-pat’ and local workers comprise the workforce.

## Food & Beverage Facilities

The 2009/2010 period saw Chisholms Grand Dining Room further utilised with the introduction of a lunch service. The lunch service was packaged with Cave Tour options and has seen substantial growth for Food and Beverage Operations in this area.

The investment in reinvigorating Jenolan Caves House, and the hard work and commitment of staff was recognised by Chisholms Grand Dining Room winning the ‘Hospitality, Restaurants and Catering’ Category at the Blue Mountains Regional Tourism Awards in May 2010.

The streamlining of Cafe Bar operations with one point cashier and automatic coffee machines has shown a decrease in staffing costs and a better spend per head. Further improvements will be required to this operation in the new financial year.

## Capital Works

2009/2010 saw spending on new equipment together with painting and carpeting of common areas. The kitchen upgrade project commenced during the year and is due for completion in 2010/2011.



*Jenolan Caves House*

**James Brady**  
**Manager Food & Beverage Operations**  
**Jenolan Caves House**

**Matthew Irvine**  
**Manager Rooms Division**  
**Jenolan Caves House**

# Visitor Zone Maintenance

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Significant milestones within the area of maintenance and capital works were achieved during the 2009/10 financial year.

## Maintenance

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

- General maintenance completed on the built infrastructure within the Visitor Use & Services Zone including staff housing, utilities, roads, walking tracks and caves.
- General maintenance completed on Jenolan Caves House including lagging of steam heating, plastering repairs and painting.

## Capital Works

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

- Sewage Treatment Plant – upgrade to the Plant to reduce nutrient levels in the waters discharged from the Plant.
- Staff Accommodation – Hills Flats were refurbished and repainted. Works included the installation of automated smoke detection systems, intercom door entry system and new fittings / fixtures.
- Café Bar Upgrade – minor works were completed on this area including the reconfiguration of the checkouts, purchase of minor equipment and installation of a service elevator.
- Jenolan Caves House – carpeting and painting were completed on public areas of Caves House and new furniture was acquired for the Dining Room.
- Water Bore Jenolan Cottages – a new bore was installed at Jenolan Cottages for domestic use to save costs on having water supplied by an external provider.

- Fire Shed – In conjunction with Oberon Council, Rural Fire Service, National Parks & Wildlife Service and the Trust a new Fire Shed has been built.
- Administration Office Block – disused staff quarters were renovated to accommodate the administration staff from the Bathurst office who relocated in early October 2009.

## Environmental Maintenance

The Trust has actively sought to make major upgrades to its environmental usage. Upgrades included:-

- Hydro Electric Generator – in operation for the full year saving on fossil fuels.
- Increase in recycling and continuation of waterless urinals.
- Two hybrid motor vehicles added to the Trust's fleet.

## Staff Training

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

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



# Research & Development

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

The monitoring of air and water quality in Jenolan's show caves and water bodies has continued over the 2009/10 reporting period.

Monitoring results indicate that cave atmosphere and water quality are within natural levels. Results also show a correlation between visitor access and fluctuations in cave atmosphere.

It is intended that data collected from the Jenolan Environmental Monitoring Program will provide the basis for more in-depth analysis of the cave environment which will be undertaken by scientists from Sydney University. Discussions regarding the scope and nature of this analysis have recently been initiated with the relevant work expected to commence in mid 2011.

## **Cave Survey Project**

The survey of Jenolan show caves is nearing completion with three dimensional plans of relevant caves and chambers in the process of being finalised.

The completed plans will be in electronic form and show the general configuration of the caves while also highlighting important geological features such as limestone bedding. The plans will also show the proximity of Jenolan's shows

caves to the surface, information which may be used to guide future development at the Reserve.

The Jenolan Caves Survey Project is being managed by Dr Julia James from Sydney University who is being assisted in her work by a team of highly skilled volunteers, including students and cavers.

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

To augment his previous work towards understanding the links between speleothem development and climate, Dr Chris Waring from the ANSTO Institute for Environmental Research is monitoring trace gas and CO<sub>2</sub> levels in selected show caves.

The results of Dr Waring's research will be compared with, and supplement, similar studies being undertaken at Wombeyan and Yarrangobilly caves, and are expected to provide further insight into past and future fluctuations in climate.

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



*Jenolan Caves Grand Arch*

# Corporate Resources

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## Finance Department

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

The Trust returned the operation of its finance functions to internal staff and recruited for a Manager Business and Finance and Creditors / Debtors Officer.

## Information Technology

The Trust experienced a major failure of its IT server during the year due to power outages. The Trust upgraded and replaced its server systems and is now in the process of upgrading front line technology.

## Capital Expenditure

Expenditure on capital works and equipment totalled \$411,487 and consisted of:

General infrastructure and environmental projects	\$100,000
Buildings/workshops	\$311,487
	<u>\$411,487</u>

## Annual Financial Statements

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

	\$ 2009/2010	\$ 2008/2009
Revenues from continuing operations	8,926,266	8,684,806
Total Expenses (excluding impairment expenses)	(9,718,374)	(10,042,609)
Profit/(Loss) from ordinary activities	(792,108)	(1,357,803)

# 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.

	2007/2008	2008/2009	2009/2010
Commercial Manager	Deleted	Deleted	Deleted
Director	1	1	
General Manager			1
Personal Assistant	1	1	
Executive Assistant			1
Systems Administrator & Finance Officer	1	2	2
Senior Finance Officer	Vacant	Vacant	Deleted
Manager Business & Finance			1
Administration Officers	4 0.4 vacant	4 0.4 vacant	4 0.4 vacant
Manager Cave Operations	1	1	1
Guides	12 2 vacant	12 2 vacant	12 2 vacant
Visitor Services Officers	0.8	0.8	0.8
Caretaker Jenolan Caves Cottages	1	1	Deleted
Team Leader – Plant Electrician	1	1	1
Manager Technical Services and Capital Works	1	1	1
Trades Officer (Electrician)	1	1	1
Trades Officers	2	2	2
Maintenance Officer	2 3.5 vacant	3.5 1 vacant	3.5 1 vacant
Deputy General Manager Rooms Caves House	1	1	Deleted
Manager Food & Beverage Operations			1
Deputy General Manager Food & Beverage Caves House	1	1	
Manager Rooms Division			1
Head Chef Caves House	1	1	1
Front Office Manager Caves House	1	1	1

## Recruitment Statistics

In all there are 40 permanent positions covering 4 categories.

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

The Trust's estimated full time equivalent staff number (FTE) as at 30 June 2010 was 76.8.

There were no voluntary redundancy payments during the year.

## Statutory Information (cont)

### Training

Total training costs for the year, including staff hours and course costs, was \$52,942.

Paid staff hours for external training:

2009/2010	\$22,535
2008/2009	\$40,598
2007/2008	\$13,756

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

### EEO Statistics

Total positions held by males and females are detailed below:

	Males %	Female %
2007/2008	49	51
2008/2009	48	52
2009/2010	50	50

Of the permanent employees 65% are male and 35% are female. In 2009/2010 the average remuneration for males was \$70,609 and females \$61,088.

Approximately 14% 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 was no official overseas visits undertaken by staff during the 2009/2010 financial year.

### Consultants

Throughout 2009/2010 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

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

Internal Audit Bureau \$ 36,801

*Under \$30,000*

Morse Group \$ 3,600

During the year other consultants were engaged totalling the amount of: \$2,469

**TOTAL CONSULTANCIES \$42,870**

### Account Payment Performance

Account payment performance indicators for 2009/2010 financial year:

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

Current (within 30 days)	\$134,126
Less than 30 days overdue	\$330,157
Between 30-60 days overdue	\$46,428
Between 60-90 days overdue	\$5,160
Over 90 days overdue	\$-
Percentage of accounts paid on time	52%
Total of accounts paid on time	\$3,219,037
Total of accounts paid	\$6,190,456

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 2009/2010. The Trust has successfully utilised the various features this provides.

## Statutory Information (cont)

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### Disability Plans

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

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

The Trust is also working with Department of Environment, Climate Change and Water on a Disability Action Plan.

### Ethnic Affairs Priorities Statement

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

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

- The provision of 'Meet and Greet Programs' to cater for the special needs of visitors.
- Ongoing liaison with inbound tour operators to ensure that client/customer services are tailored to meet individual needs.

- The recruitment of multi-lingual staff. New guiding positions include a second language as a desirable qualification.
- Ongoing research into the needs of ethnic groups and particular market segments.
- The implementation of competency-based training for guides, which includes a nationally recognised module on cultural awareness.
- Provision of audio guides for the self guided tour at Jenolan in English, German, Mandarin, Japanese, Korean, Russian, French and Spanish.

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

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

### Consumer Response

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

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

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

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



## Statutory Information (cont)

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### Occupational Health & Safety

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

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

### Freedom of Information Requests

There were two (third party consultation) FOI request in 2009/2010.

### Risk Management

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

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

### Energy Management

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

### Waste Management

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

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

### Policy & Planning

The Trust reviewed its Business Plan in June 2009. The plan was finalised early in the new financial year and released to staff.

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

### Research

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

### Major Works Completed or Underway

Major works programs completed or underway are:

- Sewage Treatment Plant
- Staff Accommodation
- Café Bar Upgrade
- Jenolan Caves House
- Water Bore Jenolan Cottages
- Fire Shed
- Administration Office Block
- Relighting – Ribbon Cave
- Relighting – River Cave

## Statutory Information (cont.)

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### 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 2009/2010

Total external cost – Nil.

The Trust's Annual Report is available on the Jenolan Caves Reserve Trust website  
[www.jenolancaves.org.au](http://www.jenolancaves.org.au)

# Independent Audit Report

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GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Jenolan Caves Reserve Trust and the Consolidated Entity

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Jenolan Caves Reserve Trust and the Consolidated Entity (the Trust), which comprise the Balance Sheets as at 30 June 2010, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Trust and the consolidated entity. The consolidated entity comprises the Trust and the entity it controlled at the year's end or from time to time during the financial year.

#### Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Trust's and the consolidated entity as at 30 June 2010, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

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

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

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

#### Auditor's Responsibility

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

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Administrator of the Trust, as well as evaluating the overall presentation of the financial statements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

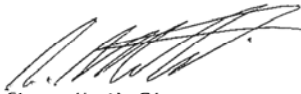
My opinion does *not* provide assurance:

- about the future viability of the Trust or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal controls.

#### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

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



Steven Martin CA  
Director, Financial Audit Services

20 October 2010  
SYDNEY

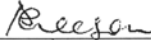
JENOLAN CAVES RESERVE TRUST DIVISION  
YEAR ENDED 30 JUNE 2010

**Statement by Members**

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 Division, we declare on behalf of the Division that in our opinion:

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



Name: Dianne Leeson  
Position: Administrator

Date: 15<sup>th</sup> October 2010



Name: Peter Austen  
Position: General Manager

Date: 15<sup>th</sup> October 2010



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2010	2009	2010	2009
		\$	\$	\$	\$
Revenue from Continuing Operations		8,926,266	8,684,806	8,926,266	8,684,806
Other Income		153,318	6,852,389	94,923	6,756,940
<b>Total Income</b>	<b>3</b>	<b>9,079,584</b>	<b>15,537,195</b>	<b>9,021,189</b>	<b>15,441,746</b>
Employee Benefits Expense	4.1	(5,090,291)	(4,916,315)	-	-
Personnel Services Expense	4.1	-	-	(5,172,675)	(5,877,584)
Administrator Costs		(10,000)	(156,433)	(10,000)	(156,433)
Bad Debt Expense		(27,063)	(11,530)	(27,063)	(11,530)
Contract Labour		(343,562)	(491,228)	(343,562)	(491,228)
Consultancy Fee		(42,870)	(205,084)	(42,870)	(205,084)
Cost of Goods Sold		(1,036,284)	(1,054,305)	(1,036,284)	(1,054,305)
Depreciation & Impairment Expenses	4.2	(4,045,711)	(365,724)	(4,045,711)	(365,724)
Lease Negotiations		-	(209)	-	(209)
Marketing		(238,863)	(278,455)	(238,863)	(278,455)
Insurance		(104,730)	(84,663)	(104,730)	(84,663)
Interest		(81,249)	(372,838)	(81,249)	(372,838)
Motor Vehicle		(98,188)	(84,755)	(98,188)	(84,755)
Heat & Power		(307,324)	(260,762)	(307,324)	(260,762)
Commission		(120,617)	(34,878)	(120,617)	(34,878)
Telephone, Postage & Internet		(191,288)	(162,329)	(191,288)	(162,329)
Repairs and Maintenance		(259,998)	(290,535)	(259,998)	(290,535)
Other Expenses	4.3	(1,262,505)	(1,272,566)	(1,262,505)	(1,272,566)
<b>Total Expenses</b>		<b>(13,260,543)</b>	<b>(10,042,609)</b>	<b>(13,342,927)</b>	<b>(11,003,878)</b>
<b>Profit / (Loss) for the Year</b>		<b>(4,180,959)</b>	<b>5,494,586</b>	<b>(4,321,738)</b>	<b>4,437,868</b>
<b>Other comprehensive income</b>					
Actuarial (Losses)/ Gains on Retirement Benefit Obligation		(140,779)	(1,056,718)	-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(140,779)</b>	<b>(1,056,718)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to the equity holders of Jenolan Caves Reserve Trust</b>		<b>(4,321,738)</b>	<b>4,437,868</b>	<b>(4,321,738)</b>	<b>4,437,868</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
**BALANCE SHEETS**  
**AS AT 30 JUNE 2010**

		Consolidated Entity		Jenolan Caves Reserve Trust	
<b>ASSETS</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
<b>Current Assets</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash & Cash Equivalents	5	2,128,571	3,693,165	2,128,571	3,693,165
Trade & Other Receivables	6	285,695	198,160	285,695	198,160
Inventories	7	154,855	179,563	154,855	179,563
<b>Total Current Assets</b>		<b>2,569,121</b>	<b>4,070,888</b>	<b>2,569,121</b>	<b>4,070,888</b>
<b>Non-Current Assets</b>					
Property, Plant & Equipment	8	11,991,059	14,828,908	11,991,059	14,828,908
<b>Total Non-Current Assets</b>		<b>11,991,059</b>	<b>14,828,908</b>	<b>11,991,059</b>	<b>14,828,908</b>
<b>TOTAL ASSETS</b>		<b>14,560,180</b>	<b>18,899,796</b>	<b>14,560,180</b>	<b>18,899,796</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade & Other Payables	9	2,082,061	2,079,459	2,082,061	2,079,459
Provisions	10	166,803	191,005	166,803	191,005
Borrowings	11	1,203,577	-	1,203,577	-
<b>Total Current Liabilities</b>		<b>3,452,441</b>	<b>2,270,464</b>	<b>3,452,441</b>	<b>2,270,464</b>
<b>Non-Current Liabilities</b>					
Provisions	10	91,430	87,708	91,430	87,708
Borrowings	11	-	1,203,577	-	1,203,577
<b>Total Non-Current Liabilities</b>		<b>91,430</b>	<b>1,291,285</b>	<b>91,430</b>	<b>1,291,285</b>
<b>TOTAL LIABILITIES</b>		<b>3,543,871</b>	<b>3,561,749</b>	<b>3,543,871</b>	<b>3,561,749</b>
<b>NET ASSETS</b>		<b>11,016,309</b>	<b>15,338,047</b>	<b>11,016,309</b>	<b>15,338,047</b>
<b>EQUITY</b>					
Contributed Equity	12	5,831,749	5,831,749	5,831,749	5,831,749
Retained Profits	13	(2,004,189)	2,317,549	(2,004,189)	2,317,549
Reserves	13	7,188,749	7,188,749	7,188,749	7,188,749
<b>TOTAL EQUITY</b>		<b>11,016,309</b>	<b>15,338,047</b>	<b>11,016,309</b>	<b>15,338,047</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>Consolidated</b>	Notes	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2008</b>		5,831,749	7,188,749	(2,120,319)	10,900,179
<hr/>					
Total comprehensive income for the year as reported in the 2009 financial statements	13	-	-	5,494,586	5,494,586
Actuarial (Losses)/ Gains on Retirement Benefit Obligation	13	-	-	(1,056,718)	(1,056,718)
<b>Total comprehensive income for the year</b>		-	-	<b>4,437,868</b>	<b>4,437,868</b>
<hr/>					
<b>Balance at 30 June 2009</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>2,317,549</b>	<b>15,338,047</b>
<hr/>					
Total comprehensive income for the year	13	-	-	(4,180,959)	(4,180,959)
Actuarial (Losses)/ Gains on Retirement Benefit Obligation	13	-	-	(140,779)	(140,779)
<b>Total comprehensive income for the year</b>		-	-	<b>(4,321,738)</b>	<b>(4,321,738)</b>
<hr/>					
<b>Balance at 30 June 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>(11,016,309)</b>
<hr/>					
<b>Parent Entity</b>					
	Notes	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained earnings \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2008</b>		5,831,749	7,188,749	(2,120,319)	10,900,179
<hr/>					
Total comprehensive income for the year as reported in the 2009 financial statements	13	-	-	4,437,868	4,437,868
<b>Total comprehensive income for the year</b>		-	-	<b>4,437,868</b>	<b>4,437,868</b>
<hr/>					
<b>Balance at 30 June 2009</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>2,317,549</b>	<b>15,338,047</b>
<hr/>					
Total comprehensive income for the year	13	-	-	(4,321,738)	(4,321,738)
<b>Total comprehensive income for the year</b>		-	-	<b>(4,321,738)</b>	<b>(4,321,738)</b>
<hr/>					
<b>Balance at 30 June 2010</b>		<b>5,831,749</b>	<b>7,188,749</b>	<b>(2,004,189)</b>	<b>(11,016,309)</b>
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The above statements of changes in equity should be read in conjunction with the accompanying notes.

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Consolidated Entity		Jenolan Caves Reserve Trust	
		2010	2009	2010	2009
		\$	\$	\$	\$
<b>Cash Flows From Operating Activities</b>					
Receipts From Customers		9,668,750	9,903,378	9,668,750	9,903,378
Receipts From Government		90,000	3,240,000	90,000	3,240,000
Payments to Suppliers & Employees		(10,133,429)	(10,720,214)	(10,133,429)	(10,720,224)
Interest Received		99,194	40,607	99,194	40,607
Interest Paid		(81,249)	(81,233)	(81,249)	(81,233)
<b>Net Cash (Out flow) / Inflow Provided From Operating Activities</b>	<b>15</b>	<b>(356,734)</b>	<b>2,382,538</b>	<b>(356,734)</b>	<b>2,382,538</b>
<b>Cash Flows From Investing Activities</b>					
Payments For Property, Plant & Equipment		(1,207,860)	(489,657)	(1,207,860)	(489,657)
Proceeds From Sale of Investments		-	-	-	-
<b>Net Cash (Outflow) / Inflow From Investing Activities</b>		<b>(1,207,860)</b>	<b>(489,657)</b>	<b>(1,207,860)</b>	<b>(489,657)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		-	915,000	-	915,000
Repayment of borrowings		-	-	-	-
<b>Net cash (outflow) inflow from financing activities</b>		<b>-</b>	<b>915,000</b>	<b>-</b>	<b>915,000</b>
<b>Net (Decrease)/ Increase In Cash &amp; Cash Equivalents</b>		<b>(1,564,594)</b>	<b>2,807,881</b>	<b>(1,564,594)</b>	<b>2,807,881</b>
Cash & Cash Equivalents at Beginning of Period		3,693,165	885,284	3,693,165	885,284
<b>Cash &amp; Cash Equivalents at End of the Period</b>	<b>5</b>	<b>2,128,571</b>	<b>3,693,165</b>	<b>2,128,571</b>	<b>3,693,165</b>

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**REPORTING ENTITY**

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

The administration office of the Group moved to the Jenolan Caves in early October 2009.

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

**Authorisation of the Financial Report**

The consolidated financial report for the year ended 30 June 2010 has been authorised by the Trust on 15th October 2010.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1.1 Basis of Preparation**

The Trust's financial report is a general-purpose financial report. The financial statements have been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, the provisions of the Public Finance and Audit Act and Regulations.

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

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

**Statement of Compliance**

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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

**1.2 Principals of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of JCRT 'parent entity' as at 30 June 2010 and the results of all subsidiaries for the year then ended. JCRT and its subsidiaries together are referred to in this financial report as the Group.

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

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

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

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

**1.3 Employee Benefits**

***i) Salaries and Wages, Annual Leave and On-Cost***

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

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

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

***ii) Long Service Leave***

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

***iii) Superannuation***

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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

**1.4 Property, Plant and Equipment**

**Acquisition of Assets**

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

**Plant and Equipment**

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

**Capital Work In Progress (WIP)**

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

**Basis of Revaluation**

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

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

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

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

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

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

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



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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

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

**Depreciation**

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

Major depreciation periods for significant asset groups are as follows:

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

**Impairment**

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

Where the 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.

**1.5 Cash and Cash Equivalents**

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

**1.6 Trade and Other Receivables**

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

**1.7 Inventories**

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

**1.8 Trade and Other Payables**

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

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

**1.9 Leased Assets**

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

**Operating Leases**

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

**1.10 Revenue Recognition Policy**

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

**Cave Interpretation and Sale of Goods**

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

**Rendering of Services**

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

**Government Grants**

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

**Interest Income**

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

**Sale of Non-Current Assets**

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

**1.11 Goods and Services Tax**

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

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**(i) Financial Assets at Fair Value Through Profit or Loss**

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

**(ii) Loans and Receivables**

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

**(iii) Held to Maturity Investments**

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

**(iv) Available for Sale Financial Assets**

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

**Recognition and Derecognition**

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

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

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

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

**Subsequent Measurement**

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

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

**Impairment**

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

**1.13 New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods. The group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

**Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)**

*In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for Accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The group will apply the amended standard from 1 July 2011. When the amendments are applied, the group and the parent will need to disclose any transactions between its subsidiaries and its associates. However, it has yet to put systems into place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosure.*

**AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)**

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

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

**2.1 Financial Risk Management Policies**

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

*(a) Market Risk*

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

In terms of interest rate risk, the borrowings of the Trust are either interest free loans or fixed interest. No borrowings of the Trust are exposed to variable interest rates.

*(b) Credit Risk*

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

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

*(c) Liquidity Risk*

Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facility and the ability to close out of market positions.

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

*(d) Fair Value Estimation*

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

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

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
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**2 FINANCIAL RISK MANAGEMENT (Continued)**

**2.2 Financial Instrument Composition**

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

	Note	Variable Interest Rate		Fixed Interest		Non-Interest Bearing		Carrying Amount as per Balance Sheet	
		2010	2009	2010	2009	2010	2009	2010	2009
		\$	\$	\$	\$	\$	\$	\$	\$
<b>1. Financial assets</b>									
Cash & Investments	5	2,083,671	3,646,945	-	-	44,900	46,220	2,128,571	3,693,165
Trade and Other Receivables	6	-	-	-	-	285,695	198,160	285,695	198,160
<b>Total Financial Assets</b>		<b>2,083,671</b>	<b>3,646,945</b>	<b>-</b>	<b>-</b>	<b>330,595</b>	<b>244,380</b>	<b>2,414,266</b>	<b>3,891,325</b>
<b>2. Financial liabilities</b>									
Trade & Other Payables	9	-	-	-	-	2,082,061	2,079,459	2,082,061	2,079,459
Borrowings	11	-	-	1,203,577	1,203,577	-	-	1,203,577	1,203,577
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>1,203,577</b>	<b>1,203,577</b>	<b>2,082,061</b>	<b>2,079,459</b>	<b>3,285,638</b>	<b>3,283,036</b>

**2.3 Trade and Other Receivables Analysis**

*(a) Impaired Trade Receivables*

As at 30 June 2010 current trade receivables of the Trust with a nominal value of \$40,487 (2009: \$28,413) were impaired. The amount of the provision was \$40,487 (2009: \$28,413). The individually impaired receivables mainly related to Tour Operators, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

There are no amounts of collateral held as security at 30 June 2010 with regard to these receivables.

*(b) Past Due but not Impaired*

As of 30 June 2010, trade receivables of \$25,261 (2009: \$3,063) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
	\$	\$	\$	\$
1-30 Days Overdue	15,895	2,944	15,895	2,944
31-60 Days Overdue	9,366	119	9,366	119
Great Than 60 Days Over Due	-	-	-	-
	<u>25,261</u>	<u>3,063</u>	<u>25,261</u>	<u>3,063</u>

There are no amounts of collateral held as security at 30 June 2010 with regard to these receivables.

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

**2.3 Trade and Other Receivables Analysis (Continued)**

*(c) Other Receivables*

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

*(d) Foreign Exchange and Interest Rate Risk*

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

*(e) Fair Value and Interest Rate Risk*

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

**2.4 Analysis of Trade and Other Payables**

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

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

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	\$	\$	\$	\$
Due within 1 Month	545,280	699,945	545,280	699,945
Due within 2 Months	40,190	86,240	40,190	86,240
Due after 2 Months	-	-	-	-
	<b>585,470</b>	<b>786,185</b>	<b>585,470</b>	<b>786,185</b>

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

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

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

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	\$	\$	\$	\$
Annual leave and other leave obligation expected to be settled within 12 months	334,070	334,395	334,070	334,395



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

**2.5 Analysis of Borrowings**

*Maturities of borrowings*

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

<b>Group at 30 June 2010</b>	<b>Less than 6 Months</b>	<b>6-12 Months</b>	<b>Between 1-2 Years</b>	<b>Between 2-5 Year</b>	<b>Over 5 Years</b>	<b>Total</b>
Interest Bearing	-	1,203,577	-	-	-	1,203,577
Non Interest Bearing	-	-	-	-	-	-
<b>Total</b>	-	1,203,577	-	-	-	1,203,577

**2.6 Sensitivity Analysis**

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

*Interest Rate Sensitivity Analysis*

At 30 June 2010, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	<b>Consolidated Entity</b>		<b>Jenolan Caves Reserve Trust</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Increase in Interest Rate by 1%	20,837	36,469	20,837	36,469
Decrease in Interest Rate by 1%	(20,837)	(36,469)	(20,837)	(36,469)

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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010 \$	2009 \$	2010 \$	2009 \$
<b>3. REVENUE FROM CONTINUING OPERATIONS</b>				
<b><i>Sales Revenue</i></b>				
Interpretation Services	4,566,860	4,024,155	4,566,860	4,024,155
Accommodation	1,400,583	1,528,349	1,400,583	1,528,349
Special Events	75,714	78,592	75,714	78,592
Kiosk Trading	5,752	2,652	5,752	2,652
Gift Shop Trading	386,225	406,561	386,225	406,561
Food and Beverage Sales	2,360,043	2,364,545	2,360,043	2,364,545
	<u>8,795,177</u>	<u>8,404,854</u>	<u>8,795,177</u>	<u>8,404,854</u>
<b><i>Rental Income</i></b>				
Staff Cottages	18,937	19,789	18,937	19,789
Site Rental	12,958	16,438	12,958	16,438
	<u>31,895</u>	<u>36,227</u>	<u>31,895</u>	<u>36,227</u>
Interest – Financial Institutions	99,194	40,607	99,194	40,607
Interest – Revaluation of Non-Interest Bearing Loans	-	203,118	-	203,118
	<u>99,194</u>	<u>243,725</u>	<u>99,194</u>	<u>243,725</u>
<b><i>Total Revenue From Continuing Operations</i></b>	<u>8,926,266</u>	<u>8,684,806</u>	<u>8,926,266</u>	<u>8,684,806</u>
<b><i>Other Income</i></b>				
Grants Received – Administration #	-	6,720,712	-	6,720,712
Grants Received – Environmental ##	90,000	-	90,000	-
Components of Defined Superannuation Benefit Plan Recognised in the Income Statement	58,395	95,449	-	-
Other	4,923	36,228	4,923	36,228
	<u>153,318</u>	<u>6,852,389</u>	<u>94,923</u>	<u>6,756,940</u>

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

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

**4. EXPENSES**

**4.1 EMPLOYEE BENEFITS EXPENSE**

Salaries & Wages	4,298,936	4,198,710	-	-
Payroll Tax	238,954	231,254	-	-
Superannuation	410,241	367,113	-	-
Worker's Compensation	113,804	94,790	-	-
Payroll Processing Charge	28,356	24,448	-	-
<b>Employee Benefits Expense</b>	<u>5,090,291</u>	<u>4,916,315</u>	<u>-</u>	<u>-</u>
<b>Personnel Services Expense</b>	<u>-</u>	<u>-</u>	<u>5,172,675</u>	<u>5,877,584</u>
<b>Total Employee Benefits Expense</b>	<u>5,090,291</u>	<u>4,916,315</u>	<u>5,172,675</u>	<u>5,877,584</u>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
	\$	\$	\$	\$
<b>4. EXPENSES (continued)</b>				
<b>4.2 DEPRECIATION EXPENSE</b>				
Depreciation of Non-Current Assets				
- Buildings	63,482	52,259	63,482	52,259
- Plant & Equipment	120,600	36,034	120,600	36,034
- Caves Infrastructure	154,413	125,986	154,413	125,986
- General Infrastructure	163,322	146,262	163,322	146,262
- Leasehold Improvements	1,725	5,183	1,725	5,183
- Impairment	3,542,169	-	3,542,169	-
	<b>4,045,711</b>	<b>365,724</b>	<b>4,045,711</b>	<b>365,724</b>
<b>4.3 OTHER EXPENSES</b>				
Accounting Fees	37,435	180,882	37,435	180,882
Audit Fees	40,000	45,875	40,000	45,875
Bank & Credit Card	51,835	49,391	51,835	49,391
Cleaning	252,288	261,094	252,288	261,094
Environmental	5,792	12,016	5,792	12,016
IT Maintenance & Supplies	45,670	34,205	45,670	34,205
Printing & Stationery	67,387	62,691	67,387	62,691
Rental Expense on Operating Leases -				
Minimum Lease Payments	224,893	324,371	224,893	324,371
Special Events	47,494	48,511	47,494	48,511
Travel Expenses	19,061	26,747	19,061	26,747
Other expenses	470,650	226,783	470,650	226,783
	<b>1,262,505</b>	<b>1,272,566</b>	<b>1,262,505</b>	<b>1,272,566</b>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
<b>5. CASH AND CASH EQUIVALENTS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash at Bank and on Hand	2,128,571	3,693,165	2,128,571	3,693,165

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

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

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

Balances as Above	2,128,571	3,693,165	2,128,571	3,693,165
Balances per Statement of Cash Flows	2,128,571	3,693,165	2,128,571	3,693,165

**6. TRADE AND OTHER RECEIVABLES**

Trade Receivables	294,214	206,542	294,214	206,542
Less: Provision for Doubtful Debts	(40,487)	(28,413)	(40,487)	(28,413)
	253,727	178,129	253,727	178,129

Prepayments	31,968	20,031	31,968	20,031
	31,968	20,031	31,968	20,031
	285,695	198,160	285,695	198,160

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

**7. INVENTORIES**

Marketing – at Cost	19,124	25,506	19,124	25,506
Maintenance – at Cost	3,139	4,218	3,139	4,218
Electrical – at Cost	21,582	17,948	21,582	17,948
Kiosk – at Cost	6,569	1,838	6,569	1,838
Gift Shop – at Cost	69,144	98,579	69,144	98,579
Caves House – at Cost	35,297	31,474	35,297	31,474
	154,855	179,563	154,855	179,563

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

**CONSOLIDATED ENTITY & PARENT ENTITY**

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

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

**CONSOLIDATED ENTITY & PARENT ENTITY**

	Land and buildings	Plant and equipment	Motor vehicles	Caves
<b>At 1 July 2008</b>				
Cost or Fair Value	1,353,990	291,816	39,034	7,036,708
Accumulated Depreciation and Impairment	(136,060)	(174,394)	(39,034)	(581,209)
Net Carrying Amount	<u>1,217,930</u>	<u>117,422</u>	<u>-</u>	<u>6,455,499</u>
<b>Year ended 30 June 2009</b>				
Opening Net Book Amount	1,217,930	117,422	-	6,455,499
Additions	-	-	-	-
Transfers In/(Out)	2,706,222	281,260	-	874,540
Depreciation Charge for the Year	(52,259)	(36,035)	-	(125,986)
Net Closing Book Amount	<u>3,871,893</u>	<u>362,647</u>	<u>-</u>	<u>7,204,053</u>
<b>At 30 June 2009</b>				
Cost or Fair Value	4,060,212	573,076	39,034	7,911,248
Accumulated Depreciation and Impairment	(188,319)	(210,429)	(39,034)	(707,195)
Net Carrying Amount	<u>3,871,893</u>	<u>362,647</u>	<u>-</u>	<u>7,204,053</u>
	General Infrastructure	Leasehold Improvements	Capital Works	Total
<b>At 1 July 2008</b>				
Cost or Fair Value	3,527,920	41,460	3,896,415	16,187,343
Accumulated Depreciation and Impairment	(517,200)	(34,552)	-	(1,482,449)
Net Carrying Amount	<u>3,010,720</u>	<u>6,908</u>	<u>3,896,415</u>	<u>14,704,894</u>
<b>Year ended 30 June 2009</b>				
Opening Net Book Amount	3,010,720	6,908	3,896,415	14,704,894
Additions	-	-	489,739	489,739
Transfers In/(Out)	228,372	-	(4,090,394)	-
Depreciation Charge for the Year	(146,262)	(5,183)	-	(365,725)
Net Closing Book Amount	<u>3,092,830</u>	<u>1,725</u>	<u>295,760</u>	<u>14,828,908</u>
<b>At 30 June 2009</b>				
Cost or Fair Value	3,756,292	41,460	295,760	16,677,082
Accumulated Depreciation and Impairment	(663,462)	(39,735)	-	(1,848,174)
Net Carrying Amount	<u>3,092,830</u>	<u>1,725</u>	<u>295,760</u>	<u>14,828,908</u>

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010 \$	2009 \$	2010 \$	2009 \$
<b>9. TRADE AND OTHER PAYABLES</b>				
Refundable deposits	156,547	131,464	156,547	131,464
Trade Payables	545,280	660,192	545,280	660,192
Accrued Expenses	40,190	86,240	40,190	86,240
Accrued Employee Costs	227,872	171,450	-	-
Employee Benefits - Annual Leave	310,420	306,376	-	-
Employee Benefits - Other Leave	23,650	28,019	-	-
Defined Benefit Plan	778,102	695,718	-	-
Loans to Related Parties	-	-	1,340,044	1,201,563
	<u>2,082,061</u>	<u>2,079,459</u>	<u>2,082,061</u>	<u>2,079,459</u>
<b>10. PROVISIONS</b>				
<b>Current</b>				
Employee Benefits - Long Service Leave	166,803	191,005	-	-
Personnel Services Provision	-	-	166,803	191,005
	<u>166,803</u>	<u>191,005</u>	<u>166,803</u>	<u>191,005</u>
<b>Non-current</b>				
Employee Benefits - Long Service Leave	91,430	87,708	-	-
Personnel Services Provision	-	-	91,430	87,708
	<u>91,430</u>	<u>87,708</u>	<u>91,430</u>	<u>87,708</u>
<b>11. BORROWINGS</b>				
<b>Current</b>				
Other Loans	1,203,577	-	1,203,577	-
	<u>1,203,577</u>	<u>-</u>	<u>1,203,577</u>	<u>-</u>
<b>Non-current</b>				
Other Loans	-	1,203,577	-	1,203,577
	<u>-</u>	<u>1,203,577</u>	<u>-</u>	<u>1,203,577</u>



**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY**  
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	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010 \$	2009 \$	2010 \$	2009 \$
<b>12. CONTRIBUTED EQUITY</b>				
Capital Trust	5,831,749	5,831,749	5,831,749	5,831,749
<b>13. RESERVES AND RETAINED PROFITS</b>				
<b>(a) Reserves</b>				
Movements in Reserves Were as Follows:				
Balance 1 July 2009	7,188,749	7,188,749	7,188,749	7,188,749
Current Year Movement	-	-	-	-
Balance 30 June 2010	7,188,749	7,188,749	7,188,749	7,188,749
<b>(b) Retained Profits</b>				
Movements in Retained Profits Were as Follows:				
Balance 1 July 2009	2,317,549	(2,120,319)	2,317,549	(2,120,319)
Net Profit/ (Loss) for the Year	(4,180,959)	5,494,586	(4,321,738)	4,437,868
Actuarial Losses on Retirement Benefit Obligation	(140,779)	(1,056,718)	-	-
Balance 30 June 2010	(2,004,189)	2,317,549	(2,004,189)	2,317,549

**14. RETIREMENT BENEFIT OBLIGATIONS**

**(a) Superannuation Plan**

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

The Pooled funds hold in trust the investments of the closed NSW public sector superannuation schemes:  
 State Authorities Superannuation Scheme (SASS)  
 State Superannuation Scheme (SSS)  
 State Authorities Non-contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All the Schemes are closed to new members.

**(b) Balance Sheet Amounts**

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010 \$	2009 \$	2010 \$	2009 \$
Present Value of the Defined Benefit Obligation	4,178,663	4,017,432	-	-
Fair Value of Defined Benefit Plan Assets	(3,400,559)	(3,321,715)	-	-
<b>Net (Asset)/Liability in the Balance Sheets</b>	<b>778,104</b>	<b>695,717</b>	<b>-</b>	<b>-</b>

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

**(b) Balance Sheet Amounts (continued)**

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

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
	\$	\$	\$	\$
Net (Asset)/Liability at Start of Year	695,717	(265,552)	695,717	(265,552)
Actuarial Losses	140,779	1,210,739	140,779	1,210,739
Adjustment for Limit on Net Assets	-	(154,021)	-	(154,021)
Net Expense Recognised in the Income Statement	(3,792)	(39,887)	(3,792)	(39,887)
Contributions	(54,600)	(55,562)	(54,600)	(55,562)
<b>Net (Asset)/Liability to be Disclosed in Balance Sheet</b>	<b>778,104</b>	<b>695,717</b>	<b>778,104</b>	<b>695,717</b>

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

The amounts recognised in the income statements are as follows:

Current Service Cost	56,061	51,283	56,061	51,283
Interest Cost	218,114	227,848	218,114	227,848
Expected Return on Plan Assets	(277,967)	(319,018)	(277,967)	(319,018)
Contributions	(54,603)	(55,562)	(54,063)	(55,562)
<b>Total Included in Income</b>	<b>(58,395)</b>	<b>(95,449)</b>	<b>(58,395)</b>	<b>(95,449)</b>
Actual Return on Plan Assets	307,590	395,876	307,590	395,876

**(d) Principal Actuarial Assumptions**

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
	%	%	%	%
Discount Rate	5.17	5.59	5.17	5.59
Expected rate of return in assets backing current pension liabilities	8.3	8.3	8.3	8.3
Expected rate of return in assets backing other liabilities	7.3	7.3	7.3	7.3
Future Salary Increases	4.0	4.0	4.0	4.0

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

**(e) Employer Contributions**

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made on a monthly basis and the last such assessment was made as at 30 June 2010.

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

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

	Consolidated Entity		Jenolan Caves Reserve Trust	
	2010	2009	2010	2009
	\$	\$	\$	\$
Profit/ (Loss) for the Year	(4,180,959)	5,494,586	(4,321,738)	4,437,868
Depreciation and Impairment	4,045,711	365,724	4,045,711	365,724
Actuarial Losses on Retirement Benefit Obligation	-	-	140,779	1,056,718
Components of Defined Superannuation Benefit Plan Recognised in the Income Statement	(58,395)	(95,449)	(58,395)	(95,449)
Loans Forgiven	-	(3,480,712)	-	(3,480,712)
Fair Value Gain on Revaluation of Interest Free Loan	-	88,497	-	88,497
Change in Operating Assets and Liabilities				
(Increase) Decrease in Receivables	(87,537)	277,264	(87,537)	277,264
(Increase) Decrease in Inventories	24,708	(20,102)	24,708	(20,102)
Increase (Decrease) in Trade & Other Payables	(160,960)	(348,098)	(160,960)	(348,098)
Increase (Decrease) in Other Operating Liabilities	81,178	31,590	81,178	31,590
Increase (Decrease) in Other Provisions	(20,480)	69,238	(20,480)	69,238
Net Cash (Outflow) Inflow from Operating Activities	<b>(356,734)</b>	<b>2,382,538</b>	<b>(356,734)</b>	<b>2,382,538</b>

**16. REMUNERATION OF AUDITORS**

	Consolidated Entity	
	2010	2009
	\$	\$
Auditing of the Financial Statements	40,000	45,875
No other services were provided by the auditor		

**JENOLAN CAVES RESERVE TRUST AND THE CONSOLIDATED ENTITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**17. LEASE COMMITMENTS**

**Operating Leases – Office Accommodation and Equipment**

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

	Consolidated	
	2010	2009
	\$	\$
not longer than one year	70,470	82,333
longer than one year and not longer than two years	61,651	-
longer than two years and not longer than five years	58,886	-
Total lease commitments (inclusive of GST)	191,007	82,333

**18. CONTINGENT LIABILITIES**

Applications for native title under the Native Title Act 1993 and Aboriginal Land Rights Act 1983 have been made over various areas of land which might ultimately result in a liability being incurred by the Group. It is impossible to assess the quantum of compensation likely to be paid, if any, following resolution of the claims.

The Group has no other contingent liabilities (Nil in 2009).

**19. CAPITAL EXPENDITURE COMMITMENTS**

	2010	2009
	\$	\$
<b>General Infrastructure</b>		
Not longer than 1 year	1,185,000	1,822,000
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	1,185,000	1,822,000

**20. RELATED PARTIES**

**Balances with related parties**

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

	2010	2009
	\$	\$
Receivables	-	-
Payables	1,598,277	1,480,273

**Transactions with related parties**

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

Personal Service Expense	5,172,675	5,877,584
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**21. POST BALANCE DATE EVENTS**

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

End of audited financial statements