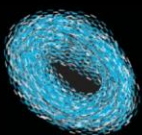


2018-2019

Annual Report



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## Letter of Submission

The Hon. Matthew Kean MP  
Minister for Energy and Environment  
and Minister for Heritage  
52 Martin Place  
SYDNEY NSW 2000

October 2019

Dear Minister

On behalf of the Jenolan Caves Reserve Trust, I have great pleasure in presenting our 2018–19 Annual Report for presentation to Parliament.

This report covers the Trust's activities and Statement of Accounts in accordance with the *National Parks and Wildlife Act 1974*, the *Annual Reports (Statutory Bodies) Act 1984* and the *Annual Reports (Statutory Bodies) Regulation 2010*.



Bob Conroy  
Administrator

## Acknowledgement of Traditional Owners

We acknowledge the traditional owners and custodians of Trust lands, the Gundungurra and Wiradjuri Aboriginal peoples. We respect and value their ongoing connection to these lands and honour their strength and resilience.

## Access

Jenolan Caves Reserve Trust  
4655 Jenolan Caves Road,  
Jenolan Caves NSW 2790  
Australia

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

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

Administration Office  
Ph: 1300 76 3311  
Fax: 02 6359 3092  
Hours: 9am to 5pm

ABN: 53 494 853 455

Technical Services  
Ph: 1300 76 3311  
Fax: 02 6359 330

## Charter - Our Role

The Jenolan Caves Reserve Trust is a body corporate, established under the provisions of the *National Parks and Wildlife Act 1974*, and is responsible for the care, control and management of the Visitor Use and Services Zone (VUSZ) within the Jenolan Karst Conservation Reserve. The Trust is responsible to the Minister for Energy and Environment.

The role of the Jenolan Caves Reserve Trust is to protect, conserve and present the natural and cultural heritage of the VUSZ, in an environmentally, socially and financially responsible and sustainable manner.

The VUSZ is an area of about 50 hectares within the larger Jenolan Karst Conservation Reserve. The VUSZ contains most of the show and adventure caves, all visitor accommodation and facilities including the historic Caves House and all associated utilities and services.

The Reserve is one of the eight properties contained within the Greater Blue Mountains World Heritage Area, and it is also listed on both the national and state heritage lists. The Trust therefore has other statutory responsibilities under the *Heritage Act 1977* and the *Environment Protection and Biodiversity Conservation Act 1999 (Cmth)*.

The Trust collaborates closely with the NSW National Parks and Wildlife Service, the Greater Blue Mountains World Heritage Committee and with Aboriginal communities on joint park management activities across the Reserve and across the wider Greater Blue Mountains World Heritage Area.

The Trust also works very closely with Oberon Council and regional tourism operators and businesses to encourage visitation to the Central West and Blue Mountains.

## Vision

Our vision is to ensure that the Jenolan VUSZ is highly valued, conserved and enjoyed by present and future generations while making a significant contribution to regional prosperity.

## Core Values

We uphold the NSW public sector core values of service, integrity, trust and accountability.

## Aims and Objectives

The Jenolan Caves Reserve Trust Strategic Plan was adopted in September 2015 and during 2018-19, continued to commit the Trust to four primary goals underpinned by our role and vision.

### Goal 1

Provide quality visitor facilities, services and infrastructure by developing and maintaining ecologically sustainable, culturally appropriate, safe and enjoyable visitor facilities, services and experiences.

### Goal 2

Conserve natural and cultural heritage values by protecting, conserving and presenting the natural and cultural heritage values of the Jenolan Caves reserve and prioritising activities that recognise the Karst Conservation Reserve status of the area, its world heritage, state and national heritage values and the significant catchment and Aboriginal cultural heritage values in the Reserve;

### Goal 3

Strengthen partnerships by developing operational and research partnerships to enhance the Trust's commercial viability and by implementing sound environmental research and support programs across the reserve that assist in the protection, conservation and presentation of reserve values; and

### Goal 4

Improve organisational effectiveness and sustainability by becoming a more effective, innovative, sustainable and customer-focused organisation and by providing a safe and rewarding work environment for our employees.

These goals and values were subject to a major review and stakeholder consultation during the latter part of 2018-19. It is anticipated that a revised strategic plan will be adopted in 2019-2020, which aligns more closely with the revised strategic direction of the NSW National Parks and Wildlife Service.

## Administrator's Report

The Jenolan Caves Reserve Trust is one of Australia's iconic regional tourism destinations. This year, we saw that recognised, through the NSW Government's vote of confidence in our future, with the signing of a \$8.5 million funding deed, under the *Regional Growth – Environment and Tourism Fund* and the announcement of a further \$10.4 million in support of our visitor service and environmental programs.

Over the next several years, a total of almost \$19 million will be committed to delivering a new purpose-built visitor centre, an upgraded walkway and landscaping improvements at Blue Lake, improved walking tracks and the restoration of the historic Caves House. The Trust is very grateful for the ongoing support of Oberon Council, local member the Hon. Paul Toole MP and local tourism operators, in helping to secure this grant funding.

This year has seen a slight drop in visitation and occupancy rates, which has impacted our financial performance. However, the Trust continues to achieve a reasonable profit on our business operations and we continue to grow our strategic reserve, which will assist in addressing our deferred asset maintenance liability and improving our environmental performance.

The Trust has continued to improve its work health and safety performance. It has consulted widely with staff and collaborated closely with relevant specialists, to address some wide-ranging issues, including radon gas exposure, dangerous road conditions, remote management of the sewerage treatment plant and tree and rock fall hazard management. The Trust is also well on its way to producing a revised and much improved emergency management plan.

Several events were successfully managed during the year, including the annual *Six Foot Track Marathon* in March 2019, a successful *Aboriginal Healing Camp* conducted by the *Blue Mountains Aboriginal Culture and Resource Centre* in September 2018, the annual *Yulefest* celebrations in July and the very well-attended Jenolan *Bioblitz* program in late November 2018.

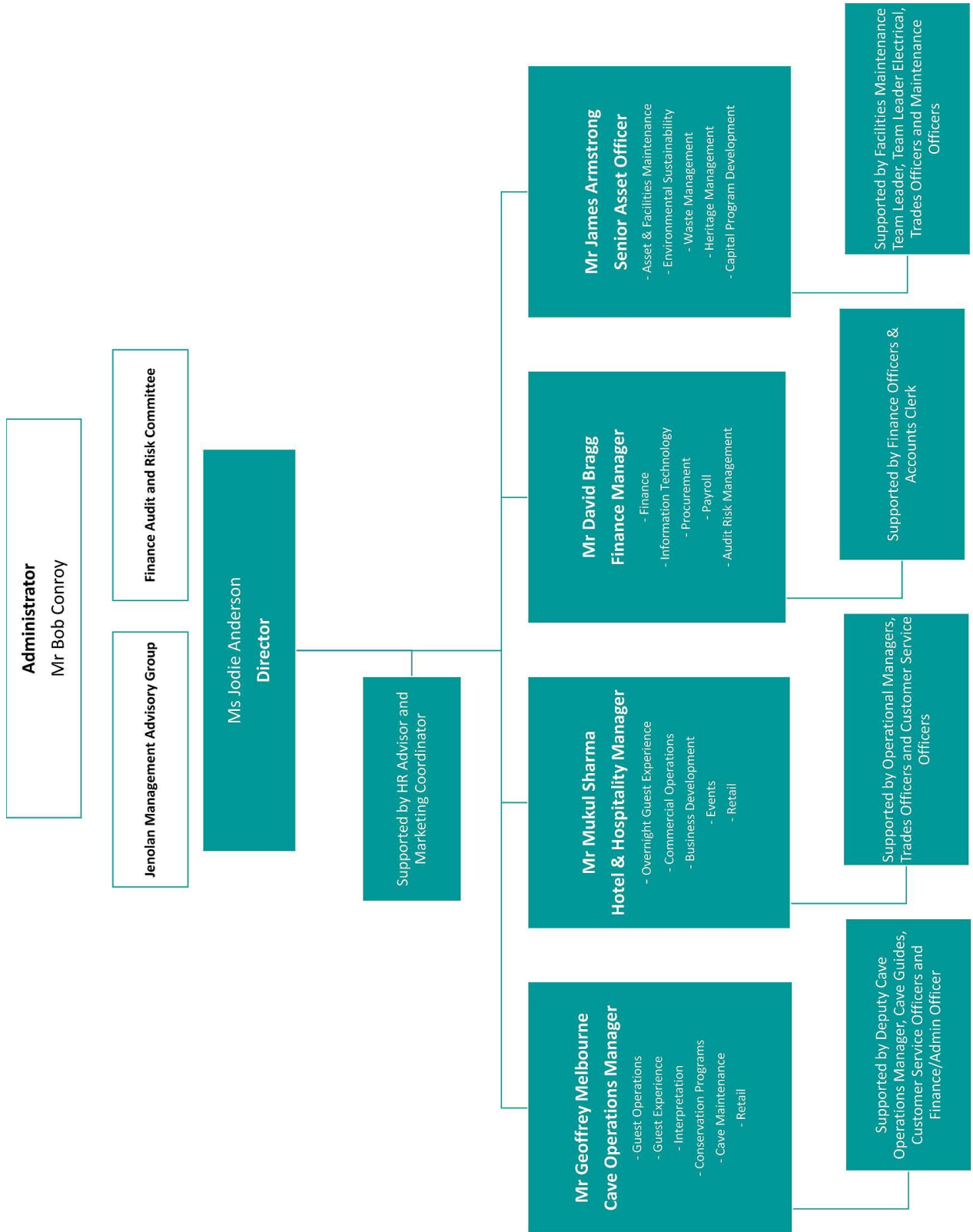
It has been a great pleasure for me working alongside the Trust Director Jodie Anderson and Trust staff, who all bring so much dedication and professionalism to Trust operations. This year we welcomed new staff to the Trust including Senior Asset Officer James Armstrong, Executive Chef Mark Livingstone, Hotel and Hospitality Manager Mukul Sharma and Food and Beverage Coordinator Leonie Royle. The Trust is reviewing its structure, positions and job descriptions, in preparation for what is anticipated to be a very challenging, yet rewarding, time ahead, as our visitor use precincts and associated values are protected, conserved and revitalised.

The Trust continues to benefit from its close collaboration with the NSW National Parks and Wildlife Service, the Office of Environment and Heritage, the Greater Blue Mountains World Heritage Advisory Committee, the Gundungurra Consultative Committee, the Jenolan Caves Heritage and Preservation Society, Oberon Council and local tourism operators. The Trust looks forward to continuing to work with these partners in ensuring that Jenolan Caves continues to be recognised amongst the most innovative and attractive show cave systems in the world.



Bob Conroy  
Administrator

# Management and Structure



## Summary Review of Operations

### A year in review

2018-19 has been a year focused on safety, systems and strategic planning for the future. The Trust has been working closely with the National Parks and Wildlife Service (NPWS), to develop stronger alignments that will enable the Trust to access increased support and resources from NPWS and the NSW Department of Planning Industry and Environment (DPIE).

A great example of this is the establishment of the Work Safe Online system, which was achieved through the support of our Work Health and Safety partners from DPIE. Introduction of the system has created greater visibility of our hazards and incidents, and increased the number of reports being made. It has been a great step forward in ensuring the safety of our staff and visitors. This year also saw the adoption of the NPWS tree risk management policy and implementation of a tree risk management system. This has reduced high risk trees, and resulted in a clear plan forward in continuing to reduce our overall tree risk. The Jenolan team has also been supporting the development of a Geo-hazards policy and continued to actively monitor rock falls.

In order to increase our sustainable practices, the Trust has developed a waste management plan that outlines how we will move towards increased recycling and less overall waste to landfill. This year, an industrial sized worm farm was established, to take all the scraps from the kitchens. More changes and improvements to waste management are planned for 2019-2020 year. The Technical Services Team have improved the way we manage our critical infrastructure, increased the number of critical spares, established service contracts, and reviewed and improved operations and management systems for water and sewerage treatment.

This year has seen the appointment of a number of key strategic and operational management positions, and a move towards more ongoing employment opportunities. With the filling of these critical roles, we move into the 2019-20 year, with a focus on developing a one-team culture and becoming an employer of choice.

In order to play a greater role in regional prosperity, Jenolan Caves has continued to build relationships with its various stakeholders. A focus on collaboration between tourism providers and the community aims to increase visitation, and support economic development of the local region. Jenolan Caves continues to be involved with local tourism and accommodation groups from across the region

### Looking Ahead

With the signing of the \$8.5m *Regional Growth, Environment and Tourism Fund* deed and the announcement of a \$10.4 million grant towards the Revitalisation of Caves House, the Trust is perfectly positioned to make drastic improvements to key visitor experiences in the coming years. This keystone project will be delivered through 2019-21.

To drive Jenolan forward through this exciting era of improvement and development, the Trust devoted time to creating a new strategic plan. The plan was developed by the Jenolan Caves team through a series of workshops involving all staff, and with input from key stakeholders. The intention was to create a plan that would define why we do what we do, be a compass that keeps us going in the right direction, provide us with a tool to measure our success and unite, **inspire** and empower our people to deliver. The team is heading into the 2019-20 financial year with a clear plan and the energy and enthusiasm to ensure its success.

### Policy & Planning

On February 21, 2019, the then Minister for the Environment, Gabrielle Upton, adopted the *Jenolan Karst Conservation Reserve Plan of Management*.

The Trust has continued to collaborate with the NPWS on the final refinements to the *Reserve Master Plan (McGregor Coxall, 2018)* and *Reserve Conservation Management Plan*, which are referenced as high priorities in the *Jenolan Karst Conservation Reserve Plan of Management*.



## Major Works Completed or Underway

- Blue Lake Walking track – Detailed design underway
- Blue Lake de-silting – planning documentation underway

Jodie Anderson,  
Director  
Jenolan Caves Reserve Trust  
July 2019

## Management and Achievements – Cave Operations

### Overview

The Trust successfully ran fully guided tours of the Lucas, Chifley, Imperial, Orient, Imperial-Diamond, Temple of Baal, River and Ribbon show caves. In addition, there were tours with themes, such as the *Chifley Secret Chambers* tour (history), the *Legends, Mysteries and Ghosts* tour, the *Off the Track* tour and the *Stones and Bones* tour for children. These tours ran from one to two hours each, with groups of up to 60. Also, Jenolan ran daily Adventure Caving experiences, from 2 to 5 hours each, with 10 to 12 people per experience.

On a typically quiet mid-week day, there were approximately 400 visitors, while on busy days we received many more. For example, on December 26 the Trust welcomed 1,239 visitors and on Easter Sunday we received 2,452 visitors. Monday to Friday, in off-peak periods, 14 tours ran daily, and 29 tours ran on off-peak Saturdays. In peak times, such as public holidays, the Trust ran over 60 tours per day. For example, on Easter Sunday, to cater for the enormous number of visitors, 64 tours were conducted.

In 2018-19, 160,279 cave tour tickets were dispensed, including ‘family’ tickets, which can include up to five people on one ticket.

	2017-2018	2018-2019
Tour tickets sold	168,911	160,279
Visitors on tours	216,924	203,311
Cave tour bookings	53,079	49,101
Income received from tours	\$6,739,750	\$6,581,785
Average spend per booking session	\$127	\$134
% of tours that visitors booked online	35.6%	37%

### Chifley Audio Tour

This year’s new experience was the Chifley Cave Audio Tour, translated in Korean and Chinese. This audio tour has been well received by inbound tour groups. As Korea and China have many caves, this tour was developed to clearly highlight why the Jenolan cave system stands out amongst the world’s caves, and why the Chifley Cave itself is unique. The excellent translations and audio files were professionally done by Acoustiguide Australia.

### Electricity and Water

The Jubilee Cave has been closed for several years. But in anticipation of reopening, cave lighting was upgraded from iridescent to LED, reducing heat output. Power consumption has also reduced from 40,000 watts to 4,000 watts, a saving of up to 36,000 watts, or \$12 per hour.

A permanent water conduit has been installed throughout the Jubilee, to facilitate regular water cleaning. The last time that the Jubilee cave was water-washed was in the 1970s. A new water filtration system removes chlorine and other impurities, so that the water can be used to clean the cave in an environmentally safe way.

Cleaning also involves vacuuming. Visitors bring so much hair, skin and lint into the caves, that twice every year, approximately 40 litres are vacuumed from each cave in the system. This is why vacuuming and washing are so vital for cave conservation and sustainability.

All this work was done in preparation for reopening the Jubilee cave in early 2019, as part of an exclusive, upmarket experience. However, it was decided to postpone the reopening until Caves House has been fully renovated.

Lighting is vital in the cave system, to enhance visitor experience and safety. As Jenolan uses C-Bus lighting microprocessor-based control systems, cave guide, Michael Collins, has done the C-Bus computer programming courses, so that he can continue to maintain and improve the electrical system inside the caves, with the support of the Technical Services Team.

In the Imperial Cave, all lighting was upgraded to C-Bus remote control, replacing antiquated stationary switches. This will help tour guides manage the increased visitor numbers in this cave. Each guide now has their own remote control device. Earth leakage protection was installed on lighting in the underground river section – an important safety measure which will be extended to the rest of the section in 2019-2020.

In the Lucas Cave, the C-Bus lighting was improved, enabling guides to switch on all lights in the cave at the entrance. This will improve safety for visitors and staff during emergencies. Throughout the Lucas Cave, light fittings were upgraded from corroding metal to plastic, extending their usefulness and reducing costs.

In the Chifley Cave, planning was undertaken to upgrade the lighting system to C-Bus, so that guides can use remotes. This will improve the reliability of the lighting system and should extend its life for potentially another 10 years. The use of remotes will allow guides to present their commentary, in safe and more effective commentary positions, while in the River Cave, there was ongoing electrical work to reduce storm and power surge damage to lighting.

Approximately 150 LED lights, worn out after many years of use in the Imperial, Lucas and Chifley caves, were removed and refurbished to adapt them for the low voltage lighting in the Orient and River cave systems. This has enabled each LED light globe to be used twice, extending the use of each light for many years, and saving approximately \$12,000.

### [Australasian Cave & Karst Management Association \(ACKMA\)](#)

Five tour guides and the Trust Director attended the Australasian Cave & Karst Management Association Annual General Meeting, in Naracoorte South Australia. The four-day event included a Guides Workshop, to help develop cave guiding skills. Jenolan Caves was chosen to host the next ACKMA Conference in 2020.

### [Viator and Expedia](#)

Real-time cave tour bookings via two major online presences, Viator and Expedia, have been enabled. This has enhanced online ticketing experience for customers.

### [Devil's Coach House Cave/Nettle Cave](#)

The entrance to the Devils Coach House Cave and Nettle Cave has been changed again, allowing easier access, via the Blue Lake loop walk.

### [Wiburd Collection](#)

James Wiburd worked at Jenolan for 50 years, starting as a casual guide in 1885 and retiring as Superintendent of the Caves in 1903. A keen cave explorer, he discovered five of Jenolan's most popular show caves. He also amassed a large collection of cave images. This year, his family made a wonderful donation to the Trust of over a thousand photographs from the collection of the late James Wiburd. These images are being progressively scanned and published.

Geoff Melbourne,  
Manager Cave Operations  
Jenolan Caves Reserve Trust  
July 2019

## Gift Shop

The Gift Shop sells souvenirs and basic supplies, and is open every day from 9am to 5pm.

In 2018-19, the shop generated revenue of \$349,850, up 19% from \$283,412 in 2017-18. Since moving to the Ticket Office, from its previous premises in Caves House, the shop continues to improve sales and margins.

The average spend per transaction was \$20.43, and 9.28% of cave visitors purchased items in the shop.

Our target for spend in the gift shop, is \$3.00 per cave visitor. We are slowly rising to this target. In June the spend per cave visitor was \$2.07, and over the entire financial year, the average spend per cave visitor was \$1.89. This is an improvement on the average spend per cave visitor in 2017-18, which was only \$1.44.



In early 2018, staff suggested displaying Jenolan photos, framed in-house, to decorate the high walls in the shop, and also to sell. Guides offer their own photographic work for sale, in simple black frames. These are proving to be great sale items, with 65 sold during the year, at a profit of over \$1,000.

In December, chocolate bars and lolly bags were sold in the gift shop, and they were proved successful, making almost \$1,409.05 in profit from those alone.

This year the shop increased the number of Australian made items, through two new suppliers. *Buttonworks Pty Ltd* creates souvenirs including magnets, coasters and trivets made from Australian wood, and *Scribble Stationary*, based in the lower Blue Mountains, makes Aboriginal magnets and notepads. All of these products are proving very popular.

Kryn Dabbs,  
Cave Operations Finance & Administration,  
Jenolan Caves Reserve Trust  
July 2019



## Management and Achievements – Hospitality

The highlight for the 2018-19 financial year has been the Trust's successful application for a Grant under the NSW Governments' *Regional Growth Environment and Tourism Fund*. This funding of \$10.4m will enable the Trust to completely refurbish the Caves House accommodation building. The Trust has also committed \$1.1m to this project.

The new Caves Café, opened in March 2018, has continued to provide a modern and comfortable surrounding for guests to enjoy while visiting the Caves.

Overall hotel guest numbers for 2018-19 were down by 6.6% from the previous year and down 11.3% on the last five-years average.

The Caves House passenger lift, which was refurbished in 2017, has provided guests with a much smoother and more reliable service, with virtually no problems in 2018-19.

### Revenue Generated

Visitor accommodation generated revenue of \$1,586,892. The total number of rooms sold in 2018-19 was 11,539, showing an average occupancy rate of 35%. The annual revenue from accommodation is on par with results achieved for 2017-2018.

The occupancy rate was down slightly from 39%. Occupancy rate varied from a low 25% in February 2018 to a high 49 % in July 2019.

The Caves Café generated annual revenue of \$1,273,976, up from the previous year's \$1,100,885. This result could be better, considering the work put in to develop the new café surroundings.

Chisolms Restaurant generated revenue of \$1,122,358, down from \$1,145,408 on the previous year.

### Personnel

High turnover of casual hospitality staff has continued to be an issue for the Trust over the last few years.

Contract wages during 2018-19, were higher, due to the shortage of specialist hospitality staff in the Jenolan area. \$168,364 was spent, compared with \$24,693 in 2017-18.

The services of an agency are still being utilized, supplying staff from Japan, predominately for housekeeping and kitchen roles. These staff rotate in and out on a six monthly basis.

We continue to place a great emphasis on recruiting staff from our local towns. Considerable effort is being focused on reducing staff turnover and increasing skills.

In-house training continues to provide better opportunities for staff and has seen improvements in customer service.

## Food and Beverage Facilities

The Trust Food and Beverage Team operates from Chisolms Restaurant, Jeremiah's Bar, Caves Café, the Magnolia Meeting Room and the Kanangra-Boyd Gallery function room which caters for as many as 120 guests.

Although Jenolan is not far from Sydney and local towns, its relatively remote location still presents challenges for procuring goods and services.

However, a good supplier base has been established, which our hotel management is working to further improve. Pricing and on-time deliveries have been negotiated to suit.

Some suppliers have continued to reduce their cost of supplying goods, and local suppliers, in particular, have been sourced for supplying many of our on-sold goods and services.

## Accommodation

Accommodation within the Jenolan Caves Reserve is provided from the following four options:

- Caves House (38 rooms) built between 1897 and 1926
- Mountain Lodge (30 motel-style studio rooms) built in 1986
- Gatehouse Backpacker Lodge (14 rooms) built in 1926 as the female staff quarters, and
- Jenolan Caves Cottages (8 cabins) plus Binoomea Cottage and Bellbird Cottages.

Recent regrading of roads has improved access to Bellbird Cottage and the Jenolan Caves Cottages on 5 Mile Hill, to improve the Jenolan experience for our guests.

Our reception and housekeeping staff have also worked extremely hard this year coping with disturbances that the refurbishment work in Caves House caused to our guests. They receive regular complimentary comments on social media.

David Bragg,  
Finance Manager  
Jenolan Caves Reserve Trust  
July 2019

## Management and Achievements – Technical Services

### Introduction

The Trust's Technical Services department maintains all Trust visitor assets, including buildings, cave infrastructure, car parks and roads, tracks and trails, as well as maintaining and operating waste and sewerage systems, power, water and gas utilities and Trust plant and equipment. The Technical Services Team is comprised of both Trust employees and external contractors. The core function is to deliver and maintain assets to a reasonable standard.

### Sewage Management

In 2018-19, the sewage treatment plant operated to standards, with limited downtime. A mechanical service contract was introduced, including quarterly servicing of all plant equipment. Monthly monitoring continued, in accordance with the environmental licence. The plant requires constant monitoring, to ensure this compliance. In 2018-19 the regulatory authority (EPA) has not raised any concerns with the management of the plant.

## Waste Management

All sewage, septic, garbage waste and refuse is removed and recycled where possible. Trees that are trimmed or removed, are mulched, distributed to garden beds and re-used for landscaping improvements.

Waste management has remained the same, however we introduced a worm farm to reduce bio-waste. In 2019-20 the Trust will take over the waste management function, and we hope that recycling and other sustainable practices can be introduced.

## Water Management

Drinking water management has been problematic, with two boiled water notices issued during summer. These were caused by environmental factors, out of the Trust's control. However, more work needs to be done to future-proof the Trust from the risks of a changing environment. A leading water management firm has been engaged to look at drinking water management and provide solutions to these ongoing concerns. This means in 2019-20 the Trust should move toward a more secure drinking water management plan.

## Energy Management

The power supply has remained stable, with no significant disruptions from the internal infrastructure. Moving to the state government contracted electrical supplier has shielded the Trust somewhat from increased electricity prices. Meter boxes were upgraded to both Burma Road and the pump house. Burma Road required a new compliant box, which was quite costly, but made infrastructure compliant with modern standards. A new service contract was also entered into, for servicing the backup generators, which will ensure this essential plant is working at all times.

The Trust has reviewed and is compliant with its Energy Management Policy. The Trust continues to install energy efficient light bulbs throughout Caves House, and also to upgrade show cave lights to low voltage, as existing lights fail.

## Accommodation Building Maintenance

Caves House received the most focus for the team. Caves house has had limited capital spend in the last ten years, so as the building deteriorates with age, maintenance costs increase. During the year, the main focus was to keep Caves House safe and functioning for guests, within the constraint of budgets and limited capital. This is problematic, due to low occupancy levels. 2019-20 will see the start of capital injection for Caves House from grant funding, which is desperately needed to improve this valuable historical asset.

No significant work was done on the Mountain lodge and Gatehouse in 2018-19, but there were minor repairs, to ensure the buildings are occupiable. Mountain Lodge ceilings were replaced in two bathrooms, and there was minor work to furniture and fittings. The Gatehouse had minimal work, but did receive priority plumbing work for water leaks.

The Jenolan Caves Cottages had minor capital work. New roofs were installed to replace poorly insulated ones where water had damaged the ceilings. There were ongoing issues with fire panel damage in the cottage precinct, with the local elements being a contributing factor. Shelters have been built to protect the cottage barbeques from the elements. Also steel and concrete fire pits were built, to discourage guests from lighting fires on grassed areas during the colder months.

The Ticket Office has received some minor work including new air-conditioning units and lighting. However, many maintenance requests were put on hold, in anticipation of upgrades in the next couple of years.

## Zone Management

In 2018-19, most of the Team's focus in the Visitor Use and Services Zone was driven by risk reduction. Geological hazards have been problematic, with several significant rock falls, in crucial visitor areas. On occasion, this has forced the Trust to close off certain areas, to protect the public. Several times during the year, a geotechnical engineer was contracted to assess slopes and advise the Trust on the best mitigation methods. This included contracted rock scaling in the Devil's Coach House Cave, which reduced the rock fall risk and allowed public entry via the Blue Lake Loop walk.

There were several landslips on the hills adjacent to the car parks. These were cleaned up, but more work needs to be done to prevent further erosion on these slopes.

Several trees were assessed for risk. This included identification, tagging and geolocation of trees that possibly posed a threat to the public. An arborist was used to reduce and remove trees identified as high risk. This significantly reduced the likelihood of a tree fall and helps the Trust better understand and reduce hazards in this area of the business.

Another risk-related project was the grading of Bellbird and Burma roads. These two roads were in poor condition, with potholes and poor drainage. Road base and fill were compacted and graded, to repair the road surface. Now the shape of the road complies with standards for strategic thoroughfares.

There has been significant feral pig incursion, which has caused erosion and may have contributed to rock falls. The Trust is working with the National Parks and Wildlife Service to control feral animals in 2019-20.

Day to day Technical Services operations in the Reserve include car parking, gardening and rubbish collection. There have been no significant changes in this area of the business, and they continue to function as per the previous financial years.

## Personnel, Safety and Training.

The Team has seen the addition of two positions in 2018-19, with the newly created Senior Asset role filled in September 2018, and an additional maintenance office role approved in March 2019. The remainder of the team was stable, with no turnover. One maintenance officer has been on extended leave, but an internal expression of interest saw the role covered by a casual cave guide. A one-team mentality has been growing, and increased collaboration is happening across departments, which has been positive.

There has been an increased focus on safety in 2018-19. There was significant support from both National Parks and Wildlife Service and the Department of Planning and Environment, with more of their staff assisting the Trust address matters of concern. Many departmental processes are now being adopted by the Trust, such as the WorkSafeOnline system to record and rectify workplace hazards, near misses, incidents and safety interactions.

In 2018-19, the Trust provided training for staff at Working at Height and Working in Confined Spaces courses, as well as accredited training in Skid Steer and forklift operation. There was internal training for sewerage treatment plant operations, and peer on peer training for water sampling. This cross-skilling has been popular with staff and has made it easier to cover leave.

## Vehicle Plant and Equipment

The fleet did not change in 2018-19. The decision was made to extend all lease vehicles from 3 to 5 years due to the low utilisation and condition of the utilities. The Skid Steer is now better utilised due to increased training and operator skill. A small excavator was hired. The truck has had some minor refurbishment and it still proves reliable to collect firewood and to move aggregate and bulk rubbish. 2019-20 will see the introduction of the rubbish compactor truck.



## Cave Maintenance

Technical Services supports Cave Operations through radio communication and by supplying electricians, plumbers and welders, both internal and contractors.

In 2018-19, Technical Services supplied and installed new lighting the Grand Arch, replacing mercury based lights with LED, giving the Grand Arch formations a more natural appearance for visitors driving through at night. Technical Services has also assisted Cave Operations to resolve many lighting issues, as the caves change from halogen lights to LEDs and helped install earth leakage systems on the older lighting systems.

As chlorine cannot be used inside the caves, Technical Services has installed large water filters. These remove chlorine from the water that is used for cleaning the caves while ensuring that drinking water remains chlorinated. In 2019-20 it is planned to install a full, separate Chlorine free water supply for cleaning the caves.

## Looking Ahead

2019-20 will see a lot of changes to visitor areas. The upcoming projects make it an exciting time for all concerned. For the Technical Services Team, there will be some changes to processes, such as waste management and the introduction of an electronic asset management system. The team will take on more responsibility for land management, including more track and trail work. Grounds and gardens will have a higher focus while the Caves House accommodation is being renovated.

To sum up, 2018-19 was very productive, and 2019-20 will only improve on this.

James Armstrong,  
Manager Tech Services  
Jenolan Caves Reserve Trust  
July 2019

## Management and Achievements – Marketing

The marketing team consisted of one full time marketing coordinator, supported by a contracted sales representative. Several staff from other departments have assisted with social media, editorials and development of a new audio tour. \$265,336 was spent on marketing to Jenolan's many target markets, both demographic and geographic.

### Target Market - International Tour Groups

To attract this market, there were 14 familiarisation visits (famils) for tour operators and travel agents from Japan, China, Korea, Taiwan and Malaysia. A new Chifley Cave audio tour in Korean and Chinese was developed, and has been very well received. Three staff attended the Australian Tourism Exchange in Perth, held over 5 days, including meeting appointments with over 100 international travel personnel and journalists. The sales representative made regular sales calls in Sydney to inbound tour operators. These activities have produced an increase in tourists arriving via inbound tour operators. Also, Hoju Pacific Tours, is now bringing Korean tourists daily for tour and lunch in Chisolm's Restaurant.

### Target Market - International Self-Booked

To attract international tourists who self-book, and often self-drive, five famils were hosted for journalists and film crews from Indonesia, Japan, India, Malaysia and France. The Trust worked with *Tripadvisor/Viator* and *Booking Boss* to establish direct online bookings. This has been very successful, with over 200 bookings in June alone. A professional underground photoshoot was organised. The resulting iconic images were used in seven Facebook ads, reaching 490,542 people in other countries and were clicked 35,662 times. The highest numbers of independent international tourists came from the US, UK, Germany, Singapore, Canada, Japan, India, NZ and

France. There was a 15% increase in ticket sales by self-driving foreign tourists. However ticket sales by day tour operators, such as *AAT Kings* and *Gray Line*, who bring a mix of domestic and international passengers, were down by 13.5%.

### Target Market – Interstate Residents

To attract interstate residents who self-book and often self-drive, families were hosted for an *NRMA* journalist, a film crew from Destination NSW, two bloggers, and an *Instagram* expert. Jenolan participated in seasonal *Facebook* competitions, as a member of the *Blue Mountains Attractions Group*. Nine e-newsletters were issued, to a database of over 58,000 subscribers. An ad was placed in the *Melbourne Age* and three *Facebook* ads were created, mainly focusing on accommodation. The *Facebook* ads reached 137,150 people and were clicked 5,887 times. Ticket sales to interstate residents were 8.5% higher than in 2017-18.

### Target Market – Residents of Sydney, ACT, Blue Mountains & Central West

To attract people who live within a three-hour drive of Jenolan, ads were placed in the *Sydney Morning Herald*, *Sun Herald*, *Newcastle Herald* and *Canberra Times*, and a family was hosted for a Sydney journalist. The long-standing offer in the popular *Entertainment Book* was more successful than ever, with approximately 1,500 coupons redeemed. Three *Facebook* ads were created, which reached 126,983 people and were clicked 2,263 times. Cave tour ticket sales were 4.6% higher than in 2017-18.

### Target Market - Locals

This year, there was a special effort to attract people who live in Oberon, Lithgow and Bathurst, by focusing on Chisolm's Restaurant. A professional food photoshoot was organised, and the resulting great images were used mainly in the local newspaper, the *Oberon Review*, and in 6 *Facebook* ads, that reached 91,989 people and were clicked 3,532 times. On fortnightly interviews, with *Bathurst radio 2BS*, our activities were promoted, along with a 50% locals discount. Jenolan images are now displayed on the new *Bathurst Explorer* bus. This year, cave tour ticket sales to locals were 41.7% higher than in 2017-18 – a great result.

### Target Market – Travellers

To attract people who are in the process of travelling, but who did not plan to travel to Jenolan, ads and editorials continued in two tourist magazines, *Discover the Blue Mountains* and *Blue Mountains Experience*. Ads were placed in a popular Sydney hotel concierge map and in *This Week in Sydney* magazine, which is distributed in Sydney hotels and airport. Forty thousand brochures were distributed throughout the Blue Mountains and displayed in a range of local Visitor Information Centres plus The Rocks in Sydney. Ads were placed in the new *Bathurst Regional Guide* and *Oberon Visitor Guide*. Online, paid listings and ads continued in [www.bluemts.com.au](http://www.bluemts.com.au), and regional websites. Jenolan is also listed in high profile tourism websites, [visitnsw.com](http://visitnsw.com), [australia.com](http://australia.com), [nationalparks.nsw.gov.au](http://nationalparks.nsw.gov.au) and more than 1,400 other websites.

### Target Market – School Groups

To attract school students, ads were created in *Facebook*, *Google Ads* and in *Teacher Magazine*. Free tours were offered to teachers. School ticket sales increased by 22% - a successful result.

### Target Market – Active Seniors

To attract this vital mid-week market, a full-page ad was placed in the *Active Retirees Magazine*, which goes to *Probus Club* members, Australia-wide. The Caves House ad in the *Greater Blue Mountains World Heritage Area* guide was updated. Four ads were created in *Facebook*, which reached 154,655 people over age 55, and were clicked 6,146 times. Sales of Jenolan's Australian Age Pensioner tickets and Senior's Card holder tickets

declined by 10.4% in 2018-19. However, plenty of active seniors also purchased Jenolan's 'participator' tickets, which are purchased by visitors of all ages.

### Target Market – Adventure Seekers

To attract adventure seekers for Jenolan's Adventure Caving products, the long-standing *YHA* member discount continued. One ad was created in *Facebook* which reached 33,222 people and was clicked 1,302 times. Images of all adventure caving participants were made available online, allowing participants to download and share with their family and friends. However, sales of adventure tour tickets declined 14%.

### Target Market – Families

To attract families, the Trust donated family cave tour prize vouchers to 244 community fundraising events. Three *Facebook* ads reached 92,463 parents of school age children, and were clicked 5,644 times. Although family cave tour ticket sales declined 8%, plenty of families purchased 'adult' or 'participant' tickets on tours where 'family' tickets were not offered.

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

In 2018-19, 431,224 people viewed the Jenolan Caves website. It was pleasing to see that of those people, 429,989 were new to the website. There were 620,646 sessions and 2,765,092 pageviews. The website was viewed from 184 countries. The most users were from:

Australia	367,564	Singapore	4,273	Hong Kong	2,392	Brazil	1,571
US	16,429	Taiwan	4,000	India	2,055	Italy	1,093
Malaysia	8,201	NZ	3,687	Japan	1,737	Germany	1,044
UK	4,693	Canada	2,822				

The high number of users from Malaysia and Taiwan was due to successful *Facebook* ads targeting those regions. The website was viewed in many languages, for example, 10,767 viewed it in Chinese. For tour sales, the website had an excellent conversion rate of 3.76%.

### Social Media

In 2018-19, Jenolan's *Facebook* page acquired 2,981 new followers, bringing the total to 52,773, mostly female, 63%. Staff posted approximately 300 times to *Facebook*. One post reached over 108,000 *Facebook* users organically, and another reached over 118,000, also organically. Twenty-nine paid *Facebook* ads were posted. The paid ads reached a total 1,142,992 people and were clicked 57,511 times.

In *Instagram*, Jenolan has 4,806 followers. Jenolan has business pages in Google, Pinterest and LinkedIn, but placed minimal focus on those pages in 2018-19.

### Surveying Customers

During 2018-19, Jenolan's online survey was completed by 1,946 visitors and hotel guests, providing many useful insights that affect marketing, including:

- The last 12 months saw a slightly higher percentage of visitors (who booked online) staying for at least one night.
- 22% of domestic visitors brought friends and relatives with them from overseas.
- 17% of NSW visitors brought friends and relatives with them from interstate.
- *Facebook* usage increased by 3.2%, but *Instagram* usage increased by 9%.
- First-time visits to Jenolan increased by nearly 4%.

- To gain information about where to holiday, people relied increasingly on the Internet, and less on traditional sources.
- There was a slight increase in visitors who bought 2 cave tour tickets, instead of one.
- The main intangibles that people looked for at Jenolan were 'an experience you can't get elsewhere', nature, the 'magic' of Jenolan and adventure.

Carolyn Melbourne,  
Marketing Coordinator  
Jenolan Caves Reserve Trust  
July 2019

## Customer Response

A Visitor Monitoring Program has continued through 2018-19, to provide feedback on a range of issues. Feedback is obtained via the following methods:

- onsite customer feedback surveys,
- feedback provided to staff,
- Visitors Book comments, and
- online surveys.

The collected data is evaluated, discussed at management meetings and used in the development of management actions.

## Management and Achievements – Information Technology

During 2018-19 the Trust has continued to see the installation of new PCs for various roles around the site and the installation of additional WiFi access points for Reserve visitors, house guests, Trust staff, volunteers and contractors. The Trust has also improved data security, with multiple additional remote daily backups.

## Digital Information Security Policy Attestation

I, Bob Conroy, am of the opinion that the Jenolan Caves Reserve Trust had an Information Security Management System in place during the 2018-19 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place are adequate to mitigate identified risks to the digital information and digital information systems of the Trust.

There is no agency under the control of the Trust which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

The Trust has maintained certified compliance with ISO 27001 Information technology – Security techniques – Information security management systems – Requirements by an Accredited Third Party during the 2018-19 financial year.





## Research and Development

### Science projects at Jenolan 2018-2019

Prof. Jon Woodhead and Assoc. Prof. Russell Drysdale (School of Earth Sciences, University of Melbourne) sampled calcite from several caves in the Jenolan system, in order to determine the age of the calcite formation. Results are being analysed.

Mr Ross Pogson (Mineralogy & Petrology, Australian Museum) continued studies of phosphate minerals in lower Katies Bower, in the Chifley Cave, finding a previously unreported species, Woodhouseite (calcium aluminium sulphate-phosphate-hydroxide), and re-confirming other phosphates: Hydroxylapatite, Montgomeryite and Crandallite.

Dr Helen Smith (Arachnology, Australian Museum) continued her survey work for troglomorphic or troglobitic spiders at Jenolan, assisted by Anne Musser. Helen has now identified several spider species of interest from both the show caves and wild caves, and contributed an extensive list of invertebrate species at Jenolan during the 2018 Jenolan BioBlitz.

Dr Anne Musser (Palaeontology, Australian Museum/Jenolan Caves Reserve Trust) travelled to the South Australian Museum to identify several species of small native mammals from the Nettle Cave excavation. Work on the excavation is continuing. Anne continues to contribute to the *Atlas of Living Australia*, and has written a report for the *IUCN WCPA Geoheritage Conservation Group*, about the interactions between biodiversity and geodiversity at Jenolan.

Prof. Julia James and colleagues (Sydney University) performed ongoing survey work in the show caves to map the chambers.

A PhD student from the University of Western Sydney has also commenced a doctoral research project which investigates visitor responses to the interpretation of Aboriginal heritage at both Uluru NP and Greater Blue Mountains World Heritage Areas, with a focus on the latter at Jenolan Caves.

Research papers were also published during the year, including those on the microbial biodiversity of speleothems in cave arches at Jenolan Caves and Wombeyan Caves (Vardeh, D.P et al (2018) *Journal of Cave & Karst Studies*. Vol. 80, No.3, pp: 121-132) and on the subaerial stromatolitic stalagmites in Australian Caves including those at Jenolan (Smith, G.K. (2019) *Caves Australia*, No. 208, pp: 3-6).

### BioBlitz

Bioblitzes are intensive biological surveys that record as many species as possible within a limited area. Globally popular, bioblitzes are conducted by scientists, in collaboration with volunteers and the general public ('citizen scientists'). While not a complete record of an area's biota, bioblitzes provide a valuable snapshot of the plants and animals in the area and create hands-on opportunities for public engagement.

Bioblitz weekends are part of the New South Wales NPWS 'citizen science' outreach program. Professional biosurvey specialists (ecologists, mammalogists, ornithologists, herpetologists, invertebrate scientists and botanists) join members of the public, to survey a specific region. The Reserve hosted the 2018 NSW BioBlitz, chosen in part because it was gazetted as a reserve in 1866, and much of the original biota and habitat is still intact. Additionally, there is still much to learn about its flora and fauna. Aims of the 2018 Jenolan BioBlitz were to:

- collect data for the cloud-based *Atlas of Living Australia Biocollect portal*,
- build on previous floral and faunal records for Jenolan,
- increase local community involvement and improve the identification skills of participants, and
- increase the number of citizen scientists.

The 2018 Jenolan BioBlitz had over 100 participants. The event opened with a *Welcome to Country* and smoking ceremony. Activities included small mammal trapping, spotlighting, platypus watches, dawn and dusk bird surveys, daytime reptile surveys, terrestrial and aquatic invertebrate surveys and, in a bioblitz first, a subterranean invertebrate survey inside the Lucas Cave to search for troglobitic cave spiders.

Taronga Zoo brought its ever-popular Zoomobile to join the activity at Jenolan Caves. Booths displayed information from the Office of Environment and Heritage *Save Our Species* Program; the Foundation for National Parks and Wildlife; and the National Parks Association. Volunteers from Sydney University and International Volunteers for Peace provided much-needed support for survey work, helped with food preparation and other tasks.

Over 400 species were recorded: 84 native plants, 48 introduced plants, about 200 invertebrates, five frog species, four reptile species, 50 bird species, and 15 mammal species.

Six threatened species were recorded, including several endangered Brush-tailed Rock-wallabies, a Spotted-tailed Quoll, and several species listed as 'vulnerable' in NSW, including a Flame Robin, Gang-gang Cockatoos, a Sooty Owl, a Koala and a Greater Glider.

Around 200 invertebrate species were found, including spiders, an earwig, moths, a cockroach and numerous water bugs (stoneflies, mayflies, water beetles, caddisflies, side-swimmers and midges). The exact total is unknown. Spiders were identified, including a trap-door spider. A key specimen of a new blind cave spider was collected in the Lucas Cave.

Over one-third of the plant species recorded were introduced species. The Small-flower Wallaby Grass (*Rytidosperma setaceum*), was found for the first time at Jenolan which continues to demonstrate its value as a biodiversity and geodiversity hot-spot in NSW.

Dr Anne Musser,  
Cave Guide,  
Jenolan Caves Reserve Trust  
July 2019

## Human Resources

### Classification of Positions

Listed below is the classification based on employees who are ongoing or temporary at their substantive levels.

	2016/17	2017/18	2018/19
Director	0	1	1
Clerk 11/12	1	1	1
Clerk 9/10	1		2
Clerk 7/8	1	2	2
Clerk 5/6	1	2	2
Clerk 1/2	1	3	4
Manager Caving Operations	1	1	1
Deputy Manager Caving Operations		1	1
Guides	22	21	18
Maintenance Officer	3.5	3	5
Team Leader (Electrical)	1	1	1
Trades Officer	2	4	4
Customer Service Officer	35	23	22

## Exceptional Movements in Remuneration

Effective in the first full pay period of July 2018, a 2.5% salary increase was paid to clerical officers, in accordance with the *Crown Employees (Public Sector - Salaries 2018) Award*. Salaries contained within the *Crown Employees (Jenolan Caves Reserve Trust) Salaries Award 2017* were also increased by 2.5%, consistent with government wages policy. The *Statutory and Other Offices Remuneration Tribunal* determined an increase of 2.5% for Senior Executives, effective 1 July 2018. No other adjustments to recruitment or retention allowances were made.

## Recruitment Statistics

	2018-19		2017-18		2016-17		2015-16	
	Men	Women	Men	Women	Men	Women	Men	Women
Permanent full time	11	10	7	7				
Permanent part time	4	2	3	3				
Temporary full time	9	16	13	21				
Temporary part time	3	11	5	16	Data not available		Data not available	
Casual	19	19	16	11				
<b>Total</b>	<b>46</b>	<b>58</b>	<b>44</b>	<b>58</b>				
Percentage	44%	56%	43%	57%	43%	57%	39%	61%

In all, there are 66 full and part time positions covering the site. A wide range of flexible working arrangements are available to staff in all departments. In addition, there is a casual workforce of 38, to supplement the Trust's team in the Cave Operations, Technical Services and Hospitality divisions.

The Trust's estimated full time equivalent staff number (FTE), as at 30 June 2019, was 57.33.

## Consultants

Throughout 2018-19, the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

- Equal to or more than \$30,000
  - E & S Consulting.....\$147,606
  - Morse Consulting.....\$52,486
  - Crown Project Services.....\$61,649
  - McGregor Coxall.....\$29,519
- Under \$30,000
  - Financial Consultancies.....\$20,065

TOTAL CONSULTANCIES.....\$311,325

## Training

- Total training costs for the year were \$73,219
- Total paid staff hours for external training were:
  - 2016/17 \$49,040,
  - 2017/18 \$64,210,
  - 2018/19 \$33,657

Accredited training courses undertaken during the 2018-19 financial year included Food Handlers, Food Safety Supervisor, Chainsaw, Skid Steer and Forklift Operations, First Aid, Working at Height, Working in Confined Spaces, Fire Extinguisher Safety and Fire Warden.

## Workforce Diversity

The Trust strives to ensure that its work place is free of discrimination and harassment, and that the Trust's practices and behaviour do not disadvantage people because they belong to a particular group. Investment in diversity and inclusion initiatives in the next year will allow us to grow as an organisation and to provide quality experiences to guests and visitors.

In the *2018 People Matter Survey (PMES)*, Jenolan achieved 65% on the *Diversity and Inclusion* index. Although there is still room for improvement, Jenolan is proud that 68% of its employees agreed that "Personal background is not a barrier to success in my organisation" and 60% agreed that "My organisation respects individual differences (e.g. cultures, working styles, backgrounds, ideas)".

	Women	Aboriginal and/or Torres Strait Islander People	Employees whose first language is not English	Employees with a Disability
Benchmark	50.0%	3.3%	23.2%	5.6%
2018-19	55.8%	1.0%	8.7%	0.0%
2017-18	56.9%	1.0%	10.0%	0.0%

**Note 1:** The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

**Note 2:** The *NSW Public Sector Aboriginal Employment Strategy 2014–17* introduced an aspirational target of Aboriginal employment of 1.8% by 2021 in each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

**Note 3:** A benchmark from the *Australian Bureau of Statistics (ABS) Census of Population and Housing* has been included for people whose first language spoken as a child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.

**Note 4:** In 2017 a new NSW public sector target was announced of 5.6% of all staff with a disability or those requiring work-related adjustment to be reached by 2027.

## Disability Inclusion Action Plan

The Trust is continuing to build on strategies to promote and support a workplace free from all forms of discrimination and to meet accessibility compliance throughout our practices, programs and standards, such as inclusive recruitment, workplace adjustments and awareness training. The Trust is a party to the *Planning and Environment Cluster Disability Inclusion Action Plan 2015-2019*.

Accessibility forms a part of any capital works project at Jenolan. Strategies for assisting people with special needs range from the construction of access ramps, to staff members helping visitors adjust to 'closed' cave environments. Jenolan will continue to champion and develop processes to support and remove any barriers to inclusion and accessibility through various initiatives planned in the coming year.

## Multicultural Policies and Services Program

All NSW Government agencies have responsibility for observing the multicultural principles contained in the *Multicultural NSW Act 2000* and implementing a multicultural plan. The Trust, as an entity of the *Planning, Industry and Environment Cluster*, have made a commitment to implementing actions from the *Cluster Multicultural Plan 2018-2021*. The Trust has been able to incorporate targets for cultural diversity within our new strategic plan and continues to research and tailor programs and services to meet the needs of culturally diverse clients.

## Agreements with Multicultural NSW

The Trust did not enter into any agreements with Multicultural NSW under the *Multicultural NSW Act 2000*.

## Work Health & Safety

Jenolan Caves Reserve Trust is committed to the safety of our workforce and regularly monitors and updates the safety risks and mitigating controls, by undertaking safety observations and having proactive and positive safety interactions with staff. Areas of focus include establishing a dedicated WHS resource for Jenolan, the implementation of Work Safe Online (WSO) for hazard and incident reporting, contractor management, plant and equipment and risk management.

## Worker's Compensation and Injury Management

There were 56 near-misses and incidents reported in 2018-19, of which 10 resulted in minor worker's compensation claims. Analysis of the compensation claims accepted in 2018-19 shows the majority of injuries (50%) were slips, trips and falls followed by hitting objects with part of the body and body stressing/twisting.

	2016-17	2017-18	2018-19	Variance
Number of incidents reported	46	35	56	+21
Workers Compensation Claims	2	7	10	+3

The increase in number of incidents report and, by association, the number of claims can be attributed to the growing support for improved safety interactions.

## Notifiable Incidents

There were no improvement notices or infringement penalties imposed on Jenolan Caves Reserve Trust.

## Numbers and Remuneration of Senior Executives

### Senior Executive Officers

Total no: Current year – 1, previous year – 1

Females: Current year – 1, previous year – 1

### Average Remuneration of Senior Executives

Band	Total	Average Remuneration Package
SE Band 1	1	\$209,218

## Requirements Arising from Employment Arrangements

The Trust did not provide personnel services to any statutory bodies.

## Risk Management and Insurance Activities

The Trust has in place an *Audit and Finance Committee* which meets quarterly to review and manage risks. A number of independent audits and assessments were undertaken throughout 2018-2019, to mitigate risk, including *GN Consulting*, which, in conjunction with *Wormald*, also undertook extinguisher and alarm testing and provided the *Annual Fire Safety Statements* for our operational areas.

Monique Pound  
Human Resources Advisor  
Jenolan Caves Reserve Trust  
July 2019

## Internal Audit and Risk Management Policy Attestation

Internal Audit and Risk Management Attestation Statement for the 2018/2019 Financial Year for the Jenolan Caves Reserve Trust

I, Robert Conroy am of the opinion that the Jenolan Caves Reserve Trust has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

### Core Requirements

Risk Management Framework		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
Internal Audit Function		
2.1	An internal audit function has been established and maintained	Non- Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Non- Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Non- Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant



3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' Compliant

### Membership

During 2018-19, the Chair and members of the Audit and Risk Committee are:

- Independent Chair, Malcolm Clinch, 1st July 2015, 30th June 2020
- Non-independent Member 1, Robert Quirk, 1st July 2018 to 30th June 2020
- Non-independent Member 2, David Bragg, 1st July 2015 to 30th June 2020

### Departures from Core Requirements

I, Robert Conroy advise that the internal audit and risk management processes for the Jenolan Caves Reserve Trust depart from the following core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*:

The circumstances giving rise to these departures have been determined by the Portfolio Minister and the Jenolan Caves Reserve Trust has implemented the following practicable alternative measures to meet the core requirements:

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
<b>Non-Compliance</b>	
The agency head must appoint only 'independent members' (including an 'independent chair') to the agency's Audit and Risk Committee from the panel of pre-qualified individuals maintained by the Department of Finance, Services and Innovation (clause 3.1.4).	<ul style="list-style-type: none"> <li>• Resourcing constraints that will materially impact operating budgets, appropriate shared arrangements for compliance cannot be entered into and current or proposed alternative arrangements will achieve outcomes equivalent to the requirements.</li> <li>• A Jenolan Management Advisory Group (JMAG) has been established to oversight the financial and general administration of Trust matters pending the proposed divestment of visitor services. The JMAG comprises the Administrator, senior representation from the National Parks and Wildlife Service, the Trust General Manager and senior management team. An Audit and Risk Sub-Committee of the JMAG has also been established to advise the Administrator. This committee is currently led by a prequalified and independent Chair. The Chair routinely liaises with the Audit Office on behalf of the Trust to provide assurance of the Trust's overall performance and compliance.</li> </ul>

These processes, including the practicable alternative measures implemented, demonstrate that the Jenolan Caves Reserve Trust has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Jenolan Caves Reserve Trust.



ROBERT CONROY  
**Administrator**  
 July 2019

**Contact:** Jodie Anderson  
**Director**  
 02 6359 3919

## Funds Granted to Non-Government Community Organisations

The Trust did not grant any funds to non-government community organisations.

## Legal Change

The Trust was not affected by any judicial decisions.

## Land Disposal

The Trust did not dispose of any land in the 2018/19 financial year.

## Disclosure of Controlled Entities

The Trust did not have any Controlled Entities.

## Disclosure of Subsidiaries

The Trust did not have any subsidiaries.

## Implementation of Price Determination

The Trust was not subject to determination or recommendation of Tribunal.

## Public Interest Disclosures (PID)

There were no known PID's relevant to the Trust.

## Government Information (Public Access) Act 2009

There were no GIPA requests for information relevant to the Trust.

## Promotion

There were no official overseas visits undertaken by staff in the 2018/19 financial year.

## Additional Matters for Inclusion in Annual Reports

### Publications

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.

### Annual Reports

- Printing Annual Report 2018/2019
- 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).

## Payment of Accounts

### Finance and Administration Department

The Finance Team is headed by the Manager Business and Finance, and supported by the Finance Officer and the Creditors/Debtors Officer. The Team is focused on meeting the financial information needs of both internal and external clients. This involves day to day processing, reporting, advice and project participation.

### Annual Financial Statements

Below is a summary from the *Statement of Comprehensive Income* for 2017-2018, compared with 2018-2019.

	2017/18	2018/19
Revenues from continuing operations	\$10,695,978	10,603,000
Total Expenses (Excluding Impairment Expenses)	\$10,341,277	12,417,000
Profit/(Loss) from ordinary activities	\$354,701	(1,814,000)

### Account Payment Performance

Average value of creditor payments processed per month:

Current (within 30 days)	\$ 580,000
Less than 30 days overdue	\$ 29,000
Between 30-60 days overdue	0
Between 60-90 days overdue	0
Over 90 days overdue	0
Percentage of accounts paid on time	95%
Total of accounts paid on time	\$6,612,000
Total of accounts paid	\$6,960,000

Commentary: Payment is made on invoice after authorisation within terms, through the Accounts Payable module of the *Accpac* accounting package.

Credit card use in the Trust has been in accordance with *Premiers Memorandum and Treasurer's Direction*. The electronic transfer of funds using the Westpac Corporate Online facility was continued in 2018/2019.

## Time for Payment of Accounts

The Trust was not required to pay interest for overdue accounts.

## Unaudited Financial Statements

The Trust did not present any unaudited financial statements in the Annual Report.

David Bragg,  
Finance Manager  
Jenolan Caves Reserve Trust  
July 2019

Independent Auditor's Report  
and  
Audited Financial Statements

(see the following pages)



## INDEPENDENT AUDITOR'S REPORT

### Jenolan Caves Reserve Trust

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Jenolan Caves Reserve Trust (the Trust), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Trust in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles 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
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

The Trust's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Trustees of the Trust are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members of the Trust pursuant to section 41C of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Trustees' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.



My opinion does not provide assurance:

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

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

9 October 2019  
SYDNEY

**JENOLAN CAVES RESERVE TRUST**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2019**

8 October 2019

**JENOLAN CAVES RESERVE TRUST**  
**YEAR ENDED 30 JUNE 2019**

**Statement by Members of the Trust**

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

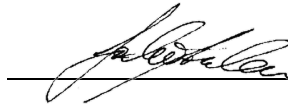
1. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the Treasurer's Directions.
2. The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2019 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.



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**Bob Conroy**  
**Administrator**



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**Jodie Anderson**  
**General Manager**

8 October 2019

*Beginning of audited financial statements*

**Jenolan Caves Reserve Trust**

**Statement of comprehensive income**

**For the year ended 30 June 2019**

		<b>Actual</b>	<b>Actual</b>
		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Expenses excluding losses</b>			
Operating expenses			
Personnel services	2(a)	6,970	6,218
Other operating expenses	2(b)	3,671	3,204
Depreciation	2(c)	1,776	918
<b>Total expenses excluding losses</b>		<b>12,417</b>	<b>10,340</b>
<b>Revenue</b>			
Sale of goods and services	3(a)	10,304	10,409
Investment income	3(b)	166	194
Grants and other contributions	3(c)	106	72
Other income	3(d)	27	20
<b>Total revenue</b>		<b>10,603</b>	<b>10,695</b>
<b>Net result</b>		<b>(1,814)</b>	<b>355</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Net asset revaluation increment/(decrement)	7	-	17,870
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>17,870</b>
<b>Total comprehensive income</b>		<b>(1,814)</b>	<b>18,225</b>

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

**Jenolan Caves Reserve Trust**  
**Statement of financial position**  
**As at 30 June 2019**

		<b>Actual</b>	<b>Actual</b>
		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,080	4,083
Trade and other receivables	5	230	246
Inventories	6	124	124
<b>Total current assets</b>		<b>4,434</b>	<b>4,453</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	32,495	33,938
<b>Total non-current assets</b>		<b>32,495</b>	<b>33,938</b>
<b>Total assets</b>		<b>36,929</b>	<b>38,391</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	1,517	1,215
<b>Total current liabilities</b>		<b>1,517</b>	<b>1,215</b>
<b>Non-current liabilities</b>			
Trade and other payables	9	1,117	1,067
<b>Total non-current liabilities</b>		<b>1,117</b>	<b>1,067</b>
<b>Total liabilities</b>		<b>2,634</b>	<b>2,282</b>
<b>Net assets</b>		<b>34,295</b>	<b>36,109</b>
<b>EQUITY</b>			
Retained earnings/(losses)	11	916	2,730
Contributed equity	10	5,832	5,832
Reserves	11	27,547	27,547
<b>Total equity</b>		<b>34,295</b>	<b>36,109</b>

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

**Jenolan Caves Reserve Trust**  
**Statement of changes in equity**  
**For the year ended 30 June 2019**

		<b>Contributed equity</b>	<b>Reserves</b>	<b>Retained earnings/(losses)</b>	<b>Total</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2018</b>		<b>5,832</b>	<b>27,547</b>	<b>2,730</b>	<b>36,109</b>
Net result for the year	11	-	-	(1,814)	(1,814)
Other comprehensive income:					
- Net asset revaluation decrement	7,11	-	-	-	-
Total other comprehensive income					
Total comprehensive income for the year		-	-	(1,814)	(1,814)
<b>Balance at 30 June 2019</b>		<b>5,832</b>	<b>27,547</b>	<b>916</b>	<b>34,295</b>
<b>Balance at 1 July 2017</b>		<b>5,832</b>	<b>9,677</b>	<b>2,375</b>	<b>17,884</b>
Net result for the year	11	-	-	355	355
Other comprehensive income:					
- Net asset revaluation increment	7,11	-	17,870	-	17,870
Total other comprehensive income		-	17,870	355	18,225
Total comprehensive income for the year					
<b>Balance at 30 June 2018</b>		<b>5,832</b>	<b>27,547</b>	<b>2,730</b>	<b>36,109</b>

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



**Jenolan Caves Reserve Trust**

**Statement of cash flows**

**For the year ended 30 June 2019**

		<b>Actual</b>	<b>Actual</b>
		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Payments to suppliers & employees		(10,291)	(9,408)
<b>Total payments</b>		<b>(10,291)</b>	<b>(9,408)</b>
<b>Receipts</b>			
Receipts from customers		10,454	10,417
Grants and other contributions received		106	72
Interest received		61	100
<b>Total receipts</b>		<b>10,621</b>	<b>10,590</b>
<b>Net cash inflow/(outflow) from operating activities</b>	12	<b>330</b>	<b>1,182</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	7	(333)	(2,979)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(333)</b>	<b>(2,979)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(3)</b>	<b>(1,797)</b>
Opening cash and cash equivalents	4	4,083	5,880
<b>Closing cash and cash equivalents</b>	4	<b>4,080</b>	<b>4,083</b>

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

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

**1. Summary of significant accounting policies**

**(a) Reporting entity**

The Jenolan Caves Reserve Trust (the Trust / JCRT) is constituted as a corporate body under the *National Parks & Wildlife Act 1974*. The Trust's mission is to conserve the natural and cultural resources of the Jenolan Karst Conservation Reserves, and to promote them as leading visitor destinations in a manner which is environmentally, culturally and commercially sustainable.

The principal activities of the Trust are environmental conservation; cave interpretation and provision of accommodation and hospitality facilities at the Jenolan Caves. During 2010/11 the Trust determined, in context of NSW Treasury's Policy Paper TPP05-4, '*distinguishing for-profit from not-for-profit entities*', that its operations are undertaken on a "not for profit" basis, as the making of profit is not the Trust's prime objective. The Trust continues to strive to achieve commercial revenue from its considerable natural and built assets and activities wherever practical, with any surplus funds arising from the Trust's commercial activities being fully retained within the Trust and used to maintain and protect the Caves and related infrastructure managed by the Trust.

The Office of Environment and Heritage (OEH) provides personnel services to the Trust. Personnel services, including related on-cost expenses and liabilities, are recognised in accordance with the NSW Treasury Guidelines TC 15-07 Financial and annual reporting requirements arising from personnel services arrangements.

The Trust's financial statements have been authorised for issue on 8 October 2019.

**(b) Basis of preparation**

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act 1983* (the Act) and *Public Finance and Audit Regulation 2015*, and
- Treasurer's Directions issued under the Act.

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and expressed in Australian currency, which is the Trust's presentation and functional currency.

**(c) Statement of compliance**

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

**(d) Accounting for the Goods and Services Tax**

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

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

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

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

**(e) Comparative information**

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements. Comparative information shown on statements of comprehensive income and note 2(b) has been summarised and grouped in the nature of the expenses and revenue. The net result is unchanged.

Commencing 2018-19, the presentation of current year and comparative amounts in the financial statements have been changed from whole dollars to the nearest thousands.

In 2017-18, defined benefit fund liability was disclosed as a separate note. In 2018-19, this liability has been reclassified as part of personnel services payable and is disclosed in note 9a.

**(f) Changes in accounting policy, including new or revised Australian Accounting Standards.**

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that AASB 16 leases, AASB 15 *revenue from contracts with customers* and AASB 1058 income of not-for-profit Entities, effective from the 2019-20 financial year may have some financial impact though not likely to be significant. Apart from this, the other new standards are not likely to have any material impact.

(i) Effective for the first time in 2018-19

The Trust has adopted AASB 9 *financial Instruments* (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 *financial instruments: disclosures* (AASB 7R).

The Trust applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 *financial instruments: recognition and measurement* (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity.

There has been no impact of adopting AASB 9 on the statement of financial position i.e. there were no increases/(decreases) as at 1 July 2018.

a) Classification and measurement of financial instruments

On 1 July 2018 (the date of initial application of AASB 9), the Trust's management has assessed which business models apply to the financial assets held by the Trust and has classified its financial instruments into the appropriate AASB 9 categories. The assessment did not result in any reclassification of financial instruments, with no impact on reserves or accumulated funds.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Trust. The Trust continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the Trust's financial assets:

- Trade receivables and other financial assets (i.e., term deposits) classified as 'loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- The Trust has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the the Trust's financial liabilities

In summary, upon the adoption of AASB 9, the Trust had the following required or elected reclassifications as at 1 July 2018:

AASB 139 Measurement category	Measurement category		Carry amount		Difference \$'000
	AASB 139	AASB 9	Original \$'000	New \$'000	
Trade receivables	L&R*	Amortised cost	233	233	-

\*Loans & receivables

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

(b) Impairment

The adoption of AASB 9 has changed the Trust's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Trust to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The assessment of the nature of the Trust receivables, adopting the ECL approach did not require any adjustment to the impairment allowance.

(i) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TC 19/04):

- AASB 15, AASB 2014-5, AASB 2015-8 and AASB 2016-3 regarding revenue from contracts with customers (Not-for-profits only)
- AASB 16 leases
- AASB 1058 Income of not-for-profit entities
- AASB 1059 service concession arrangements: grantors
- AASB2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2018-5 Amendments to Australian Accounting Standards - deferral of AASB 1059
- AASB 2018-8 Amendments to Australian Accounting Standards – right-of-use assets of not-for-profit entities

These standards have been assessed for their possible impact on the financial statements, if any, in the period of their initial application. The assessment concluded that, the new standards are not likely to have any material impact.

**2 Expenses excluding losses**

**(a) Personnel service expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including annual leave)	5,490	5,373
Long service leave	120	72
Superannuation	488	496
Worker's compensation insurance	153	123
Payroll tax	327	264
Payroll processing charge	20	19
Total personnel services provided by OEH	6,598	6,347
Defined benefit fund liability (gains)/losses	372	(129)
<b>Total personnel services expense</b>	<b>6,970</b>	<b>6,218</b>

Personnel services are provided by the Office of Environment and Heritage. Refer note 1(a).  
Personnel services are recognised in the period in which they are incurred.

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

**(b) Other operating expenses**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Consultants	285	240
Contract labour	181	25
Repairs and maintenance	467	384
Auditor's remuneration - audit of the financial statements	61	83
Bad debts written off / (recovered)	(3)	3
Bank and credit card fee	52	51
Cleaning	166	184
Insurance	75	78
Marketing	156	112
Motor vehicles	36	32
IT maintenance & supplies	64	82
Printing	9	7
Rental expense on operating leases	50	67
Telephone, postage & internet	105	113
Cost of sales	1,163	1,048
Travel expenses	6	1
Utilities	451	400
Other expenses	347	294
<b>Total other operating expenses</b>	<b>3,671</b>	<b>3,204</b>
 * <i>Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	467	384
<b>Total maintenance expenses included in Notes 2(a) and 2(b)</b>	<b>467</b>	<b>384</b>

**Recognition and measurement - other operating expenses**

Operating expenses are recognised as they are incurred, including fees and services, contractor – projects, advertising, publications and printing and legal costs. Some specific ones are detailed below:

*(i) Maintenance expense*

Day-to-day servicing or maintenance costs are expensed as incurred, except where they relate to the replacement of a material part or component of an asset, in which case the costs are capitalised and depreciated. Refer note 7

*(ii) Insurance*

A range of insurances are carried by the Trust with the New South Wales Treasury Managed Fund. The expense (premium) is determined by the Fund Manager based on past claim experience. Insurance cover is reviewed annually to ensure adequacy.

*(iii) Operating leases*

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

*(iv) Cost of sales*

Cost of sales' consists of those costs previously included in the measurement of inventory that has been sold. Cost of sales is recognised upon the sale of goods and services.

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

**(c) Depreciation expense**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Buildings	931	352
Plant and equipment	158	132
Caves infrastructure	164	163
General infrastructure	523	271
	<b>1,776</b>	<b>918</b>

For recognition and measurement policies on depreciation refer Note 7.

**3 Revenue**

Revenue is measured at the fair value of the consideration or contribution received or receivable. Accounting policies for key income items are disclosed separately below.

**(a) Sale of goods and services**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cave tours and related services	6,008	6,243
Accommodation	1,543	1,636
Gift shop trading	350	283
Food and beverage sales	2,403	2,247
	<b>10,304</b>	<b>10,409</b>

**Revenue recognition and measurement -sale of goods and services**

*(i) Cave tours and related services*

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

*(ii) Accommodation*

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.

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

<b>(b) Investment income</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income ( <i>staff cottages</i> )	105	94
Interest income ( <i>financial institution</i> )	61	100
	<b>166</b>	<b>194</b>

**Revenue recognition and measurement - investment income**

*Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**(c) Grants and other contributions**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants received	106	72

**Revenue recognition and measurement - grants and other contributions**

*(i) Grants*

Grants are recognised as income when the Trust obtains control over the contribution. The Trust is deemed to have assumed control when the grant is received or receivable.

**(d) Other income**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Miscellaneous income	27	20

**4. Current assets - cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank - trading & cheque accounts	3,456	3,305

**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

Bank - cash management accounts	548	577
Special purpose grant account	60	185
Cash on hand	16	16
<b>Total cash and cash equivalents</b>	<b>4,080</b>	<b>4,083</b>

For cash flow statement presentation purposes, cash is cash on hand deposits held with the Trust's bank, plus floats used in daily operations.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of financial position)	4,080	4,083
Cash and cash equivalents (per statement of cash flows)	<b>4,080</b>	<b>4,083</b>

Refer note 13 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**5. Current assets - trade and other receivables**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade and other receivables	213	236
Allowance for expected credit losses*	-	-
Allowance for impairment**	-	(3)
<b>Net trade receivables</b>	<b>213</b>	<b>233</b>
Prepayments	17	13
<b>Total trade and other receivables</b>	<b>230</b>	<b>246</b>

**\*Movements in the allowance for expected credit loss:**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 30 June 2018 under AASB 139	3	-
Balance at 1 July 2018 under AASB 9	3	-
Increase/(decrease) in allowance recognised in net result	(3)	-



**Jenolan Caves Reserve Trust**  
**Notes to the financial statements**  
**For the year ended 30 June 2019**

<b>Balance at 30 June 2019</b>	-	-
<hr/>		
<b>**Movements in the allowance for impairment:</b>		
Balance at 1 July 2017	-	-
Increase/(decrease) in allowance recognised in net result	-	3
<hr/>		
<b>Balance at 30 June 2018 (AASB 139)</b>	<b>-</b>	<b>3</b>
<hr/>		

**Recognition and Measurement – receivables**

All purchases or sales of financial assets are recognised and derecognised on a trade date basis. Purchases or sales of financial assets require their delivery within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

The Trust holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method. Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

***Subsequent measurement under AASB 9 (from 1 July 2018)***

The Trust holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method.

***Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)***

Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

***Impairment under AASB 9 (from 1 July 2018)***

The Trust recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

For trade receivables, the Trust applies a simplified approach in calculating ECLs. The Trust recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

***Impairment under AASB 139 (for comparative period ended 30 June 2018)***

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected

The Trust first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

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The amount allowed for impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

**6. Current assets - inventories**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>For distribution</b>		
Marketing	-	7
Maintenance	6	3
Staff uniforms	7	5
Electrical	6	6
House Keeping	9	13
<b>Total</b>	<b>28</b>	<b>34</b>
<b>For resale</b>		
Gift shop	36	45
Caves House ( <i>incl. Bistro &amp; Restaurant</i> )	60	45
<b>Total</b>	<b>96</b>	<b>90</b>
<b>Total inventories</b>	<b>124</b>	<b>124</b>

**Recognition and measurement – inventories**

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories acquired for nil cost or for nominal consideration is the current replacement cost at the date of acquisition. Current replacement cost is the cost the Trust would incur to acquire the asset.

Shop stocks held for more than its use by date considered unsaleable are treated as obsolete and expensed in the net result for the year.

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Generally, the amount of inventory held is small. The Trust relies on monthly stock taking to identify shop stocks and inventory held for distribution.

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**7. Property, plant and equipment**

Current year	Buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2018</b>								
Cost or fair value	37,135	1,351	31	9,037	17,880	41	318	65,793
Accumulated depreciation and impairment	(22,657)	(893)	(22)	(2,314)	(5,928)	(41)	-	(31,855)
<b>Net carrying amount</b>	<b>14,478</b>	<b>458</b>	<b>9</b>	<b>6,723</b>	<b>11,952</b>	<b>-</b>	<b>318</b>	<b>33,938</b>
<b>At 30 June 2019</b>								
Cost or fair value	37,260	716	30	9,037	17,971	-	408	65,422
Accumulated depreciation and impairment	(23,587)	(388)	(23)	(2,478)	(6,451)	-	-	(32,927)
<b>Net carrying amount</b>	<b>13,673</b>	<b>328</b>	<b>7</b>	<b>6,559</b>	<b>11,520</b>	<b>-</b>	<b>408</b>	<b>32,495</b>
<b>Reconciliation</b>								
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below								
<b>Year ended 30 June 2019</b>								
Net carrying amount at start of year	14,478	458	9	6,723	11,952	-	318	33,938
Additions	-	-	-	-	-	-	333	333
Transfers in/(out) (at WDV)	126	26	-	-	91	-	(243)	-
Depreciation charge for the year	(931)	(156)	(2)	(164)	(523)	-	-	(1,776)
<b>Net carrying amount at end of year</b>	<b>13,673</b>	<b>328</b>	<b>7</b>	<b>6,559</b>	<b>11,520</b>	<b>-</b>	<b>408</b>	<b>32,495</b>

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Prior year	Buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 July 2017</b>								
Cost or fair value	9,066	1,295	30	8,894	9,570	41	89	28,985
Accumulated depreciation and impairment	(6,909)	(762)	(19)	(2,111)	(5,137)	(41)	-	(14,979)
<b>Net carrying amount</b>	<b>2,157</b>	<b>533</b>	<b>11</b>	<b>6,783</b>	<b>4,433</b>	<b>-</b>	<b>89</b>	<b>14,006</b>
<b>At 30 June 2018</b>								
Cost or fair value	37,135	1,351	31	9,037	17,880	41	318	65,793
Accumulated depreciation and impairment	(22,657)	(893)	(22)	(2,314)	(5,928)	(41)	-	(31,855)
<b>Net carrying amount</b>	<b>14,478</b>	<b>458</b>	<b>9</b>	<b>6,723</b>	<b>11,952</b>	<b>-</b>	<b>318</b>	<b>33,938</b>
<b>Reconciliation</b>								
<b>Year ended 30 June 2018</b>								
Net carrying amount at start of year	2,157	533	11	6,783	4,433	-	89	14,006
Additions	2,621	55	-	28	47	-	229	2,980
Net revaluation/impairment <i>(at WDV)</i>	9,785	-	-	(15)	8,100	-	-	17,870
Disposals <i>(at WDV)</i>	-	-	-	-	-	-	-	-
Transfers in/(out) <i>(at WDV)</i>	267	-	-	90	(357)	-	-	-
Depreciation charge for the year	(352)	(130)	(2)	(163)	(271)	-	-	(918)
<b>Net carrying amount at end of year</b>	<b>14,478</b>	<b>458</b>	<b>9</b>	<b>6,723</b>	<b>11,952</b>	<b>-</b>	<b>318</b>	<b>33,938</b>

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**Recognition and measurement - Property, plant and equipment**

*(i) Acquisition of property, plant and equipment*

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

*(ii) Capitalisation thresholds*

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

*(iii) Capital work in progress (WIP)*

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

*(iv) Depreciation of property, plant and equipment*

Depreciation is provided for on a straight-line basis so as to write-off the depreciable amount of each asset as it is consumed over its useful life.

All material, separately identifiable components of assets are depreciated individually over their useful lives.

The useful lives applicable to each asset class are as follows:

Buildings	10 to 40 years
Cave infrastructure	25 to 100 years
General infrastructure	10 to 100 years
Plant and equipment and motor Vehicles	3 to 10 years

*(v) Revaluation of property, plant and equipment*

Physical non-current assets are valued in accordance with TPP 14-01 *valuation of physical non-current assets at fair value*. This policy adopts fair value in accordance with AASB 13 *fair value measurement*, and AASB 116 *property, plant and equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

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Fair value of property, plant and equipment is based on the perspective of market participants', using valuation techniques (market approach and cost approach) that maximise relevant observable inputs and minimise unobservable inputs.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Trust conducts a comprehensive revaluation for each class of property plant and equipment at least every five years. Buildings are revalued every three years. The last comprehensive revaluation of buildings and general infrastructure was performed on 30 June 2018. These revaluations were completed by CBRE Valuations Pty Ltd and Sheldon Consulting Pty Ltd respectively. The last comprehensive revaluation of caves infrastructure was performed on 30 June 2017 and was based on management's assessment

Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim management revaluation was completed for buildings, general infrastructure and caves infrastructure on 30 June 2019. In accordance with the Planning and Environment Cluster's policy on revaluation of physical non-current assets, as the cumulative movement in fair value was assessed as less than 5%, no adjustment was made to fair values in the Trust's financial statements.

Revaluation increments are recognised in other comprehensive income and credited to the revaluation surplus in equity. However, where an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

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.

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

*(vi) Impairment of property, plant and equipment*

An impairment loss, under *AASB136 impairment of assets*, may be recognised when the carrying amount of particular assets exceeds its assessed fair value less costs to sell and value in use. Non-financial assets are periodically reviewed for impairment.

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 is determined to be the depreciated replacement cost of the asset.

*(vii) Fair value measurement of non-financial assets*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the Trust can access at the measurement date

- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly

- Level 3 – inputs that are not based on observable market data (unobservable inputs).

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(viii) *Valuation techniques*

Buildings

The Trust's buildings include Caves House, the primary building, staff and visitor accommodation and other facilities and workshops. These assets are considered specialised as part of the cave experience tourist facility and have high heritage significance. As such the Trust adopts the depreciated replacement cost approach to value its buildings. The total cost to replace each building is depreciated based upon the age and condition of the building.

The gross replacement cost for the individual building assets has been assessed with reference to Rawlinsons Australian Construction Handbook 2018 and gross floor areas. The remaining useful life is assessed based upon physical deterioration and obsolescence, as well as renovation and refurbishment works as inspected. The gross replacement cost is then depreciated based on this assessed remaining useful life of each asset out of the total useful life. These inputs are assessed as level 3 inputs as they include unobservable inputs.

Due to the remote and fixed location and uniqueness of these assets, there is no active markets or observable market prices. In addition as the nature of these assets is considered unique and specialised, the Trust considers there is no feasible alternate use available for these assets.

The Trust does not own land. Land is reserved a national park under *National Parks and Wildlife Act 1972 Act* and is owned and controlled by the National Parks and Wildlife Service within the Office of Environment and Heritage.

The interim revaluation of buildings at 30 June 2019, based on management's assessment, involved the use of published CPI data, Building Price NSW indices and Australian Institute of Quantity Surveyors Building Cost Index.

Infrastructure assets

The Trust revalues its infrastructure assets on a depreciated replacement cost basis, by referencing current market prices, level 2 inputs, for similar source materials and equipment, and relevant labour and installation costs for similar construction types. However, these assets are included in level 3 as these assets have a high level of unobservable inputs. The gross replacement cost is based on current construction cost estimates as published in Rawlinsons Australian Construction Handbook 2018. This cost is then depreciated based on the condition and obsolescence of the asset.

The Trust's management performed a comprehensive valuation of its caves infrastructure at 30 June 2017 using a method approved by the Office of Environment and Heritage. This method involved applying an approved per metre cost to all items of cave infrastructure. Due to the specialised nature of these types of assets, this method developed by the Trust's employees is considered to be the only feasible method of valuing this type of infrastructure.

The interim revaluation of caves infrastructure and general infrastructure at 30 June 2019, based on management's assessment, involved the use of the 3020 non-residential building construction NSW index and the 3101 road and bridge construction index, as published by the Australian of Statistics (ABS).

Plant & equipment

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

A reconciliation of these Level 3 fair value measurements is included within Note 8.



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**8. Fair value measurement of non-financial assets**

**Fair value measurement and hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13 *fair value measurement*, the Trust categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the Trust can access at the measurement date.
- Level 2 – inputs other than quoted prices included within level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The Trust recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Refer note 13 for further disclosures regarding fair value measurements of financial assets.

**(a) Fair value hierarchy**

**2019**

	Level 1	Level 2	Level 3	Total fair value
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment (note 7)				
Buildings	-	-	13,673	13,673
Caves infrastructure	-	-	6,559	6,559
General infrastructure	-	-	11,520	11,520
	-	-	31,752	31,752

**2018**

Property, plant and equipment (note 7)				
Buildings	-	-	14,478	14,478
Caves infrastructure	-	-	6,723	6,723

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General infrastructure	-	-	11,952	11,952
	-	-	<b>33,153</b>	<b>33,153</b>

There were no transfers between level 1 or 2 during the year and the previous year.

**(b) Valuation techniques, inputs and processes**

(i) Valuation techniques and inputs:

Fair value for non-financial assets are calculated on the following basis:

<b>Asset class</b>	<b>Valuation technique</b>	<b>Comments</b>
Buildings	Cost	Based on depreciated replacement cost
Caves infrastructure	Cost (method approved by the Office of Environment and Heritage)	Based on depreciated replacement cost
General infrastructure	Cost	Based on depreciated replacement cost

(ii) Highest and best use:

Non-financial assets are valued on a highest and best use basis, after taking into account their restricted use.

(iii) Level 3 measurements

The Trust's non-financial assets classed as level 3 in the fair value hierarchy are valued using a cost approach given that their use is specialised in nature and they are not actively traded in the marketplace. Cost has been derived using actual costs plus reference to industry costing guides based on the characteristics of the relevant asset.

Comprehensive valuations are conducted at least every five years. Buildings are valued every three years. Interim revaluations are conducted between comprehensive revaluations to assess whether cumulative changes to indicators may change the fair value of assets materially from their carrying value. The Trust engages independent, qualified valuers with appropriate experience in the relevant level 3 category to conduct external valuations.

Annual movements in industry costing guides or relevant indices will result in corresponding changes to the fair value of level 3 assets.

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**(c) Valuation techniques, inputs and relationship of unobservable inputs to fair value**

Type	Valuation technique	Inputs	Valuation process
<p><b>Level 3- Buildings</b></p>	<p>In 2017-18 the Trust engaged CBRE Valuations Pty Limited to provide a comprehensive valuation of buildings using the depreciated replacement cost (DRC) approach to determine fair value.</p> <p>In 2018-19 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer.</p>	<ul style="list-style-type: none"> <li>- Current construction cost estimates as published in Rawlinson's Handbook 2018</li> <li>- Actual comparable construction costs</li> <li>- Total and remaining useful life</li> <li>- Gross floor area</li> </ul> <p>The interim revaluation in 2018-19 involved the use of published CPI data, building price NSW indices and the Australian Institute of Quantity Surveyors Building Cost index.</p>	<p>The valuer has determined the fair value of buildings by assessing the replacement cost and making appropriate adjustments for age, condition and functional and technical obsolescence. As the Trust's buildings are considered specialised in nature and have heritage significance, the replacement cost is determined by using modern day equivalent materials and assets with the same size, design and function as the existing buildings, after taking into consideration any obsolescence.</p> <p>The interim revaluation performed in 2018-19 was based on relevant indices provided by an independent valuer. Management considered the assessed movement in fair value immaterial and no adjustment was made to fair values at 30 June 2019.</p>
<p><b>Level 3- Caves infrastructure</b></p>	<p>In 2016-17 the Trust's management performed a comprehensive valuation of its caves infrastructure using a method approved by the Office of Environment and Heritage.</p> <p>In 2018-19 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer.</p>	<ul style="list-style-type: none"> <li>- Construction cost estimates based on actual costs</li> <li>- Total and residual useful life estimates</li> </ul>	<p>This method involved applying an approved per metre cost to all items of cave infrastructure. Due to the specialised nature of these types of assets, this method developed by the Trust's employees is considered to be the only feasible method of valuing this type of infrastructure.</p>
<p><b>Level 3- General infrastructure</b></p>	<p>In 2017-18 the Trust engaged Sheldon Consulting Pty Ltd to provide a comprehensive valuation of its general infrastructure assets. Fair value was determined using the DRC approach.</p> <p>In 2018-19 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer.</p>	<ul style="list-style-type: none"> <li>- Current construction cost estimates as published in Rawlinson's Handbook 2018</li> <li>- Condition of asset</li> <li>- Obsolescence of asset</li> </ul> <p>'3101 road and bridge construction NSW' and '3020 non-residential building construction NSW', as published by the Australian Bureau of Statistics (ABS).</p> <p>The interim revaluation in 2018-</p>	<p>Rawlinson rates were used to develop asset unit rates, indexed to 30 June 2018 using the producer price indices for road and bridge construction and non-residential building construction, published by the Australian Bureau of Statistics. These rates were adjusted for regional indices (documented by Rawlinson) and for site factors.</p> <p>The interim revaluation performed in 2018-19 was based on relevant</p>

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		19 involved the use of ABS indices '3101 road and bridge construction NSW' and '3020 non-residential building construction NSW'.	indices provided by an independent valuer. Management considered the assessed movement in fair value immaterial and no adjustment was made to fair values at 30 June 2019.
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**(d) Reconciliation of recurring level 3 fair value measurements**

<b>2019</b>	<b>Buildings</b>	<b>Caves infrastructure</b>	<b>General infrastructure</b>	<b>Total recurring level 3 fair value</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value as at 1 July 2018	14,478	6,723	11,952	33,153
Additions	-	-	-	-
Net revaluation increment/(decrement)	-	-	-	-
Transfers in/(out) (at WDV)	126	-	91	217
Depreciation	(931)	(164)	(523)	(1,618)
Fair value as at 31 March 2019	<b>13,673</b>	<b>6,559</b>	<b>11,520</b>	<b>31,752</b>
<b>2018</b>	<b>Buildings</b>	<b>Caves infrastructure</b>	<b>General infrastructure</b>	<b>Total recurring level 3 fair value</b>
	<b>\$'000</b>	<b>\$'000</b>		<b>\$'000</b>
Fair value as at 1 July 2017	2,156	6,783	4,433	13,372
Additions	2,622	28	47	2,697
Net revaluation increment/(decrement)	9,785	(15)	8,100	17,870
Transfers in/(out) (at WDV)	267	90	(357)	-
Depreciation	(352)	(163)	(271)	(786)
Fair value as at 30 June 2018	<b>14,478</b>	<b>6,723</b>	<b>11,952</b>	<b>33,153</b>

**9. Trade and other payables**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current liabilities</b>		
Customer deposits (refundable)	142	159
Trade payables	262	342
GST payables	51	86
Accrued expenses	-	3
Personnel services (a)	1,053	588

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Audit fees	9	36
Total current trade & other payables	1,517	1,215
<b>Non - Current liabilities</b>		
Personnel services (a)	1,117	1,067
Total non - current trade & other payables	1,117	1,067
<b>Total trade and other payables</b>	<b>2,634</b>	<b>2,281</b>

**Recognition and measurement - payables**

Payables represent liabilities for goods and services provided to the Trust and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest are measured at the original invoice amount where the effect of discounting is immaterial. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

**(a) Personnel services**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued employee costs/personnel services	82	71
Employee benefits - annual leave	335	297
Employee benefits - long service leave	452	384
Defined benefit superannuation	184	(164)
<b>Total current</b>	<b>1,053</b>	<b>588</b>
<b>Non-current</b>		
Employee benefits - long service leave	86	60
Defined benefit fund superannuation	1,031	1,007
<b>Total non-current</b>	<b>1,117</b>	<b>1,067</b>
<b>Total personnel services</b>	<b>2,170</b>	<b>1,655</b>

**Recognition and measurement - personnel services**

**Employee benefits and related on-costs**

Since the Administrative Arrangement Order 2014, all employees are under the employment of OEH, therefore salaries and wages, annual leave and on-costs are classified as personnel services expenses and provisions for annual leave, long service leave and defined benefit superannuation plans are recognised as payables.

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

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Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled within 12 months of the end of the period in which the employees render their services are recognised and measured at the undiscounted amounts of these benefits. Annual leave entitlements which are not expected to be taken wholly within the next 12 months are required to be measured at present value under AASB119 Employee Benefits. As the Trust does not require staff to nominate expected periods of leave to be taken in the next twelve months, it is unable to determine a possible value for accumulated leave that may be taken after the next 12 months. The Trust considers that, as its total annual leave liability totals \$335k (2018: \$297k), the discounting of a minor component of that liability for a 1-year period would be immaterial to the total value reported

**ii) Long service leave**

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. At balance date, the current liability has been determined as \$452k (2018: \$384k) and non-current liability \$86k (2018: \$60K)

**iii) Superannuation**

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

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

**10. Contributed equity**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance 1 July	5,832	5,832
Current year movement	-	-
<b>Balance 30 June 2019</b>	<b>5,832</b>	<b>5,832</b>

**11. Reserves and retained profits**

**(a) Reserves\***

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance 1 July	27,547	9,677
Net asset revaluation increment/(decrement)	-	17,870
<b>Balance 30 June 2019</b>	<b>27,547</b>	<b>27,547</b>

\*includes revaluation reserve arising from periodic revaluation of the Trust's non-current assets.

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**(b) Retained profits**

Balance 1 July	2,730	2,375
Result for the year	(1,814)	355
<b>Balance 30 June 2019</b>	<b>916</b>	<b>2,730</b>

**12. Reconciliation of cash flows from operating activities to net result**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash used on operating activities</b>	<b>330</b>	<b>1,182</b>
Depreciation & impairment	(1,776)	(918)
Increase/(decrease) in receivables	(16)	70
Increase/(decrease) in inventories	-	12
(Increase)/decrease in trade & other payables	20	(94)
(Increase)/decrease in provisions & defined benefit fund net liability	(372)	103
<b>Net result</b>	<b>(1,814)</b>	<b>355</b>

**13. Financial instruments**

The Trust's principal financial instruments are outlined below. These financial instruments arise directly from its operations or are required to finance those operations. The Trust does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes.

The main risks arising from financial instruments are outlined below, together with the Trust's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Trust has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls, and to monitor risks.

**(a) Financial instrument categories**

i. As at 30 June 2019 under AASB 9

	<b>Note</b>	<b>Category</b>	<b>Carrying amount</b>
			<b>2019</b>
<b>Financial assets</b>			<b>\$'000</b>
<b>Class:</b>			
Cash and cash equivalents	4	N/A	4,080
Receivables <sup>1</sup>	5	Receivables (at amortised cost)	213
<b>Financial liabilities</b>			

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**Class:**

Payables <sup>2</sup>	9	Financial liabilities measured at amortised cost	1,324
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Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

ii. As at 30 June 2018 under AASB 139

	Note	Category	Carrying amount
			<b>2018</b>
<b>Financial assets</b>			<b>\$'000</b>
<b>Class:</b>			
Cash and cash equivalents	4	N/A	4,083
Receivables <sup>1</sup>	5	Loans and receivables (at amortised cost)	233
<b>Financial liabilities</b>			
<b>Class:</b>			
Payables <sup>2</sup>	9	Financial liabilities measured at amortised cost	969

Notes:

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).
2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7).

The Trust determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

**(b) Derecognition of financial assets and financial liabilities**

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Trust transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the Trust has not transferred substantially all the risks and rewards, if the Trust has not retained control.



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Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**(c) Financial risks**

**(i) Credit risk**

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash, receivables, and authority deposits. No collateral is held by the Trust. The Trust has not granted any financial guarantees.

Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

The Trust considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Trust may also consider a financial asset to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Trust.

**Cash and cash equivalents**

Cash comprises bank balances at the Trust bankers. Interest is earned on the minimum monthly balance.

**Receivables – trade debtors**

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

The Trust applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Trust has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade debtors as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows:

	<b>30 June 2019</b>
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	\$'000					
		<30	30-60	61-90	>91	
	Current	days	days	days	days	Total
Estimated total gross carrying amount	84	2	1	-	-	87
Expected credit loss	-	-	-	-	-	-
	<b>1 July 2018</b>					
	\$'000					
		<30	30-60	61-90	>91	
	Current	days	days	days	days	Total
Estimated total gross carrying amount at default	97	1	3	-	-	101
Expected credit loss	(3)	-	-	-	-	(3)

**Notes**

The analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position and note 5.

The Trust is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. Most of the trust's debtors have a high credit rating.

*Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).*

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debtors which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the Trust will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30-day terms.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the statement of financial position.

For the comparative period 30 June 2018, the ageing analysis of trade debtors is as follows:

	\$'000
Neither past due nor impaired	97
Past due but not impaired	4
< 3 months overdue	-
3 months - 6 months overdue	-
> 6 months overdue	-
Impaired	

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<b>&lt; 3 months overdue</b>	3
<b>3 months - 6 months overdue</b>	-
<b>&gt; 6 months overdue</b>	-
<b>Total receivables – gross of allowance for impairment</b>	98

Notes:

The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total recognised in the statement of financial position and Note 5.

The Trust is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2019. Most of the Trust's debtors have a good credit rating.

**(ii) Liquidity risk**

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

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

During the current and prior years, there were no defaults or breaches on any payables. No assets have been pledged as collateral. Exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Trust may automatically pay the supplier simple interest. The applicable rate of interest for the period to 30 June 2019 was 9.9% (2018: 9.8%).

The table below summarises the maturity profile of financial liabilities, together with the interest rate exposure.

\$'000								
			Interest rate exposure			Maturity dates		
Weighted average effective int. rate	Nominal amount <sup>1</sup>		Fixed interest rate	Variable interest rate	Non- interest bearing	< 1 year	1-5 years	> 5 years
<b>2019</b>								
Payables	1,301		-	-	1,301	1,301	-	-
	<b>1,301</b>		<b>-</b>	<b>-</b>	<b>1,301</b>	<b>1,301</b>	<b>-</b>	<b>-</b>

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		\$'000						
		Interest rate exposure			Maturity dates			
Weighted average effective int. rate	Nominal amount <sup>1</sup>	Fixed interest rate	Variable interest rate	Non- interest bearing	< 1 year	1-5 years	> 5 years	
<b>2018</b>								
Payables	969	-	-	969	969	-	-	
	<b>969</b>	<b>-</b>	<b>-</b>	<b>969</b>	<b>969</b>	<b>-</b>	<b>-</b>	

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Trust can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the statement of financial position.

**(iii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to interest rate risk arises primarily through the Trust's interest-bearing liabilities. The Trust does not have any interest - bearing borrowings. The Trust does not account for any fixed-rate financial instruments at fair value through other comprehensive income or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

		\$'000				
		1%			-1%	
		Carrying amount	Net result	Equity	Net result	Equity
<b>2019</b>						
<b>Financial assets</b>						
Cash and cash equivalents		4,080	41	41	(41)	(41)
<b>2018</b>						
Cash and cash equivalents		4,083	41	41	(41)	(41)

**(d) Fair value estimation**

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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.

**14. Commitments**

(a) Capital commitments

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than 1 year	152	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Total (including GST)	152	-

At 30 June 2019, the Trust had no outstanding payments for completed or unfinished capital projects (2018: nil)

(b) Operating leases

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

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than 1 year	64	46
Later than 1 year and not later than 5 years	47	16
Later than 5 years	-	12
Total (including GST) *	111	74

\* includes GST of \$23K

**15 Contingent assets and contingent liabilities**

Applications for native title under the *Native Title Act 1993* and for declarations under the *National Parks and Wildlife Act 1974* have been made and resolved over various areas of land which may ultimately have certain operational and financial effects depending on the outcomes and ongoing negotiations. It is not possible to assess the quantum of such effects, if any, that may arise upon finalisation of these applications and ongoing negotiations.

In 2012/13, the Trust received an advance payment from the NSW Environmental Trust (ET) of \$743,718 (the grant) to undertake rectification works within the caves by removing and replacing

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galvanised handrails with stainless steel (Stage 1a) and for an associated educational component (Stage 1b). This grant was disclosed as revenue upon receipt in 2012/2013.

The Stage 1a works were commenced during 2013/14 and continued through to 2017/18. Works undertaken as part of Stage 1a were periodically inspected by ET officers. The inspections confirmed the works were satisfactorily undertaken and a final report on Stage 1a was submitted to the ET in December 2017.

The ET grant agreement also provided for the implementation an approved environmental offset program of works costing \$705,000 to be implemented by the Trust over a ten year period. The Stage 1b educational component and the environmental offset program were both subject to ongoing negotiations and ET approval of draft business plans which had been submitted by the Trust.

At balance date, the Trust retains a balance of \$58,198 in remaining grant funds for the implementation of the Stage 1b educational component. Negotiations between the ET and the Trust regarding the approval of the draft business plans for the implementation of both the Environmental Offset and the Stage 1b works have now been resolved, with the ET offering to acquit all Trust grant obligations. The Trust has formally accepted this offer and is awaiting advice from the ET regarding the return of the remaining uncommitted ET grant funds of \$58,198.

The Trust had no other contingent liabilities at balance date (2018: \$nil).

**16. Related party disclosure**

The Trust's Division was dissolved on the 24 February 2014. Since that date, personnel services have been provided to the Trust by the Office of Environment & Heritage (OEH).

In December 2016, the NSW Treasury released TC16-12 *Related Party Disclosures* to provide guidance for agencies regarding the application of AASB124 *Related Party Disclosures*.

The Trust's Key Management Personnel have been identified as the Administrator (non-Executive) and General Manager roles.

The Trust's key management personnel compensation is as follows:

	2019	2018
	\$000	\$000
Remuneration (including superannuation contributions)	192	172
Post-employment income	18	17

The Administrator received \$37,865.79 as remuneration and the Trust is recovering this from OEH.

During the year, the Trust sought declarations from the Key Management Personnel in relation to actual or potential transactions that may require disclosure under this new Standard. Responses from the Key Management Personnel confirmed the Trust has not entered into any arrangement or transactions with the Key Management Personnel, their close family members or entities controlled or jointly controlled by these individuals.

During 2018/19, the Trust has receivables of \$80,260 from OEH for expenses recoupment (2018: \$72,120).

**17. Post balance date events**

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Under the Administrative Arrangements (Administrative Changes – Public Service Agencies) order 2019, dated 2 April 2019, OEH and the Department of Planning and Environment was abolished on 1 July 2019 and consolidated with the newly formed Department of Planning, Industry and Environment. The Trust will be receiving personnel services from the Department of Planning, Industry and Environment, effective 1 July 2019.

**End of audited financial statements.**



