

2017-2018

Annual Report



jenolan caves  
explore marvel stay

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



The underground river in the Imperial Cave.

# Contact

## **Jenolan Caves Reserve Trust**

4655 Jenolan Caves Road,  
Jenolan Caves NSW 2790  
Australia

ABN: 53 494 853 455

## **Administration Office**

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

## **Cave Operations**

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

## **Technical Services**

Ph: 1300 76 3311  
Fax: 02 6359 330

## **Jenolan Caves House**

Ph: 1300 76 3311  
Fax: 02 6359 3227



View from the balcony  
of the Lucas Cave

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



***Painted by  
Gundungurra artist,  
Tom Brown.***

# Contents

Contact .....	3
Contents .....	5
Our Role .....	7
Administrator's Report .....	9
Director's Report .....	15
Marketing .....	17
Cave Operations .....	23
Hospitality .....	27
Technical Services .....	31
Organisational Chart .....	40
Corporate Resources .....	41
Statutory Information .....	42
Internal Audit and Risk Management Statement .....	47
Independent Auditor's Report .....	<b>50</b>
Financial Statements .....	55



The Chifley Cave.

# Our Role

## 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) (herein referred to as the Jenolan Caves Reserve) within the Jenolan Karst Conservation Reserve. The Trust is responsible to the Minister for the Environment.

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

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

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

## Vision

Our vision is to ensure that the Jenolan Caves Reserve 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 2015–18 was adopted in September 2015 and it commits 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 remain highly relevant to the Trust's operation.



The formal opening of the refurbished Caves Café in May 2018 (L to R: Hon. Paul Toole MP, Member for Bathurst; Bob Conroy, Trust Administrator; Hon. Gabrielle Upton MP, Minister for the Environment; Jodie Anderson, Trust Director; and Councillor Kathy Sajowitz, Mayor of Oberon).



# Administrator's Report

The 2017-18 financial year has seen a consolidation of the last three years of strategic planning and the provision of improved visitor services at Jenolan Caves.

The Jenolan Caves Reserve Trust is a relatively small and financially self-reliant agency, which is part of the Office of Environment Heritage (OEH). The Administrator is appointed by the Minister for the Environment and is accountable to the Chief Executive of OEH, while all Trust staff are seconded from OEH.

The Trust is responsible for managing the visitor use and services zone within the Jenolan Karst Conservation Reserve (3,085 hectares), a zone which contains the primary visitor attractions and services within the Reserve including the show and adventure caves and all accommodation and visitor facilities.

Jenolan Caves is an iconic regional tourist destination in the Central West of NSW. The Caves are located within a Reserve which has state, national and world heritage values, as well as being in the upper catchment of Sydney's Drinking Water Catchment.

The area is well known as a biodiversity hotspot and an area which not only demonstrates many state significant heritage themes, but which also has significance for the Gundungurra Aboriginal people.

2017-18 was another year of achievement at Jenolan Caves particularly in terms of its business operations. Despite visitation being slightly down on the previous years' average, a trend broadly reflected in regional domestic day trip travel, net earnings of \$354,701 were achieved, coming primarily from improved returns from the provision of visitor services such as the provision of cave tours.

This profit will be reinvested in asset and visitor service improvements over the next few years.

Working in partnership with the OEH and local staff from the Blue Mountains Branch of the National Parks and Wildlife Service (NPWS), the Trust has continued to implement high priority projects as identified in its Strategic Plan 2015-18. These included:

## Goal 1: Provide quality visitor facilities, services and infrastructure

- Delivering almost 9,400 cave tours, with 33% of these now being booked on-line and very high satisfaction levels being reflected in visitor feedback;
- hosting the 'best ever' Six Foot Marathon Event in March 2018;
- relocating the Trust gift shop and improving customer service;
- major upgrades to the Caves House passenger and service lifts;
- improving lighting of show caves;
- upgrading of fire services and guest accommodation in our cottages;
- participating in major national and international karst and tourism forums and events, including the signing of a sister park agreement in December 2017 with the Zhijindong Caves Global Geopark in China;



The Deputy Premier, Hon John Barilaro MP, announced \$8.5 million grant.

## Goal 2: Conserve natural and cultural heritage values

- Undertaking further consultation and editing of the draft Reserve Master Plan and Conservation Management Plans;
- Initiating and assisting with two major Aboriginal site surveys of the Reserve;
- Completing restoration works on the Jenolan Schoolhouse and Electricians Workshop;
- Upgrading the sewage treatment plant and ensuring ongoing compliance with the Trust's environmental protection licence;
- Undertaking an independent environmental assessment of the natural values of the Jenolan Caves Reserve which confirmed the natural values of the Jenolan Caves Reserve are in good condition and that visitation and precinct development was having negligible, adverse impacts on surface and subterranean karst environments.
- Renewal of a new 3-year service level agreement for independent karst support and environmental condition assessment services.
- Continuing to encourage scientific research within the Jenolan Caves Reserve, with 15 internal and external scientific papers being produced.

## Goal 3: Strengthen partnerships

The Trust continued to develop strong partnerships and collaborations with:

- Office of Environment and Heritage including the NPWS Blue Mountains Branch; Asset Utilisation Branch and the Landform Rehabilitation Team based at Bathurst;
- Kanangra-Boyd to Wyangala Link Partnership Group, part of the Great Eastern Ranges initiative;
- Oberon Council, Mayfield Gardens and the Blue Mountains Attractions Group on joint regional tourism initiatives including referrals through [bluemtns.com.au](http://bluemtns.com.au);

- Oberon Correctional Facility for maintenance works in the Reserve;
- The Gundungurra Indigenous Land Use Agreement (ILUA) Committee and the Greater Blue Mountains World Heritage Advisory and Management Committees;
- The Australian Museum in offering 'Science in the Caves' to secondary school students and the Museum's Science Festival;
- Australian Caves and Karst Association and the Australian Tourism Export Council;
- The Jenolan Caves Heritage and Protection Society;
- Volunteer bush regenerators, the Jenolan Rural Fire Brigade, university research teams and volunteer speleologists;
- In June 2018, the Trust had almost 50,000 Facebook fans, 3,800 Instagram followers as well more than 3,000 subscribers to the Trust e-newsletter including almost 450 tourism-related businesses.

## Goal 4: Improve organisational effectiveness and sustainability

There has been continued improvement in applying contemporary public sector and business management practices at the Jenolan Caves Reserve, including:

- Preparation and submission of a major funding bid in conjunction with the National Parks and Wildlife Service for improving visitor services within the Visitor Use and Services Zone and nearby areas of the Reserve;
- Training and further alignment and integration of management services with those within the Office of Environment and Heritage;



The Caves Café grand opening

- Ongoing support was provided to the Trust WHS Committee.

Towards the end of the budget year, we were especially pleased to welcome senior government members to two very special events held at Jenolan Caves.

In April 2018 the Deputy Premier Hon John Barilaro MP and member for Bathurst, the Hon Paul Toole MP, Member for Bathurst, visited Jenolan Caves to announce a significant grant to the Trust of \$8.5 million over the next four years from the Regional Growth – Environment and Tourism Fund for three major projects:

- the construction of a new visitor centre in the Grand Arch Precinct,
- the construction of a new walking track circuit in the McKeown’s Valley, and
- the upgrade of the Blue Lake area for visitor use and platypus habitat protection.

In May 2018, the Minister for the Environment and Minister for Heritage Hon Gabrielle Upton MP joined the Member for Bathurst to formally open the refurbished Caves Café.

The refurbishment works, valued at approximately \$2.1million, were very complex and required careful planning to avoid impacts on heritage values but to also deliver quality customer service to our visitors and guests and to improve staff working conditions.

The project was completed by local builders and greatly assisted through the provision of contracted architectural, heritage and project management expertise.

I would like to especially thank the very dedicated and committed Jenolan Caves Reserve Trust staff and our hardworking management team for continuing to show dedication to the mission, aims and objectives of the Trust throughout the year.

I want to particularly thank and acknowledge the contribution of David Bragg as acting General Manager in managing the Trust while a new General Manager/Director was sourced.

In November 2017, I was very pleased to join the Chief Executive of OEH in announcing the appointment of Jodie Anderson as our new General Manager / Director.

Jodie comes to the Trust with a wealth of experience in karst and Crown reserve management, business, hospitality and managing events and tour guiding operations. She will help lead the Trust in the development of a new strategic plan for the next three years.

I would like to take this opportunity to thank the Chair of our Audit and Risk Committee, Mr Malcom Clinch, the Chief Executive of OEH and those many staff members of OEH who have provided specialist and professional advice to the Trust over the past 12 months.

The Trust has also been very fortunate to have the strong and ongoing support of the NSW Government, through the Minister for the Environment and her office.

**Bob Conroy**  
**Administrator**  
**Jenolan Caves Reserve Trust**  
**July 2018**



Trust Director, Jodie Anderson, being interviewed in April 2018 about plans for the use of new grant funding.

# Director's Report

As the new Director of Jenolan Caves, I feel privileged to be joining such an amazing organization in what is a time of exciting change and development. Cave and Karst areas are a unique and sensitive environment that provide a wondrous stage to create connections between our visitors and nature.

It is our vision to ensure that the Jenolan Caves Reserve is highly valued, conserved and enjoyed by present and future generations, while making a significant contribution to regional prosperity. As such, it is great to reflect back on the progress we have made towards achieving our vision over the last year.

This year has seen the completion of a number of major projects for Jenolan Caves, with one of the more visual projects being a \$2.1million refurbishment to the Caves Café.

The new Caves Café was officially reopened by Heritage Minister Gabrielle Upton and Bathurst MP Paul Toole on 22nd of May. The refurbishment also involved refurbishments to the menu and service. With an emphasis on providing a high quality product, professional and friendly service, healthy options, and great coffee.

In November 2017 a new elevator was installed in Caves House. Completion of the \$400,000 project, now provides guests with a beautifully presented and reliable elevator to use during their stay.

Improvements to the visitor experience at Jenolan Caves are set to continue into the future with the announcement that the Trust was successful in securing \$8.5 million, through the Regional Growth Environment and Tourism Fund.

In order to play a greater role in regional prosperity, Jenolan Caves has continued to build relationships with its various stakeholders. One such partnership, which has been strengthened this year, is between Jenolan Caves, Mayfield Gardens and Oberon Council.

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.

To increase our understanding of the Aboriginal connection to the site, an Aboriginal heritage survey was undertaken. The resultant survey has more than doubled the number of previously known sites. This knowledge will help to ensure we continue to protect and conserve the cultural heritage of the site.

The Trust has continued to monitor both staff and visitor safety throughout the year, through an engaged and active Work Health & Safety committee. The Trust is now receiving additional Work Health & Safety support through the Department of Planning and Environment.

Our people are vital to the delivery of our visitor experiences and vital to achieving our vision. As such, whilst we continue to make improvements to Jenolan's physical infrastructure, we will also move into the new year with a focus on supporting, developing and inspiring our people to deliver exceptional visitor experiences.

**Jodie Anderson**  
**Director**  
**Jenolan Caves Reserve Trust**  
**July 2018**



The Chifley Cave



# Marketing

The Trust marketing area has continued to focus on developing and promoting local products and services, creating strong partnerships and enhancing the guest and visitor experience.

This was achieved by detailed planning, with some broad marketing strategies, and strategies that targeted specific demographic and geographic markets, continuing to move away from traditional to online marketing, and measuring the results. Online surveys, Google Analytics, and online booking software enabled marketing decisions to be made, based on first hand findings.

Approximately 1,436 visitors completed Jenolan's online survey, adding to a growing database, which provides invaluable information about Jenolan guests and reserve visitors.

## Research Findings

In 2017-18, 36% of cave tour tickets were purchased remotely, through the new online booking facility. Jenolan's online booking reports show that when individual customers book online, they spend significantly more per session than when they book in person or on the phone. Online purchasers also tend to choose the more expensive tours or the tours that are placed near the top of the list of choices, regardless of their price.

Our reserve visitors consider themselves active but not seeking extreme adventure. The online survey showed that 59% of visitors value a time to explore and discover new things at their own pace. 46% said they look for value for money without hassles.

Adventure, romance, fun for kids, and learning are experiences that can be found in many other holiday destinations. However, most survey respondents expect to find an experience of unspoiled nature at Jenolan, one that is 'magical', unique and relaxing. This suggests that Jenolan should market its unique aspects only.

Very few survey respondents make spur-of-the-moment decisions to visit Jenolan. A massive 95% planned their Jenolan visit before leaving home, highlighting the need to promote to potential visitors online, in their planning stage, and earlier.

37% of survey participants were first time visitors. The rest were repeat visitors, with 23% saying they have visited 3 or more times. 35% brought friends and family to Jenolan, from outside NSW or from outside Australia. That is a very high percentage.

25.7% said that good memories of their last visit made them want to visit again. This reinforces the importance of good customer service and delivering a great overall experience.

Only 18.5% of survey respondents said that Internet information influenced them to visit Jenolan. Yet, 73% said they use Facebook, 42% use YouTube and 38% use Google+. This may indicate that social media users are unaware when they are being influenced on social media.

Survey respondents claim they are rarely influenced by traditional promotions such as posters, magazines, newspapers and TV advertising. They claim to be more influenced by the Internet, friends and social media, perceived as more authentic and trustworthy. Travellers still regard brochures, guidebooks, travel magazines as somewhat relevant, while Facebook ads are not even perceived as ads.

A decreasing number of Jenolan's guests are leaving reviews on TripAdvisor. More are leaving reviews on Booking.com, where they can rate hotels on a range of aspects, resulting in a fairer review. This trend is extremely noticeable and if it continues, is good news for the hotel industry.

People in 181 countries looked at [www.jenolancaves.org.au](http://www.jenolancaves.org.au). Most viewers were in Australia, but over 12,000 were in the US. Significant numbers were in the UK, Singapore, NZ, Canada, India, Hong Kong, Indonesia, Malaysia and Japan.

Jenolan ranks well on search engines. The Jenolan website was viewed 481,997 times. Jenolan has 49,747 followers on Facebook and 3,796 followers on Instagram.



This is an example of new images commissioned to publicise Jenolan accommodation.

## Broad Strategies

This year the Trust was successful in an application for an \$8.5million grant. When this grant was announced at Jenolan, it attracted much needed attention nationwide, by all the major TV stations.

Also, the Trust completed work on the new Caves Café. The café grand opening was covered by all the major TV stations and, again, provided considerable publicity for Jenolan Caves.

Whenever possible, the Trust also promotes other local attractions, such as Mayfield Garden. Promoting the spectacular garden and other nearby tourist attractions, such as Hartley Historic Village, increases visitor motivation to travel beyond the Blue Mountains to Jenolan Caves and into the Oberon region.

The online survey shows that 45% of Jenolan visitors also visited the town of Oberon, only 30 minutes from Jenolan. That is a pleasingly large percentage.

The Trust maintains membership of a range of tourism organizations, including the Blue Mountains Attractions Group, the Blue Mountains Accommodation and Tourist Attractions Group, and Oberon Business & Tourism Association.

These memberships provide shared marketing opportunities, the chance to gain insight from other businesses and to provide assistance to smaller ones.

The Trust takes opportunity to help promote other regional attractions and tour operators in the Blue Mountains and Central West, mainly through free links on the Jenolan website and through social media sharing.

Most traditional strategies have been gradually replaced by online tools, such as regular updates to [jenolancaves.org.au](http://jenolancaves.org.au), a presence on high profile 3<sup>rd</sup> party websites, e-news, and a very strong reliance on social media, especially Facebook.

## Targeted Strategies

Apart from broad strategies, the Trust targets geographic and demographic markets. The two most important are Australian retirees and international travellers, who can come to Jenolan mid-week and in off-peak times.

## International

The Trust provides discounted rates to 136 Inbound tour operators. The most effective strategy for this market was to engage the services of a part time, highly experienced sales representative, who met with inbound tour operators, made numerous sales calls during the year, and greatly strengthening the Trust's relationship with Destination NSW (DNSW).

In turn, this led to a greatly increased number of familiarisation visits from travel agents, and international media, organised by DNSW.

Jenolan also hosted visits from international film crews, journalists and bloggers from around the world, including Japan, Malaysia, Singapore, Germany, China and France.

A member of ATEC, the Trust participated in the Australian Tourism Exchange (ATE) in Adelaide, Australia's largest tourism trade show, for face to face meetings with 90 international travel wholesalers, tour operators and travel agents.

## Retirees

Next to the International market, retirees are Jenolan's most important target market. According to the online survey, 67% of Jenolan's visitors are age 40 or over.

Retirees enjoy the historic ambiance of Caves House. Senior Facebook followers engage most strongly with Jenolan's Facebook posts.

Jenolan offered mid-week, off-peak Groupon packages. Approximately 73% of these packages were purchased by people, age 50 and over.

Jenolan's new tour 'Chifley Secret Chambers', was also well received by the senior market.

As part of the Trust's commitment to help other tourism business in the region, a new accommodation and tour package, targeting seniors, was designed. This mid-week, off-peak package, 'Age and Beauty', was created in conjunction with neighbouring Mayfield Garden, and promotes both businesses.

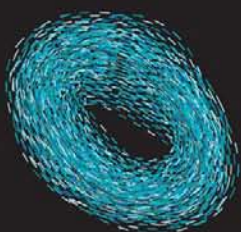
# New programs!

# World's oldest caves!

Enriching experiences for K to 12:

- **NEW** - links to NSW Science curriculum
- **NEW** - **FREE** teacher resources
- **NEW** for Stage 4 & 5 - 'Science in the Chifley'
- **NEW** for Stage 4 & 5 - 'Science Karst Walk'
- The massive Lucas Cave for all stages
- Adventure caving - confidence & teamwork
- Economical prices
- Meals & accommodation

02 6359 3900  
[jenolancaves.org.au](http://jenolancaves.org.au)



## Interstate

The interstate market is vital for the Trust's hospitality business. Jenolan hosted film crews from Australian TV shows, 'Going Places with Ernie Dingo' and 'Escape from the City'.

The Trust established a Social Media Champion program, to encourage staff to post Jenolan news and images to Facebook and Instagram.

Although the Trust's e-news database includes subscribers from all over the world, most are in Australia. This year, the Trust's database increased to over 30,000 readers.

## Schools

The Trust launched 2 new school excursion activities - 'Science in the Chifley' and 'Science Karst Walk'. These tours were promoted by ad packages in popular teacher magazines and by offering free cave tours for primary and secondary school teachers.

## Adventure Seekers

As the Blue Mountains is a major destination for adventurer seekers, the adventure market is vital for Jenolan.

Although Facebook promotions had an excellent reach, the most successful boost for Adventure Caving came through online cave tour bookings.

Complimentary, sharable Adventure Caving photos generated highly effective word-of-mouth publicity.

## Families

The Trust's ongoing support for community fundraising is currently the main method of marketing to families.

This year, prize vouchers were donated to 246 organisations, mainly schools. In turn, many of these organisations promoted Jenolan on their websites, on Facebook and on event collateral.

## Sydney, Central West & the ACT

People who live within a 3-hour drive of Jenolan are a major market. Jenolan continues to enjoy a regular presence on Bathurst regional radio.

Jenolan was also fortunate enough to feature on 'Sydney Weekender' and to receive a great review in the Sydney Morning Herald. Google Street View also spent 2 weeks at Jenolan Caves, completing 360-degree photography of all caves and bushwalks.

**Carolyn Melbourne**  
**Marketing Coordinator**  
**Jenolan Caves Reserve Trust**  
**July 2018**



Mike Whitney, filming Sydney Weekender at Jenolan – great publicity.



Visitors browsing within the relocated gift shop.

# Cave Operations

## Visitation

2015/16.....	233,739 tickets sold
2016/17.....	231,849 tickets sold
2017/18.....	216,924 tickets sold

FTE=Full time equivalent staff

## 2017/2018

Total FTE.....	26.23
Number of Tours per FTE.....	358
Salaries & Wages as % of total expenses.....	79.13%

## Compared to 2016/17

Visitation.....	216,924 (-6.4%)
Revenue.....	\$6,243,490 (+4.3%)
Expenditure.....	\$2,996,403 (+1.6%)
Number of Cave Tours.....	9,391
Revenue per FTE.....	+10.34%
Total Expense per Visitor.....	\$13.81 (+15.8%)
Total Revenue per Visitor.....	\$28.78 (+8.4%)

## Online Bookings

There were 16,567 ticket transactions, realising \$2,398,237.00 revenue from the online booking system. This represents 36% of all ticket sales.

## New tours

Three new tours were introduced:

- 'Chifley's Secret Chambers' tour - a premium tour, with a strong history focus, directed at senior, mid-week Australian visitors,
- 'Science in the Chifley' – sheds light on current experiments and research being conducted at Jenolan by scientific organisations – real research done in a real environment, and
- 'Science Karst Walk' - students explore the Nettle Cave, where they inspect a palaeontological dig, learn about stromatolites and more.

The science tours are designed specifically for Stage 4 and 5 students. They include free teacher resources and feature links to the new NSW science curriculum.

## Souvenir/Gift Shop

In August 2017, the souvenir shop was moved from Caves House to a smaller area next to the Ticket Office.

Due to the more prominent position, the shop has had a very good year, consistently exceeding the monthly revenue budget, sometimes by more than \$10,000.

New stock items have been sourced. Shop sales are being regularly assessed to recognise the best sales items, and the profit per product.

There has been a steady increase in gift shop spend per cave visitor. The average for 2017/18 was \$1.44, and the target for 2018/19 is \$3.00.

The percentage of cave visitors that also spend money in the gift shop is increasing. 7.19% of cave visitors also spent money in the shop. The average spend transaction was \$20.04.

## Presenting at Shows and Conferences

Seven Trust staff attended the Australian Cave & Karst Management Association's conference at Margaret River in Western Australia in May 2018. This provided the opportunity to inspect the several tourist caves in the Margaret River cave system, and learn about their tourist operations first hand.

The conference was attended by representatives from other cave systems, throughout Australia, and also in England and Indonesia.

A range of highly informative papers were presented, including presentations from the Trust's Director, Jodie Anderson, and Senior Guide, Scott Melton. It was an excellent learning and networking experience.

Several Trust staff manned a stall at the *Sydney Science Festival*, hosted by the Australian Museum, in Sydney, to showcase Jenolan's new science based school program. This generated encouraging levels of interest from teachers.



The new 'Chifley Secret Chambers' tour.



Jenolan Cave Guide, Dr Anne Musser, presented at three conferences:

- At the Conference on Australasian Vertebrate Evolution & Palaeontology in Queenstown NZ, Dr Musser presented on small mammal remains discovered in surface sediment deposits in the Nettle Cave,
- At the International Speleological Congress 2017, in Penrith, NSW, a paper was presented on how vertebrate animals use 'the twilight zone' in Australian caves, and
- At the Geodiversity and Biodiversity Conference in Isle of Vilm, Germany, a poster was presented on Dr Musser's biodiversity survey work at Jenolan, highlighting the numerous species not previously seen at Jenolan.

Dr Musser also attended the Wombeyan Caves Bioblitz event. Bioblitz is an annual event, where members of the public take part in a citizen science program involving the survey of plants and wildlife in a specific area. The information gained goes towards building a better understanding of the area and its importance to Australia's natural heritage. It is used to develop future conservation plans to ensure these fascinating species are around for the next generation.

The Bioblitz program, organised by National Parks Association of NSW, will be held at Jenolan Caves in November 2018.

## Rock Stabilisation

Approval was received to remove the damaged Lucas Cave exit stairs, which were crushed by falling rocks. This will make the Blue Lake area safer and more aesthetically pleasing. This restoration work should commence in early August 2018.

## Technology

### • Cave Lighting

Re-lighting of the Jubilee cave was completed, and the stunning cave will be relaunched in the new financial year. LED Lighting has provided huge cost savings in energy consumption.

### • Google Earth

Trust staff worked with photographers from Google Street View, who spent 2 weeks at Jenolan, completing 360-degree photography of all the show caves and all the bushwalks at Jenolan.

### • Appenate

Trust cave staff are now using a new app, called 'Appenate', to submit time sheets, to submit leave requests, to log issues and to monitor tasks.

**Geoff Melbourne**  
**Manager Cave Operations**  
**Jenolan Caves Reserve Trust**  
**July 2018**



Students participating in the new 'Science in the Chifley' tour for schools.



# Hospitality

The highlights for the 2017-18 financial year have been the opening of the refurbished Caves Café and the installation of the new elevator in Caves House.

The Café Refurbishment Project involved closing the existing Café and successfully operating from a portable building for over 4 months, during the heat of summer - a great effort by all staff who had to work in it.

Staff and guests are certainly enjoying the new, safer, more comfortable and stylish surroundings, with totally new food preparation and serving areas, all fully air conditioned and also new overhead heated outdoor seating, to cope with the extremes of our local climate.

The elevator works were completed during school term 3 in 2017 and now provide Caves House Guests with a much smoother and more reliable service, while keeping to the heritage style of Caves House

## Revenue Generated

Visitor accommodation generated revenue of \$1,635,827. The total number of rooms sold in 2017-18 was 12,871, showing an average occupancy rate of 39%. The annual revenue from rooms sold and accommodation are on par with results achieved for 2016-2017.

The occupancy rate was down slightly from 40%. Occupancy rate varied from a low of 31% in February 2018 to a high of 49% in April 2018.

The Caves Café generated annual revenue of \$1,100,885 down from the previous year of \$1,249,025. This is mainly due to operating in the small portable outdoor facility during the refurbishment.

Chisolms Restaurant generated revenue of \$1,145,733 down from \$1,294,034 on the previous year.

Most Saturday nights, Chisolm's Restaurant continues to provide live music performances provided by local artists and talented Trust staff.

The Gift Shop generated revenue of \$283,412, up 30% from \$217,791 the previous year.

Early in the new financial year, the Gift Shop moved from its old premises in Caves House, to the Ticket Office, making it more visible to our guests.

This move is the main reason for the increased revenue. The Gift Shop sells souvenirs and basic supplies and is open 7 days per week.

## Personnel

Staffing has continued to be an issue. There was less reliance on travelling staff, and greater emphasis has been put into retaining and employing local staff.

Considerable savings were made in contract wages during 2017/18. We spent \$24,693 compared with \$190,275 in 2016/17.

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

Greater emphasis has been placed 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 a reduction in guest complaints.

## Food and Beverage Facilities

Food and Beverage Operations operate from Chisolms Restaurant, Jeremiah's Bar, Caves Café day visitor facility, the Magnolia Meeting Room and the Kanangra-Boyd Gallery function room, which caters for as many as 120 guests.



The new Caves Café.

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 and is working with the Trust, and pricing has been able to be 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 Cottages (8 cabins) plus Binoomea Cottage and Bellbird Cottages.

In 2017-18, Caves House was awarded an additional half star, by AAA Star Ratings.

Recent refurbishments to Bellbird Cottage, Binoomea and the Jenolan Cottages on 5 Mile Hill have enhanced the Jenolan experience for our Guests.

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

**David Bragg,**  
**Finance Manager**  
**Jenolan Caves Reserve Trust**  
**July 2018**



Chisolm's Restaurant, upstairs in Caves House.



Caves House new elevator

# Technical Services

The Trust's Technical Services team manage the vehicle fleet, boilers, water supply system, sewerage treatment plant, storm water, car parks and parking. Within the Jenolan Caves Reserve, they also maintain the plumbing, walking tracks and rubbish collection. The team consists a carpenter, fitter & turner, electrician, horticulturist, plus labourers and administration support staff. The team assist all other Trust staff on a daily basis.

When necessary, the team is supplemented by contractors, including Oberon Correction Centre which assists with maintaining walking tracks and removing debris.

## Training

During the year, staff engaged in Fire Awareness and Warden training. A large proportion of staff members updated their First Aid and Advanced Resuscitation Certificates. Two staff members attended a Law Enforcement Course, and one member attended the Aboriginal Cultural Competency course for managers. Staff members were also trained in decanting gas, with training provided by Elgas.

## Caves Café & Chisolm's Kitchen

During the 5 months when the Caves Café was being completely refurbished, Technical Services staff serviced the portable outdoor Café. This involved continual changing gas bottles, creating and maintaining a power supply and emptying the makeshift grease trap.

The pot washing bay in the Chisolm's kitchen underwent wall and ceiling restoration and painting. A new 10-shelf combi steam oven was purchased, and the installation was done by our electrician and local plumber.

## Caves House

Caves House passenger and service lifts were upgraded. Most of the upgrade was undertaken by contractors. However, technical services staff assisted by locating utility services and building specifications.

Working with local contractors, staff revamped the women's public toilet and shower on the 3<sup>rd</sup> floor, and repaired a second floor, which had sustained water damage.

Ongoing works have been successful in maintaining the integrity of the steam boiler heating system.

## Mountain Lodge

Matching flat screen TVs were purchased and installed in every room.

Plumbing issues have been addressed as necessary.

## Gatehouse

Staff have patched, sanded and painted the hallways and kitchens in the Gatehouse. Maintenance work is ongoing.

## Staff Cottages

There has been a steady increase in occupancy of the staff cottages. Staff are the preferred contractors for any maintenance issues that the tenants raise with our local contracted real estate agent.

## Jenolan Caves Cottages

During the last 12 months each cottage has had a new kitchen installed by our carpenter, including the installation of new fridges.

## Binoomea Cottage

Binoomea Cottage received new LED light fittings to replace many of the old incandescent and fluorescent fittings.

## Noxious Weeds and Pest Control

Pest and termite inspections were done on a bi-monthly basis by an external contractor. Weed spraying was done on a seasonal basis and pest animals were treated and removed as necessary.





## Car Parking

The team coordinate car parking on long weekends, special events and during some school holidays, including transporting visitors in the bus to and from carparks.

The team coordinated parking during the weekend of the Six Foot Track Marathon event, Australia's biggest off-road marathon.

## Sewage Treatment

To manage the sewage from an annual average of 225,000 visitors, Jenolan has its own highly effective sewage treatment plant. Extensive work was done at the plant this last year, aiming towards full automation. The tender for automation of the plant and equipment has been awarded. Automation should be completed early next financial year. Once implemented, the team will be able to be closely monitor the sewage treatment plan remotely, making daily inspection visits unnecessary.

During a tree lopping operation, a large tree fell across the sewer main, breaking it. However, fast action by the team prevented a major spillage from occurring.

A diesel generator has been sourced and purchased for the sewage treatment plant, and the carpenter has built extensions on an existing shed to house the generator

A bund has been purchased and set up at the plant. This is a containment area for the alum, which is used as a sewage treatment coagulant.

Monthly monitoring has been undertaken at the sewage treatment plan, in accordance with the Environmental Protection Licence.

## Water Supply

The team has mapped how water pipes are routed around Caves House, where they are connected, the location of shut off valves and how they feed from the water supply tanks.

On the roadway in front of Caves House, a burst water main under a sewer line was repaired. First, temporary pipes were installed, to ensure water was supplied to essential services. Permanent pipes have now been installed, improving the way water is supplied to the building.

## Mapping

Over 2,000 Jenolan assets were mapped, and information was uploaded to the NPWS Asset Management System. This is a significant step towards the future integration into OEH/NPWS asset management systems and processes.

The mapping was achieved through drone survey, and expert knowledge of staff, contractors and stakeholders. The contribution of detailed cave surveys, from Dr Julia James and the Jenolan Survey team, enabled the accurate mapping of all assets in the Grand Arch, Devils Coach House cave and the complex show cave system.

Improved survey and mapping of reserve assets has assisted in the implementation of a range of projects including:

- Walking track brochures;
- Master planning exercises;
- Heritage surveys; and
- Identification and maintenance of water, waste water and power conduits.
- Existing walking tracks,
- proposed walking tracks for projects planned as a result of the successful grant application,
- the Gundungurra Aboriginal Heritage Association's indigenous cultural survey for the Jenolan Karst Conservation Reserve.

Assets include utilities, such as water and power. Mapping ensures that all pipes and underground wiring can be quickly located.

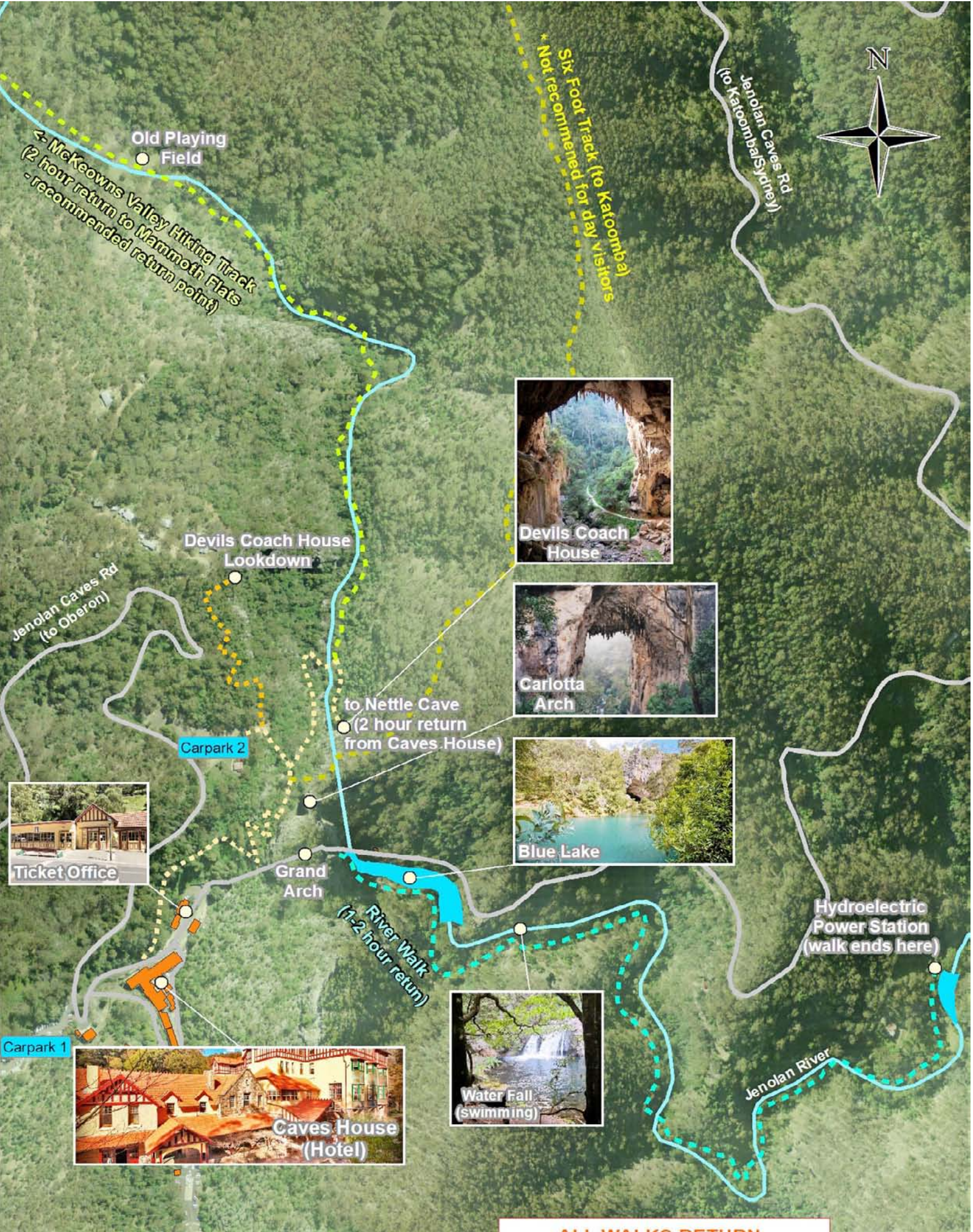
## Rubbish Removal

Over the past few months, staff with some assistance from Oberon Correction Centre, have undertaken major clean ups of accumulated waste and debris, including from Wallaby hall and from the Maintenance Compound where a large amount of scrap steel was sent away for recycling.

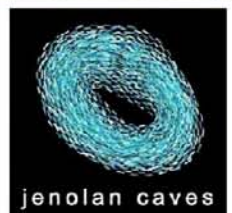
Removal of debris has improved functionality of the areas.

## Vehicles, Plant & Equipment

Two vehicles were returned to auction, as their leases were due, and one was replaced. All vehicles have been serviced, as per manufacturer's guidelines.



# Jenolan Caves Walking Tracks



**ALL WALKS RETURN VIA SAME ROUTE**  
**NO WATER, TOILET OR RUBBISH FACILITIES ALONG WALKS**

## Looking Ahead

With the recent announcement from the NSW government that funds will be available to JCRT for infrastructure improvements, there will be an increased program of works for the technical services team, over the next year. The team are proud to be part of the establishment and

provision of new and improved facilities and services.

**David Rowling**  
**Acting Manager Technical Services**  
**Jenolan Caves Reserve Trust**  
**July 2018**



Temporary, outdoor café was serviced daily by the Technical Services Team.



# Research & Development

The Reserve continues to be an important resource for scientific research.

## Wildlife

An ongoing research and monitoring program by the *National Parks & Wildlife Service*, for Jenolan's rare Brush-tailed Rock Wallaby colony, has found that the population of this iconic species is slowly increasing.

Regular surveys and the establishment of permanent camera monitoring sites by the National Parks and Wildlife Service *Saving our Species Program* staff and Kanangra Area staff have determined that the population is approximately 100 individuals.

Ongoing fox control has contributed to the success of the program by reducing predator impacts, with 160 permanent bait stations established and maintained.

On an ongoing basis, Dr Anne Musser, Honorary Research Associate with the Australian Museum, and a guide at Jenolan Caves, has recorded numerous animal and bird species in the online Atlas of Living Australia.

This year, inside the caves, Dr Musser has found a cave cricket, cave centipede and cave mite, all eyeless. Above ground, using the Blue Lake as a 'fly by', she has also recorded several bird species, not previously seen at Jenolan. In 2018/19, she will focus on recording sightings of the tiny, eyeless cave spiders that have been recently found at Jenolan.

Bat researchers, from the University of Western Sydney, have been studying the eastern bentwing bat in the Mammoth Cave and other undeveloped parts of the karst in the Mammoth Cave area.

## Rare Minerals

Ross Pogson, Collection Manager, Geosciences, Australian Museum Research Institute, has continued his ongoing investigation into phosphatic clay stone in the Chifley Cave.

In the past 12 months, he has worked in Lower Katie's Bower. Phosphatic veinlets were located with a UV lamp, which makes them fluoresce, showing where the mineral deposit slopes under the path and towards the opposite cave wall.

The deposit was sampled and tested for a distinct layering, or succession of mineral species, caused by changing chemical conditions in the deposit.

At the Australian Museum, using X-ray diffraction, various mineral species were identified, including phosphates hydroxyapatite and variscite, plus gypsum. The phosphate mineral distribution was disordered. The whole deposit appears to be a 'slump', caused when a (presumed) pool deposit containing leached bat guano slid down, mixing all components. Many veinlets and micro-cavities of phosphate minerals appear to be deposited from secondary phosphate-rich solutions.

Ross Pogson's research into these rare phosphate minerals is ongoing.

## Cave Survey

Dr Julia James continued her ongoing work at Jenolan Caves, mapping both show caves and undeveloped caves, as part of the ongoing Jenolan Cave Mapping Project.

All this research and activity provides a better understanding of the caves and the surrounding environment, and will continue to add to the Trust's knowledge.



Wedge tailed eagle – photo by Dr Anne Musser

## Fossils and Biodiversity

Dr Anne Musser, Jenolan Guide and Honorary Research Associate at the Australian Museum, attended three international conferences during the 2017-2018 financial year, presenting a talk, three poster presentations and two short published papers on her work at Jenolan.

Dr Musser attended the 2017 International Speleological Congress held in July of 2017 in Penrith, NSW, where she gave a well-attended talk (and short published paper) entitled *Use of Cave Environments by Vertebrate Animals: Examples from Jenolan Caves, Australia*; and a poster/paper entitled *Bone-Hunters: Exploration, Analysis and Interpretation of Sub-Fossil Remains from Jenolan Caves, Australia*.

In October, 2017 Dr Musser attended the 2017 CAVEPS conference (Conference for Australasian Vertebrate Evolution Palaeontology and Systematics) held in Queenstown, New Zealand, presenting a scientific poster on the bone deposits in surface sediments from the ongoing Nettle Cave excavation, entitled *Surface Collection of Sub-fossil Bones Deposited Beneath an Owl Roost, Nettle Cave, Jenolan Caves, NSW Australia*. Results included the collection of over 2,000 bones and identification of over 20 small mammal species, including numerous native rodents (mainly species of *Pseudomys* as well as the Broad-toothed Rat *Mastacomys fuscus*); small to medium-sized arboreal possums; small dasyurids and bandicoots.

Dr Musser was invited to attend the 2018 Global Geoheritage Workshop: International Significance and Biodiversity Values, held on the Isle of Vilm, Germany, at the instigation of Trust Administrator Bob Conroy. The workshop, co-organised by the IUCN-WCPA Geoheritage Specialist Group and the German Federal Agency for Nature Conservation, included representatives from several

organisations involved in assessing and conserving geological heritage around the world. This included the (IUCN/WCPA Geoheritage Specialist Group, International Commission on Geoheritage; Global Geoparks; and the International Union for the Conservation of Nature (IUCN). Dr Musser presented a scientific poster entitled *Faunal Biodiversity of the Jenolan Karst Conservation Reserve and the Significance of Relict, Endemic and Threatened Species*.

In addition, Dr Musser is involved in ongoing work on the Nettle Cave deposit and on recording the biodiversity of Jenolan Karst Conservation Reserve, a project that now includes over 500 records in the Atlas of Living Australia for Jenolan Karst Conservation Reserve.

## Blind Spiders in Jenolan Caves

Acting Technical Officer and Research Associate in the Arachnology Collection at the Australian Museum, Dr Helen Smith, took a trip to Jenolan Caves to check out some small spiders that Dr Anne Musser had noticed in one of the less-frequently visited tourist caves. The spiders made unusual webs and Dr Musser reported that they did not seem to react to light.

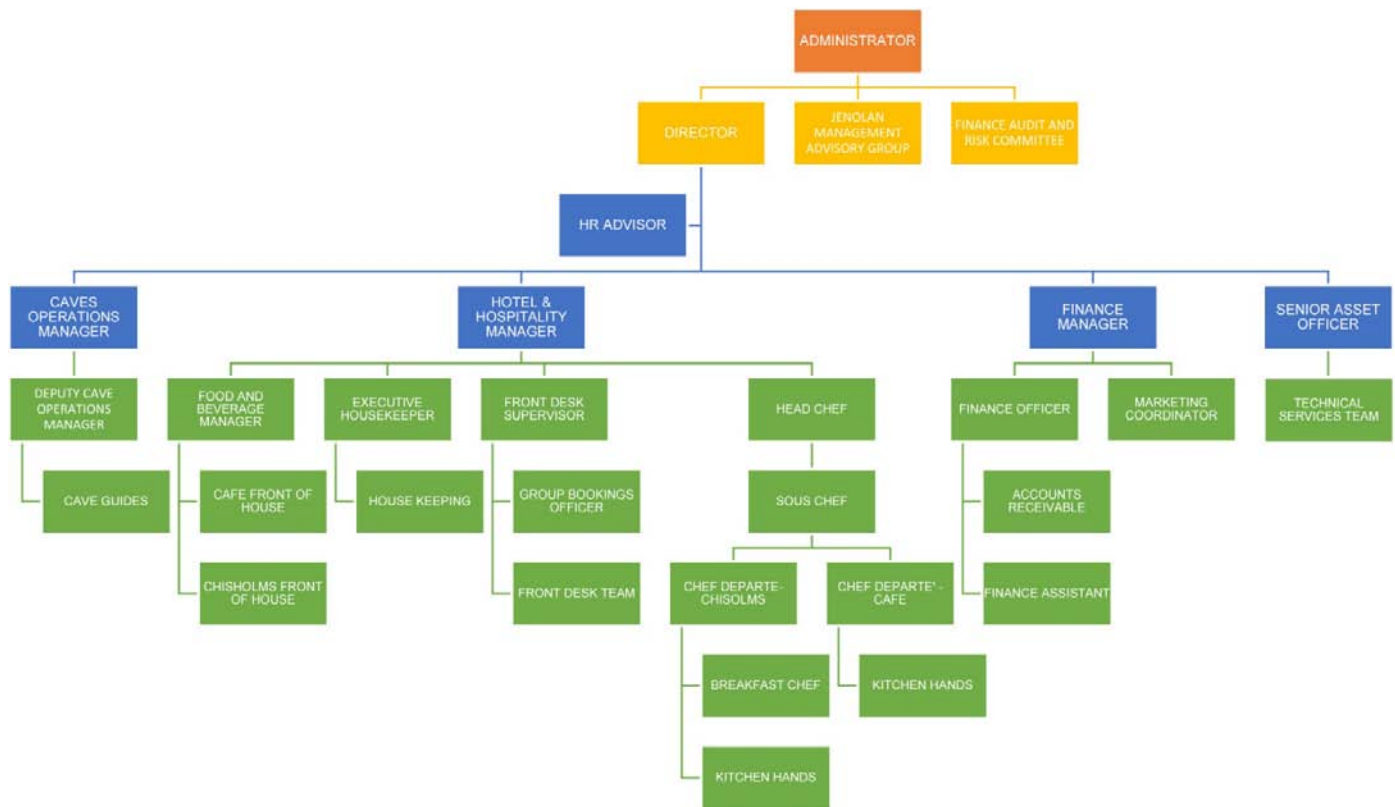
The spiders turned out to belong to a new species of blind cave spider, which had been recorded once previously but could not be identified until we collected this new material. They belong to an obscure family called Physoglenidae with no described species in New South Wales, although we know of a few other odd specimens, all from forest habitats.

**Geoff Melbourne,**  
**Manager Cave Operations**  
**Jenolan Caves Reserve Trust**  
**July 2018**

Dr Helen Smith attempting to tease a spider out from a crack. Mafeking Chamber, Lucas Cave. Photo: Anne Musser.



# Organisational Chart





# Corporate Resources

## Finance and Administration Department

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

The Finance Team is headed by the Manager Business and Finance, and supported by the Finance Officer and the Creditors/Debtors Officer.

## Information Technology

During 2017/18 the Trust has seen the installation of new PC's for various roles around the site and the installation of additional WiFi access points for Reserve visitor, house guest and Trust staff, volunteers and contractor use.

## Capital Expenditure

Expenditure on capital works, including plant and equipment totaled \$2,979,375 and consisted of:

General infrastructure and Environmental Projects.....	\$2,943,381
IT Upgrade.....	\$35,994

## Annual financial Statements

Below is a summary from the Statement of Comprehensive Income for 2016/2017, compared with 2017/2018.

	2016/17	2017/18
Revenues from continuing operations	\$10,691,775	\$10,695,978
Total Expenses (Excluding Impairment Expenses)	\$10,680,750	\$10,341,277
Profit/(Loss) from ordinary activities	\$11,025	\$354,701

# Statutory Information

## Senior Executive Officers

Total no. of senior executive positions:	Current year: 1	Previous year: 0
Number of female senior executive officers:	Current year: 1	Previous year: 0

## Senior Executive Service

Band	Total	Average Remuneration Package
SE Band 1	1	\$204,978

## Classification of Positions

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

	2015/2016	2016/2017	2017/2018
Director (previously General Manager)	1	1	1
Human Resources Advisor (previously Administration Manager)	1		1
Systems Administrator & Finance Officer	Deleted		
Manager Business & Finance	1	1	1
Finance Officer	1	1	2
Creditors / Debtors Officer	1	1	2
Marketing Officer	1	1	1
Manager Cave Operations	1	1	1
Deputy Manager Cave Operations			1
Guides	22	22	21
Visitor Services Officers	2	2	3
Team Leader (Electrical)	1	1	1
Senior Asset Officer (previously Manager Technical Services)	1	1	
Park Systems Officer			1
Trades Officer (Electrical)	1	Deleted	
Trades Officers	2	2	2
Maintenance Officer	3.5 1 Vacant	3.5	3
Manager Food & Beverage Operations	1	1	
Executive Housekeeper (previously Manager Rooms Division)	1	1	1
Hotel & Hospitality Manager (previously Manager Hospitality Operations)	1		
Front Desk Supervisor			1
Head Chef	1	1	1
Sous Chef			1
Customer Services Officer – Hospitality	27	35	23

## Recruitment Statistics

In all there are 68 full time and part time positions. A wide range of flexible working arrangements are available to staff in all departments. In addition, there is a casual workforce of 34 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 2018, was 58.87

## Exceptional Movements in Remuneration

A salary increase of 2.5% effective in the first full pay period of July 2017 was paid to clerical officers in accordance with the Crown Employees (Public Sector - Salaries 2017) Award. Salaries contained within the Crown Employees (Jenolan Caves Reserve Trust) Salaries Award 2016 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 2017. No other adjustments to recruitment or retention allowances were made.

## Equal Employment Opportunity and 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.

Trends in the representation of EEO groups as at 30 June 2018 Employment Basis	Total no of employees	% of total employees	People from racial, ethnic, ethno religious minority groups	People whose first language is not English
Full/Part Time	68	67%	18	10
Casual	34	33%	3	0
<b>Total</b>	<b>102</b>	<b>100%</b>	<b>21</b>	<b>10</b>
<b>Percentage</b>	<b>100%</b>	<b>-</b>	<b>21%</b>	<b>10%</b>

Total positions held by males and females are detailed below:

	Male %	Female %
2015/2016	39	61
2016/2017	43	57
2017/2018	43	57

Excluding the casual staff, the distribution is 40% males and 60% females. In 2017/18, the average remuneration for males was \$39,768 and females was \$32,825.

## Training

Total training costs for the year were \$40,547.

Total paid staff hours for external training:

2015/2016	\$0
2016/2017	\$49,040
2017/2018	\$64,210

Courses undertaken during the 2017/2018 financial year included First Aid Training; WHS Training; Fire Safety and Fire Warden training.

## Overseas Visits

There were no official overseas visits undertaken by staff during the 2017/2018 financial year.

## Consultants

Throughout 2017/2018, the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

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

E & S Consulting.....	\$139,920
Morse Consulting.....	\$67,528
WMK Architecture.....	\$54,600
Crown Project Services.....	\$192,552
McGregor Coxall.....	\$35,774

### Under \$30,000

Financial Consultancies.....	\$27,300
<b>TOTAL CONSULTANCIES.....</b>	<b>\$517,674</b>

## Account Payment Performance

Average value of creditor payments processed per month:

Current (within 30 days)	\$559,168
Less than 30 days overdue	\$23,300
Between 30-60 days overdue	0
Between 60-90 days overdue	0
Over 90 days overdue	0
Percentage of accounts paid on time	96%
Total of accounts paid on time	\$6,710,000
Total of accounts paid	\$6,990,000

### 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 2017/2018.

## Disability Plans

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

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



- Wheelchair assisted access to part of the self guided tour at Jenolan and two sections of currently guided tours.

## Ethnic Affairs Priorities Statement

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

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

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

## WHS Statement

The Trust has continued to monitor both staff and visitor safety throughout the year, through an engaged and active Work Health & Safety committee. The Trust is now receiving additional Work Health & Safety support through the Department of Planning and Environment.

## Workers Compensation Claims and Reports

Number of incidents, accidents and injuries reported:

2016-17	2017-18	FY 17-18 Variance
46	35	11

Number of worker's compensation claims

2016-17	2017-18	FY 17-18 Variance
2	7	5

## Customer Response

A Visitor Monitoring Program (VMP) has continued through 2017/18 at Jenolan Karst Conservation Reserve, to provide feedback on a range of issues. The VMP obtains feedback via the following methods:

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

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

## Government Information (Public Access) Act 2009 Requests

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

## Public Interest Disclosures Act 1994

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

## Risk Management

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

A number of independent audits and assessments were undertaken throughout 2017/2018 financial year, 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.

## Energy Management

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

## Policy and Planning

In collaboration with the National Parks and Wildlife Service, further refinements and updating are in progress on drafts of both the Reserve Master Plan (McGregor Coxall, 2018) and the draft Reserve Conservation Management Plan (Urbis, 2018).

Both documents are referenced as high priorities within the draft Jenolan Karst Conservation Reserve Plan of Management, which is expected to be adopted in the near future, and which will guide improvements to visitor services, assets and utilities within the Reserve.

## Major Works Completed or Underway

Major works programs completed or underway are listed below.

- Works to provide additional WiFi access points to guests have been completed.
- Upgrade of the Caves House elevator has been completed.
- The full refurbishment of Caves Café has been completed.
- The Trust has been granted \$8.5 million from the Regional Growth Environment and Tourism Fund, to clean the Blue Lake and Surveyor Creek Dam, build a walkway around the Blue Lake, build a new Gateway Centre where the Guides Office now stands and build a circular walking track linking McKeown's Valley with the 6 Foot Track near the Jenolan Caves Cottages.

## Waste Management

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

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

## Environmental Trust Grant

NSW Environmental Trust Grant funding of \$743,000 was received in 2012, for removal of all ferrous materials in the show cave system. This work has now been completed and a final report presented to the Environmental Trust. An Educational Component of this original grant is still to be completed while negotiations are underway with the Trust for the implementation of a complementary Environmental Offset program.

## 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.

## Other

Annual Reports.

Printing Annual Report 2017/2018

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)

**David Bragg,**  
**Finance Manager**  
**Jenolan Caves Reserve Trust**  
**July 2018**

# Internal Audit and Risk Management Attestation Statement for the 2017/2018 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

<b>Risk Management Framework</b>		
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
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>		
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

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Malcolm Clinch - 1st July 2017 to 30 June 2019;
- Non-Independent Member Robert Conroy - 1st July 2017 to 30 June 2019;
- Non-Independent Member David Bragg - 1st July 2017 to 30 June 2019;
- Non-Independent Member Jodie Anderson - 16th November 2017 to 30 June 2019;
- Non-Independent Member Stuart Schramm - 1st July 2017 to 30 June 2018;

## 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*:

1. 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>	
<ul style="list-style-type: none"> <li>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).</li> </ul>	<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 Director 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**  
 19 November 2018

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





The Lucas Cave.



## 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 2018, the Statement of Financial Position as at 30 June 2018, 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 2018, 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**

Other information comprises the information included in the Trust's annual report for the year ended 30 June 2018, other than 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 and the draft Annual Report.

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 except where the Trust will be dissolved by an Act of Parliament or otherwise cease operations.

## **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'. The signature is written in a cursive, flowing style.

Reiky Jiang  
Director, Financial Audit Services

19 November 2018  
SYDNEY

**JENOLAN CAVES RESERVE TRUST**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2018**

19 November 2018

**JENOLAN CAVES RESERVE TRUST  
YEAR ENDED 30 JUNE 2018**

**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:

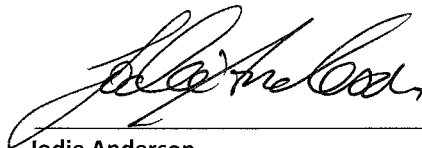
1. The accompanying financial statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the Treasurer's Directions.
2. The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2018 and the financial performance for the year then ended.

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



---

**Bob Conroy  
Administrator**



---

**Jodie Anderson  
General Manager**

19 November 2018

**JENOLAN CAVES RESERVE TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
		\$	\$
<b>Income</b>			
Revenue from continuing operations	3	10,603,931	10,562,669
Grants received <i>(NSW Govt &amp; other)</i>	3	72,120	107,031
Other income	3	19,927	22,075
<b>Total income</b>		<b>10,695,978</b>	<b>10,691,775</b>
Less: Cost of goods sold		1,059,170	1,197,324
<b>Gross trading surplus</b>		<b>9,636,808</b>	<b>9,494,451</b>
<b>Less: operating expenditure</b>			
Personnel services <i>(costs of staff provided by the OEH)</i>	4.1	6,348,269	6,121,219
Personnel services <i>(supplementary charge arising from (gains)/losses incurred by Defined Benefit Funds)</i>	4.1/14	(128,743)	(518,286)
Bad debts written off/(recovered)		2,750	(868)
Consultancies		239,875	522,698
Contract labour		24,693	190,275
Depreciation & impairment	4.2	917,782	555,033
Insurance		77,605	79,951
Marketing		112,474	107,521
Motor vehicles		31,829	46,772
Repairs and maintenance		384,173	1,030,374
Telephone, postage & internet		113,205	129,673
Utilities		400,085	409,137
Other expenses	4.3	758,110	809,927
<b>Total operating expenditure</b>		<b>9,282,107</b>	<b>9,483,426</b>
<b>Surplus / (deficit) from continuing operations</b>		<b>354,701</b>	<b>11,025</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result:</i>			
Net asset revaluation increment/(decrement)	8	17,870,457	(1,250,233)
<b>Total other comprehensive income for the year</b>		<b>17,870,457</b>	<b>(1,250,233)</b>
<b>Total Comprehensive Income</b>		<b>18,225,158</b>	<b>(1,239,208)</b>

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

**JENOLAN CAVES RESERVE TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	<i>Notes</i>	<b>2018</b>	<b>2017</b>
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	5	4,083,495	5,880,448
Trade & other receivables	6	246,080	176,982
Inventories	7	123,633	111,805
<b>Total current assets</b>		<b>4,453,208</b>	<b>6,169,235</b>
<b>Non-current assets</b>			
Property, plant & equipment	8	33,937,935	14,006,083
Defined benefit fund assets	14(b)(i)	345,414	317,989
<b>Total non-current assets</b>		<b>34,283,349</b>	<b>14,324,072</b>
<b>TOTAL ASSETS</b>		<b>38,736,557</b>	<b>20,493,307</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade & other payables	9	697,263	603,604
Defined Benefit Fund liability ( <i>current</i> )	14(b)(i)	180,949	176,536
Provisions	10	681,291	664,308
<b>Total current liabilities</b>		<b>1,559,503</b>	<b>1,444,448</b>
<b>Non-current liabilities</b>			
Defined Benefit Fund liability ( <i>non-current</i> )	14(b)(i)	1,008,253	1,113,984
Provisions	10	59,631	50,863
<b>Total non-current liabilities</b>		<b>1,067,884</b>	<b>1,164,847</b>
<b>TOTAL LIABILITIES</b>		<b>2,627,387</b>	<b>2,609,295</b>
<b>NET ASSETS</b>		<b>36,109,170</b>	<b>17,884,012</b>
<b>EQUITY</b>			
Retained earnings/(losses)	13	2,730,034	2,375,333
Contributed equity	12	5,831,749	5,831,749
Reserves	13	27,547,387	9,676,930
<b>TOTAL EQUITY</b>		<b>36,109,170</b>	<b>17,884,012</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 2018**

	Notes	Contributed equity	Reserves	Retained earnings /(losses)	Total
<b>Equity at 1 July 2016</b>		<b>5,831,749</b>	<b>10,927,163</b>	<b>2,364,308</b>	<b>19,123,220</b>
<b>2017</b>					
Result for the year	13	-	-	11,025	11,025
Other comprehensive income:					
- Net asset revaluation decrement	8/13	-	(1,250,233)	-	(1,250,233)
Total comprehensive income for the year		-	(1,250,233)	11,025	(1,239,208)
<b>Equity at 30 June 2017</b>		<b>5,831,749</b>	<b>9,676,930</b>	<b>2,375,333</b>	<b>17,884,012</b>
<b>2018</b>					
Result for the year	13			354,701	354,701
Other comprehensive income:					
- Net asset revaluation increment			17,870,457	-	17,870,457
Total comprehensive income for the year			17,870,457	354,701	18,225,158
<b>Equity at 30 June 2018</b>		<b>5,831,749</b>	<b>27,547,387</b>	<b>2,730,034</b>	<b>36,109,170</b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		10,417,383	10,515,951
Grants received (NSW Govt & other)		72,120	107,031
Payments to suppliers & employees		(9,407,553)	(10,434,534)
Interest received		100,274	92,809
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15</b>	<b>1,182,224</b>	<b>281,257</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment	8	(2,979,377)	(492,278)
Proceeds from sale of investments		200	-
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(2,979,177)</b>	<b>(492,278)</b>
<b>Net decrease in cash &amp; cash equivalents</b>		<b>(1,796,953)</b>	<b>(211,021)</b>
Cash & cash equivalents at beginning of year	5	5,880,448	6,091,469
<b>Cash &amp; cash equivalents at balance date</b>	<b>5</b>	<b>4,083,495</b>	<b>5,880,448</b>

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

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**REPORTING ENTITY**

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

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

**Authorisation of the Financial Report**

The financial report for the year ended 30 June 2018 has been authorised for issue by the Trust on the 19 November 2018.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented unless stated otherwise.

**1.1 Basis of preparation**

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

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

Property, plant and equipment are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

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

**1.2 Statement of compliance**

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

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**1.3 Employee benefits**

The Trust does not directly employ staff. Since 2014, Personnel Services have been provided by the Office of Environment and Heritage (OEH).

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

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

Annual leave entitlements which are not expected to be taken wholly within the next 12 months are required to be measured at present value under *AASB119 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 \$297k (2017: \$322k), the discounting of a minor component of that liability for a 1-year period would be immaterial to the total value reported. Details of this liability are disclosed in Note 10.

***ii) Long service leave***

The liability for long service leave is measured at the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. At balance date, the liability has been determined as \$384k (2017: \$342k). Details of this liability are disclosed in Note 10.

***iii) Superannuation***

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

Currently the Trust has 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.

**1.4 Property, Plant and Equipment**

***i) Acquisition of assets***

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

***ii) Capitalisation threshold***

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

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

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

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

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

**iv) Revaluation of non-current assets**

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

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

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

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

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

**v) Fair value measurement of non-financial assets**

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

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

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

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

**1.4 Property, plant and equipment (continued)**

**vi) Valuation techniques**

**a. Buildings**

On the basis there is no feasible alternate use for the Trust’s assets, the Trust continues to value its building assets on a depreciated replacement cost basis (using Level 3 inputs). The Trust does not currently own any land assets.

**b. Infrastructure assets**

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

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

During interim reporting periods, the Trust reviews annual indexation factors and, if significant, the Trust may use relevant factor/s as indicator/s of recent product price movements, such that reported replacement costs remain relatively closely aligned with indicative market price movements for similar products and materials.

c. Plant & equipment

For non-specialised assets with relatively short useful lives (such as minor plant and equipment), *AASB13 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.

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

	Level 1	Level 2	Level 3
Buildings	-	-	x
Caves Infrastructure	-	-	X
General Infrastructure	-	-	x

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

e. Visitor Accommodation Buildings – change in valuation technique

The Trust changed the valuation technique used for valuing its visitor accommodation and hospitality related buildings from the income approach to the cost approach. This is as a result of the removal of these assets from the market as they were previously the subject of an Expression of Interest to private operators for the operation these assets. These assets are considered specialised as part of the cave experience tourist facility, and have high heritage significance. As such the depreciated replacement cost approach is more appropriate in measuring these assets and is in accordance with TPP 14-01 *Valuation of Physical Non-Current Assets at Fair Value*. The financial impact of this change is a revaluation increment of \$12.261m credited to the asset revaluation reserve at 30 June 2018. This is an accounting estimate change under AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and has been applied prospectively.

f. General Infrastructure Assets - improved Identification and measurement process

The Trust improved the identification and measurement processes for capturing asset inventory in 2018. Inventory items were surveyed and collected in using drone imagery and GIS data, followed by ground truthing. The valuer further confirmed the extensive collection of data during his field inspection. There has been an increase of \$8.1m in the fair value of general infrastructure assets at 30 June 2018. This revaluation increment is recognised in the asset revaluation reserve at 30 June 2018. The technique change has resulted in a change in accounting estimate under AASB 108 which has been adjusted prospectively.

**vii) Depreciation**

Depreciation on other assets is provided on a straight-line basis over the useful life of the asset to the Trust, based on independent valuation (Buildings), management valuation (Caves & General Infrastructure), or actual cost whichever is applicable to a particular class of asset.

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**1.4 Property, plant and equipment (continued)**

**vii) Depreciation (continued)**

Major depreciation periods for significant asset groups are as follows:

Buildings and Workshops	40* years
Staff Accommodation	40* years
Cave Infrastructure	25 to 100 years
General Infrastructure	10 to 100 years
Plant and Equipment & Vehicles	3 to 10 years
Computer Equipment	3 years

\* The Trust reviewed the useful lives of its buildings at the end of the reporting period. This review resulted in the adjustment of the useful lives of its buildings from 10-100 years to 40 years. The financial impact of this change will affect depreciation expense in future reporting periods. Based on fair values of buildings at 30 June 2018, the depreciation expense in 2018-19 is estimated to increase from \$0.371m to \$0.928m.

**viii) Impairment**

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.

**ix) Recent revaluations undertaken**

During 2016/17, the Caves Infrastructure was valued by the Trust's management, using a method approved by the Office of Environment and Heritage (*when the Office's was formerly known as the Department of Environment, Climate Change and Water (DECCW), with the relevant section being the Parks Wildlife Trust*). This method involved applying an approved per metre cost to all items of cave infrastructure. Due to the specialised nature of these types of assets, this method developed by the Trust's employees is considered to be the only feasible method of valuing this type of infrastructure.

In 2017/18, asset revaluations were conducted for the Buildings and General Infrastructure categories. The buildings valuation was conducted independently by CBRE Valuations Pty Ltd. CBRE are contractors to OEH and other NSW government agencies. The General Infrastructure valuation was conducted independently by Sheldon Consulting Pty Ltd, who are also contractors to the OEH and other NSW Government agencies.

The revaluation of buildings performed by CBRE included all staff and visitor accommodation and other facilities and workshops. Visitor accommodation in prior years has been considered impaired due to the Hospitality Division within the Trust being considered unprofitable and therefore the assets were considered impaired. As the Hospitality Division financial performance has improved substantially in recent years, the Trust's management has determined the Trust's buildings should again be reported as unimpaired assets (ie: at fair value). This change has had the effect of increasing the value of our non-current asset portfolio. The restatement to unimpaired values has required the recalculation of prior period depreciation to derive the current written down value of these revalued assets.

The General Infrastructure valuation has been carried out by Sheldon's. As part of the Trust's move toward aligning its reporting with the NPWS/OEH model, the general infrastructure was valued using asset details listed in the Asset Mapping system developed onsite by Trust staff. The current asset values were estimated based on replacement cost reduced by the assets current condition and its' estimated remaining useful life. This has also resulted in a significant increase in the value of the Trust's General Infrastructure assets.

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

**1.5 Cash and cash equivalents**

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

**1.6 Trade and other receivables**

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

**1.7 Inventories**

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

**1.8 Trade and other payables**

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

**1.9 Leased assets**

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

**Operating leases**

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

**1.10 Revenue recognition policy**

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

**Cave tours and sale of goods**

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

**Rendering of services**

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

**Government grants**

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

**Interest income**

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

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

**1.11. Goods and Services Tax**

Revenues, 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. The GST component of the cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO are classified as operating cash flows.

**1.12 Investments and other financial assets**

**Classification**

The Trust currently holds investments in the following categories:

**(i) Loans and receivables**

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

**Recognition and de-recognition**

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

**Subsequent measurement**

Loans and receivables are carried at amortised cost using the effective interest method.

**Impairment**

The Trust assesses at each balance date whether there is objective evidence that a financial asset or liability of the Trust are impaired.

**1.13 Comparative figures**

Defined Benefit Superannuation (DBF) liability has been split into current and non-current liabilities in line with actuarial figures provided by State Super. Also the DBF has been included under Personnel Services rather than under Other Comprehensive Income for 2017-18 year.

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



**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**1.14 New accounting standards and interpretations**

**i) Effective for the first time in 2017/18**

The accounting policies applied in 2017-18 are consistent with those of the previous financial year. There were no new accounting standards applied for the first time in 2017-18 which required any material adjustments to the reported financial position, performance or cash flows of the Trust during this year.

**ii) 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 Accounting Standards which will be applicable to the Trust's reporting, have not been applied and are not yet effective, as per NSW Treasury Circular NSW TC 18/01:

- AASB 9 Financial Instruments: becomes effective for annual periods after 1 January 2018 and establishes new principles for the reporting of financial assets and liabilities.
- AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers: applies to annual periods after 1 January 2019. The Trust is yet to fully assess the impact of the initial application of this Standard.
- AASB 16 Leases; will apply to annual periods after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Leases for low value assets (under \$10k) and short-term leases (<12 months) will be exempt. The Trust is both a lessee (for minor equipment and motor vehicles) and a lessor (staff cabins). There will be a minor increase in the Trust's financial assets and liabilities as a result of applying this new standard, however it will have no effect on the Trust's reported actual cash flows.
- AASB 1058 Income of Not-for-profit Entities: applies to annual periods after 1 January 2019. Again, the Trust is yet to fully assess the impact of the initial application of this Standard.
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities.

**2. FINANCIAL RISK MANAGEMENT**

**2.1 Financial risk management policies**

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

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

**2. FINANCIAL RISK MANAGEMENT** *(continued)*

**2.1 Financial risk management policies** *(continued)*

**a) Credit risk**

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

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

**b) Liquidity risk**

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

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

**c) Market risk**

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

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

**d) Fair value estimation**

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

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

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**2. FINANCIAL RISK MANAGEMENT** *(continued)*

**2.2 Financial instrument composition**

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

	notes	Variable interest		Fixed interest		Non-interest bearing		Total carrying amounts at year end	
		2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
<b>1. Financial assets</b>									
Cash & investments	5	4,067,145	5,864,098	-	-	16,350	16,350	4,083,495	5,880,448
Trade and other receivables	6	-	-	-	-	192,228	164,420	192,228	164,420
<b>Total financial assets</b>		<b>4,067,145</b>	<b>5,864,098</b>	<b>-</b>	<b>-</b>	<b>208,578</b>	<b>180,770</b>	<b>4,275,723</b>	<b>6,044,868</b>
<b>2. Financial liabilities</b>									
Trade & other payables	9	-	-	-	-	562,579	464,274	562,579	464,274
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>562,579</b>	<b>464,274</b>	<b>562,579</b>	<b>464,274</b>

**2.3 Trade and other receivables analysis**

*(a) Impaired trade receivables*

Trade receivables that are overdue and which are considered at risk of recovery are provided for within a Provision for Doubtful Debts. At the end of the year, accounts with a nominal value of \$Nil (2017: \$Nil) were considered impaired and have been provided for. After the Trust exhausts all reasonable avenues to collect outstanding accounts, the amounts are considered unrecoverable and are written-off to expenses, 2018: \$2,750 (2017: \$(868), net amount recovered).

There are no amounts of collateral held by the Trust as security at 30 June 2018 in regard to any receivables.

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**2. FINANCIAL RISK MANAGEMENT** *(continued)*

**2.3 Trade and other receivables analysis** *(continued)*

*(b) Past due but not impaired*

As of 30 June 2018, trade receivables of \$3,310 (2017: \$19,183) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Accounts Receivable - overdue amounts</b>		
1-30 days overdue	646	(504)
31-60 days overdue	2,664	9,872
Greater than 60 days over due	-	9,815
<b>Total overdue accounts receivable</b>	<b>3,310</b>	<b>19,813</b>

There are no amounts of collateral held as security at 30 June 2018 relevant to these receivables.

*(c) Other receivables*

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

*(d) Foreign exchange and interest rate risk*

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

*(e) Fair value and interest rate risk*

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

**2.4 Trade and other payables analysis**

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

<b>Accounts payable amounts</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Due within 1 month	282,963	365,008
Due within 1-2 months	-	2,300
Due after 2 months	-	-
<b>Total accounts payable</b>	<b>282,963</b>	<b>367,308</b>

**2.5 Borrowings Analysis**

A previous fixed term, interest bearing loan held with the NSW Treasury Corporation, was repaid by the Department of Premier and Cabinet (DPC) in June 2014. Since that date, the Trust has not required or sought any new loan funding to support its normal trading activities.

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**2. FINANCIAL RISK MANAGEMENT** *(continued)*

**2.6 Interest rate sensitivity analysis**

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

At 30 June 2018, the effect on profit as a result of changes in the interest rate, if all other variables were to remain constant, would be as follows:

	<b>2018</b>	<b>2017</b>
	\$	\$
Increase in interest rate by 1%	40,671	58,641
Decrease in interest rate by 1%	(40,671)	(58,641)

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

**3. REVENUE FROM CONTINUING OPERATIONS**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Sales revenues</b>		
Cave tours & related services	6,243,490	5,976,258
Accommodation	1,635,827	1,651,997
Gift shop trading	283,412	217,791
Food and beverage sales	2,246,619	2,543,060
	<b>10,409,348</b>	<b>10,389,106</b>
<b>Rental income</b> <i>(staff cottages)</i>	94,309	80,754
<b>Interest income</b> <i>(financial institutions)</i>	100,274	92,809
<b>Revenue from continuing operations</b>	<b>10,603,931</b>	<b>10,562,669</b>
<b>Grants and other income</b>		
Grants received	72,120	107,031
Other income	19,927	22,075
	<b>92,047</b>	<b>129,106</b>
<b>Total revenue</b>	<b>10,695,978</b>	<b>10,691,775</b>

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>4.1 PERSONNEL SERVICES EXPENSE</b>		
Salaries & wages	4,948,869	4,741,816
Annual leave	424,977	380,083
Long service leave	72,175	91,120
Superannuation	496,037	461,314
Worker's compensation	122,937	179,308
Payroll tax	264,011	248,091
Payroll processing charge	19,263	19,487
<b>Total Personnel Services provided by OEH</b>	<b>6,348,269</b>	<b>6,121,219</b>
Defined benefit fund liability (gains)/losses	(128,743)	(518,286)
<b>Total Personnel Services expense</b>	<b>6,219,526</b>	<b>5,602,933</b>
<b>4.2 DEPRECIATION EXPENSE</b>		
<b>Depreciation of non-current assets:</b>		
Buildings	351,609	55,997
Plant & equipment	132,096	7,739
Caves infrastructure	163,359	182,625
General infrastructure	270,718	308,672
<b>Total depreciation expense</b>	<b>917,782</b>	<b>555,033</b>
<b>4.3 OTHER OPERATING EXPENSES</b>		
Audit fees	83,080	54,000
Bank & credit card	50,746	62,234
Cleaning	183,554	197,061
IT maintenance & supplies	82,083	68,291
Printing & stationery	7,045	11,457
Rental expense on operating leases	67,463	58,703
Travel expenses	1,372	1,341
Other expenses	282,767	356,840
<b>Total other operating expenses</b>	<b>758,110</b>	<b>809,927</b>
<b>5. CASH AND CASH EQUIVALENTS</b>		
Bank – trading & cheque accounts	3,304,528	2,157,168
Bank – cash management accounts	577,333	598,209
Special purpose grant account	185,284	3,108,721
Cash on hand	16,350	16,350
<b>Total cash &amp; cash equivalents</b>	<b>4,083,495</b>	<b>5,880,448</b>

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Trade receivables</b>	235,725	164,420
Less: Provision for Doubtful Debts	(2,623)	-
<b>Net trade receivables</b>	<b>233,102</b>	<b>164,420</b>
<b>Other receivables</b>		
Prepayments	12,978	12,562
<b>Total other receivables</b>	<b>12,978</b>	<b>12,562</b>
<b>Total trade &amp; other receivables</b>	<b>246,080</b>	<b>176,982</b>

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

**Movements in the Provision for Doubtful Debts:**

Provision for doubtful Debts at start of year	-	-
Charge for the current year	2,750	-
Amounts written against the Provision:	(127)	-
<b>Provision at year end</b>	<b>2,623</b>	-

<b>7. INVENTORIES*</b>		
Marketing	6,821	6,821
Maintenance	2,694	2,708
Staff Uniforms	4,985	4,623
Electrical	6,462	7,191
Cave Tours	12,252	19,137
Gift Shop	45,273	23,535
Caves House ( <i>incl. Bistro &amp; Restaurant</i> )	45,146	47,790
<b>Total inventories</b>	<b>123,633</b>	<b>111,805</b>

*\* All inventories are accounted for at the lower of cost and net realisable value.*

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

**8. PROPERTY PLANT AND EQUIPMENT**

**Current year**

**At 1 July 2017**

	Buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
Cost or fair value	9,064,807	1,295,028	31,466	8,893,582	9,569,826	41,460	89,190	28,985,359
Accumulated depreciation and impairment	(6,908,601)	(762,190)	(19,466)	(2,110,845)	(5,136,712)	(41,460)	0	(14,979,274)
<b>Net carrying amount at start of year</b>	<b>2,156,206</b>	<b>532,838</b>	<b>12,000</b>	<b>6,782,737</b>	<b>4,433,114</b>	-	<b>89,190</b>	<b>14,006,085</b>

**Year ended 30 June 2018**

Additions	2,621,100	54,986	-	28,796	46,044	-	228,449	2,979,375
Net revaluation/impairment (at WDV) *	9,785,419	-	-	(14,667)	8,099,705	-	-	17,870,457
Disposals (at WDV)	-	-	(200)	-	-	-	-	(200)
Transfers in/(out) (at WDV)	266,737	-	-	89,769	(356,506)	-	-	-
Depreciation charge for the year	(351,609)	(129,696)	(2,400)	(163,359)	(270,718)	-	-	(917,782)
<b>Net closing book value</b>	<b>14,477,853</b>	<b>458,128</b>	<b>9,400</b>	<b>6,723,277</b>	<b>11,951,639</b>	-	<b>317,639</b>	<b>33,937,935</b>

**At 30 June 2018**

Cost or fair value	37,133,894	1,351,140	31,466	9,037,443	17,879,762	41,460	317,639	65,792,804
Accumulated depreciation and impairment	(22,656,041)	(893,012)	(22,066)	(2,314,167)	(5,928,123)	(41,460)	-	(31,854,869)
<b>Net carrying amount</b>	<b>14,477,853</b>	<b>458,128</b>	<b>9,400</b>	<b>6,723,276</b>	<b>11,951,639</b>	-	<b>317,639</b>	<b>33,937,935</b>

**Prior year**

**At 1 July 2016**

	Buildings	Plant and equipment	Motor vehicles	Caves infrastructure	General infrastructure	Leasehold improvements	Capital work in progress	Total
Cost or fair value	8,179,320	857,391	19,466	9,602,082	9,247,926	41,460	1,693,780	29,641,425
Accumulated depreciation and impairment	(6,852,604)	(754,451)	(19,466)	(1,808,234)	(4,799,829)	(41,460)	-	(14,276,044)
<b>Net carrying amount at start of year</b>	<b>1,326,716</b>	<b>102,940</b>	-	<b>7,793,848</b>	<b>4,448,097</b>	-	<b>1,693,780</b>	<b>15,365,381</b>

**Year ended 30 June 2017**

Additions	-	-	-	-	-	-	445,968	445,968
Net revaluation/impairment (at WDV)	-	-	-	(567,530)	-	-	(682,703)	(1,250,233)
Disposals (at WDV)	-	-	-	-	-	-	-	-
Transfers in/(out) (at WDV)	885,487	437,637	12,000	(260,956)	293,689	-	(1,367,855)	-
Depreciation charge for the year	(55,997)	(7,739)	-	(182,625)	(308,672)	-	-	(555,033)
<b>Net closing book value</b>	<b>2,156,206</b>	<b>532,838</b>	<b>12,000</b>	<b>6,782,737</b>	<b>4,433,114</b>	-	<b>89,190</b>	<b>14,006,085</b>

**At 30 June 2017**

Cost or fair value	9,064,807	1,295,028	31,466	8,893,582	9,569,826	41,460	89,190	28,985,359
Accumulated depreciation and impairment	(6,908,601)	(762,190)	(19,466)	(2,110,845)	(5,136,712)	(41,460)	0	(14,979,274)
<b>Net carrying amount</b>	<b>2,156,206</b>	<b>532,838</b>	<b>12,000</b>	<b>6,782,737</b>	<b>4,433,114</b>	-	<b>89,190</b>	<b>14,006,085</b>

\* Refer to note 1.4 for further information on the significant revaluation increment for Buildings and General Infrastructure recorded in the 2018 financial year



**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>		
Customer deposits ( <i>refundable</i> )	58,396	66,475
Trade payables	529,409	477,269
Accrued expenses	2,500	-
Accrued employee costs/personnel services	70,598	31,110
Audit fees	36,360	28,750
<b>Total trade &amp; other payables</b>	<b>697,263</b>	<b>603,604</b>
<b>10. PROVISIONS</b>		
<u>Personnel Services</u>		
<b>Employee Benefits – Annual Leave</b>		
Current	297,182	322,355
<b>Employee Benefits – Long Service Leave</b>		
Current	384,109	341,953
Non-current	59,631	50,863
	<b>443,740</b>	<b>392,816</b>
<b>Total provisions</b>	<b>740,922</b>	<b>715,171</b>
<b>11. BORROWINGS</b>		
A previous fixed term, interest bearing loan held with the NSW Treasury Corporation, was repaid by the Department of Premier and Cabinet (DPC) in June 2014. Since that date, the Trust has not required or sought any new loan funding to support its normal trading activities.		
<b>12. CONTRIBUTED EQUITY</b>		
Balance 1 July	5,831,749	5,831,749
Current year movement	-	-
<b>Balance 30 June</b>	<b>5,831,749</b>	<b>5,831,749</b>
<b>13. RESERVES AND RETAINED PROFITS</b>		
<b>(a) Reserves*</b>		
Balance 1 July	9,676,930	10,927,163
Net asset revaluation decrement	17,870,456	(1,250,233)
<b>Balance 30 June</b>	<b>27,547,386</b>	<b>9,676,930</b>
<i>* includes revaluation reserve arising from periodic revaluation of the Trust's non-current assets.</i>		
<b>(b) Retained profits</b>		
Balance 1 July	2,375,333	2,364,308
Result for the year	208,031	(547,451)
Actuarial gains/(losses) on Defined Benefit		
Fund obligations	154,223	558,476
<b>Retained profits/(accumulated losses) at year end</b>	<b>2,737,587</b>	<b>2,375,333</b>

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**14. DEFINED BENEFIT FUND OBLIGATIONS**

**(a) Defined contribution superannuation fund**

The superannuation expense recognised in the statement of comprehensive income of \$496k (2017: \$461k), represents the contribution paid to superannuation plans by the Trust. This amount is primarily the payment of Superannuation Guarantee Levies into relevant superannuation plans, which are external to the Trust. The Trust has no other obligation or liability in regard to these plans.

**(b) Defined benefit superannuation fund**

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

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

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

All the Schemes were closed to new members during the 1990's, however the Trust had a number of employees who became members of these funds prior to them being closed to new membership and who continue to have entitlements.

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

The Fund Administrator provided the Trust with detailed calculations for the defined benefit funds' net liability. The remaining liability was largely incurred in relation to fund members who are no longer employed by the Trust, however these members continue to have superannuation entitlements which require the Trust to recognise the liability that arises in relation to these entitlements.

The liability does not relate to current employees, however, the liability has been reported by the Trust to OEH (as the current Personnel Services provider) to which current staff were transferred in March 2014 from the JCRT Division (which was subsequently dissolved).

**JENOLAN CAVES RESERVE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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

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

*all amounts shown are \$000's*

	Funds:		SASS		SANCS		SSS		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>i) Reconciliation of the net defined benefit liability/(asset)</b>										
Defined benefit liability/(asset) at start of year	(240)	(200)	(78)	(64)	1,291	1,754	973	1,491		
Current service cost	-	8	-	2	-	-	-	10		
Net interest on the defined benefit liability/(asset)	(6)	(4)	(2)	(1)	33	35	25	30		
Actual return on funds less interest income	(12)	(28)	(3)	(7)	(125)	(150)	(140)	(185)		
Actuarial (gains)/losses	(3)	(16)	(1)	(8)	(10)	(348)	(14)	(373)		
Employer contributions	-	-	-	-	-	-	-	-		
<b>Net defined benefit liability/(asset) at end of year</b>	<b>(261)</b>	<b>(240)</b>	<b>(84)</b>	<b>(78)</b>	<b>1,189</b>	<b>1,291</b>	<b>844</b>	<b>973</b>		
<b>ii) Reconciliation of the fair value of the funds assets</b>										
Fair value of fund assets at start of year	204	436	66	113	2,157	2,109	2,427	2,658		
Interest income	6	8	2	2	54	41	62	51		
Actual return on fund assets less interest income	12	28	4	7	125	150	141	185		
Employer contributions	-	-	-	-	-	-	-	-		
Member contributions	-	2	-	-	-	-	-	2		
Benefits paid	-	(270)	-	(56)	(172)	(169)	(172)	(495)		
Taxes, premiums and expenses paid	-	-	-	-	22	26	22	26		
<b>Fair value of fund assets at end of year</b>	<b>222</b>	<b>204</b>	<b>72</b>	<b>66</b>	<b>2,186</b>	<b>2,157</b>	<b>2,480</b>	<b>2,427</b>		
<b>iii) Reconciliation of the defined benefit obligation</b>										
Present value of the defined benefit obligation at start of year	(36)	235	(12)	50	3,447	3,863	3,399	4,148		
Current service cost	-	8	-	2	-	-	-	10		
Interest cost	(1)	5	-	1	88	75	87	81		
Member contributions	-	3	-	-	-	-	-	3		
Actuarial (gains)/losses	(2)	(17)	(1)	(8)	(10)	(348)	(13)	(373)		
Benefits paid	-	(270)	-	(57)	(172)	(169)	(172)	(496)		
Taxes, premiums and expenses paid	-	-	-	-	22	26	23	26		
<b>Present value of the defined benefit obligation at end of year</b>	<b>(39)</b>	<b>(36)</b>	<b>(13)</b>	<b>(12)</b>	<b>3,375</b>	<b>3,447</b>	<b>3,324</b>	<b>3,399</b>		
<b>iv) Summary of the funds' financial position at year end</b>										
Accrued benefits	-	-	-	-	2,007	2,035	2,007	2,035		
Net market value of fund assets	(222)	(204)	(72)	(66)	(2,186)	(2,157)	(2,480)	(2,427)		
<b>Net (surplus)/deficit in fund assets</b>	<b>(222)</b>	<b>(204)</b>	<b>(72)</b>	<b>(66)</b>	<b>(179)</b>	<b>(122)</b>	<b>(473)</b>	<b>(392)</b>		
<b>v) Reconciliation of amounts which have a profit and loss impact</b>										
Current service cost	-	8	-	2	-	-	-	11		
Net interest	(6)	(4)	(2)	(1)	34	35	25	30		
Past service cost	-	-	-	-	-	-	-	-		
(Gains)/losses on settlement	-	-	-	-	-	-	-	-		
<b>Profit/(loss) component of defined benefit cost</b>	<b>(6)</b>	<b>4</b>	<b>(2)</b>	<b>1</b>	<b>34</b>	<b>35</b>	<b>25</b>	<b>41</b>		
<b>vi) Reconciliation of amounts recognised in Other Comprehensive Income</b>										
Actuarial (gains)/losses on liabilities	(2)	(17)	(1)	(8)	(10)	(348)	(14)	(373)		
Actual return on fund assets less interest income	(12)	(28)	(4)	(7)	(125)	(150)	(141)	(185)		
Adjustment for effect of asset ceiling	-	-	-	-	-	-	-	-		
<b>Total re-measurement in other comprehensive income</b>	<b>(14)</b>	<b>(45)</b>	<b>(5)</b>	<b>(15)</b>	<b>(135)</b>	<b>(498)</b>	<b>(155)</b>	<b>(558)</b>		

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**vii) Investment of pooled funds**

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

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

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

a) Valuation method

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

	<b>2018</b>	<b>2017</b>
<i>b) Actuarial assumptions</i>	%	%
Discount rate current year end	2.65	2.62
Expected salary increase rates:		
- following year (to 30 June 2019)	2.70	2.50
- years thereafter	3.20	3.50
Expected rate of CPI increase	2.25 - 2.50	2.50 - 3.50

c) AASB 119 superannuation reporting - Asset disclosures under Paragraphs 142 and 143

1. Fair value of Fund assets - Para 142

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

**As at 30 June 2018:**

Asset category	Total (A\$'000)	Quoted prices in active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short Term Securities	4,401,164	2,185,469	2,215,695	0
Australian Fixed Interest	2,234,921	41,854	2,193,068	0
International Fixed Interest	1,396,107	8,116	1,387,991	0
Australian Equities	9,271,405	8,719,442	548,908	3,055
International Equities	10,891,350	8,499,476	2,391,501	373
Property	3,711,287	788,018	608,934	2,314,335
Alternatives	9,894,828	420,898	5,332,818	4,141,113
<b>Total</b>	<b>41,801,062</b>	<b>20,663,273</b>	<b>14,678,915</b>	<b>6,458,876</b>

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

*Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.*

*Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.*

*Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.*

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

The percentage invested in each asset class at the reporting date is:

<b>As at 30-Jun-18</b>	
Short Term Securities	10.5%
Australian Fixed Interest	5.3%
International Fixed Interest	3.3%
Australian Equities	22.2%
International Equities	26.1%
Property	8.9%
Alternatives	23.7%
<b>Total</b>	<b>100.0%</b>

**2. Fair value of entity's own financial instruments - Para 143**

The fair value of the Pooled Fund assets as at 30 June 2018 includes \$97.7 million in NSW government bonds.

Of the direct properties owned by the Pooled Fund:

SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$280 million (30 June 2017: \$250 million).

Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$287 million (30 June 2017: \$261 million).

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

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Result for the year</b>	354,701	11,025
<u>Add back:</u>		
Depreciation & impairment	917,782	555,033
<b>Change in operating assets and liabilities</b>		
(inc)/dec in receivables	(69,098)	24,016
(inc)/dec in inventories	(11,828)	47,155
inc/(dec) in trade & other payables	93,659	64,222
inc/(dec) in provisions & defined benefit fund net liability	(102,992)	(420,194)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,182,224</b>	<b>281,257</b>

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

**16. REMUNERATION OF AUDITORS**

Auditing of the Financial Statements	<b>83,030</b>	<b>59,770</b>
--------------------------------------	---------------	---------------

No other services were provided by the external auditor during the financial year.

**17. LEASE COMMITMENTS**

**Operating Leases**

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

not longer than one year	45,637	53,056
longer than one year and not longer than two years	16,119	27,356
longer than two years and not longer than five years	11,597	3,987
<b>Total lease commitments (inclusive of GST)</b>	<b>73,353</b>	<b>84,399</b>

**18. 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 of \$743,718 to undertake rectification works within the caves to remove contaminating fencing materials. These works were commenced during 2013/14, and has continued through to 2017/18.

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

This particular Grant had two key components, \$50,000 for an educational component, with the remainder being for removal of aging ferrous material from various caves, and replacement of the removed infrastructure with structures fabricated using stainless steel.

The grant will be largely repaid, not in cash, but via "environmental" offsets generated from various Jenolan Trust projects with targeted environmental benefits according to an Environmental Trust approved business plan.

The Educational component will be used for related educational programs according to a separate Environmental Trust approved business plan and will not need to be offset.

The Trust had no other contingent liabilities at balance date (2017: \$nil).

**JENOLAN CAVES RESERVE TRUST  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**19. CAPITAL EXPENDITURE COMMITMENTS**

	<b>2018</b>	<b>2017</b>
	\$	\$
Not longer than 1 year	-	322,485
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
<b>Total capital commitments</b>	<b>-</b>	<b>322,485</b>

At 30 June 2018, the Trust had no outstanding payments for completed or unfinished capital projects (2017: \$nil).

**20. RELATED PARTY DISCLOSURE**

The Trust's Division was dissolved on the 24 February 2014. Since that date, personnel services have been partly 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.

Remuneration (including superannuation contributions) of Key Management Personnel during 2017/18 amounted to \$172,917 (2017: \$152,725) plus post-employment income of \$16,513 (2017: \$14,509). The Administrator did not receive any remuneration from the Trust.

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 2017/18, the Trust received 2 grants from OEH totalling \$72,120.

**21. POST BALANCE DATE EVENTS**

No events have occurred since balance date that will materially affect these financial statements.

**End of audited financial statements.**