

2021-2022

Annual Report



JENOLAN
CAVES

A world of its own.

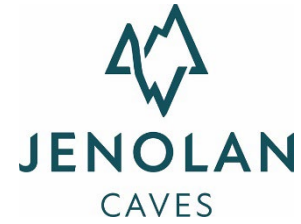


Contents

Letter of Submission.....	3
Acknowledgement of Traditional Owners.....	4
Charter – Our Role.....	4
Aims and Objectives.....	4
Administrator’s Report.....	8
Access.....	9
Management and Structure.....	10
Summary Review of Operations (incl. Economic or Other Factors).....	11
Funds Granted to Non-Government Community Organisations.....	13
Legal Change.....	13
Management & Activities – Visitor Experience.....	13
Management & Activities – Hospitality.....	15
Management & Activities – Conservation & Maintenance.....	18
Management & Activities – Projects Team.....	21
Management & Activities – Marketing.....	22
Management & Activities – Information Technology.....	24
Research and Development.....	25
Human Resources.....	26
Consultants.....	27
Workforce Diversity.....	27
Disability Inclusion Action Plan.....	28
Land Disposal.....	28
Promotion.....	28
Consumer Response.....	28
Payment of Accounts.....	29
Time for Payment of Accounts.....	29
Risk Management and Insurance Activities.....	29
Internal Audit and Risk Management Policy.....	30
Disclosure of Controlled Entities.....	31
Disclosure of Subsidiaries.....	31
Multicultural Policies and Services Program.....	31
Agreements with Multicultural NSW.....	32
Work Health & Safety.....	32
Additional matters for inclusion in annual reports.....	33
Numbers and Remuneration of Senior Executives.....	33
Implementation of Price Determination.....	33
Government Information (Public Access) Act 2009.....	33
Cyber Security Annual Attestation Statement.....	34
Public Interest Disclosures (PID).....	34
Requirements Arising from Employment Arrangements.....	34
Financial Statements (& Auditors Report).....	34
Independent Auditors’ Report and Audited Financial Statements.....	35

Front cover image – Plughole Adventure Caving at Jenolan Caves, during COVID-19 pandemic.

Letter of Submission



The Hon. James Griffin MP
Minister for Environment and Heritage
52 Martin Place
SYDNEY NSW 2000

October 2022

Dear Minister,

On behalf of the Jenolan Caves Reserve Trust, I have great pleasure in presenting our 2021-22 Annual Report.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Andrew Nicholls".

Andrew Nicholls PSM
Administrator
Jenolan Caves Reserve Trust

Acknowledgement of Traditional Owners

We would like to acknowledge the Gundungurra people as the traditional custodians of the lands on which Jenolan Caves sits. We recognise their continuing connection to the land and waters and we pay our respects to Elders, past, present and emerging.

Charter – Our Role

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

The role of the Jenolan Caves Reserve Trust is to protect, conserve and present the natural and cultural heritage of the VUSZ, in an environmentally, socially and financially responsible and sustainable manner. The VUSZ is an area of about 50 hectares within the larger Jenolan Karst Conservation Reserve. The VUSZ contains most of the show and adventure caves, all visitor accommodation and facilities including the historic Caves House and all associated utilities and services.

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

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

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

Aims and Objectives

The 2019-2022 Jenolan Caves Reserve Trust strategic plan sets out the strategic direction for the management of Jenolan Caves.

Mission

Our mission is to connect our visitors with the unique natural and cultural heritage of Jenolan Caves, and through that connection, stimulate the urge to care for and protect all such special places. **Put simply, our mission is to protect and connect.**

Goals



CONNECTION

Success looks like: We deliver life changing visitor experiences that leave our visitors with an increased appreciation and understanding of the rich natural and cultural heritage of Jenolan Caves.

Our priority focus: We connect our visitors to the natural and cultural heritage of Jenolan Caves by delivering immersive, inspiring and innovative visitor experiences that:

- **create connections** – Our visitors connect with each other, with the environment and with the natural and cultural heritage of Jenolan Caves.
- **exceed expectations** – Our experiences exceed visitor expectations, every time, cementing our position as one of Australia’s most iconic and best tourism attractions.
- **create memories and evoke nostalgia** – Our visitors leave with lifelong memories that inspire them to share stories of their experience and to return with their children, grandchildren, friends and family to share the magic of Jenolan.
- **inspire action** – Our experiences will increase knowledge and inspire positive action for the conservation of natural and cultural heritage values and the protection of the environment.
- **provide educational opportunities** – Students, teachers and the community learn through participating in our immersive and tailored education experiences and programs.
- **awaken a sense of awe, wonder and curiosity** – Our visitors leave having felt the magic of Jenolan Caves.



CONSERVATION

Success looks like: The natural and cultural heritage values of Jenolan Caves are conserved for present and future generations.

Our priority focus: We will ensure that the natural and cultural heritage values of the Jenolan caves are conserved by:

- **minimising impacts on the Reserve** – Our visitors are managed in a way that not only minimises their impact but also educates them about how they can minimise their broader impact on the environment.
- **strategically managing our assets** – Our assets are managed in a way that conserves, and protects the values of the site, whilst enhancing the visitor experience.
- **promoting research** – scientific, speleological and historical research is utilised and highlighted in the guest experience and interpretation.
- **prioritising** – activities that recognise the karst conservation reserve status of the area, its World Heritage, state and national heritage values, as well as its significant catchment values.



COMMUNITY

Success looks like: Jenolan caves is highly valued by the community and makes a significant contribution to regional prosperity.

Our priority focus: We will contribute to regional prosperity and ensure Jenolan caves is valued by:

- **being actively involved** – Jenolan caves staff are actively involved with community groups, committees and organisations.
- **instilling community pride and connection** – Our community has a strong connection to the natural, cultural and Aboriginal heritage of Jenolan Caves.
- **supporting local suppliers** – We prioritise procurement of goods and services from local suppliers who meet the standards we require, and support others to reach those standards.
- **supporting local jobs** – Actively promoting opportunities for employment and training for local people at Jenolan Caves.



SUSTAINABILITY AND PERFORMANCE

Success looks like: Jenolan Caves operates in an environmentally, socially and financially responsible and sustainable manner.

Our priority focus: We will ensure all activities at Jenolan Caves operate in a sustainable and responsible manner by:

- **thinking sustainably** – We analyse and monitor the sustainability of all our activities from a commercial, environmental and social perspective.
- **being self-funded** – We generate maximum financial returns so that we have the ability to reinvest in enhancing the visitor experience and ensuring the protection and conservation of Reserve values.
- **adapting to climate change** – We aim to future-proof our operations by considering the impacts of climate change, and responding accordingly.
- **work health and safety** – We get everyone home, without harm, every time.
- **strategically managing our assets** – Our assets are managed in a way that ensures assets perform at optimal levels, life cycle costs are budgeted for and risks associated with assets are reduced.

Enablers



EMPLOYER OF CHOICE

We aim to become an employer of choice, known for its outstanding people. Our people are the most critical part of our product, a critical part of people's lasting impression, and a critical part of word-of-mouth recommendations. We will help every staff member to achieve by:

- providing a positive and supportive workplace,
- providing them with all the tools they need to excel at their job,
- stimulating them to strive for more knowledge and more training,
- providing them with opportunities to grow their knowledge develop their skills and be higher achievers,
- ignite and continually fuel their passion for the environment, cultural heritage and their job,
- instilling pride in themselves and the work they do at Jenolan Caves,
- embracing diversity and leveraging individual perspectives, experiences and skillsets in all our teams,
- making communication a conversation – providing a system of communication that increases our ability to, work collaboratively, share ideas, exchange information, and connect with each other and with our mission.



CONTINUOUS IMPROVEMENT AND INNOVATION

We will operate in a cycle of continuous improvement, consistently striving to improve our products, service and delivery. We will create a culture based on continuous improvement and innovation by:

- empowering staff to innovate and take personal responsibility,
- acknowledging that taking calculated risks is an inherent requirement of innovation,
- practicing the courage to be continually optimistic and innovative,
- honouring and respecting our history, whilst looking towards the future.



PARTNERSHIPS

We will develop operational and conservation-based partnerships to enhance the Trust's commercial viability and implement sound environmental research and support programs across the Reserve that assists in the protection, conservation and presentation of Reserve values.

Delivery

The staff that deliver against the goals and objectives of the Trust are arranged in the following work teams:

- Visitor Experience & Marketing,
- Conservation and Maintenance,
- Hotel and Hospitality,
- Corporate.

VISITOR EXPERIENCE & MARKETING

This team develops, implements and evaluates visitor services and marketing activities at Jenolan Caves including: experience development, marketing and communication, education and volunteer programs, feedback and evaluation, and the operation and delivery of visitor experiences.

They ensure the caves are presented to the highest standard and that visitor impacts are managed in a way that not only minimises their impact but educates them about how they can minimise their broader impact on the environment.

This team is also responsible for booking visitor experiences and for the retail offering

CONSERVATION & MAINTENANCE

The Conservation & Maintenance team works to ensure our assets are managed in a way that conserves, and protects the values of the site, while enhancing the visitor experience, and that they are managed in a way that ensures assets perform at optimal levels, life cycle costs are budgeted, and risks associated with assets are reduced.

The team also manages Jenolan's existing assets and the delivery of capital works. They look after all of Jenolan's utilities and services including, drinking water, sewage, waste management and power. The team includes a range of trades as well as general maintenance officers.

HOTEL & HOSPITALITY

This team develops, implements and evaluates the provision of hotel and hospitality services at Jenolan Caves. This includes operating and managing a suite of accommodation options, Chisholm's fine dining restaurant, the Caves Café, as well as weddings, functions and events. The functional areas include:

- **Front desk** - manages all overnight guest enquires and bookings, provides 24/7 guest services through front desk and overnight duty managers.
- **Housekeeping** - provides room and public area cleaning services across the site.
- **Food & beverage** – provides front of house service for all food and beverage offerings and coordinates the Caves Café.
- **Kitchen** – a team of chef's and kitchen hands who manage the back of house delivery of Jenolan's dining experience and catering offerings.

- **Group bookings** – manages and coordinates group bookings.

This team works closely with the Visitor Experience and Marketing team, to deliver a holistic, seamless and quality experience, across all of Jenolan’s visitor touch points.

CORPORATE

The corporate team is responsible for the finance and information technology functions of JCRT and manages the development, implementation and enhancement of contemporary business, commercial and financial management policies, practices and systems. This involves: managing the budget reviews processes, preparing management accounting reports and providing strategic advice and direction to cost centre managers on financial management issues; control of JCRT’s bank accounts, including managing all payroll and accounts payable and receivable processes; preparing financial management reports including the detailed analysis of current and forecast business unit performance.

Administrator’s Report

If there was a common theme about 2021-22 at Jenolan Caves, it would be the immense resilience of our staff. Big and small challenges continued to disrupt our operations, but it is difficult to image a group of people displaying more resolve and perseverance in the face of adversity than the Jenolan team.

While the year started with a sense of optimism after two years of unprecedented challenges, including one of the worst bushfire seasons in NSW’s history, devastating floods, and the COVID-19 pandemic, new difficulties have been thrown our way, testing our commitment to our customers and our ability to innovate.

Recurring road access issues in particular have significantly impacted our ability to trade and welcome visitors for a significant portion of the year, at a crucial time for the recovery of the hospitality and tourism industry.

Despite these challenges, the team remained focussed and determined to provide high quality experiences to our guests, who continued to show their love and support for Jenolan every time we could open and trade.

I particularly want to thank Cameron Chaffey our acting Director until March 2022, and Andrew Le Lievre, our Acting Director since April, for their leadership during these challenges times. Both Cameron and Andrew, with the support of the whole management team, have continued to help deliver improvements in our asset management, safety, marketing, visitor experience, and environmental and heritage activities. In particular, I thank them for their leadership in the delivery of a new organisational structure and operating model, while at the same time developing a new Masterplan for the site.

As part of the World Heritage listed Greater Blue Mountains National Park, Jenolan is well-known for its rich and unique heritage and natural values. A thriving and healthy environment is a major drawcard for our recovery. I’m particularly pleased to know that platypus continue to thrive in the Blue Lake, and koalas have been observed in the area for the first time after many years.

I also want to acknowledge the strong relationships Jenolan is developing with the Traditional Owners of the land on which we operate, the Gundungurra people, as well as a broad range of partners including the Oberon local council and local businesses, tourism groups and associations, and key stakeholder groups. Transport for NSW and the NSW Public Works Advisory have been key partners to overcome access issues and ensure the planning and delivery of infrastructure projects.

I'd also like to thank the many teams that are supporting us within the National Parks and Wildlife Service and broader Department of Planning and Environment.

Despite these setbacks, I'm confident the future is bright for Jenolan Caves. Next year we will deliver a new Masterplan, and commence a substantial program of capital works, thanks to the support of the NSW Government. I'm looking forward to enjoying the future success of this special part of NSW.

Andrew Nicholls PSM Administrator
Jenolan Caves Reserve Trust
July 2022

Access

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

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

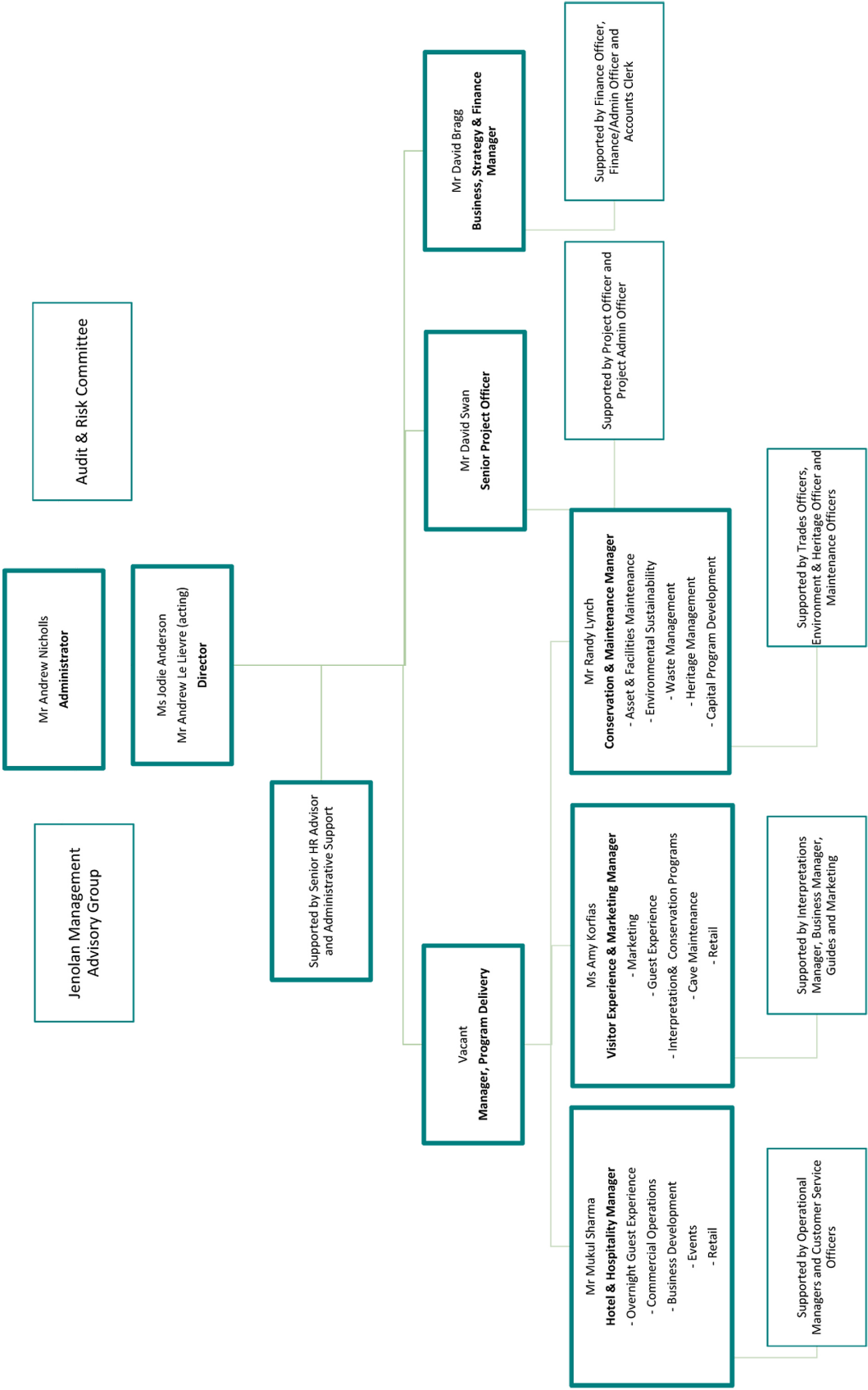
Visitor Experiences Team
Ph: 1300 76 3311
Fax: 02 6359 3307
Hours: 9am to 5pm

ABN: 53 494 853 455

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

Conservation & Maintenance
Ph: 1300 76 3311
Fax: 02 6359 330

Management and Structure



Summary Review of Operations (incl. Economic or Other Factors)

A year in Review

Following the significant challenges of the previous two years, there was a sense of anticipation as we entered 2021-22. Expectations included the completion of flood and fire recovery works, moving forward with major projects and importantly, continuing to welcome guests.

But 2021-2022 once again proved to be a challenging year. COVID-19 restrictions, limited access via one road, delayed remediation of flood-affected infrastructure, and further natural disasters combined to challenge the Trust as never before.

The impacts of the COVID-19 pandemic continued to be felt throughout most of the year, with tight restrictions easing late in February. The negative impact on trading was compounded by an emergency storm event in March 2022 that resulted in further depositing of silt and sediment in all dams and further damage to the only means of access, the 2-Mile Road.

More generally, the focus remained on renewal and revival, albeit with an expectation of ongoing impacts from COVID-19 and road closures. Flood recovery in relation to de-sedimentation works on all three dams continued throughout most of the year, concluding in May and despite the setback which followed the March rain event.

With COVID restrictions in place until February and with the ongoing remediation of the impact from prior flood events, trading was limited to weekends only.

School holidays were the exception, with seven-day trading anticipated. This however did not eventuate, due to a series of events beyond the control of the team at Jenolan.

In March, severe rainfall led to further sediment being deposited in all dams. In April, a semi-trailer became stuck on a lower bend of the 2-Mile Road, preventing access to the precinct and halting trade throughout the Easter holiday period.

Despite the setbacks associated with the ongoing remediation of flood damage, we were able to progress several of the key visitor infrastructure upgrades, including the detailed design of the Caves House refurbishment and internal refit of Mountain Lodge. The latter is on track for completion in November 2022.

A boiled-water notice has been in place since the March 2021 flood. A new water treatment plant is on schedule for commissioning in November 2022, which will enable us to, once again, provide potable water to all visitors and guests within the precinct.

A highlight of the past year has been the introduction of several new cave tour products, including the Plughole Adventure experience and the Fossil Hunter experience, specifically designed for school-aged children as an immersive educational and enjoyable tour of the Lucas Cave. The continuing refinement of our visitor experience offering, packaging both Hospitality and Tour products and creating new experiences, is a key imperative in support of our efforts to revitalise the Jenolan Caves precinct.

A draft Masterplan has been developed, although not yet finalised. The Masterplan seeks to guide current and future development of the Visitor Usage & Services Zone, in a sustainable and long-term business model. It has been developed in conjunction with our Stakeholder Reference Group, with representatives from all key interested parties including speleologists, relevant historical societies, local residents, NPWS, local Council, traditional owners the Gundungurra and the Oberon Business and Tourism Association. The final stage for this plan will be public exhibition and opportunity to

comment, before being finalised and submitted to the Minister for Environment and Heritage for adoption.

A paper being developed in conjunction with Transport for NSW highlights the need to consider options other than road-only access. The 5-Mile Road was lost in March 2021, limiting access to a single road from Oberon. Use of the 2-Mile Road was lost in July 2022 due to a landslide, which blocked the road for several days and resulted in loss of several weeks trading. The future access to and from Jenolan is possibly the most critical issue facing Jenolan.

Due to its extraordinary biodiversity, Jenolan is included as part of the World Heritage listed Greater Blue Mountains National Park. One of only nineteen such sites listed in Australia, we are home to over 20 threatened species of vertebrate. An apparent increase in breeding of several endangered species including the Brush-tailed Rock-wallaby, has coincided with the absence of general vehicle traffic in the precinct and specifically within the Grand Arch. Platypus numbers have increased and koalas have been seen for the first time in years near Burma Road.

As a consequence of the significant disruption to the business and extreme limitations on trading days, the Trust traded at a substantial loss for the year. The challenges of this past year have been reflected in staff turnover and especially in our ability to attract and retain hotel and hospitality team members. This challenge is reflective of the entire tourism industry, which continues to suffer from a lack of overseas visitors and appropriately qualified work force.

In spite of the many challenges faced, team morale has remained strong.

A number of caves, walking tracks, carparks and internal roads remained closed, due to flood damage. Despite the many challenges, when open, Jenolan was able to offer unique visitor experiences, in a safe and welcoming environment.

Jenolan staff have done an incredible job in the face of another challenging year. They are to be commended for their resilience, adaptability, innovativeness and for providing the utmost care and respect for visitors and one another alike.

Strategic Priorities

Despite another year disrupted by natural disasters and the COVID-19 pandemic, the Trust continued to work on its strategic priorities. The Trust continued to work closely with Transport for NSW, addressing both day to day operational as well as strategic access issues.

The Trust continued to work closely with NSW Public Works Authority, in the planning and delivery of the visitor infrastructure projects. Project delivery continued to be impacted due to COVID-19 restrictions and the ongoing challenges associated with the various flood events.

The Blue Lake project, directly impacted by floods (sediment deposition) and the restrictions of operating plant and equipment using only the 2-Mile Road, has been delayed and is expected to commence in late 2022.

The Visitor Centre development has been delayed, pending resolution of transport options and funding.

The Caves House refurbishment project has moved forward in its detailed design phase.

Workplace safety has been a priority issue, with a particular emphasis on mitigating:

- working at heights risks around Jenolan, both inside the caves and above ground,
- rock fall risk in key locations including Devils Coach House Cave, Grand Arch and below the Caretakers cottage.

This has improved our capability as First Responder to incidents in the isolated Jenolan Karst Conservation Reserve. This has included joint training with teams from Special Operations and Aero Medical with Ambulance NSW.

The outlook for the next twelve months remains a challenging one. However, new branding, pricing revision and a sound operating plan that will restore seven-day trading should see the Trust continue to progress towards the operational performance required to enter a new and exciting phase in its 156-year history as one of New South Wales and indeed Australia's premier tourist attractions.

Andrew Le Lievre
Acting Director
Jenolan Caves Reserve Trust
July 2022

Funds Granted to Non-Government Community Organisations

No funds were granted to Non-Government Community Organisations.

Legal Change

The Trust was not affected by any judicial decisions.

Management & Activities – Visitor Experiences

Meeting Challenges

2021-22 was a year of challenges, with three successive Marketing & Visitor Experiences Managers and a major staff restructure. Due to long and/or sudden closures, Cave guides took on new tasks, such as frequently contacting customers to organise refunds and advise of road closures and lengthy detour. They took on the challenge of working from home, and meeting online, to plan new products. During COVID-19, they used their legendary crowd-handling skills to ensure that everyone wore facemasks and adhered to social distancing rules, yet still had a great time. They honed their bus-driving skills, while shuttling all visitors and guests between the caves/hotel and Carpark 2.

Restructure – A Change for the Better

The major staff restructure provided several new roles plus higher guiding grades. New supervisory roles mean opportunities to which staff can aspire. New roles include:

- Interpretation Manager, who is responsible for overseeing day-to-day cave tour operations, reviewing and creating experiences, site presentation, training and reviewing visitor experience of cave tours among other duties.
- Business Manager role is responsible for financial planning and management, rostering, overseeing the gift shop, finding new offerings and working with the Interpretation Manager to create new experiences among other duties.
- Senior Adventure guide and Senior specialty tour guide each have a team of four grade-two guides.
- Conservation and Campaign officer is responsible for conservation efforts and related marketing campaigns among other duties, tying in with the Trust's commitment to 'Connect and Protect'.

New Products

Initially, coming out of COVID-19 lockdown, we opened on weekends only, and then 3 days per week. We reopened 4 caves, the Imperial, Chifley, Temple of Baal, and Orient, which were not impacted by floods. We were soon able to reopen the Lucas Cave, after re-routing the tour.

In response to popular demand, we were able to reopen the Plughole Adventure Caving Experience.

For the April school holidays, we launched a new children's activity, the 'Fossil Hunters'. Primary-school-aged kids, in caving helmets and head lamps, are taken into the Bone Cave. They handle actual fossils, bones, stalactites. In the Bone Chamber in the Lucas Cave, children have a fantastic time digging actual fossils out of plaster blocks. After this treasure hunt, kids get to take their fossils home. If they wish to, parents can accompany their kids on this school holiday adventure.

Always aiming to improve safety, cave staff trained with ambulance NSW special operations and aeromedical, in an ongoing upskilling initiative.

Cave Guides also ran the Jenolan gift shop, situated in Caves House, selling tour tickets, souvenirs and gifts to visitors and guest.

For the Future

Currently, we are open 7-days again, and planning to reopen more tours, particularly theme tours, gradually, with some tours available only to overnight guests, and some tours available mid-week only.



Management & Activities – Hospitality

The Year of Rebuilding, Reopening and Retaining

“Customer is King” is an age-old mantra, reflecting the importance of customers or consumers in every business. Traditionally, it means the promise to provide good products or services, with evolving technology. It means a lot more at Jenolan, where we aim to “Protect and Connect”. For us, it is much more than just products or services. At Jenolan, we strive to put the guest first.

After the frequent closures and changes of COVID-19, operations were severely affected by frequent weather events. Getting guests onsite through all the closures, traffic management challenges and projects was top priority for hospitality operations. Guest feedback was the most instrumental part of Hotel and Hospitality operations planning this financial year.

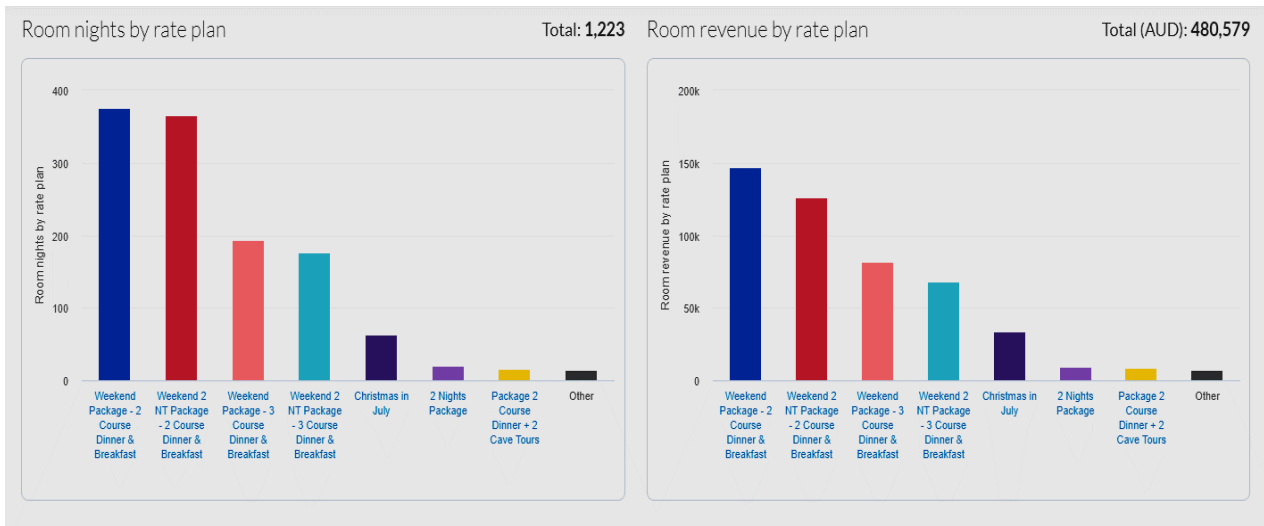


Hospitality includes Heritage-listed Jenolan Caves House, which is 124 years old, and still operating as a hotel. The Edwardian features, decor and atmosphere live on, although modern conveniences have been installed. The other facilities are:

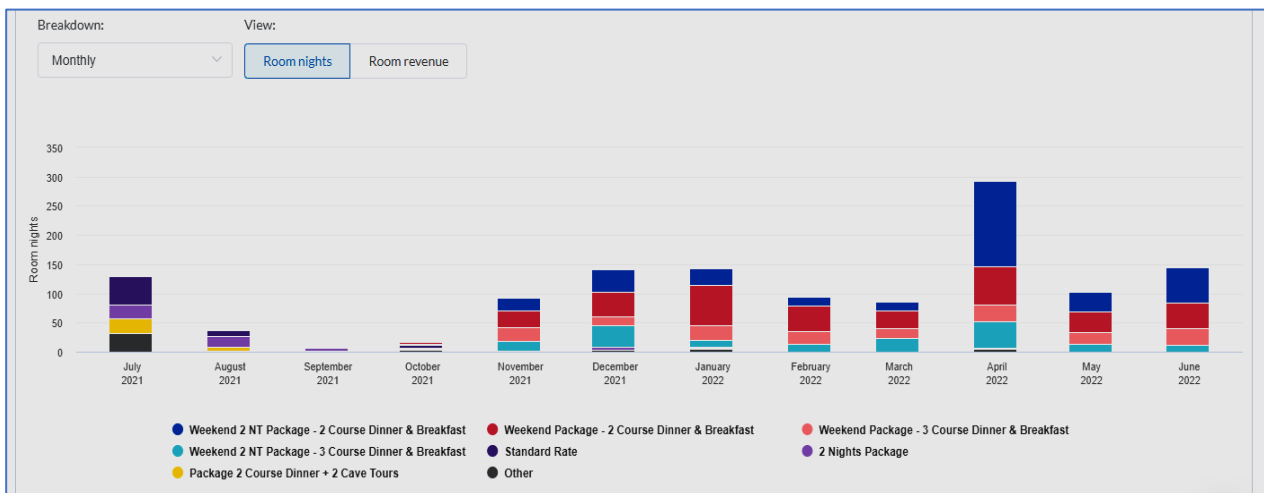
1. **Jenolan Caves Cottages** - These operated until flood damage closed the road. Two of the cottages were used by caver associations, for accommodation. Refurbishment remediated mould-related damage. The cottages are planned to open in September 2022.
2. **Gate House** – This building was closed through 2021-22 because of leakage and mould-related damages. Refurbishment is planned for 2022-23 and it will become staff accommodation.
3. **Mountain Lodge** – The Trust obtained additional funding and requested the scope be extended to the refurbishment of all the Mountain Lodge rooms. The Trust is seeking to undertake refurbishments of 28 rooms and 2 bathrooms in the Mountain Lodge, including new furniture, painting, carpets and cabinetry, HVAC, and Wi-Fi. Multy Building Pty Ltd has been awarded the construction contract. Multy Building Pty Ltd are designing and constructing the works, with the demolition of the existing rooms underway and roughing-in of services.
4. **Binoomea** - This two-floor cottage has been an integral aspect of accommodation throughout the year. It was occupied by multiple contractors, work groups, guests, and staff.

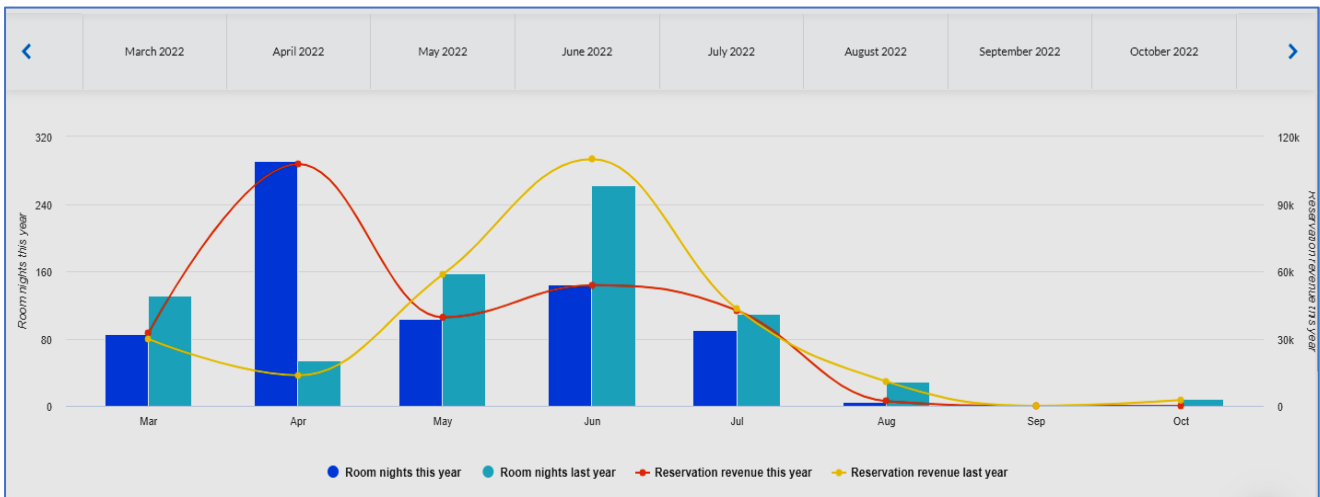
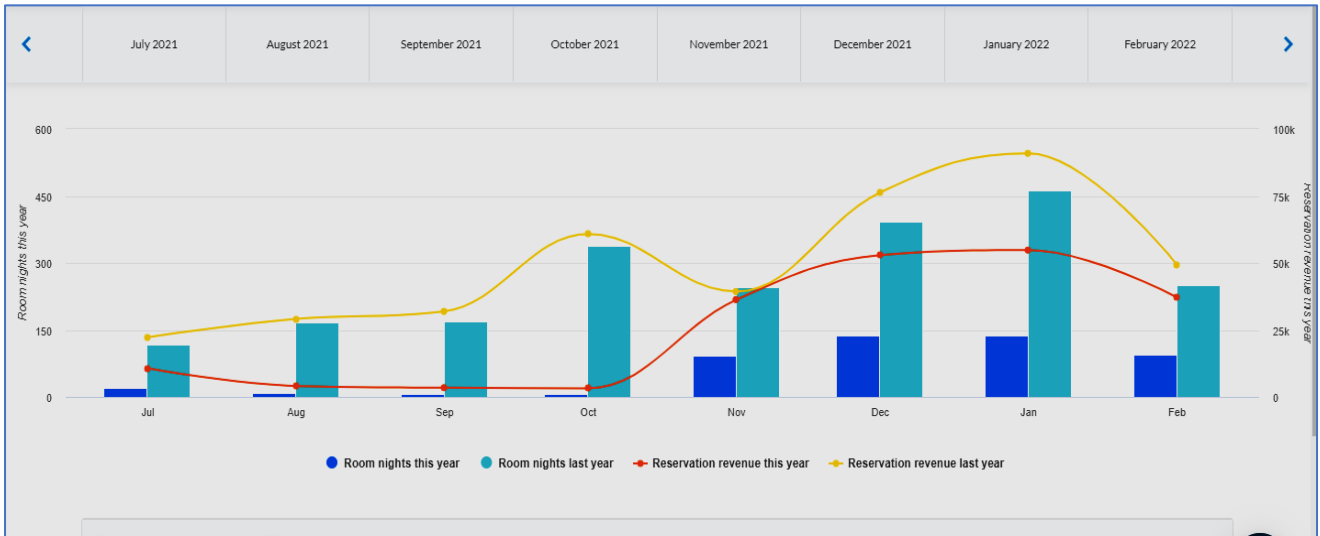
5. **Bellbird's Cottage** - This wonderful cottage has been offline, due to rockfall and road issues.
6. **Chisholm's** - The Grand Dining Room adorns Caves House, which was designed in 1897 by Walter Liberty Vernon as a retreat for the wealthy landowners of NSW. This elegant room is now known as Chisholm's Restaurant. It is one of the many 'must do' experiences while staying at Jenolan Caves. The ambience and historical significance of the room is an experience in itself, and when matched with our Chef's menu, is the perfect end to a long day of exploring the caves. There is nothing quite as special as a romantic dinner for 2 by the fireplace.
7. **The Caves Café** - Our versatile café has gone through multiple menu changes and product upgrades throughout the year. The team worked hard to create a heightened product range and refreshed the seasonal offering for each round of reopening. We hired two completely new sets of teams, as the closures led to staff looking at other employment opportunities.
8. **Jeremiah's Bar** - We have worked throughout the year to keep the product consistent and ensure that guests get the best offering.

The following graph shows the breakdown of the various packages that were launched in the hospitality division:



We were prepared for this year's disruptions, and we knew of our project funding and multiple refurbishments commencing in 2021. What made it challenging was the ongoing COVID-19 pandemic and weather-related closures. We used the time during closures to action smaller projects, to improve the guest experience and safety. The team also worked on new menu concepts and trained hospitality staff.





To sum up financial performance, hospitality and hotel division made a total of \$918,007. This was under the projected revenue by \$787,110. We sold 3,363 room nights to 5,306 guests, at an average \$92.75 per night, for a total of \$309,000.

Our Food and Beverage revenues stood at \$530,251, where Chisholm’s made \$327,390 and the Caves Café brought in \$202,861 for the year.

Looking Ahead

2022-23 is an exciting time for all at Jenolan Hotel and Hospitality division. A once-in-a-lifetime upgrade is happening in two of our largest accommodation offerings. We are excited to present a refurbished Jenolan to our patrons. Currently, the Hotel does not provide the type of amenity or level of comfort required of a modern facility. Most rooms do not have ensuites, and guests use shared bathroom facilities, including showers. There are also accessibility, heating and cooling issues. The proposed improvements will address these issues, as well as change visitor expectations, whilst ensuring the charm and character of the place is retained.

Jenolan hospitality team is also working to keep an engaged team of associates and workers, who work in tandem with the strategic plans and vision of Jenolan operations. With unprecedented labour shortages at Jenolan, it’s the guests and their feedback that keeps the team going. Here is great, motivational feedback from a seasoned traveller:



Unique destination & the warmest hospitality

I loved this weekend stay. My husband and I stayed for a two night wintry weekend break and I look forward to going back. I read some poor reviews beforehand but I can't endorse those views from my experience. The destination has a dreamy elsewhere feel out of the past. There is shabby splendour and remarkable grandeur in the building, cosily nestled into the valley. It reminded me of a European mountain retreat, and the historical photos and decoration reinforce that sense of another time. The access to the caves is awesome and house guests even get access to additional tours at night. The staff were wonderful. Warm and welcoming, professional and authentic. The food was slammed in many reviews but I thought the three-course meal for \$79 (which is included in the price of the room) was great value. I particularly loved the goat cheese souffle entree. So delicate and light and made by a talented baker on site. I can also recommend the beef cheek main and the cheese platter. Really good quality. I loved our weekend away and would recommend to others to shift expectations to something different, slower and unique. Would love to go back.

[Read less](#) ▲

Management & Activities – Conservation & Maintenance

Introduction

The Trust's Conservation and Maintenance (C&M) department maintains all visitor assets. These assets include heritage items, natural landscapes and formations. Assets include buildings, caves infrastructure, essential services infrastructure, roads and carparks, tracks and trails, waterways and dams. It maintains and operates waste and sewerage systems, power, water and gas utilities. The C&M Team is composed of both Trust employees and external contractors. The core function is to deliver and maintain assets, in both natural and built environments. It is key to oversee this to a reasonable standard, while protecting heritage and environment.

In 2021/22, the team was on the front line, working tirelessly protect assets during the flood. We were also critical during post-floods clean up, and we remained on-site during COVID-19 lockdowns, to manage drinking water, sewer water and to act as managers of the assets and stewards of the lands and landscape, above and below ground.

In addition to asset maintenance and service delivery, the C&M department leads environmental management and conservation protection. Environmental management includes monitoring cave environments, fauna and flora management and conservation, and cave-worker radon monitoring. The Trust is committed to environmental management and heritage conservation of capital works projects. The C&M department closely with the Project Team, to ensure environment and heritage is forefront in the planning and implementation of all projects. In 2021/22, capital works projects, with a large focus on environment and heritage, included the Water Treatment Plant, de-silting of the Blue Lake and Hydro Dam, Blue Lake boardwalk, Caves House refurbishment and Grand Arch rockfall mitigation works.

Water Management

Drinking water management has been problematic, with long-term boiled-water notice issued for the year. The Trust has a capital project in 2022 to upgrade the potable drinking water, as per the recommendations of the 2020 report from Hunter H2O consultancy. We will also be looking to update our water management plan in 2022, when the new plant is operational.

Energy Management

Jenolan's power supply sustained significant damage in the 2019/20 fires, and the western side of the reserve has not had grid power since January 2020. The replacement of this infrastructure was planned to be completed by early 2022 but has hit delays due to the project contractor at the construction stage. This project is now moving forward again, and is projected to be completed in 2023.

Waste Management

All sewage beds, garbage waste, and refuse are recycled where possible, removing and re-using fallen trees for habitat creation within the reserve or mulch for the gardens. We have introduced green waste and invasive weed species piles, managed separately for proper disposal. Cardboard bundling and green waste programs are utilized as per past years.

Sewer Management

In 2021-22, the sewage treatment plant operated to standards, with limited minor breaches. All breaches were reported to the EPA and closed out as satisfactory by the EPA. Monthly monitoring continued per the environmental license. The plant requires constant monitoring and reporting to ensure compliance. A contractor completed scheduled quarterly maintenance on time. We had minimal material at the plant, due to low visitor numbers over the year.

Reserve Management

Weather Events: In 2021-22, a large part of the team's focus in the Visitor Use and Services Zone (VUSZ) was managing risk reduction after weather events. Slope instability and trees have been problematic post-floods, with several significant rock falls and tree hazards. Tree and slope risk assessments and works were completed for all the walking tracks and the VUSZ, post-flood. This has forced the Trust to close off certain areas to protect the public, but works are still ongoing, to make areas safe before they are reopened.

Goals: In 2021-22, we created a strategy for the revitalization of the heritage gardens. The aim is to use a combination of endemic species and low-weed-risk exotic plants that would allow the creation of a space reflecting the spirit of the heritage gardens, while meeting the environmental and visitor needs of the area. Stage one of this strategy is to reinstate the garden beds on the terraces opposite Caves House.

Implemented to date, we have dug into the lawn areas and edged gardens. These were then planted with weeping cherries, a range of summer-autumn perennials, and deciduous and evergreen plants, to provide structure and winter interest. Four hundred daffodils and 100 tulips were added to these gardens for a spring flowering display.

Other works have included planting 75 hyacinths into the terraces next to the dining room, winter-pruning the hydrangeas, roses and wisteria, to promote new growth for a spring/summer flowering display, weeding and mulching the gardens around the precinct, and hedging the abelia and ivy along the road.

Outside the precinct, C&M carried out regular track checks and path clearing for safety. C&M worked with *Eco Resolve* to identify significant weed species (versus native species) and create a strategy to manage these. Weather conditions have limited us to using manual removal methods for these, including slashing, chipping and hand pulling.

A fulltime horticulturist is key to the success of the C&M team maintaining our many historical gardens and weed management over the, VUSZ and the Jenolan reserve.

Cave Management

As the year rolled out, the responsibility moved from Visitor Experiences to C&M. Cave maintenance is now fully a responsibility of the C&M team. In May 2022, the C&M team recruited a full-time cave maintenance person.

Cave lighting is an ongoing and growing task. As caves have been unused, due to low visitor numbers, there has been an increase in light failures. We have also invested in a significant safety upgrade, to install RCD's and surge protection in the caves. Future re-lighting projects are being planned for 2024-25 (pending funding).

In addition, we have been working with the project manager on the Working at Heights project, as a critical stakeholder.

Jenolan Environmental Monitoring Program

Atmospheric monitoring in and around the show caves was conducted by the *Rehabilitation and Landforms Unit NPWS* since 2009. This program was handed over to the Jenolan Caves Environment and Heritage Officer in May 2022. The program involves monitoring cave atmosphere and recording carbon dioxide levels, relative humidity, temperature and barometric pressure in the show cave system. This monitoring is important to determine whether cave tours are having adverse impacts on the cave environment.

Monitoring shows increases in temperature and carbon dioxide levels that correspond to cave tours. Once the tour group has passed, these spikes in temperature and carbon dioxide rapidly recede to pre-tour levels. The tour closures caused by COVID-19 pandemic restrictions and adverse weather impacts over the past 12 months are reflected in the cave atmospheric monitoring data, with the atmosphere remaining stable and showing no spikes in temperature and carbon dioxide whilst the caves were closed to visitors.

Radon Monitoring Program

The Radon Monitoring Program is currently undergoing review and expansion. Jenolan has been working with occupational hygiene and risk management consultants (*Hibbs*) and the *Environment Protection Authority* to develop safe working practices in radiation management for cave workers. This has involved expanding personal radon monitoring to include all cave workers, defining dose limits and exposure calculations and updating safety documentation. Further studies to define best practice in radiation management continue, as the review moves in to a second phase.

Pest Management

Jenolan is working to increase the understanding of the impacts of vertebrate pests on native wildlife within the Reserve and to increase pest monitoring and reporting. Taking this information, Jenolan is collaborating with National Parks and Wildlife Services, to develop a strategic approach to pest animal management. This approach encompasses targeting a range of vertebrate pests including feral cats, foxes, pigs, goats and deer, to take a whole-system approach to pest management for conservation.

Looking Ahead

2022-23 will see many changes to visitor areas, with construction starting on several infrastructure projects. The upcoming projects make it an exciting time for all concerned. The C&M team will take on more responsibility for land management, maintenance, and monitoring. Also, understanding management of new capital assets, after substantial completion of projects, is key to C&M team's success.

Management & Activities – Projects Team

Introduction

The projects team is responsible for project work for larger projects, where additional resources, skills or funding is required. The team is made up of three staff who manage external contractors, including the Public Works Advisory Project team. The team coordinates the planning, design and construction of major projects, such as those listed below.

Jenolan Caves House Refurbishment

Funding was provided in 2018 to upgrade heritage-listed Jenolan Caves House. The project will maintain the old-world charm of this beautiful building, while upgrading the services within, to meet the current building code standards, and to improve the accommodation standard to 4-star. Works include increasing the number of rooms with ensuite bathrooms, general upgrade of rooms, hallways, bar, restaurant and reception. This will also include upgrading the fire sprinkler system, access around the building, heating and cooling.

Water Treatment Plant

The precinct's potable water is extracted from McKeown's Creek, which is almost a pristine stream and catchment with no inhabitants. However, due to stocked paddocks at higher elevations, recent storms have produced periods of high turbidity, reducing the effectiveness of the water disinfection system. To reduce any public health risk, NSW Health have requested that all our drinking water be boiled. This situation has indicated the need to provide water treatment, to reduce turbidity and an updated disinfection system. A formal tender process was undertaken. Funding has been provided for this new facility. The design of the system is now well advanced, with installation and commissioning expected in October 2022. The treatment plant will be located in Carpark 2b.

Mountain Lodge Upgrade

Funding has also been provided for the upgrade of Mountain Lodge. Works are now well advanced, and due for completion before Christmas 2022. The upgrade will provide improved motel-style accommodation and will attract families to stay on site. It will also provide accommodation to our visitors during the upgrade of Jenolan Caves House.

Working at Heights

Safety Access and Rescue (SAR) were engaged to install anchors and to set up fall-arrest systems underground. Funding of \$165,000.00 by DPE was used to fund the works. Works at height underground have been suspended, until this project reaches substantial completion. To date, major works have been completed and equipment has been purchased, to allow staff to safely work underground. Training will be completed in October 2022.

Funding Sources

During the reporting year, a successful effort has been made to attract funding for improvements and repairs to the Precinct. These were received from:

- Infrastructure NSW – Jenolan Caves House upgrade, visitor centre design and Blue Lake Boardwalk construction
- Resilience NSW – Culvert repair/replacement, slope stability, roads trails, weeds and dam works.
- Dept. of Planning and Environment – Rockfall Mitigation works, Mountain Lodge upgrade and contributions to Caves House upgrade.

The Project Team has also overseen many other smaller projects, including those related to repair of assets damaged by storm and rain events, including the de-sedimentation of Blue Lake and the Hydro Dam.

Management & Activities – Marketing

As Jenolan was closed for much of 2021/22, the Jenolan marketing team had 2 main challenges, to:

- maintain public interest, while we were closed,
- promote full occupancy, as soon as we reopened, and
- to communicate proactively with customers, about changes, such as roadworks and COVID-19 precautions.

Range of Marketing Campaigns

In 2021-22, we ran several integrated marketing campaigns:

Yulefest

Leading up to July 2021, we ran the Yulefest 2021 Facebook ad campaign. Yulefest dinner and accommodation sold out quickly, but then the event was cancelled due to COVID-19.

Considerable planning, work and expense went into the Yulefest 2022 campaign. There was a food photoshoot, video filming and editing, Facebook posts, a new Yulefest menu and the purchase of additional decorations and food. For the July school holidays, we launched another new product, 'Subterranean Secrets', also promoted on Facebook and on the Jenolan website. Sales for Yulefest did very well, and our unexpected closure for all of July was unfortunate.

Dine & Discover

Our Dine & Discover campaign, targeting Western Sydney, ran from the 20/21 financial year until October 2021. The campaign involved Facebook ads, radio and TV ads. This increased Jenolan's e-news database by approx. 800 subscribers – a good result for ongoing marketing.

Reopening After Covid

A campaign was launched in the lead up to the October reopening. The campaign involved a media release, numerous Facebook posts and e-news to a large subscriber database. The media release resulted in media visits, radio interviews.

Christmas and Summer Holidays

In the leadup to Christmas, we issued a press release and social media posts, to promote the reopening of the Lucas Cave and the Plughole Adventure tour, as well as Christmas Lunch. We began daily media monitoring and saw that this release got great media attention. Because some bushwalks were closed, we put information sheets together for overnight guests, providing itineraries of what they could do at Jenolan, and what wildlife they might see.

Revitalisation of Jenolan

In February, press releases were issued, about the \$30 million Jenolan Revitalisation Project, resulting in media attention.

High Tea

Starting in February, we increased promotions for High Tea. A photoshoot resulted in a new set of tempting images. Every week, cave tour ticket holders were sent an email inviting them to try our High Tea. In March, High Tea was packaged with the Temple of Baal tour. There was a Facebook ad, promoting High Tea, in the leadup to the Easter holidays.

Easter and Spring Holidays

The Easter 2022 campaign involved the launch of a new product – the ‘Fossil Hunters’ – targeting primary-school-age children. After a photoshoot, we issued 2 media releases. One was picked up by over 20 media outlets. The Fossil Hunter experience was a great success, selling out throughout the holidays. Aside from Facebook posts, we also ran Facebook ads for Caves House and cave tours. All tours were completely sold out for the holidays, and additional tours had to be scheduled, last minute. It was a very successful campaign for the caves.

Maintaining Jenolan’s High Profile During Closures

Constant Customer Communication

During this year’s closures and road access challenges, we consistently communicated developments to customers, before their arrival date. For example, if heavy rain was forecast, which might result in road closure, we made every effort to contact everyone who had booked.

Vigorous marketing continued, via social media, e-news and blog articles, focusing on Jenolan’s conservation and history. Twenty historical articles were researched, written and posted on the Jenolan blog.

Five articles were researched, written and posted, about conservation at Jenolan, to mark the anniversary of when Jenolan was declared an animal sanctuary, to celebrate Earth Science Week, Australian Wildlife Week, NAIDOC Week and National Tree Day.

Links to all these articles went out to a loyal fan base of 67,000 e-news subscribers and 68,000 social media followers. Seventeen e-news issues went out, with an excellent average open rate of 21.3%. There were 113 Facebook posts and 81 Instagram posts. During the year, the Instagram page gained 671 new followers and the Facebook page acquired 1,339 new followers. However, as the general public saw tourism as low priority during the COVID-19 pandemic, our social media gains were 62% down compared with last year’s gains.

Locals

Our day-to-day marketing targeted locals, via a display ad in the Oberon Telephone Directory, and a listing in the Lithgow Community Guide.

Partnerships

To target domestic travellers, we maintained partnerships - membership of Bathurst Tourism, Blue Mountains Tourism, Lithgow Tourism and Oberon Tourism. Jenolan appears on their websites. We placed 2 colourful display ads in the Bathurst Destination Planner (one ad for the caves and one for accommodation), to attract tourists travelling through Bathurst.

We kept Jenolan's product information and images up to date on the Australian Tourism Data Warehouse, which is used by Tourism Australia and Tourism NSW. We updated our webpages on the National Parks and Wildlife website. Viewers from these websites frequently click through to the Jenolan Caves website to book tickets.

Although Jenolan is not currently partnering with Expedia, an Expedia photographer visited Jenolan in May, to photograph the Orient Cave and Caves House, as part of Expedia's effort to promote more activities in regional NSW.

Jenolan Caves Website

We kept the Jenolan Caves website up to date throughout the year, with new products and packages, constantly improving product descriptions and images. There were also continual updates regarding COVID-19, *NSW Dine & Discover Vouchers* and *NSW Parent Vouchers*. Our website performed well, with 459,839 sessions and 317,078 new users. However, as Aussies planned fewer holidays in 2021/22, these figures are approx. 35% down on 2020/21.

Feedback

We responded to customer reviews in TripAdvisor and Google. We developed a Net Promoter Score (NPS) survey, and began issuing it to customers in January. Of the 993 customers surveyed, 76% said that they would recommend Jenolan to a friend or colleague – giving Jenolan a great score of 70.

The year brought 3 successive marketing managers, but in spite this and our closures, we succeeded in our aims, to maintain public interest during our long closures, to strive for full occupancy every time we reopened, and to communicate proactively with customers.

Looking Forward

Next year we aim to plan campaigns well in advance. Campaigns will aim to boost day visits and overnight stays mid-week and outside of holidays. A new website is also in our scopes.

Management & Activities – Information Technology

During 2021/22 the Trust has continued to see the installation of upgraded PCs for various roles around the site.

The Trust is currently in the process of installing a new server. We have also continued our Cyber security protection with patch updates applied nightly with offsite backups also completed nightly.

Research and Development

Cave Spiders

The spider team (Dr Helen Smith, Dr Anne Musser and Ms Tina Willmore) report that cave spider surveying continued sporadically through the year, as conditions permitted, including providing a report on spiders in the Lucas Cave system.

Several spider species were found in new areas, but whether this is a range expansion or is due to limited searching in prior years is unclear. However, less disturbance and increased moisture levels are both possible influences on spider distribution.

Platypus

The platypus monitoring team (Dr Anne Musser, Dr Tom Grant and Dr Eren Turak) conducted monitoring prior to and during the second desedimentation works on the Reserve (January-May 2022). It was the second time in two years that major desedimentation was necessary, with little time for Blue Lake to recover macroinvertebrate platypus prey. This followed monitoring during and after earlier desedimentation in 2020. Monitoring aims (as in 2020) were to supervise works to:

- minimise damage to burrow habitat,
- assess impacts of desedimentation/emptying of dams for extended periods/refilling on platypuses and prey,
- determine what other parts of the Jenolan River system platypuses use (e.g., when prime habitat like the Blue Lake was unavailable),
- document when and if platypuses returned to the Blue Lake once desedimentation was complete, and
- compare different approaches to desedimentation taken by contractors (2020 vs 2022) in terms of platypus/prey response.

Regular observations of platypus movements and activities at the Blue Lake, Hydro Dam, Surveyors Dam and River Walk were made, and remote cameras installed to detect movements of platypuses and other species. Results are now being analysed.

Environmental DNA (eDNA) sampling was done in September-October 2021, with results showing wide use of waterways (including one cave) although platypuses were in low numbers. Monitoring ceased with the end of the last desedimentation works.

Other Flora & Fauna Sightings

Over 2,500 floral and fauna records from Dr Anne Musser have been sent to BioNet via Dr Eren Turak, who developed the CyberTracker app for Jenolan. Sightings include Dusky Woodswallows, Shining Bronze Cuckoos, Nankeen Kestrels and Scarlet Robins.

A Mountain Brushtail Possum (*Trichosurus caninus*), not previously known on the Reserve, was recorded on a remote camera used for platypus monitoring.

Human Resources

Classification of Positions

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

	2019/20	2020/21	2021/2022
Director	1	2	2
Clerk 11/12	1	1	2
Clerk 9/10	2*	3	3
Clerk 7/8	1	2	7
Clerk 5/6	2	2	3
Clerk 3/4	1	2	1
Clerk 1/2	3	4	4
Guides	17	16	12
Maintenance Officer	5	4	5
Team Leader (Maintenance)	1	1	1
Team Leader (Electrical)	1	1	1
Trades Officer	5	6	3
Customer Service Officer	14	6	13

* 25 vacant roles

Exceptional Movements in Remuneration

Effective in the first full pay period of July 2021, a 2.5% salary increase was paid, in accordance with the Crown Employees (Public Sector - Salaries 2019) Award. Salaries contained within the Crown Employees (Jenolan Caves Reserve Trust) Salaries Reviewed Award 2020 were also increased by 2.5%, consistent with government wages policy. The Statutory and Other Offices Remuneration Tribunal determined a 2.5% increase for Senior Executives for the 2021-22 financial year.

Recruitment Statistics

		Ongoing		Temp		Casual	Total	%
		Full time	Part time	Full time	Part time			
2021-22	Men	15	3	8	5	15	46	48%
	Women	14	4	6	4	21	49	52%
2020-21	Men	11	3	13	4	11	42	46%
	Women	15	4	6	6	18	49	54%
2019-20	Men	18	4	5	3	18	48	52%
	Women	8	2	13	3	18	44	48%
2018-19	Men	11	4	9	3	19	46	44%
	Women	10	2	16	11	19	58	56%

In all, there are 59 full and part-time positions covering the site, with an additional 26 currently vacant/unfilled. In addition, there is a casual workforce of 36, to supplement the Trust's team in the Visitor Experience, Conservation & Maintenance and Hospitality divisions. Jenolan Caves also has a contingent workforce of 1.

In 2021-22, flexible working arrangements continued to be utilised by Jenolan Caves Reserve Trust.

There has been no significant decrease in staff, although recruitment has been slow, due to the multiple closures from the pandemic and natural disasters. There has been a considerable slowing of business, and this continues to change the way work is being distributed amongst the team. Recruitment is still occurring for positions that are considered essential to the continued running of the business.

The Trust’s estimated full-time equivalent staff number (FTE), as at 30 June 2022, was **59.96 FTE**.

Training

Total training costs for the year were \$19,113.

Total paid staff hours for training were:

- 2018/19 \$33,657
- 2019/20 \$64,604
- 2020/21 \$69,643
- 2021/22 \$48,018

Accredited training courses undertaken during 2021-22 included Food Handlers, Food Safety Supervisor, First Aid, Remote Area First Aid, Responsible Service of Alcohol, and Fire Warden. The Trust also supports a number of employees undertaking study leave to complete higher education.

Consultants

Throughout 2021-22, the Trust supplemented internal resources with consultancy expertise. Costs excluding GST: \$226,000.

Workforce Diversity

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

Jenolan Caves Reserve Trust is a stakeholder in the Department of Planning, Industry and Environment *Diversity and Inclusion Workforce Strategy 2021-2025*. This Strategy focuses on three key priorities: attract, develop and retain diverse talent, to foster a workplace culture that is inclusive, collaborative, kind, flexible, accessible and fair and to demonstrate accountable leadership through building diverse teams and driving inclusive workplace practices.

In the 2021 PMES, Jenolan achieved 73% on the Diversity and Inclusion index, an increase of 15% from the 2019 results.

	Women	Aboriginal and/or Torres Strait Islander People	Employees whose first language is not English	Employees with a Disability
Benchmark	50.0%	3.3%	23.2%	5.6%
2021-22	48.4%	0.0%	10.2%	0.0%
2020-21	46.2%	0.0%	9.9%	0.0%
2019-20	47.8%	1.0%	4.4%	1.1%

* Both Aboriginal and/or Torres Strait Islander People and Employees with Disability scores reflect employees who have identified these statistics. There have been a number of employees come forward outlining they identify as fitting those categories but do not want it recognised through their employment for various reasons.

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

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

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

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

Disability Inclusion Action Plan

The Trust is continuing to build on strategies to promote and support a workplace free from all forms of discrimination and meet accessibility compliance throughout our practices, programs and standards such as inclusive recruitment, workplace adjustments and awareness training.

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

The Trust is a stakeholder in the *Department of Planning, Industry and Environment’s Disability Inclusion Action Plan 2019-23*.

Land Disposal

There were no land disposals.

Promotion

There were no official overseas visits undertaken by staff.

Consumer Response

Visitor monitoring continued through 2021-22, to capture visitor sentiment and complaints on a range of issues. Feedback is obtained via the following methods:

- customer feedback surveys (on-line),
- feedback provided to staff, and
- feedback to online third-party providers, such as Trip Advisor.

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

Payment of Accounts

Finance and Administration Department

The Finance Team meets 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 Finance Manager, and supported by the Finance Officer, the Finance/Admin Officer and the Creditors/Debtors Officer.

Annual Financial Statements

Below is a summary from the Statement of Comprehensive Income for 2021/2022, compared with 2020/2021. **Please note** these results do **not** reflect the actual trading results for Jenolan for the financial year. They include grants, insurance recoveries for business interruption and expenses claims and the reduced trading results due to natural disasters and COVID-19.

	2021/2022	2020/21
Revenues from continuing operations	\$17,812,000	\$16,744,000
Total Expenses (Excluding Impairment Expenses)	\$11,227,000	\$13,498,000
Profit/(Loss) from ordinary activities	\$6,585,000	\$3,246,000

To review the actual results, please refer to the detailed accounts following.

Time for Payment of Accounts

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

Risk Management and Insurance Activities

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

A number of independent audits and assessments were undertaken throughout 2021-22 financial year, to mitigate risk, including PSM (Rockfall), Chubb (Fire) and Civica (Tree Risk).

The Trust is insured through Icare and has made claims this year in relation to Flood damage and Loss of Business due to Flood and Covid closure losses.

Internal Audit and Risk Management Policy

Internal Audit and Risk Management Attestation Statement for the 2021/2022 Financial Year for the Jenolan Caves Reserve Trust.

I, Andrew Nicholls, am of the opinion that the Jenolan Caves Reserve Trust has internal audit and risk management processes in operation that are, excluding the exceptions described below, compliant with the eight core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector (2015), specifically:

Core Requirements

Risk Management Framework	
1.1 The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS ISO 31000:2018	Compliant
Internal Audit Function	
2.1 An internal audit function has been established and maintained	Non-compliant
2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Non-compliant
2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
Audit and Risk Committee	
3.1 An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2 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, Alan Zammit
- Independent Member Arthur Diakos
- Independent Member Donna Rygate
- Non-independent Member 1, Jodie Anderson, Cameron Chaffey (acting) and Andrew Le Lievre (acting)
- Non-independent Member 2, David Bragg, 1st July 2015, 30th June 2022

Departures from Core Requirements

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

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

Departure Non-Compliance	Reason for departure and description of practicable alternative measures implemented/being implemented
<p>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).</p>	<p>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.</p> <p>A Jenolan Management Advisory Group (JMAG) has been established to oversight the financial and general administration of Trust matters. The JMAG comprises the Administrator, the Trust Director and senior management team. An Audit and Risk Sub-Committee of the JMAG has also been established to advise the Administrator.</p> <p>Prior to the new committee commencing, the previous committee consisted of one independent and internal staff, this has been addressed by establishing the new committee. The Chair routinely liaises with the Audit Office on behalf of the Trust to provide assurance of the Trust's overall performance and compliance. The independent Chair of the Audit and Risk Committee is invited to the JMAG as an observer.</p>

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.



Andrew Nicholls
Administrator
October 2022

Disclosure of Controlled Entities

There were no Controlled Entities.

Disclosure of Subsidiaries

There were no subsidiaries.

Multicultural Policies and Services Program

The Trust values the skills, experiences and perspectives of its culturally diverse workforce and is committed to supporting their needs in the workplace.

Jenolan Caves Reserve Trust is a stakeholder of the *DPIE Multicultural Plan 2021-2025*. The Trust utilises the Plan to embed multicultural principles into our everyday business through internal and external strategies. The four key areas of focus are leadership, engagement, planning and service delivery. Further to this, a key priority of the Strategic Plan for the next financial year is more accurately aligning with the DPIE policies and accurately reporting on actions from each of the plans.

Agreements with Multicultural NSW

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

Work Health & Safety

The Trust has an ongoing and growing commitment to safety, health and wellbeing. The last three years have tested the trust with this year proving to be just as challenging as previous years.

Flood, road access and the ongoing pandemic poses a considerable risk to the health, safety, and wellbeing of Jenolan Staff, testing their resilience and stamina. With many staff having increased commute times or being required to work from home.

Event Type	Number
Hazard	65
Injury / Illness	27
Near Miss	10
Total	102

Table 1: 2020-2021 Events

Event Type	Number
Hazard	27
Injury / Illness	26
Near Miss	22
Total	75

Table 2: 2021-2022

The Trust has made further progress in improving safety across all aspects of the business. There continues to be a strong reporting culture across JCRT. Since June 2021, the Trust has reported, investigated, and implemented recommendations for 75 incidents, comparatively this was 102 last year (total number of incidents), ranging from minor to significant. This is an impressive figure, considering the significant closures to both public and staff.

Crucially, for 2020/2021 there were 27 injury/illness reported. In 2021/2022 the total number of injury/illnesses was 26. Additionally, 65 Hazards were identified in 2020/2021, while in 2021/2022, 27 hazards were identified. An increase of 12 near misses were reported since the 2020/2021 period. There was a downturn in the number of incidents reported, which is expected over this period, due to the significant closures from rain events. Despite this, there is a strong culture of reporting non-injuries still, at a rate of 2 (non-injuries) to 1 (injuries).

For 2021-2022, of reported events, the lead agency has been 'Environmental Agencies' (25) with sub-agency's contributing 12 incidents as the lead sub-agency category. The lead mechanism of injury has been 'Falls, Trips and Slips' (20) and the lead sub-mechanism has been 'Falls on the same level' (9).

In addition to the strong incident reporting, safety interactions - structured and meaningful leader-led conversations around safety - have been introduced. Since their introduction late last year, over 118 safety interactions have been reported. This has led to many safety improvements within the workplace, often being initiated by the workforce.

The ongoing establishment of the Department of Planning and Environment WHS management system continues. WHS policy, procedures, WHS standards, Critical Risk Controls and a growing number of guides, SOPs and tools relating to WHS have been approved and implemented, through a process of continual improvement.

A significant WHS project was delivered, improving safe access to lights within the show

caves, whilst a relationship has been established with NSW ambulance to help train and advise on emergency response, particularly in the show cave environment. Systems, training, and equipment has been delivered or is planned, which will significantly improve Jenolan's first responder capability.

Additional matters for inclusion in annual reports

Publications

The Trust publishes a variety of in-house brochures and information sheets on the services and facilities it provides, which are available to the public at various tourist sites around NSW and at Jenolan Caves.

Annual Reports

- Printing Annual Report 2021-22
- Total external cost – Nil.

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

Numbers and Remuneration of Senior Executives

Number of Senior Executive Officers

Total no: Current year – 2*, previous year – 2

Females: Current year – 1*, previous year – 1

*Substantive on maternity leave/temporary assignment

Average Remuneration of Senior Executives

Band	Total	Average Remuneration Package
SE Band 1	1	\$208,519

Implementation of Price Determination

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

Government Information (Public Access) Act 2009

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

Cyber Security Annual Attestation Statement

I, Andrew Nicholls- Administrator, am of the opinion that Jenolan Caves Reserve Trust have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives for Jenolan Caves Reserve Trust.

Risks to the information and systems of Jenolan Caves Reserve Trust have been assessed and are managed.

Jenolan Caves Reserve Trust is doing the following to continuously improve the management of cyber security governance and resilience:

- Developing a cyber incident response plan,
- Prioritising the implementation of Essential 8 mitigation strategies,
- Reviewing all existing cyber security and technology policies to ensure alignment with the cluster and the NSW Government Cyber Security Policy.



Andrew Nicholls
Administrator – Jenolan Caves Reserve Trust.
October 2022

Public Interest Disclosures (PID)

Under the *Public Interest Disclosures Act 1994*, each public authority is required to prepare an annual report on their obligations under this Act. This information for Jenolan Caves Reserve Trust is captured in the Department of Planning, Industry and Environment Annual Report as all Public Interest Disclosures are managed centrally by the Department.

Requirements Arising from Employment Arrangements

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

Financial Statements (& Auditors Report)

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

Jenolan Caves Reserve Trust

Annual Financial Statements

For the year ended 30 June 2022

TABLE OF CONTENTS

STATEMENT BY ACCOUNTABLE AUTHORITY.....	3
STATEMENT OF COMPREHENSIVE INCOME.....	4
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF CHANGES IN EQUITY.....	6
STATEMENT OF CASH FLOWS	7
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	8
2. EXPENSES EXCLUDING LOSSES	10
3. REVENUE	13
4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS	15
5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES.....	15
6. CURRENT ASSETS – INVENTORIES	16
7. CONTRACT ASSETS AND LIABILITIES.....	17
8. PLANT PROPERTY AND EQUIPMENT	18
9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS.....	21
10. LEASES	25
11. CURRENT LIABILITIES – PAYABLES	27
12. CURRENT AND NON-CURRENT LIABILITIES – BORROWINGS.....	28
13. CONTRIBUTED EQUITY.....	29
14. RESERVES AND RETAINED PROFITS	29
15. RECONCILIATION OF CASH FLOWS FROM OTHER OPERATING ACTIVITIES TO NET RESULT..	29
16. FINANCIAL INSTRUMENTS	30
17. COMMITMENTS	33
18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS.....	33
19. RELATED PARTY DISCLOSURE	34
20. EVENTS AFTER THE REPORTING PERIOD	34

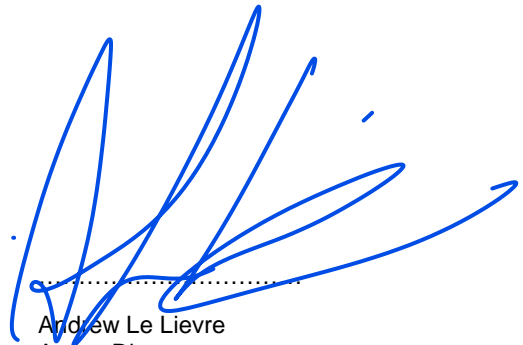
JENOLAN CAVES RESERVE TRUST
STATEMENT BY ACCOUNTABLE AUTHORITY
FOR THE YEAR ENDED 30 JUNE 2022

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018*, we state on behalf of Jenolan Caves Reserve Trust that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly the Jenolan Caves Reserve Trust's financial position, financial performance and cash flows as at 30 June 2022.



.....
Andrew Nicholls
Administrator
19/09/2022



.....
Andrew Le Lievre
Acting Director
19/09/2022

Beginning of the financial statements

**JENOLAN CAVES RESERVE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

		Actual 2022 \$000	Actual 2021 \$000
Continuing Operations	Notes		
Operating expenses excluding losses			
Personnel services expenses	2(a)	6,103	5,991
Other operating expenses	2(b)	3,374	5,860
Depreciation	2(c)	1,741	1,638
Finance costs	2(d)	9	9
Total expenses excluding losses		11,227	13,498
Revenue			
Sale of goods and services from contracts with customers	3(a)	1,882	3,243
Investment income	3(b)	96	77
Grants and contributions	3(c)	10,275	5,060
Other income	3(d)	5,559	8,364
Total revenue		17,812	16,744
Net result from continuing operations		6,585	3,246
Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Net asset revaluation increment / (decrement)	14	8,736	1,213
<i>Items that may be reclassified to net result in subsequent periods</i>			
Actuarial gains/ (losses) on superannuation funds	14	180	490
Total other comprehensive income for the year		8,916	1,703
Total comprehensive income		15,501	4,949

The accompanying notes form part of these financial statements.

JENOLAN CAVES RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	Actual 2022 \$000	Actual 2021 \$000
ASSETS			
Current assets			
Cash and cash equivalents	4	13,907	6,383
Receivables	5	124	758
Inventories	6	143	162
Total current assets		14,174	7,303
Non-current assets			
Property plant and equipment	8	39,136	30,103
Right of use assets	10	188	219
Total non-current assets		39,324	30,322
Total assets		53,498	37,625
LIABILITIES			
Current liabilities			
Liabilities- payables	11	2,381	1,934
Contract liabilities	7	340	202
Borrowings	12	150	93
Total current liabilities		2,871	2,229
Non-current liabilities			
Liabilities- payables	11	448	633
Borrowings	12	46	131
Total non-current liabilities		494	764
Total liabilities		3,365	2,993
Net assets		50,133	34,632
EQUITY			
Retained earnings/(losses)	14	7,934	1,349
Contributed equity	13	5,832	5,832
Reserves	14	36,367	27,451
Total equity		50,133	34,632

The accompanying notes form part of these financial statements.

**JENOLAN CAVES RESERVE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	Contributed equity \$'000	Reserves \$'000	Retained earnings/(losses) \$'000	Total equity \$'000
Balance at 1 July 2021		5,832	27,451	1,349	34,632
Net result for the year		-	-	6,585	6,585
Other comprehensive income					
-Net asset revaluation increment	09,14	-	8,736	-	8,736
-Actuarial gains/ (losses) on superannuation funds		-	180	-	180
Total other comprehensive income		-	8,916	-	8,916
Total other comprehensive income for the year		-	8,916	6,585	15,501
Balance as at 30 June 2022		5,832	36,367	7,934	50,133
Balance at 1 July 2020		5,832	25,748	(1,897)	29,683
Net result for the year		-	-	3,246	3,246
Other comprehensive income					
-Net asset revaluation increment	09,14	-	1,213	-	1,213
-Actuarial gains on superannuation funds		-	490	-	490
Total other comprehensive income		-	1,703	-	1,703
Total other comprehensive income for the year		-	1,703	3,246	4,949
Balance as at 30 June 2021		5,832	27,451	1,349	34,632

The accompanying notes form part of these financial statements.

**JENOLAN CAVES RESERVE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

		Actual	Actual
		2022	2021
	Notes	\$000	\$000
Cash flows from operating activities			
Payments			
Payments to suppliers		(10,018)	(11,839)
Interest paid		(9)	(9)
Total payments		(10,027)	(11,848)
Receipts			
Receipts from customers		2,983	3,568
Insurance proceeds		6,239	8,372
Grants and other contributions received		10,275	5,059
Interest received		19	6
Total receipts		19,516	17,005
Net cash flows from operating activities	15	9,489	5,157
Cash flows from investing activities			
Purchases of property, plant and equipment	8	(1,909)	(1,099)
Net cash flows from investing activities		(1,909)	(1,099)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(56)	(56)
NET CASH FLOWS FROM FINANCING ACTIVITIES		(56)	(56)
Net increase/(decrease) in cash		7,524	4,002
Opening cash and cash equivalents		6,383	2,381
Closing cash and cash equivalents	4	13,907	6,383

The accompanying notes form part of these financial statements.

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

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

The principal activities of the Trust are environmental conservation, cave interpretation and provision of accommodation and hospitality facilities at Jenolan Caves. During 2010/11 the Trust determined, in context of NSW Treasury's Policy Paper TPPO5-4, '*distinguishing for-profit from not-for-profit entities*', that its operations are undertaken on a "not for profit" basis, as the making of profit is not the Trust's prime objective. The Trust continues to strive to achieve commercial revenue from its considerable natural and built assets and activities wherever practical, with any surplus funds arising from the Trust's commercial activities being fully retained within the Trust and used to maintain and protect the Caves and related infrastructure managed by the Trust.

The Trust receives support and personnel services from the Department of Planning and Environment (DPE).

The Trust's financial statements have been authorised for issue on 19 September 2022.

(b) Basis of preparation

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

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

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018 (GSF Act)*, and
- Treasurer's Directions issued under the GSF Act.

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

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

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

(c) Statement of compliance

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

(d) Accounting for the Goods and Services Tax

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

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

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

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

(i) Effective for the first time in 2021-22:

The following amendment and interpretations apply for the first time in 2021-22 and do not have a material impact on the financial statements of the Trust:

- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*
- *AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*
- *AASB 2020-9 Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*
- *AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*
- *AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021*
- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2022-2 Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1 (effective for annual periods ending on or after 30 June 2022)*

(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 Australian Accounting Standards have not been applied and are not yet effective (NSW Treasury mandate TPG 22-07):

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (effective from 1 January 2023)*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments (effective from 1 January 2022)*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective from 1 January 2022)*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (effective from 1 January 2023)*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (effective from 1 January 2023)*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 (effective from 1 July 2022)*

The Trust has assessed the impact of the new standards and interpretations issued but not yet effective and considers the impact to be not material.

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) COVID-19, natural disasters and going concern

Due to COVID-19 and flood events this financial year, the Trust, which is a self-funded agency, has been relying on Business Interruption Insurance through iCare, which to date has provided necessary funds to continue the operations at a reduced capacity. The Trust expect this to continue in the short term until we can recommence full operations and rely again on income generated by the Trust's business operations. Therefore, it is appropriate for the 2021-22 financial statements to be prepared on a going concern basis. The management at Jenolan Caves Reserve Trust believes that the COVID-19 pandemic event has not caused any change to the fair value of the property, plant and equipment assets of the Trust.

Fair value assessment of assets and liabilities has been completed for 30 June 2022 and disclosed in the relevant notes to the financial statements. The fair value assessment as at 30 June 2022 by independent valuers includes increase in construction costs for buildings and infrastructure due to supply chain issues. The uncertainty in the market due to economic conditions, such as the effect of inflation and interest rates, as well as COVID-19 is expected to continue and the Trust will regularly assess any impact on assets and liabilities as at 30 June 2022.

2. EXPENSES EXCLUDING LOSSES

Recognition and measurement of key expense items are discussed separately below.

(a) Personnel service expenses

	2022	2021
	\$000	\$000
Salaries and wages (including annual leave)	5,176	5,036
Long service leave	110	122
Superannuation	435	406
Workers compensation insurance	182	153
Payroll tax	163	243
Payroll processing charge	26	20
Defined benefit fund liability (gains)/losses	11	11
	6,103	5,991

Recognition & Measurement

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. EXPENSES EXCLUDING LOSSES (CONTINUED)

(b) Other Operating expenses

	2022	2021
	\$000	\$000
Consultants	312	245
Contract labour	226	164
Repairs and maintenance	702	1,778
Auditor's remuneration - audit of the financial statements	60	60
Bank and credit card fee	8	20
Cleaning	48	114
Insurance	100	87
Marketing	41	106
Motor vehicles	101	31
IT maintenance and supplies	143	105
Low value and short term leases	24	11
Telephone, postage and internet	131	92
Cost of sales	293	457
Utilities	273	249
Valuers fees	60	18
Other expenses	852	2,323
	3,374	5,860
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	702	1,778
Employee related maintenance expense included in Note 2(a)	1,038	873
Total maintenance expenses included in Notes 2(a) and 2(b)	1,740	2,651

Recognition and measurement - other operating expenses

Operating expenses are recognised as they are incurred, including fees and services, contractor - projects, advertising, publications and printing and legal costs.

(i) Maintenance expense

Day-to-day servicing or maintenance costs are expensed as incurred, except where they relate to the replacement of a material part or component of an asset, in which case the costs are capitalised and depreciated. Refer note 8.

(ii) Insurance

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

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. EXPENSES EXCLUDING LOSSES (CONTINUED)

(b) Other Operating expenses (continued)

(iii) Lease expense

The Trust recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term. i.e., where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e., variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

(iv) Cost of sales

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

(c) Depreciation expense

	2022	2021
	\$000	\$000
Buildings	1,032	945
Plant and equipment	54	61
Caves infrastructure	177	165
General infrastructure	420	408
Right of use assets	58	59
	1,741	1,638

For recognition and measurement policies on depreciation refer Note 8 and 10.

(d) Finance costs

	2022	2021
	\$000	\$000
Interest Expense- Lease liabilities	9	9
	9	9

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

3. REVENUE

Recognition and Measurement

Income is recognised in accordance with the requirements of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by *AASB 15 Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Sale of goods and services from contracts with customers

	2022	2021
	\$000	\$000
Cave tours and related services	983	1,314
Accommodation	309	731
Food and beverage sales	530	1,081
Gift shop trading	60	117
	1,882	3,243

Revenue recognition and measurement - sale of goods and services

Revenue from sale of goods is recognised as when the Trust satisfies a performance obligation by transferring the promised goods. The payments are typically due to the Trust upon satisfaction of its performance obligations.

Rendering of services

Revenue from rendering of services is recognised when the Trust satisfies a performance obligation by transferring the promised services. The payments are typically due to the Trust upon satisfaction of its performance obligations.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

(i) Cave tours and related services

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

(ii) Accommodation

Sales of services are recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised under the percentage of completion method, based on the actual service provided as a proportion of the total services to be provided. *AASB 15* applies to contracts with customers that are enforceable and sufficiently specific. According to *AASB 15*, revenue shall be recognised when the Trust satisfies a performance obligation by transferring a promised good or service.

(b) Investment income

	2022	2021
	\$000	\$000
Rental income (staff cottages)	77	72
Interest income (financial institution)	19	5
	96	77

Revenue recognition and measurement - investment income

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

3. REVENUE (CONTINUED)

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

(c) Grants and contribution

	2022	2021
	\$000	\$000
Treasury funding - COVID 19	-	750
Grants without sufficiently specific performance obligations (DPE)	9338	1,710
Grants to acquire/construct a recognisable non-financial asset to be controlled by the entity (Restart NSW)	937	2,600
	10,275	5,060

Revenue recognition and measurement - grants and other contributions

Grants are received by the Trust to support its service delivery objectives and the funding agreements typically specify the purpose of the grants.

Revenue from funding without sufficiently specific performance obligations is recognised when the Trust obtains control over the granted assets (i.e., cash received). Where the total funding amount in a contract is not allocated to distinct milestones/performance obligations and specifies purpose only, revenue is recognised when the Trust obtains control over the funds (i.e., cash received).

No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. This is based on past experience and terms specified in the contract.

The Trust did not have any revenue from grants with sufficiently specific milestones/performance obligations (as defined in the accounting standards).

(d) Other income

	2022	2021
	\$000	\$000
Miscellaneous income	26	24
Insurance recoveries	5,533	8,339
	5,559	8,364

(e) Deemed appropriation

Section 4.7 of the *Government Sector Finance Act 2018* defines deemed appropriation money as government money that the Trust (a GSF agency) receives or recovers (including from the Commonwealth or another entity) of a kind prescribed by the regulations that:

- forms part of the Consolidated Fund; and
- is not appropriated under the authority of an Act.

The Trust does not have any deemed appropriations as all receipts are appropriated under the authority of an Act.

Jenolan Caves Reserve Trust was formed as a self-funded not for profit agency under the NPWS Act 1974 and as such does not receive appropriated funds from the NSW or Commonwealth Governments. The Trust is currently under the control of an Administrator appointed by the Minister for the Environment & Heritage.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Bank - trading and cheque accounts	1,904	2,647
Bank - cash management accounts	10,332	2,579
Special purpose grant account	1,664	1,140
Cash at bank and on hand	7	16
	13,907	6,383

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

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

Cash and cash equivalents (per statement of financial position)	13,907	6,383
Cash and cash equivalents (per statement of cash flows)	13,907	6,383

Refer note 16 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2022	2021
	\$'000	\$'000
Trade and other receivables	61	724
Net GST	48	18
Net trade receivables	109	742
Other receivables		
Prepayments	15	16
	15	16
	124	758

Recognition and Measurement – receivables

All 'regular way' purchases or sales of financial asset are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Subsequent measurement

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

Impairment

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES (CONTINUED)

Impairment (continued)

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

The Trust has not recognised any ECLs as at 30 June 2022 (2021: Nil).

6. CURRENT ASSETS – INVENTORIES

	2022	2021
	\$'000	\$'000
For distribution		
Maintenance	3	4
Staff uniforms	6	6
Electrical	3	4
House Keeping	10	10
Total	22	24
For resale		
Gift shop	29	36
Caves House (<i>incl. Bistro & Restaurant</i>)	92	102
Total	121	138
	143	162

Recognition and measurement – inventories

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

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

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

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. CONTRACT ASSETS AND LIABILITIES

	2022	2021
	\$'000	\$'000
Contract Liability	340	202
	340	202

Recognition and Measurement – contract assets and liabilities

The Trust does not have contract assets as at 30 June 2022 (2021: Nil). Contract liabilities relate to the entity's obligation to satisfy performance obligations but where funds were received at 30 June 2022.

The balance of contract assets and contract liabilities at 30 June 2022 was impacted by, the value and timing of the completion of performance obligations and invoicing, as well as terms of payment under the contract.

	2022	2021
	\$'000	\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	202	39
Revenue recognised from performance obligations satisfied in previous periods	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	340	202

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. PLANT PROPERTY AND EQUIPMENT

Current year	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Caves infrastructure \$'000	General infrastructure \$'000	Capital work in progress \$'000	Total \$'000
At 1 July 2021							
Cost or fair value	40,511	833	30	9,044	15,166	1,483	67,068
Accumulated depreciation and impairment	(27,477)	(614)	(28)	(2,807)	(6,039)	-	(36,965)
Net carrying amount	13,034	219	2	6,237	9,127	1,483	30,103
At 30 June 2022							
Cost or fair value	41,157	875	30	16,705	16,547	3,275	78,589
Accumulated depreciation and impairment	(28,508)	(667)	(30)	(3,752)	(6,496)	-	(39,453)
Net carrying amount	12,649	208	-	12,953	10,051	3,275	39,136

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below

Year ended 30 June 2022

Net carrying amount at start of year	13,034	219	2	6,237	9,127	1,483	30,103
Additions	162	41	-	-	21	1,792	2,015
Disposals (at WDV)	(25)	-	-	-	(10)	-	(35)
Revaluation Increment	510	-	-	6,958	1,268	-	8,736
Transfers	-	-	-	(65)	65	-	-
Depreciation	(1,032)	(52)	(2)	(177)	(420)	-	(1,683)
Net carrying amount at end of year	12,649	208	-	12,953	10,051	3,275	39,136

Prior year	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Caves infrastructure \$'000	General infrastructure \$'000	Capital work in progress \$'000	Total \$'000
At 1 July 2020							
Cost or fair value	36,667	760	30	9,044	14,978	755	62,234
Accumulated depreciation and impairment	(24,010)	(555)	(25)	(2,642)	(5,631)	-	(32,863)
Net carrying amount	12,657	205	5	6,402	9,347	755	29,371
At 30 June 2021							
Cost or fair value	40,511	833	30	9,044	15,166	1,483	67,068
Accumulated depreciation and impairment	(27,477)	(614)	(28)	(2,807)	(6,039)	-	(36,965)
Net carrying amount	13,034	219	2	6,237	9,127	1,483	30,103

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below

Year ended 30 June 2021

Net carrying amount at start of year	12,657	205	5	6,402	9,347	755	29,371
Additions	-	73	-	-	188	837	1,098
Revaluation Increment	1,213	-	-	-	-	-	1,213
Transfers	109	-	-	-	-	(109)	-
Depreciation	(945)	(59)	(2)	(165)	(408)	-	(1,580)
Net carrying amount at end of year	13,034	219	2	6,237	9,127	1,483	30,103

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. PLANT PROPERTY AND EQUIPMENT (CONTINUED)

Recognition and measurement - Property, plant and equipment

(i) Acquisition of property, plant and equipment

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

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

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

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

(ii) Capitalisation thresholds

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

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

(iii) Capital work in progress (WIP)

The initial recording of the payment for materials/labour/overheads on all capital works in progress is controlled by the Trust.

Once the project has been fully completed, notification is provided, and the project is then capitalised.

(iv) Depreciation of property, plant and equipment

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

The useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end. All material, separately identifiable components of assets are depreciated individually over their useful lives.

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

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

(v) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with TPP 21-09 *Valuation of physical non-current assets at fair value*. This policy adopts fair value in accordance with AASB 13 *fair value measurement*, and AASB 116 *property, plant and equipment*.

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

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

Also refer to note 9 for further information regarding fair value.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

8. PLANT PROPERTY AND EQUIPMENT (CONTINUED)

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

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09) and the Treasurer's Direction 'Valuation of Physical Non-Current Assets at Fair Value' (TD 21-05). TD 21-05 and TPP 21-09 adopts fair value in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment.

Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The Trust conducts a comprehensive revaluation for each class of property, plant and equipment at least every five years. Buildings are revalued every three years. The last comprehensive revaluation of buildings was performed in March 2021 and general infrastructure was performed on 30 June 2018.

These revaluations were completed by CBRE Valuations Pty Ltd and Sheldon Consulting Pty Ltd respectively. The last comprehensive revaluation of caves infrastructure was performed on 30 June 2022. Interim revaluations are conducted between comprehensive revaluations where cumulative changes to indicators suggest fair value may differ materially from carrying value. An interim management revaluation was completed for buildings and general infrastructure on 30 June 2022. Cumulative indexation was applied to both asset classes.

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

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

As a not-for-profit entity, revaluation increments, and decrements are offset against one another within a class of non-current assets, but not otherwise.

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

(vi) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. The reversal is recognised in other comprehensive income and is treated as a revaluation increase, except to the extent that an impairment loss on the same class of asset was previously recognised in net result, then the reversal recognised in net result.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

Fair value measurement and hierarchy

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

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

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

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

Refer note 16 for further disclosures regarding fair value measurements of financial assets.

(a) Fair value hierarchy

2022

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 8)				
Buildings	-	-	12,649	12,649
Caves infrastructure	-	-	12,953	12,953
General infrastructure	-	-	10,051	10,051
	-	-	35,653	35,653

2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
Property, plant and equipment (Note 8)				
Buildings	-	-	13,034	13,034
Caves infrastructure	-	-	6,237	6,237
General infrastructure	-	-	9,127	9,127
	-	-	28,398	28,398

(b) Valuation techniques, inputs and processes

(i) Valuation techniques and inputs:

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

Asset class	Valuation technique	Comments
Buildings	Cost	Based on current replacement cost
General infrastructure	Cost	Based on current replacement cost
Caves infrastructure	Cost	Based on current replacement cost

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)

(ii) Highest and best use:

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

(iii) Level 3 measurements

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

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

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)

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

Type	Valuation technique	Inputs	Valuation process
Level 3- Buildings	<p>In 2020-21 the Trust engaged CBRE Valuations Pty Limited to provide a comprehensive valuation of buildings using the current replacement cost approach as per AASB 13 to determine fair value.</p> <p>In 2021-22 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer.</p>	<ul style="list-style-type: none"> - Current construction cost estimates as published in Rawlinson's Handbook 2022 - Actual comparable construction costs - Total and remaining useful life - Gross floor area <p>The interim revaluation in 2021-22 indices are based on analysis of producer price indices, import indices, wage price index, local government and construction indices, as well as any currency fluctuations over the subject period. The valuer has analysed and developed a number of composite index factors, which include Civil, Mechanical, Electrical and Reticulation categories.</p>	<p>Rawlinson rates were used to develop asset unit rates, indexed to 30 June 2022 using the producer price indices for non-residential building construction, published by the Australian Bureau of Statistics. These rates were adjusted for regional indices (documented by Rawlinson) and for site factors.</p> <p>The interim revaluation performed in 2021-22 was based on relevant indices provided by an independent valuer. Cumulative indexation of 4.2% was applied on buildings.</p>
Level 3- Caves infrastructure	<p>In 2021-22 the Trust engaged Sheldon Consulting Pty Ltd to provide a comprehensive valuation of its caves infrastructure assets. Fair value was determined using the current replacement cost approach.</p>	<ul style="list-style-type: none"> - Current construction cost estimates as published in Rawlinson's Handbook 2022 - Condition of asset - Obsolescence of asset - '3101 road and bridge construction NSW' and '3020 non-residential building construction NSW', as published by the Australian Bureau of Statistics (ABS). 	<p>Rawlinson rates were used to develop asset unit rates, indexed to 30 June 2022 using the producer price indices for road and bridge construction and non-residential building construction, published by the Australian Bureau of Statistics. These rates were adjusted for regional indices (documented by Rawlinson) and for site factors.</p>
Level 3- General infrastructure	<p>In 2017-18 the Trust engaged Sheldon Consulting Pty Ltd to provide a comprehensive valuation of its general infrastructure assets. Fair value was determined using the current replacement cost approach.</p> <p>In 2021-22 an interim revaluation was performed by management based on an assessment of relevant indices by an independent valuer.</p>	<ul style="list-style-type: none"> - Current construction cost estimates as published in Rawlinson's Handbook 2018 - Condition of asset - Obsolescence of asset - '3101 road and bridge construction NSW' and '3020 non-residential building construction NSW', as published by the Australian Bureau of Statistics (ABS). <p>The interim revaluation in 2021-22 indices are based on analysis of producer price indices, import indices, wage price index, local government and construction indices, as well as any currency fluctuations over the subject period. The valuer has analysed and developed a number of composite index factors, which include Civil, Mechanical, Electrical and Reticulation categories.</p>	<p>Rawlinson rates were used to develop asset unit rates, indexed to 30 June 2018 using the producer price indices for road and bridge construction and non-residential building construction, published by the Australian Bureau of Statistics. These rates were adjusted for regional indices (documented by Rawlinson) and for site factors.</p> <p>The interim revaluation performed in 2021-22 was based on relevant indices provided by an independent valuer. Cumulative indexation of 14.6% was applied on General infrastructure.</p>

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

9. FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS (CONTINUED)

d) Reconciliation of recurring level 3 fair value measurements

2022	Buildings \$'000	Caves infrastructure \$'000	General infrastructure \$'000	Total recurring level 3 fair value \$'000
Fair value as at 1 July 2021	13,034	6,237	9,127	28,398
Additions	162	-	21	183
Disposals (at WDV)	(25)	-	(10)	(35)
Revaluation Increment	510	6,958	1,268	8,736
Transfers in/(out) (at WDV)	-	(65)	65	-
Depreciation charge for the year	(1,032)	(177)	(420)	(1,629)
Fair value as at 30 June 2022	12,649	12,953	10,051	35,653
2021	Buildings \$'000	Caves infrastructure \$'000	General infrastructure \$'000	Total recurring level 3 fair value \$'000
Fair value as at 1 July 2020	12,657	6,402	9,347	28,406
Additions	-	-	188	188
Revaluation Increment	1,213	-	-	1,213
Transfers in/(out) (at WDV)	109	-	-	109
Depreciation charge for the year	(945)	(165)	(408)	(1,518)
Fair value as at 30 June 2021	13,034	6,237	9,127	28,398

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. LEASES

The Trust leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Trust does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Trust and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have been included in the lease liability where it is reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, there was no revision of lease terms due to the exercise of extension and termination options.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

(a) Right-of-use assets under leases

The following tables presents right-of-use assets that do not meet the definition of investment property:

	Plant and equipment	
	2022	2021
	\$'000	\$'000
Balance at 1 July	218	171
Additions	28	106
Depreciation expense	(58)	(59)
Balance at 30 June	188	218

(b) Lease liabilities

The following table presents liabilities under leases:

	Plant and equipment	
	2022	2021
	\$'000	\$'000
Balance at 1 July	224	174
Additions	28	106
Interest expenses	9	9
Payments	(64)	(65)
Balance at 30 June	196	224

The following amounts were recognised in the Statement of Comprehensive Income:

	Plant and equipment	
	2022	2021
	\$'000	\$'000
Depreciation expense of right-of-use assets	58	59
Interest expense on lease liabilities	9	9
Expense relating to short-term leases, low-value assets and variable lease payments, not included in the measurement of lease liabilities	24	11
Total amount recognised in the statement of comprehensive income	91	79

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. LEASES (CONTINUED)

Future minimum lease payments under non-cancellable leases as at 30 June 2022 were as follows:

	Operating lease	
	2022	2021
	\$'000	\$'000
Within one year	72	79
Later than one year and not later than five years	173	238
Later than five years	-	-
Total (including GST)	245	317
Less: GST recoverable from the Australian Tax Office	(22)	(29)
Total (excluding GST)	223	288

Recognition and measurement

The Trust assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. The Trust recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

i. Right-of-use assets

The Trust recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment 4 to 5 years

If ownership of the leased asset transfers to the Trust at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised; it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognised in the net result.

ii. Lease liabilities

At the commencement date of the lease, the Trust recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be paid under residual value guarantees
- exercise price of a purchase options reasonably certain to be exercised by the Trust; and
- payments of penalties for terminating the lease, if the lease term reflects the Trust exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Trust's leases, the lessee's incremental borrowing rate is used, being the rate that the Trust would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

10. LEASES (CONTINUED)

ii. Lease liabilities (continued)

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Trust's lease liabilities are included in borrowings.

iii. Short-term leases and leases of low-value assets

The Trust applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

11. CURRENT LIABILITIES – PAYABLES

	2022	2021
	\$'000	\$'000
Current liabilities		
Trade payables	699	205
Accrued expenses	104	279
Personnel services (a)	1,578	1,451
Total current liabilities	<u>2,381</u>	<u>1,934</u>
Non - Current liabilities		
Personnel services (a)	448	633
Total non - current liabilities	<u>448</u>	<u>633</u>
	<u>2,829</u>	<u>2,568</u>

Recognition and measurement – payable

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

Details regarding liquidity risk, including maturity analysis of the above payables are disclosed in note 16.

(a) Personnel services

	2022	2021
	\$'000	\$'000
Current		
Accrued employee costs/personnel services	120	151
Employee benefits - annual leave	540	489
Employee benefits - long service leave	704	620
Defined benefit superannuation	214	191
	<u>1,578</u>	<u>1,451</u>
Non-current		
Employee benefits - long service leave	91	83
Defined benefit fund superannuation	357	550
	<u>448</u>	<u>633</u>
	<u>2,026</u>	<u>2,084</u>

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

11. CURRENT LIABILITIES – PAYABLES (CONTINUED)

**Recognition and measurement - personnel services
Employee benefits and related on-costs**

All employees are under the employment of DPE, therefore salaries and wages, annual leave and on-costs are classified as personnel services expenses and provisions for annual leave, long service leave and defined benefit superannuation plans are recognised as payables.

i) Salaries and wages, annual leave and associated costs

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly 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 \$540,000 (2021: \$489,000), the discounting of a minor component of that liability for a 1-year period would be immaterial to the total value reported. Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

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. Expected future payments are discounted using Commonwealth government bond rate at the reporting date. At balance date, the current liability has been determined as \$704,000 (2021: \$620,000) and non-current liability \$91,000 (2021: \$83,000)

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 AASB 119 *Employee benefits* as per advice received from the fund administrator.

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

12. CURRENT AND NON-CURRENT LIABILITIES – BORROWINGS

	2022	2021
	\$'000	\$'000
Current		
Lease liability	150	93
	2022	2021
	\$'000	\$'000
Non-Current		
Lease liability	46	131

Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

13. CONTRIBUTED EQUITY

	2022	2021
	\$'000	\$'000
Balance 1 July	5,832	5,832
Balance 30 June	5,832	5,832

14. RESERVES AND RETAINED PROFITS

(a) Reserves

	2022	2021
	\$'000	\$'000
Balance 1 July	27,451	25,748
Net asset revaluation increment/(decrement)	8,736	1,213
Actuarial gains/ (losses) on superannuation funds	180	490
Balance 30 June	36,367	27,451

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

(b) Retained profits

Balance 1 July	1,349	(1,897)
Result for the year	6,585	3,246
Balance 30 June	7,934	1,349

15. RECONCILIATION OF CASH FLOWS FROM OTHER OPERATING ACTIVITIES TO NET RESULT

	2022	2021
	\$'000	\$'000
Net cash used on operating activities	9,489	5,157
Depreciation and amortisation	(1,741)	(1,638)
Change in operating assets and liabilities		
Increase/(decrease) in receivables	(634)	(100)
Increase/(decrease) in inventories	(19)	25
Decrease/(Increase) in trade and other payables	(239)	(22)
Decrease/(Increase) in provisions and defined benefit fund net liability	(132)	(14)
(Increase)/decrease in contract liabilities	(139)	(162)
Net result	6,585	3,246

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

16. FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument

	Note	Category	Carrying amount 2022 \$'000	Carrying amount 2021 \$'000
Financial assets				
Class:				
Cash and cash equivalents	4	N/A	13,907	6,383
Receivables ¹	5	Receivables (at amortised cost)	61	724
	Note	Category	Carrying amount 2022 \$'000	Carrying amount 2021 \$'000
Financial liabilities				
Class:				
Payables ²	11	Financial liabilities measured at amortised cost	2,829	2,567
Borrowings	12	Financial liabilities measured at amortised cost	196	224

Notes:

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

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

(b) Derecognition of financial assets and financial liabilities

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

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Trust could be required to repay. A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified; such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risks

(i) Credit risk

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

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

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

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

Cash and cash equivalents

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

Receivables - trade debtors

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

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

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

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

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

The Trust's trade debtors balance as at 30 June 2022 is Nil (2021: \$5,000) and no loss allowance for trade debtors was determined as at 30 June 2022 (2021: Nil).

The Trust is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022. Most of the trust's debtors have a high credit rating.

JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

16. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risks (continued)

(ii) Liquidity risk

Liquidity risk arises from the possibility that the Trust might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facility and the ability to close out of market positions. The Trust manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, management aims at maintaining flexibility in funding by keeping committed credit lines available. Surplus funds are generally only invested in major financial institutions.

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Trust may automatically pay the supplier simple interest. The applicable rate of interest for the period to 30 June 2022 was 8.07% (2021: 8.01%).

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

	Weighted average effective int. rate	Nominal amount ¹	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
2022								
Payables	N/A	2,829	-	-	2,829	2,381	448	-
Borrowings		196	-	-	196	150	46	-
		3,025	-	-	3,025	2,531	494	-

	Weighted average effective int. rate	Nominal amount ¹	Interest rate exposure			Maturity dates		
			Fixed interest rate	Variable interest rate	Non-interest bearing	< 1 year	1-5 years	> 5 years
2021								
Payables	N/A	2,567	-	-	2,567	2,567	-	-
Borrowings		224	-	-	224	93	131	-
		2,791	-	-	2,791	2,660	131	-

Notes:

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risks (continued)

(iii) Interest rate risk

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

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

		1%		-1%	
	Carrying amount	Net result	Equity	Net result	Equity
2022					
Financial assets					
Cash and cash equivalents	13,907	139	139	(139)	(139)
2021					
Cash and cash equivalents	6,383	64	64	(64)	(64)

(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.

17. COMMITMENTS

(a) Capital commitments

	2022 \$'000	2021 \$'000
Not later than 1 year	4,115	908
Total (including GST)	4,115	908

18. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent assets

The Trust is entitled to receive reimbursements of costs incurred due to losses of Property and Business Interruption due to bushfires, floods and COVID-19. The Trust is insured through iCare for 100% of these costs and losses. The losses due but unpaid, for repairs and property expense are stated in the accounts as receivables.

It is not practical to estimate the total financial effect of the financial value of the Business Interruption losses of these contingent assets.

During 2019-20 the Trust submitted insurance claims relating to loss of revenue for the period January 2020 to June 2020 for losses of assets and revenue due to fires, flood and COVID-19. Since July 2020 the Trust has been relying on insurance funds for both Property and Business Interruption claims. The Trust has also incurred similar losses in the current financial year from further floods and the continuing COVID-19 pandemic, The Trust have included the property expense claims not yet paid by insurance as receivables elsewhere in the accounts.

(b) Contingent liabilities

There were no contingent liabilities as at 30 June 2022 (2021: nil).

**JENOLAN CAVES RESERVE TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

19. RELATED PARTY DISCLOSURE

The Trust's key management personnel have been identified as the Minister, Administrator and Director roles. Compensation for the Minister and Administrator are not paid by the Trust and as such no amounts are included in the disclosure below.

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

	2022	2021
	\$'000	\$'000
Remuneration	194	74
Post-employment income	19	7
	<u>213</u>	<u>81</u>

During the year, the Trust has not incurred any expense (2021: \$142,000) in respect of the key management personnel services that are provided by DPE.

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 the year, the Trust has entered into following transactions with other entities that are controlled by the NSW Government:

- Grant funding of \$9.3 million from DPE towards refurbishment of assets and mitigation of risk factors
- Grant funding of \$0.9 million from Restart NSW towards refurbishment of buildings and improvement of visitor facilities

20. EVENTS AFTER THE REPORTING PERIOD

As at 30 June 2022, the Trust assessed the impact of COVID-19 on the fair value of its financial assets, namely receivables. This was based on historical sales information, expectation of macroeconomic conditions and outlook at the time of assessment. Given continued uncertainty of the COVID-19 factor, it is possible that post 30 June 2022 there may be some new evidence that impacts this fair value assessment materially. The Trust management has reviewed the effects of COVID-19 on the fair value of PPE assets and there is no known impact on values.

Since July 4th, 2022, the Trust has not been able to trade due to damage to the 2 Mile Road from further wet weather events, causing slippage above various sections of the Road, it has been closed by Transport for NSW indefinitely until further repairs can be made. The 5 Mile Road has also been closed by Transport for NSW also indefinitely.

There are no other known events that would impact on the state of affairs of the Trust or have a material impact on the financial statements.

End of audited financial statements.