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Our Role

Mission Statement

To conserve the natural and cultural resources of the Jenolan, Abercrombie, Wombeyan and Borenore Karst Conservation Reserves and to promote them as leading visitor destinations in a manner which is environmentally, culturally and commercially sustainable.

Charter/Legislation

The Jenolan Caves Reserve Trust is a body corporate created pursuant to the provisions of the National Parks and Wildlife Act 1974.

The Trust is charged with the care, control and management of the Jenolan Caves Reserve Trust lands, which are Abercrombie, Borenore, Jenolan and Wombeyan Karst Conservation Reserves.

Statement of Significance

Jenolan Caves Reserve Trust lands are the premier karst conservation areas of New South Wales. "Karst" is a characteristic landform found in areas with soluble rock, such as the limestone for which the Karst Conservation Reserves are renowned. Karst processes produce a wide variety of features including caves, gorges, sinkholes, stalactites and stalagmites.

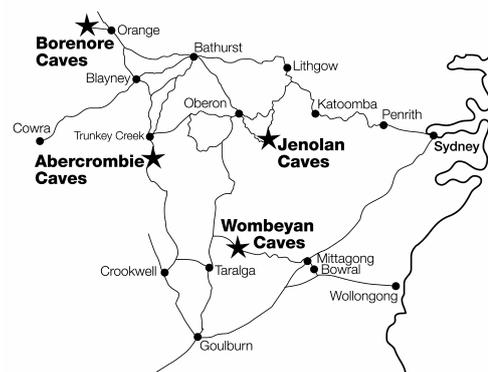
Jenolan Caves Reserve Trust lands are major tourism precincts that are highly valued for their natural and cultural significance.

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

The Reserves also contribute to our understanding of Aboriginal culture and European heritage, and are widely recognised for their interpretative, research and educational values.

The Reserves are important centres for recreational and tourist activities but conservation is paramount. The relationship between the natural and cultural environment and tourism is complex but generally well integrated.

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



Reserve Location Map

Administrator/Board Report



The focus over the past year has been on implementing the Government's revitalisation program for Wombeyan, Abercrombie, Borenore and Jenolan Karst Conservation Reserves.

The transfer of the reserves to the Department of Environment and Conservation (DEC) is in its final planning stage. By bringing the reserves together under the larger DEC family, the resources required for their sustained care and management, future environmental protection and ongoing development as tourist destinations are assured.

As a result of the Government's \$4M capital works program to upgrade both cave and above ground infrastructure, I am happy to advise that a number of projects involving the replacement of lighting and handrails within the caves and the refurbishment of walking tracks on the reserves have come to fruition. I was delighted to officially launch the relighting of the Lucas Cave at Jenolan Caves in September 2004, on behalf of the Minister for the Environment.

Stage 1 of an upgrade to the Jenolan Caves Road has been completed by the Roads and Traffic Authority. Sections of the road have been resurfaced and structural work undertaken to improve the stability of drystone walls on the road's embankments. This means that safety, travel conditions and public access to Jenolan Caves has been improved. Stage 2 of the upgrade to Jenolan Caves Road will commence in July 2005 and will improve bank stabilisation.

I would like to take the opportunity to commend the Sydney Speleological Society on the publication of its second book, *Caves and Karst of Wombeyan*, produced to coincide with its 50th Anniversary in November 2004. This book goes a long way to providing its readers with a better understanding of the unique natural and cultural history of Wombeyan. It contains information that will increase the readers understanding of caves and karst areas, and appeals equally to scientists, cavers and the general public.

Finally, I would like to thank the Hon Bob Debus MP, Minister for the Environment, for his ongoing interest, support and commitment to providing the best outcome for the Karst Conservation Reserves. Also, my sincere thanks to all the staff of the Jenolan Caves Reserve Trust, whose loyalty to the Trust and assistance to myself over the last year has been invaluable.

Alan Griffin Administrator

Alan Griffin is on secondment as Administrator of the Jenolan Caves Reserve Trust to implement the structural changes recommended by the Council on the Cost and Quality of Governments (COCQG) review in 2003. The Administrator also acts in the capacity of the Trust Board. Alan was Deputy Director-General of the Department of Commerce, with 33 years experience in engineering, construction, contracting and policy development. He holds a Bachelor of Science-Engineering (with Merit) from the University of NSW and a Graduate Diploma in Business Administration (with distinctions) from the UTS. Alan is a Fellow of the Australian Institute of Engineers.

Overview by Andrew Fletcher, General Manager



The biggest challenge to our staff this year has been the implementation of the recommendations of the COCQG review and the NSW Treasury funded capital works projects as well as ensuring the sustainable management of the Reserves.

Our staff have encompassed the challenge admirably and I commend them on that achievement during this particularly demanding time.

Visitation

Total visitation to our cave sites, as compared to the previous year, follows:

Jenolan	239,275	+6%
Wombeyan	31,011	+1%
Abercrombie	8,731	+9%
Borenore	(not recorded)	
TOTAL	279,017	+5%

This is an outstanding result with all reserves performing exceptionally well. Wombeyan recorded the highest visitation since 1997 and Jenolan since 2000.

The increases are attributed to a focussed effort by all staff, aggressive marketing campaigns, actively promoted and competitive multi-cave packages and excellent weather conditions throughout the year.

Income & Expenditure

Revenue from ordinary activities was \$6,040,456, a decrease of 43% on last year, mainly due to funding received in the previous year from NSW Treasury for capital projects. Expenses from ordinary activities was (\$6,001,140), an increase of 15%.

Research and Monitoring

We continue to support and encourage many research activities on the Reserves. Details of these are contained in the Environment Report.

The appointment of members to the Scientific and Environment Advisory Committee was completed in the previous reporting period.

The Committee provides expert technical and strategic policy advice to the Trust in respect of issues relating to the conservation, interpretation and promotion of the karst conservation reserves managed by the Trust.

World Heritage

The Trust continues to support the Dept of Environment and Conservation and the Dept of Heritage in the management of the Greater Blue Mountains World Heritage Area (GBMWA), which incorporates the Jenolan Karst Conservation Reserve.

In this regard we have provided input into the development of the GBMWA Strategic Plan and GBMWA Visitor and Interpretation Centre.

The Trust is represented on the GBMWA Management Committee and has active input into decisions affecting, or potentially affecting, the area's natural, cultural and recreational values.

Overview (cont)

Major Developments

Major capital works projects that were either underway or completed during the 2004 – 2005 financial year are identified in the Statutory Information section of this report.

A key focus this financial year has been the completion of the revitalisation of the Lucas Cave at Jenolan.

This project is the result of several years of planning and development and has produced a world class experience for our visitors.

The cave has been transformed with a spectacular hi-tech lighting system and restoration project, giving Australia's most popular cave a new look while protecting its delicate environment. The cave now includes a sophisticated computer system controlling the gentle rise and fade of the lights.

In addition, the old galvanised handrails in the cave have been replaced with new environmentally sensitive stainless steel handrails and fittings.

The refurbishment of the Lucas Cave, as well as the replacement of lighting and handrails in other caves, and the upgrade and installation of aboveground infrastructure on Trust reserves will ensure that they remain pristine tourist attractions for generations to come.

Business Development and Marketing

The Trust has continued to derive benefit from a greater focus on market research outcomes and has again experienced growth in visitors during 2004/2005.

This contrasts with the state and regional situation where there has been an increase in international visitation and a decline in terms of domestic and day visitor numbers.

In January 2005 the Trust completed the final phase of a comprehensive survey of visitors to Jenolan Caves. The results provide comprehensive data about levels of visitor satisfaction, visitor demographics and the key market segments of visitors. It is planned that the survey program will continue on an ongoing basis.

Targeting these market segments together with very positive media coverage, that included the relaunch of the Lucas Cave, has seen strong growth in the number of cave visits.

Our marketing plan included television advertising during the lead up to each of the NSW school holiday periods in the key Sydney market.

Television advertising was complemented with advertising in the major Sunday papers and a strong presence in key regional tourism publications.

The Trust hosted a number of visits from domestic travel writers and also international travel agents via Tourism New South Wales and Tourism Australia.

Key Result Areas

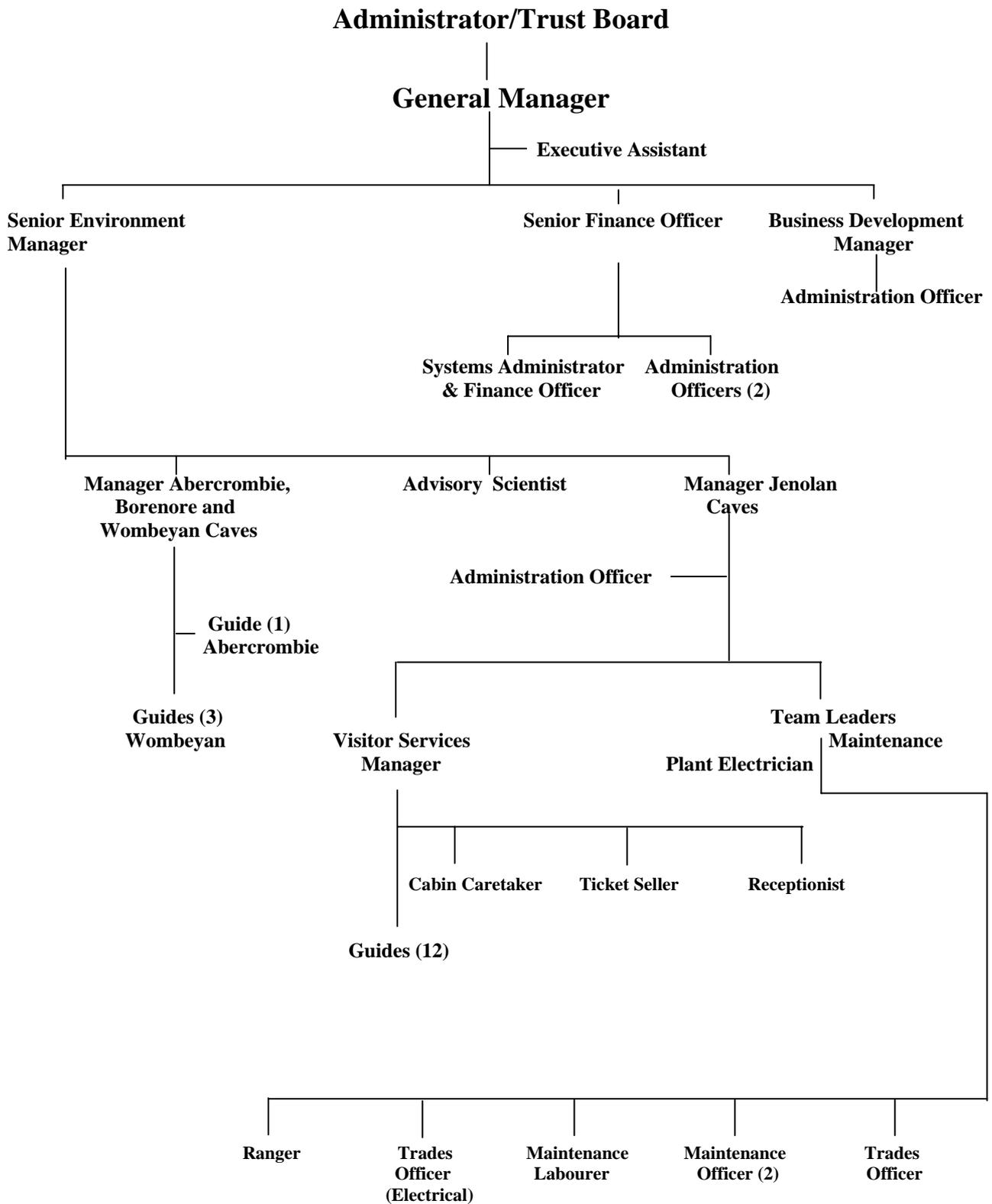
The Trust's Corporate Plan identifies its four major values. Achievements in key result areas are shown in the following table.

The review of the Corporate Plan has been deferred in light of the structural changes currently underway.

Overview (cont)

Focus	Goals	Highlights 1999-2005
Resource Management & Conservation	<ul style="list-style-type: none"> • Protect, conserve and where possible restore the natural process. • Conserve the Aboriginal and historical cultural heritage. • Maintain natural biodiversity and geodiversity. • Provide visitor services in an environmentally responsible manner. • Develop and promote a wider knowledge of karst conservation issues. 	<ul style="list-style-type: none"> • Establishment and support of the Trust's Scientific & Environmental Advisory Committee. • Plans of Management completed for Wombeyan and Borenore Karst Conservation Reserves. • Development of draft Plan of Management for Jenolan Karst Conservation Reserve. • Ongoing research of current technologies and techniques for the management of the reserves. • Ongoing noxious weed and feral animal control program at all Reserve sites. • Jenolan Karst Conservation Reserve's World Heritage status as part of the Greater Blue Mountains World Heritage Listing. • Appointment of Senior Environment Manager to facilitate an improved interface between the environmental and commercial elements of the Trust's operation. • Listing of the Jenolan Karst Conservation Reserve on the State Heritage Register. • Installation of (Ecomax) sewage system at Wombeyan and completion of sewage upgrade at Jenolan.
Our Visitors	<ul style="list-style-type: none"> • Value and care for our visitors. • Provide an enjoyable and memorable experience. • Communicate an informative and interesting conservation message, enhancing understanding and appreciation of natural and cultural heritage values. • Provide an appropriate and diverse range of experiences, and equity of access. 	<ul style="list-style-type: none"> • Installation of new accommodation units at Wombeyan and Abercrombie Caves. • Completion of the Grand Arch Redevelopment at Jenolan Caves. • Replacement of handrails in most showcaves. • Electrical upgrade and re-lighting of caves at Jenolan and Wombeyan. • Installation of Ultraviolet Water Treatment system at Abercrombie Caves. • Flood mitigation works at Abercrombie Caves. • Development Application approved for the self-guided tour at Jenolan Caves. • Annual reviews of price structure. • Design and implementation of ongoing visitor survey. • Appointment of a Business Development Manager to develop new products and marketing strategy. • Finalisation of Trust Interpretation Plan and Signage Plan.
The Organisation	<ul style="list-style-type: none"> • Ensure sufficient human, financial and physical resources. • Be proactive and responsive (through flexibility and innovation). • Provide strong leadership with focussed direction and identity. • Foster continuous improvement. 	<ul style="list-style-type: none"> • Receipt of \$875,000 capital funding in State's 2001-2002 Budget. • Call for Proposals for alternate access to Jenolan Caves completed and Government advised would not proceed with any form of aerial access to Jenolan Caves. • Ongoing commitment to initiatives in the Corporate Plan, setting the Trust's priorities and direction. • Development of annual business and marketing plans, identifying strategies for each caves reserve. • Launch and continual upgrade of the Trust's website. • Ongoing communication with key stakeholders on the planning and review of major programs. • Receipt of \$4m from NSW Treasury in 2004 for a three year capital works safety program and subsequent implementation progress.
Our Team	<ul style="list-style-type: none"> • Have a skilled and committed team with a friendly and professional attitude. • Trust to be a great place to work. • Foster effective partnerships. • Have a culture of trust, recognition and respect. 	<ul style="list-style-type: none"> • Completion of accredited TAFE course in competency-based training and assessment by several employees. • Near completion of the first stage of nationally recognised work place competencies and training system for guiding and outdoor recreation skills. • Annual performance appraisal program, staff training and development program. • OH&S Policy approved. • Implementation of Staff Appreciation program on an annual basis. • Contracted IPS Employee Assistance to provide Employee Assistance Program

Organisational Chart



Abercrombie Karst Conservation Reserve

Objectives

1. Maximise visitation and yield
2. Provide a safe environment for visitors and staff
3. Continue to enhance the visitor experience
4. Protect and conserve natural, cultural and recreational resources

Key Performance Indicators

Compared to 2003/2004

- Visitation: +8.89%
- Revenue: +4.22%
- Expenditure: -12.19%
- Number of Cave Tours: -6.97%
- Revenue per FTE: +2.28%
- Total Expense per Visitor: -19.37%
- Total Revenue per Visitor: -4.31%

2004/2005 Financial Year

- Total FTE: 2.1
- Number of Tours per FTE: 106
- Salaries & Wages as % of Total Expenditure: 60.85%
- Maintenance Expense as % of Total Expenditure: 22.14%

FTE = Full time equivalent staff

Maximise Visitation and Yield

In common with the other Trust Reserves, marketing at Abercrombie is focussed on key market segments.

The Trust has been working with local and regional associations and operators in an effort to raise the awareness of the reserve and caves.

This, and other strategic marketing, has resulted in an increase in cave visitation, accommodation and camping occupancies during the reporting year.

The popularity of the new cabins is continuing to increase the accommodation yield.

The dry fine seasonal conditions were conducive to outdoor activities.

Provide a Safe Environment

In the interest of visitor safety, the two suspension bridges across Grove Creek were assessed by a structural engineer for safety and suitability.



Repairs to suspension bridge

The bridges have been physically load tested resulting in the recommendation that maintenance be undertaken prior to the re-opening.

This maintenance is nearing completion. The refurbished bridges will allow safe all weather access to the spectacular Abercrombie Arch self-guided tour.

The re-opening of the external bridge will also allow safe pedestrian access to the camping area during times of high flow in Grove Creek.

Abercrombie Karst Conservation Reserve (cont.)

Enhance Visitor Experience

The re-opening of the two suspension bridges will also greatly enhance the visitor experience.

Work has commenced on the upgrading of walkways.

The upgrading of the camping ground is also underway.

Tenders have been let for the construction of a new campers amenities block.

This facility will replace the existing unisex campers facility and provide separate male and female units.

The camp kitchen has been upgraded with the installation of glazing and screens.

The kitchen is now an all weather facility.



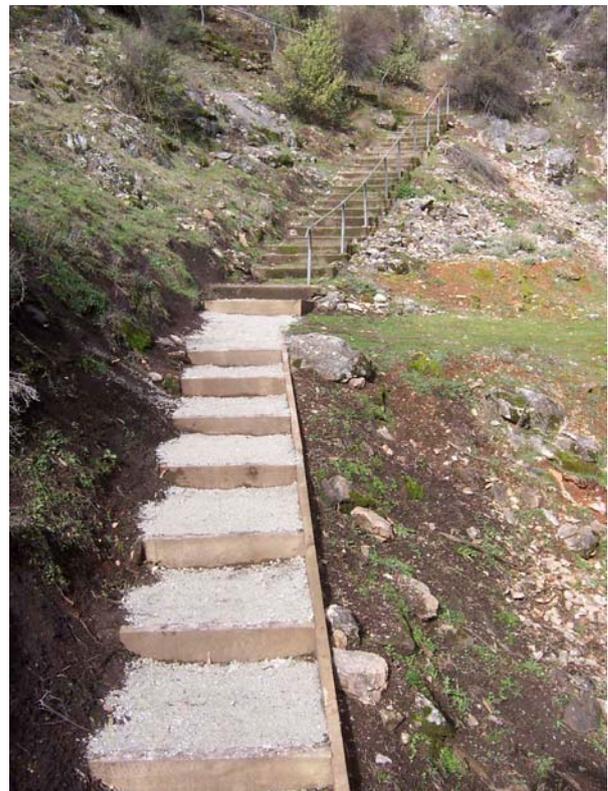
All weather kitchen

Conservation of the Natural Resource

Preservation is being achieved through interpretation to the public in relation to the major significance both above and below ground of the cultural and heritage values of the Abercrombie Caves Karst Conservation Reserve.

Noxious weed and feral animal control methods have been continuing with acceptable results.

Ongoing maintenance of pathways, and the drainage and flood mitigation initiatives which are currently being addressed, are all contributing factors to the preservation of the natural resources of the Abercrombie Karst Conservation Reserve.



Track maintenance

Jenolan Karst Conservation Reserve

Objectives

1. Stimulate visitation through extensive, targeted marketing in association with new products & events.
2. Expand revenue streams through introduction of new products and events.
3. Implement major capital redevelopment projects for visitor facilities and cave infrastructure.
4. Implement a Competency Based Training system.

Performance Indicators

Compared to 2003/2004:

- Visitation: +5.84%
- Revenue: +0.61%
- Expenditure: -9.36%
- Number of Cave Tours: - 1.85%
- Revenue per FTE: +8.69%
- Total Expense per Visitor: - 14.35%
- Total Revenue per Visitor: - 4.95%

2004/2005 Financial Year

- Total FTE: 29.6
- Number of Tours per FTE: 280
- Salaries & Wages as % of Total Expenditure: 70.01%
- Maintenance Expense as % of Total Expenditure: 15.58%

FTE = Full time equivalent staff

Stimulate Visitation

As a result of our targeted marketing program the 2004/05 financial year produced a 5.8% increase in cave visits, which reflects the continued growth over the past few years.

The increase of 13,188 cave visits was due to a number of factors including concerted marketing activities based on ongoing research and product placement aimed at promoting product awareness and encouraging visitors to see more than one cave.

Events

A Trust wide events strategy was developed with the aim of providing a diverse range of annual and special events across the Reserves.

Planning for events at Jenolan in 2006 and beyond is underway.



Carols in the Caves

The following events were held at Jenolan during the year:

- Orient and Temple of Baal Cave Centenary of Discovery celebrations
- Christmas Carols
- SBS youth orchestra performances
- Six Foot Track marathon
- Australia Day breakfast
- Planning for Co-opera Don Giovanni performance in 2006
- Georg Mertens Special 100th anniversary performance of cello concerts on a monthly basis
- Launch of the relighting of the Lucas Cave at Jenolan Caves

Jenolan Karst Conservation Reserve (cont.)

Promotional Sales Visits

Visitor Services staff sales calls to accommodation operators and information centres in the Blue Mountains, Oberon and Lithgow continued throughout the year

Promotional Image Development

- Cello concert photo shoot
- Demographic markets photo shoot

Film Crew Hosting

- Argentinean TV
- Sami Lucas breakfast weather forecast
- National Geographic filming
- Jenolan Caves commercial filming
- *Totally Wild* TV Jenolan segment
- German TV film crew

Journalist and Other Hosting

- Sunday Telegraph
- D Mag
- Eco Tourism Conference
- Guide Exchange with Cheddar Caves
- Ulysses MC
- Singapore Travel Agents famil
- Fantastic Aussie Tours famil
- Indian Travel Agents famil
- Chinese Inbound Agents famil
- Assorted individual journalists and press reporters
- Both local and overseas speleologists
- Cheddar Caves work experience

Trade Events

Staff participated in a variety of trade events, which involved presentations, displays and sales appointments, to a variety of market segments.

Key events included:

- Sydney on Sale
- A range of Sydney based trade shows aimed at concierges, Seniors and groups.

- NSW Education Expo
- Rosehill Caravan & Camping Show
- Australian Tourism Exchange
- Grey Line Expo
- Bus & Coach Show
- Inbound Operators Workshop
- Australian Ecotourism Conference & Workshops

Partnerships with key operators and regional tourist organisations were further developed via joint representations at seminars, trade shows and workshops.

Expand Revenue Streams

New Product Development

- Complimentary guided surface tours – January school holidays 2005
- Develop “Stones and Bones” product for trial
- Revival of Masonic Lodge meetings in the Cathedral chamber
- Additional Orient and Temple of Baal inspections added to tour schedule
- Develop recorder concerts product

Events

The development of an events strategy resulted in development and staging of new music performances and celebrations of the centenaries of cave discoveries. Planning for a Country music weekend and a major Opera in 2006 is being undertaken.

Implement Major Capital Redevelopment Projects

The Government has committed substantial Capital funding to redeveop cave and surface visitor infrastructure and utilities at Jenolan over a three year period.

During the year the following Capital projects were completed or are substantially completed:

- Installation of stainless steel handrails and safety structures within the Imperial, Chifley and Temple of Baal Caves.

Jenolan Karst Conservation Reserve (cont.)

- Relighting of Lucas Cave
- Redevelopment and surfacing of most of the main walking tracks in the caves area. (3km of pathway)
- Upgrade of water supply pump and installation of “backup” generator to supply electricity to the pumps.
- Replacement of the Fire Hydrant mains water pipes and hydrants in the Jenolan /Caves House precinct.

Main Road 253

Major works to widen and improve the pavement surface, drainage, safety barriers and slope stability of the ‘5 Mile Hill’ section of the road was undertaken and will continue into 2006.

Cave Maintenance

Work focused on OH&S issues and environmental protection.

- Water Cleaning – Lucas Cave on completion of capital works, sections of Orient Cave.
- Pathways – refurbishment of sections of steps in Lucas, Orient, Imperial, Chifley and entrance to River. Work involved recapping worn steps and replacing sloping pathways with stepped sections.
- Electrical Assistance – replaced and readjusted lights after new handrails were installed in Imperial and Chifley Caves. Old mains guttering in Lucas Caves removed and areas restored.
- Handrails – sections of original cable handrail between Orient and River Caves refurbished in heritage style.
- Demossing and general litter removal throughout caves continued.

Implement Competency Based Training

The development of a competency based training and assessment program that aligns with nationally recognised standards was completed.

To date staff members have obtained formal qualifications in tourism, marketing, management and outdoor recreation and education.

The system identifies the skills required by staff to efficiently protect and manage the caves and provide high quality services for visitors.

Jenolan Caves Resort

Caves House and associated infrastructure is owned by the NSW State Government and has been leased to a private sector operator for the past 15 years.

The operator is responsible for the provision of accommodation, food and souvenirs to visitors. These services along with the cave tours form the basis of our visitor’s experience.

The historic building has been included on the NSW Heritage Register and the Trust is working with the operator to ensure the continued preservation of the historic Caves House building.



Wombeyan Karst Conservation Reserve

Objectives

1. Protect and conserve the natural, cultural and recreational resources
2. Provide a safe environment for visitors and staff
3. Continue to enhance the visitor experience
4. Maintain visitor facilities to a high standard
5. Maximise visitation and yield

Performance Indicators

Compared to 2003/2004

- Visitation: +1.50%
- Revenue: -3.56%
- Expenditure: -8.12%
- Number of Cave Tours: +9.65%
- Revenue per FTE: -12.19%
- Total Expense per Visitor: -9.49%
- Total Revenue per Visitor: -4.97%

For 2004/2005 Financial Year

- Total FTE: 6.0
- Number of Tours per FTE: 166
- Salaries and Wages as % of Total Expenditure: 55.91%
- Maintenance Expense as % of Total Expenditure: 21.11%

FTE = Full-time Equivalent Staff

Protect and Conserve the Natural, Cultural and Recreational Resources

- Replaced drought effected native vegetation
- The control programme for noxious weeds and feral animals is ongoing

Through Mission Australia a Work for the Dole programme was implemented resulting in very effective environmental weed removal, restoration of outdoor furniture, and the restoration of the exterior of the original Power House



Painting Old Power House

Provide a Safe Environment for Visitors and Staff

- Identification and removal of drought affected and dangerous trees throughout the camping areas and along the walking tracks is ongoing
- Continuation of the upgrading of the tracks and pathways both on the surface and underground

Continue to Enhance Visitor Experience

- The visitor experience has been enhanced with the ongoing upgrading of the cave's lighting systems
- The introduction of accommodation and cave packages

Wombeyan Karst Conservation Reserve (cont.)

Maintain Visitor Facilities to a High Standard

Visitor facilities are maintained to a high standard through continuous maintenance and upgrading as appropriate.

Capital Works

Treasury funding has been received for the specific purpose of upgrading cave infrastructure. This includes the installation of new electrical systems, the upgrading of pathways and the provision of stainless steel handrails and walkways.

These works are progressing well and when complete will place the caves of Wombeyan as amongst the most environmentally, aesthetically and safest commercial cave systems in the land.



Removal of obsolete cave infrastructure

Reserve Maintenance

In conjunction with the Work for the Dole programme, planting of River Oak's (*casuarina cunninghamiana*) and several species of Eucalypts as replacements for the drought affected species was undertaken.

A comprehensive spraying programme was implemented to target noxious weed colonies on the Reserve.

Feral goat, fox and cat problems were also addressed with acceptable results being achieved.



Environmental Works Tree Planting

Maximisation of Visitation and Yield

- Visitation has been increased through the installation of the accommodation and cave tour packages
- The visitor yield is dependent on the uptake of the cave tour packages

Marketing

Marketing strategies were undertaken in conjunction with the Business Development Manager.

This year Wombeyan again worked in close association with Southern Highlands, Goulburn, Mulwaree and Upper Lachlan Tourism bodies and was represented throughout the year by these organisations at relevant trade and marketing Shows.

The TV and print media campaign prior to school holidays targeting the Wollongong and Canberra areas is again proving successful.

Borenore Karst Conservation Reserve

Reserve Maintenance

The community based Work for the Dole programme is proving most worthwhile and has again been active with works concentrating mostly on walking tracks, with a new walk being established across the karst to the back of Arch Cave. Participants have also been involved with the removal of internal fencing, mowing and the general upkeep of the main visitor precinct.

Noxious Weed and Animal Control

A concerted effort has again been undertaken in the control of noxious weeds, with the prominent focus being on Blackberry (*Robus fruticosus*) and Serrated Tussock (*nassella trichotoma*). In conjunction with local landholders feral animal control has again been undertaken.

Events

Carols at the Caves were held prior to Christmas. The event was sponsored by the local community and was deemed to be a success. The community is keen to pursue the Carols as an annual event.

Treasury Funded Capital Works Projects

Tenders have been let for the supply and installation of a walking bridge over Boree Creek. The new bridge will allow a much safer and easier visitor access to the Arch Cave.

Tenders have been called for the supply and installation of a new toilet block. The building will have disabled facilities and will be environmentally friendly in design. Planned additional visitor facilities include a gas barbecue, information board and walking track signage.



Verandah Cave at Borenore Caves

Environment Report

The following initiatives/actions were implemented in the 2004/05 financial year:

Jenolan Karst Conservation Reserve Plan of Management

The proposed integration of the Jenolan Karst Conservation Reserve into mainstream government has necessitated the review and amendment of the previously endorsed Draft Plan of Management. It is anticipated that the amended Draft Plan will be placed on public exhibition in 2005 followed by its formal endorsement in 2006. The amended Draft Plan will provide the strategic direction for attending to, and resolving issues, and consolidates the Reserve's status as a special place. A Project Management Team consisting of Department of Environment and Conservation representatives and Trust staff will guide the development of the amended Draft Plan.

Water Quality Monitoring Program

Staff, in conjunction with the Scientific and Environmental Advisory Committee, have developed a water quality monitoring program for the Jenolan Karst Conservation Reserve. The program is currently in the early stages of its implementation, with recent actions, including the training of staff in assessment and monitoring procedures, and identification of monitoring sites, providing the basis for future work in this area. The water quality monitoring program will aid the management of the Reserve by identifying variations in water composition and structure.

Brush Tailed Rock Wallabies

The Brush Tailed Rock Wallaby Captive Breeding Program continues to flourish with three additional pouch young recorded in the 2004/05 financial year. No deaths were recorded as a result of predation by foxes. The Department of Environment and Conservation, in conjunction with the Trust and Australasian Regional Association of Zoological Parks and Aquaria, are managing the Program which is integral to the future conservation of the species.

Broadkarst News

Three issues of Broadkarst News were produced and distributed to key stakeholders over the course of the last twelve months. The aim of the Newsletter is to provide relevant stakeholders with a snapshot of events and happenings at the four Reserves, with emphasis given to research and cave exploration activities. The response to the Newsletter has been extremely positive with contributions coming from a diverse range of stakeholders including staff members, researchers, speleologists and students.

Scientific and Environmental Advisory Committee

The Scientific and Environmental Advisory Committee (SEAC) continues to provide advice to the Trust in respect of issues relating to the conservation, interpretation and promotion of the Reserve. Initiatives actioned by the SEAC include:

- Development of Water Quality Monitoring Program
- Commenced development of Blue Lake Management Strategy
- Inventory of scientific equipment and consolidation of research facility.

Blue Lake Management Strategy

A strategy to aid the future management of the Jenolan *Blue Lake* is in the initial stages of its development. Matters for consideration include habitat retention/enhancement, water quality and flow, sediment accumulation and removal and visual amenity issues. The strategy is to be developed in conjunction with internal and external stakeholders, and is scheduled for completion in the 2005/06 financial year. In April 2005, Associate Professor Julia James (SEAC member) and the Trust's Senior Environment Manager presented a paper on the strategy at the 2004 Australasian Cave and Karst Managers Association Conference.

Environment Report (cont.)

Sponsored Projects

The following projects have been undertaken:

Riparian Weed Removal

The removal/control of miscellaneous weed species from a section of the Jenolan River riparian zone was made possible through a \$20,000 grant provided by the Natural Heritage Trust. The Department of Lands, in conjunction with Lithgow – Oberon Landcare Inc. played an important role in securing the grant, in addition to providing valuable on-ground support. The project is scheduled to run for twelve months.



Sycamore Control/Removal

A grant of \$75,000 was obtained from the Sydney Catchment Authority. Stage 2 of the program to control Sycamore Sp. at the Jenolan Karst Conservation Reserve is underway. Current works includes the on-going chemical treatment of Sycamore sp. and the establishment of trial plots to gauge the effectiveness of past weed control and bushland rehabilitation initiatives.

Research

The following research has been completed or is on-going:

Cupola Classification and Origin

Dr. R.A.L. Osborne, School of Development and Learning, University of Sydney

Cupolas, large dome-shaped cavities in Orient and River caves, were measured and documented, with derived data for potential use in explaining cave origin/morphology.

The work is continuing and is proposed to be extended to the Temple of Baal in the forthcoming year. A paper on cupola classification and origins was published in *Acta carsologica*.

Clay Dating

Dr. R.A.L. Osborne, School of Development and Learning, University of Sydney

This project is continuing and involves the use of the *potassium-argon method* to date clays at the Jenolan Caves. The project was undertaken in conjunction with colleagues from the CSIRO and Australian Museum, and received financial support from the Trust. Work to date suggests that the Jenolan cave system is much older than was previously thought, with initial results submitted for publication in the Australian Journal of Earth Sciences.

Cave Drip Water Study

J. McDonald, Environmental and Climate Change Research Group, School of Environmental and Life Sciences, University of Newcastle

Research carried out in two caves at Wombeyan on the controls on trace element variability in cave drip waters and calcite has been completed, and submitted as a PhD thesis by Janece McDonald, Environmental and Climate Change Research Group, University of Newcastle. Key findings were published in *Geophysical Research Letters* and presented at several conferences, including the Australian Climate Forum in Lorne (Vic) in November 2004.

Results indicate that near-surface drip waters record the site water balance and highlight the potential of Wombeyan Cave stalagmites as high-resolution recorders of regional drought history. Based on this study, an ARC Linkage Project grant with Sydney Catchment Authority as the industry partner has been awarded.

Environment Report (cont.)

This new study aims to elucidate a long-term drought and flood history covering the last 1000 years. The caves will be the focus of the drought reconstruction. Indicator trace elements in recently active stalagmites will be analysed at sub-annual resolution, together with high precision radiometric dating.

Cave Bacteria Study

Alison Blyth, University of Newcastle, United Kingdom.

Small samples of broken *straws* were collected from caves at Jenolan and Wombeyan Reserves for use in a research project aimed at understanding and quantifying past climates. The samples will be analysed for the presence of lipids, organic molecules that act as biomarkers for bacteria. The samples taken from the Reserves will be added to a Southern Hemisphere data bank.

Jenolan Show Caves Survey

Associate Professor Julia James, School of Chemistry, University of Sydney.

A major surveying project in the Jenolan Show Caves commenced in May 2005. The latest survey will consolidate and expand on a previous survey of the caves carried out in the 1990s, which yielded a 3D projection and numerous plans at 1:200 scale.

Survey data and sketches from the initial survey will be imported into the *Walls* cave surveying program. *Walls* digitises survey data and sketches taken in the cave for calculation, survey loop closure, and the preparation of plans and sections. A major advantage of *Walls* is that the maps produced can be imported into Adobe Illustrator. Illustrator has layers and can be used in a similar manner to GIS mapping by highlighting wall detail, cave furniture and lighting, speleothems, sediments and the cave surface. Overlapping sections of the cave can also be highlighted and superimposed if required.

It is proposed that derived information will be entered into a database. In addition, over 400 permanent survey stations will be placed in the caves allowing their adaptation for other projects. Speleologists involved in the current survey are David Martin, Gregory Tunnock, Rick Pinnock, Alan Warild and Julia James.

Exotic Weed Study

Dr. G. Hose, Institute for Water and Environmental Resource Management, University of Technology Sydney.

Andrew Baker conducted his Honours research project on the impact of Radiata pine (*Pinus radiata*) on native vegetation in the Jenolan Reserve. He determined the quantity of pine material entering areas of the Reserve that were adjacent to pine plantations. Not surprisingly, there was a significantly higher quantity of pine needles, cones and twigs entering areas of the Reserve adjacent to pine plantations, compared with areas of vegetation not adjacent to pine plantations. The pine material penetrated up to 50m into the Reserve.

Perhaps the most important finding of Andrew's work was that he identified a pattern of an increasing number of weed species in areas where there was pine material, and a concomitant decrease in the number of native species in those areas. Thus, the strong correlations between pine litter penetrating remnant vegetation in the Reserve and native and exotic plant species richness, suggests that the plantations may be having a deleterious effect on natural vegetation.

Andrew is now conducting a longer PhD research program to understand the mechanisms causing these effects, and to look in greater detail at the processes leading to the changes in the vegetation that he observed.

Corporate Resources

Objectives

- Provide a stable and fulfilling work environment that is flexible and meets the information needs of the Trust, employees and clients.
- Ensure sufficient technological, financial and administrative resources.

Finance Department

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

As a result of the structural changes currently underway, the Trust's accounting services is contracted to an external provider.

Information Technology

There have been no major software upgrades with the exception of the Symantec anti-virus package which was renewed and upgraded. This incorporates servers and workstations, including the ticketing system. The networks at Jenolan and Bathurst are fully automated, require no user intervention and updates the anti-virus files on a daily basis.

The Trust continues to operate with Novell Netware 4.11 as the preferred networking software at both Bathurst and Jenolan, with the ticketing systems at Jenolan and Wombeyan operating with Microsoft Networking.

A Trust-wide Information Technology Business Continuity Plan was implemented during the year.

The Plan ensures the integrity, protection and recovery of the Trust's critical IT functions in the event of serious disruption.

The Jenolan ticketing server was replaced during the year. The Bathurst administration server, which houses both the payroll and accounting packages, is to be replaced in the first half of the new year.

Capital Expenditure

Expenditure on capital works and equipment totalled \$1,777,909 and consisted of:

Cave Infrastructure	\$ 654,285
General Infrastructure and Environmental Projects	\$ 805,000
Buildings/workshops and leasehold improvements	<u>\$ 318,624</u>
	<u>\$ 1,777,909</u>

Annual Financial Statements

Below is a summary of the Operating Statement for 2004/2005 compared with 2003/2004.

	\$ 2004/2005	\$ 2003/2004
Revenues from ordinary activities	6,040,456	10,537,004
Expenses from ordinary activities	(6,001,140)	(5,208,730)
Profit (loss) from ordinary activities	39,316	5,328,274

Statutory Information

Senior Executive Officers

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

Number of female senior executive officers: Current year: nil Previous year: nil

Classification of Positions

Listed below are employees for the last 3 years.

	2002/2003	2003/2004	2004/2005
General Manager	1	1	1
Executive Assistant to the General Manager	1	1	1
Business Development Manager	1	1	1
Systems Administrator & Finance Officer	1	1	1
Senior Finance Officer	1	vacant	vacant
Administration Officers	4.4	2.4 2 vacant	1.4 3 vacant
Senior Environment Manager	1	1	1
Advisory Scientist	vacant	vacant	vacant
Manager Jenolan Caves	1	1	1
Manager Wombeyan, Abercrombie and Borenore	1	1	1
Visitor Services Manager, Jenolan	1	1	1
Guides positions	13 3 vacant	12 4 vacant	12 4 vacant
Visitor Services Officers	1.6	1.6	0.6 1 deleted
Caretaker Jenolan Caves Cottages	vacant	vacant	vacant
Team Leader – Maintenance	1	1	1
Team Leader - Plant Electrician	1	1	1
Ranger	vacant	vacant	vacant
Trades Officer (Electrician)	1	1	1
Trades Officer	1	1	1
Maintenance Officer	2 1 vacant	2 1 vacant	1 2 vacant

Recruitment Statistics

The recruitment and employment needs of the Trust for the period 1 July 2004 to 30 June 2005 were met as follows:

- The Senior Finance Officer's position as well as other vacant Administration Officer's positions were filled by temporary appointments and contractors.
- The Ranger's position was filled on a temporary basis.
- Casual staff have fulfilled the functions of the two vacant Maintenance Officer's positions.

In all there are 41 permanent positions covering 20 categories.

Temporary placements, and a casual workforce of up to 70, supplement the Trust's team of permanent employees.

The Trust's estimated full time staff number (FTE) as at 30 June 2005 was 47.

There were no unusual or over Award payments made during the year through wages, salaries or allowances.

Statutory Information (cont)

Training

Total training costs for the year, including staff hours and course costs, were \$35,651.

Paid staff hours for external training
2004/2005 \$14,616; 2003/2004 \$6,037;
2002/2003 \$21,867.

Courses undertaken during the year included first aid, workcover, OH&S, media training, event management, tourism, risk management, karst management, train the trainer, electrical cabling, SEINS infringement course and driver authority.

EEO Statistics

Total positions held by males and females are detailed below:

	Males %	Female %
2002/2003	61.5	39.5
2003/2004	60.2	39.8
2004/2005	61.2	38.8

Of the permanent employees 82% are male and 18% are female. In 2004/2005 the average remuneration for males was \$62,945 and females \$47,359.

Approximately 28.6% of all staff on our payroll are permanent, the balance are employed on a temporary or casual basis. Staff relieved in higher positions (min 5 days relief) on 9 occasions.

Overseas Visits

Alan Griffin, Administrator

New Zealand, April 2005 – ACKMA Conference

Andrew Fletcher, General Manager

New Zealand, April 2005 – ACKMA Conference
Slovakia/Slovenia/United Kingdom, May 2005 – Cave Familiarisation

Mike Chalker, Manager Wombeyan, Abercrombie & Borenore

Slovakia/Slovenia/United Kingdom, May 2005 – Cave Familiarisation

Dan Cove, Guide

New Zealand, April 2005 – ACKMA Conference

Stephen Meehan, Senior Environment Manager

New Zealand, May 2005 – ACKMA Conference

Stephen Reilly, Manager Jenolan Caves

New Zealand, May 2005 – ACKMA Conference

Consultants

Throughout 2004/2005 the Trust supplemented internal resources with the following consultancy expertise (costs excluding GST):

Equal to or more than \$30,000

Mallesons Stephen Jacques \$203,532
(Legal Fees – Lease negotiations)

Under \$30,000

During the year seven consultants were engaged in the following areas:

Legal \$ 40,039
Project Management \$ 35,495

TOTAL CONSULTANCIES \$279,066

Statutory Information (cont)

Account Payment Performance

Account payment performance indicators for 2004/2005 financial year:

Average time taken to process accounts inclusive of:

Current (within 30 days)	\$5,221,163
Less than 30 days overdue	nil
Between 30-60 days overdue	nil
Between 60-90 days overdue	nil
Percentage of accounts paid on time	100%
Total of accounts paid on time	\$5,221,163
Total of accounts paid	\$5,221,163

Commentary:

- Payment is made on invoice after authorisation within terms through the Accounts Payable module of the Accpac accounting package.
- The Trust takes up offers of discounts by making payments within terms.
- Credit card use in the Trust has been in accordance with Premiers Memorandum and Treasurer's Direction.

The electronic transfer of funds using the Westpac Deskbank facility continued throughout 2004/2005.

Disability Plans

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

- The provision of tailored-tours to cater to the special needs of the elderly and visually impaired.
- The grading of show caves in terms of the number of steps and degree of difficulty.
- User-friendly building design, which caters for the physically disadvantaged.

- The Lucas, Orient and Temple of Baal caves at Jenolan have had 50mm stainless steel handrails installed and steps regraded to make them more standard. These measures provide easier access for people with limited mobility.
- Relighting of steps in the show caves has been completed to provide an optimum and even level of step illumination to assist visitors to negotiate steps in the caves.

Ethnic Affairs Priorities Statement

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

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

- The provision of 'Meet and Greet Programs' to cater to the special needs of visitors.
- Ongoing liaison with inbound tour operators to ensure that client/customer services are tailored to meet individual needs.
- Legislation provides for the Trust Board to include two Aboriginal community representatives to ensure the interests of their communities are represented.
- The provision of multi-lingual brochures.
- The recruitment of multi-lingual staff. New guiding positions include a second language as a desirable qualification
- Ongoing research into the needs of ethnic groups and particular market segments.
- The implementation of competency-based training for guides, which includes a nationally recognised module on cultural awareness.

Statutory Information (cont)

- The development of a series of interpretation brochures on Jenolan Caves in traditional Chinese, simplified Chinese, Japanese and Korean. The brochures will be available for visitors early in the next financial year.

The Trust's commitment to understanding and catering to the needs of ethnic groups will continue in 2005/2006. In this regards, it will:

- Investigate the redesign of current public communication programs including the redesign of Trust websites.
- Investigate the use of electronic, multi-lingual interpretation technology.
- Support the introduction of an Aboriginal Cultural Heritage Program.

Occupational Health & Safety

Following the completion of the term of the previous OH&S committee, nominations for representatives were called for in mid-2004 from all Trust sites and a new committee was elected.

The new committee has focused on working closely with management and on raising staff awareness of the role of the individual in OH&S management, specifically the need to take a proactive approach to workplace issues. Prioritising of issues identified in the recent risk assessment of the Jenolan Cave System has also been an important function of the committee. This has seen excellent progress with the great majority of identified potential hazards having been eliminated through the Jenolan Caves maintenance program as recommended by the committee.

The committee has also undertaken site inspections at Jenolan Caves, and been involved in the training of new and existing staff members.

All members of the OH&S committee have worked well together, and look forward to the opportunity to continue to work with Trust management in ensuring a safer environment for staff and visitors at all Trust sites.

Risk Management

A formal risk assessment of the three reserves was carried out in 1996. Recommendations stemming from the assessment are implemented on a priority basis.

A draft Risk Management Plan and relating policy has been prepared.

Consumer Response

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

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

- Onsite surveys.
- Detailed reflective (postal) survey.
- Formal assessment of written and verbal visitor comment.
- Targeted surveys, activated when key negative issues are identified.

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

Energy Management

The Trust continues to comply with our Energy Management Policy.

Statutory Information (cont.)

Waste Management

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

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

The environmental evaporation transpiration sewage system commissioned at Wombeyan Caves in 2003 has alleviated the need to transport waste off the Karst Conservation Reserve.

All other waste and refuse is disposed of at the local Council transfer station.

All septic waste is removed from the Abercrombie Karst Conservation Reserve by contractors.

All other waste and refuse is disposed of at the local Council facility.

Freedom of Information Requests

There were 2 FOI requests and actioned in 2004/2005.

Policy & Planning

The Trust's Corporate Plan is due to be reviewed, however, has been deferred until the structural changes recommended in the Council on the Cost and Quality of Government Review are in place.

The draft Plan of Management for the Jenolan Karst Conservation Reserve is awaiting finalisation.

The Trust adopted a Private or Secondary Employment Policy this year.

Advisory Committees

The Trust is fortunate to have a number of committees that offer specialist expertise in fields related to Trust operations.

Scientific and Environmental Advisory Committee

Dr Stephen Gale
Dr Armstrong Osborne
Dr Neil Lipscombe
Dr Grant Hose
Assoc Prof Julia James
Susan McDonald

Speleological Advisory Committee

John Bonwick
Chris Norton
Ben Nurse
Darryl McDowell

Research

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

Major Works Completed or Underway

Major works programs completed or underway are:

- Jenolan Karst Conservation Reserve Plan of Management
- Development of Self-Guided Cave at Jenolan
- Replacement and re-electrification of the Lucas Cave at Jenolan and Wollondilly, Koorunga and Mulwaree Caves at Wombeyan
- Installation of Stainless Steel handrails in the Lucas, Imperial, Orient and Temple of Baal caves as well as the Grand Arch at Jenolan. Also Wollondilly, Figtree, Mulwaree and Koorunga Caves at Wombeyan.

Statutory Information (cont)

- Replacement of the Fire Hydrant mains water pipes and hydrants in the main precinct at Jenolan
- Upgrade of water supply pump and installation of “backup” generator to supply electricity to the pumps at Jenolan
- Upgrading of walking tracks at Jenolan, Abercrombie and Wombeyan
- Upgrade of visitor amenities at Abercrombie and Borenore
- Installation of new bridge at Borenore and upgrade of two swing bridges at Abercrombie

Publications

2004/2005 Publications:

Three issues of Broadkarst News.

Brochures/Leaflets:

Various published and in-house brochures and information sheets on the services and facilities of the Trust’s operations.

Other:

Trust’s planning document and Annual Reports.

Printing Annual Report 2004/2005

Total external cost – Nil.

Report is available on the Jenolan Caves Reserve Trust website
www.jenolancaves.org.au

Independent Audit Report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT JENOLAN CAVES RESERVE TRUST

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Jenolan Caves Reserve Trust:

- (a) presents fairly the Trust's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- (b) complies with section 41B of the *Public Finance and Audit Act 1983* (the Act).

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

The Administrator's Role

The financial report is the responsibility of the Administrator of the Jenolan Caves Reserve Trust. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to Members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Administrator in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that Trustees had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Trust,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

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



R Hegarty FCA
Director, Financial Audit Services

SYDNEY
3 November 2005

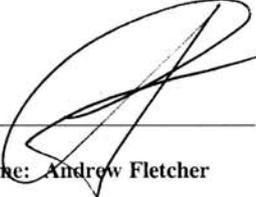
**JENOLAN CAVES RESERVE TRUST
YEAR ENDED 30 JUNE 2005**

Statement by Members of the Trust

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

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Jenolan Caves Reserve Trust as at 30 June 2005 and transactions for the twelve months then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2000, and the Treasurer's Directions.

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



Name: Andrew Fletcher

Position : General Manager

Date: 20 OCTOBER 2005



Name: Alan Griffin

Position : Administrator

Date: 20th October 2005

**JENOLAN CAVES RESERVE TRUST
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
Revenues from ordinary activities	2	6,040,456	10,537,004
Expenses from ordinary activities			
Employee benefits expense	3.1	(3,627,140)	(3,148,988)
Depreciation expense	3.2	(426,068)	(738,906)
Other expenses	3.3	<u>(1,947,932)</u>	<u>(1,320,836)</u>
Surplus/ (deficit) from ordinary activities	18	<u>39,316</u>	<u>5,328,274</u>
Increase/ (decrease) in asset revaluation reserve	19	<u>(29,333)</u>	<u>5,000</u>
Total revenues, expenses and valuation adjustments recognised directly in equity		<u>(29,333)</u>	<u>5,000</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>9,983</u>	<u>5,333,274</u>

The statement of financial performance is to be read in conjunction with the notes to the financial statements.

JENOLAN CAVES RESERVE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
Current Assets			
Cash assets	4	5,607,039	5,661,559
Receivables	5	185,504	153,056
Inventories	6	54,899	48,338
Other	7	648,373	484,771
Total Current Assets		6,495,815	6,347,724
Non-Current Assets			
Property, plant & equipment	8	16,093,640	15,394,251
Other financial assets	9	6,500,000	6,500,000
		22,593,640	21,894,251
Total Non-Current Assets			
		29,089,455	28,241,975
Total Assets			
Current Liabilities			
Payables	10	669,927	368,988
Employee benefits	11	443,729	307,040
Other liabilities	12	19,993	6,534
Total Current Liabilities		1,133,649	682,562
Non-Current Liabilities			
Employee benefits	11	731,086	344,676
Total Non-Current Liabilities		731,086	344,676
		1,864,735	1,027,238
Total Liabilities			
		27,224,720	27,214,737
Net Assets			
Equity			
Contributed equity		5,831,749	5,831,749
Retained surplus	18	13,058,015	13,018,699
Reserves	19	8,334,956	8,364,289
Total Equity		27,224,720	27,214,737

The statement of financial position is to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
Cash flows from operating activities			
Receipts from customers		5,109,236	5,564,818
Receipts from Treasury		539,000	4,870,244
Payments to suppliers and employees		(5,366,511)	(6,023,849)
Interest received		754,985	492,286
Net cash provided by operating activities	14.2	<u>1,036,710</u>	<u>4,903,499</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		187,534	100,750
Payments for property, plant and equipment		(1,278,764)	(791,775)
Net cash used in investing activities		<u>(1,091,230)</u>	<u>(691,025)</u>
Net (decrease)/ increase in cash held		(54,520)	4,212,474
Cash at the beginning of the financial year		5,661,559	1,449,085
Cash at the end of the financial year	14.1	<u>5,607,039</u>	<u>5,661,559</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005**

REPORTING ENTITY

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

The administration office of the Trust is situated at the Department of Lands (Land and Property Information division), Panorama Avenue Bathurst whilst the principal places of business are situated at Jenolan Caves, Wombeyan Caves, Abercrombie Caves and Borenore Caves, situated in rural New South Wales.

The principal activities of the Trust are environmental conservation; cave interpretation and provision of accommodation facilities at Jenolan, Wombeyan and Abercrombie Caves.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

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

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

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

1.2 Employee Related Benefits and Entitlements

The accounting standards set out in AAS30 - "Accounting for Employee Entitlements" have been applied where those standards have a material impact on the financial statements and where those employee entitlements can be reliably measured.

Allowance has been made in the financial statements for benefits accruing to employees in relation to annual leave and long service leave in accordance with statutory requirements based on actual entitlements and expected rate of remuneration.

Employee related expenses include salaries and wages, long service leave for employees with five years or more service, recreation leave, employer superannuation contributions and other related costs.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.2 Employee Related Benefits and Entitlements (continued)

i) Salaries and Wages, Annual Leave and On-Costs

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

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

ii) Sick Leave

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 entitlements accrued in the future.

iii) Long Service Leave

Long service leave benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long service leave benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

iv) Superannuation

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

1.3 Property, Plant and Equipment

Acquisition of assets

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

Plant and equipment

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.3 Property, Plant and Equipment (continued)

Basis of revaluation

Physical non-current assets are valued in accordance with the NSW Treasury Department's "Valuation of Physical Non-Current Assets at Fair Value". This policy adopts fair value in accordance with AASB 1041. There is no substantive difference between the fair value valuation methodology and the previous valuation methodology adopted by the Trust.

Fair value is determined as the market buying price (the best indicator of which is the assets replacement cost) as the future economic benefits are not primarily dependent on the asset's ability to generate net cash flows from continued use.

Cave infrastructure was valued by Trust employees, using a method approved by the New South Wales National Parks and Wildlife Service. This method involved applying an approved per metre cost to all items of cave infrastructure. Due to the specialised nature of these types of assets, this method developed by Trust employees is considered to be the only feasible method of valuing this type of infrastructure.

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

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of assets previously recognised as an expense in the result for the year from ordinary activities.

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

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

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

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.3 Property, Plant and Equipment (continued)

Depreciation

Depreciation is provided on a straight line basis over the useful life of the asset to the Trust based on independent valuation or actual cost where applicable.

Major depreciation periods for significant asset groups are as follows:

Buildings and Workshops	10 to 100 years
Staff Accommodation	100 years
Cave Infrastructure	25 to 100 years
General Infrastructure	10 to 100 years
Plant and Equipment	3 to 10 years
Motor Vehicles	5 to 10 years
Computer Equipment	3 years

1.4 Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less a provision for any uncollectable debts. An estimation for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

1.5 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is calculated using the weighted average cost or "first in first out" method.

1.6 Payables

These amounts represent liabilities for goods and services provided to the Trust and other amounts, including interest. Interest is accrued over the period it becomes due.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7 Leased Assets

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

Jenolan Caves House

The Trust assumed control of Caves House following the constitution of the Trust under the *National Parks and Wildlife Amendment (Abercrombie, Jenolan and Wombeyan Karst Conservation Reserves) Act 1997 No2*.

Caves House was subject to a pre-existing direct finance property lease which was valued at \$6,500,000 on 30 June 1998. The lease term is for a period of 99 years, however the commercial life of the lease has been determined at 30 years, with an average rate of return of 8% over this period. Interest income is brought to account periodically in each financial year at the specified earning rate.

The capital value of the lease will be recouped over the commercial life of the asset.

Operating leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property. Also refer to Note 16.

1.8 Revenue Recognition Policy

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Cave interpretation and sale of goods

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

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Grants

Grants and other contributions are recognised as revenues when received.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.8 Revenue Recognition Policy (continued)

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer.

1.9 Goods and Services Tax

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

Receivables and payables are stated with the amount of GST included.

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

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

1.10 Adoption of Australian Equivalents to International Financial Reporting Standards

Jenolan Caves Reserve Trust will apply the Australian equivalents to International Financial Reporting Standards (AIFRS) from the reporting period beginning 1 July 2005.

The Trust is managing the transition to the new standards by engaging consultants to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition. It is impracticable for the Trust to make any reliable estimation of the impact of AIFRS until the above review is completed.

The Trust has determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AIFRS requirements are different from existing AASB requirements (AGAAP). To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW public sector. This disclosure reflects these mandates.

The agency's accounting policies may also be affected by a proposed standard designed to harmonise accounting standards with Government Finance Statistics (GFS). This standard is likely to change the impact of AIFRS and significantly affect the presentation of the income statement. However, the impact is uncertain, because it depends on when this standard is finalised and whether it can be adopted in 2005-06.

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**1.10 Adoption of Australian Equivalents to International Financial Reporting Standards
(continued)**

Based on current information, the following key differences in accounting policies are expected to arise from adopting AEIFRS:

- AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* requires retrospective application of the new AIFRS from 1 July 2004, with limited exemptions. Similarly, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* requires voluntary changes in accounting policy and correction of errors to be accounted for retrospectively by restating comparatives and adjusting the opening balance of accumulated funds. This differs from current Australian requirements, because such changes must be recognised in the current period through profit or loss, unless a new standard mandates otherwise.
- AASB 116 *Property, Plant and Equipment* requires entities to recognise revaluation increments and decrements on an individual asset basis, rather than a class basis. This change will decrease accumulated funds and increase the asset revaluation reserve.

Major inspection costs must be capitalised, where these are currently expensed. This will require the fair value and depreciation of the related asset to be re-allocated.

- AASB 117 *Leases* requires operating lease contingent rentals to be recognised as an expense on a straight-line basis over the lease term rather than expensing in the financial year incurred.
- AASB 119 *Employee Benefits* requires the defined benefit superannuation obligation to be discounted using the government bond rate as at each reporting date, rather than the long-term expected rate of return on plan assets. Where the superannuation obligation is not assumed by the Crown, this will increase the defined benefit superannuation liability (or decrease the asset for those funds in an overfunded position) and change the quantum of the superannuation expense.

AASB 119 requires present value measurement for all long-term employee benefits. Current AGAAP provides that wages, salaries, annual leave and sick leave are measured at nominal value in all circumstances. The Trust has long-term annual leave benefits and accordingly will measure these benefits at present value, rather than nominal value, thereby decreasing the employee benefits liability and changing the quantum of the annual leave expense.

- AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* requires *for-profit entities* to recognise grant income over the period necessary to match related costs. This has the effect of delaying revenue recognition and increasing liabilities. Under current AGAAP, grants are normally recognised on receipt. It is possible that AASB 120 may be amended to adopt the approach in AASB 141 *Agriculture* where grants are recognised as revenue when conditions are satisfied. However, at this stage, the timing and dollar impact of these amendments is uncertain.

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.10 Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

- AASB 132 *Financial Instrument Disclosure and Presentation* prohibits in-substance defeasance. Agencies can no longer offset financial assets and financial liabilities when financial assets are set aside in trust by a debtor for the purposes of discharging an obligation, without assets having been accepted by the creditor in settlement of the obligation. This will have the effect of increasing both assets and liabilities but will have no net impact on equity.
- AASB 136 *Impairment of Assets* requires an entity to assess at each reporting date whether there is any indication that an asset (or cash generating unit) is impaired and if such indication exists, the entity must estimate the recoverable amount. However, the effect of this Standard should be minimal because all the substantive principles in AASB 136 are already incorporated in Treasury's policy *Valuation of Physical Non-Current Assets at Fair Value*.

2. REVENUE FROM ORDINARY ACTIVITIES	2005	2004
	\$	\$
Operating Activities		
Interpretation services	3,299,776	3,204,184
Accommodation	372,060	379,888
Parking fees	45,822	43,925
Rent - Jenolan Caves House	470,000	439,000
Special events	45,826	43,820
Kiosk trading	79,656	87,778
Revenue from operating activities	<u>4,313,140</u>	<u>4,198,595</u>
Non-Operating Activities		
Rent -Staff cottages	39,480	46,520
Interest – Financial institutions	286,211	53,986
Grants received - administration	483,626	-
Grants received - environmental	12,022	87,641
Consultancy	-	64,111
Other	3,885	17,797
Caves House utility services	34,216	40,306
Gross proceeds on asset sales	187,534	100,750
Administrator funding	-	500,000
Treasury operational recurrent funding	539,000	-
Treasury capital funding	-	4,495,244
Net increment arising from valuation of superannuation	141,342	932,054
Revenue from non-operating activities	<u>1,727,316</u>	<u>6,338,409</u>
Total Revenue	<u>6,040,456</u>	<u>10,537,004</u>

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

	2005	2004
3.1 EMPLOYEE BENEFITS EXPENSE	\$	\$
Salaries & wages	2,818,469	2,583,186
Payroll tax	136,910	130,761
Superannuation	266,435	280,702
Worker's Compensation	32,739	131,143
Fringe benefits tax	8,795	7,844
Restructuring costs	345,578	-
Employment costs	18,214	15,352
	<u>3,627,140</u>	<u>3,148,988</u>
3.2 DEPRECIATION EXPENSE		
Depreciation of non-current assets		
- Buildings	64,755	80,119
- Plant and equipment	42,203	78,889
- Motor vehicles	52,901	70,107
- Caves infrastructure	112,144	357,947
- General infrastructure	148,882	146,662
- Leasehold improvements	5,183	5,182
	<u>426,068</u>	<u>738,906</u>
3.3 OTHER EXPENSES FROM ORDINARY ACTIVITIES		
Audit fees	31,250	25,000
Bank and credit card	40,321	42,527
Carrying amount of assets sold	123,975	70,480
Cleaning	24,768	27,922
Commission on cave tickets	91,757	90,591
Lease negotiations	243,571	-
Environmental	81,222	25,998
Heat & power	82,564	61,955
Insurance	121,140	127,580
Interpretation plan	-	5,691
IT maintenance & supplies	38,909	25,465
Marketing	365,831	191,572
Motor vehicle	28,469	54,687
Plan of management – Jenolan Caves	-	17,300
Printing and stationery	22,967	20,888
Rental expense on operating leases- minimum lease payments	28,367	29,158
Repairs and maintenance	80,320	96,307
Special events	14,758	16,553
Telephone, postage and internet	79,755	68,525
Travel expenses	39,086	19,312
Trust expenses	4,713	20,603
Administrator expenses	266,077	102,881
Other expenses	138,112	179,841
	<u>1,947,932</u>	<u>1,320,836</u>

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

4. CASH ASSETS	2005	2004
	\$	\$
Fixed Deposit	750,000	475,000
Fixed Deposit - Treasury capital funding	4,030,000	4,990,000
Cash Management Account	593,615	37,083
Working Accounts	204,894	133,146
Cash Floats	27,480	25,430
Petty Cash	1,050	900
	<u>5,607,039</u>	<u>5,661,559</u>
5. RECEIVABLES		
Trade Receivables	185,504	153,056
Less: Provision for Doubtful Debts	-	-
	<u>185,504</u>	<u>153,056</u>
Trade debtors to be settled within 60 days are carried at amounts due. The collectibility of debts is assessed at balance date and a specific provision is made for any doubtful accounts.		
6. INVENTORIES		
Maintenance	25,745	25,743
Electrical	2,406	2,406
Kiosk	23,475	18,379
Fuel	3,273	1,810
	<u>54,899</u>	<u>48,338</u>
7. OTHER CURRENT ASSETS		
Prepaid Superannuation Contributions (refer note 12)	620,899	466,099
Prepayments	27,474	18,672
	<u>648,373</u>	<u>484,771</u>
8. PROPERTY, PLANT & EQUIPMENT		
Land at valuation	<u>3,530,000</u>	<u>3,530,000</u>
Buildings at cost	391,790	391,790
Buildings at valuation	1,844,560	1,892,250
Accumulated depreciation - at cost	(53,059)	(17,663)
- at valuation	(121,735)	(132,772)
	<u>2,061,556</u>	<u>2,133,605</u>
Plant and Equipment at cost	196,837	136,430
Plant and Equipment at valuation	163,675	163,675
Accumulated depreciation - at cost	(69,314)	(45,914)
- at valuation	(114,620)	(133,303)
	<u>176,578</u>	<u>120,888</u>

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

8. PROPERTY, PLANT & EQUIPMENT (Continued)	2005	2004
	\$	\$
Motor Vehicles at cost	-	206,748
Motor Vehicles at valuation	39,234	125,768
Accumulated depreciation - at cost	-	(44,304)
- at valuation	(37,576)	(109,370)
	1,658	178,842
Caves Infrastructure at cost	1,470,729	1,340,833
Caves Infrastructure at valuation	4,893,318	5,218,587
Accumulated depreciation - at cost	(61,472)	(46,369)
- at valuation	(327,100)	(569,749)
	5,975,475	5,943,302
General Infrastructure at cost	827,183	827,183
General Infrastructure at valuation	2,380,729	2,567,242
Accumulated depreciation - at cost	(56,052)	(14,363)
- at valuation	(362,640)	(397,349)
	2,789,220	2,982,713
Capital Works in Progress	1,536,696	477,261
Leasehold Improvements at cost	41,460	41,460
Accumulated depreciation - at cost	(19,003)	(13,820)
	22,457	27,640
TOTAL	16,093,640	15,394,251

The independent valuation of all assets except cave infrastructure was carried out by Ian Arthy, Registered Valuer (NSW) of Steers Pty Ltd, of 101 George Street Parramatta on 1 April 2001. All property, plant and equipment acquired since that date has been valued at cost.

8.1 Reconciliation of Carrying Amount

Reconciliation's of the carrying amount for each class of property, plant and equipment are set out below:

Freehold Land

Carrying amount at 1 July	3,530,000	3,525,000
Additions	-	-
Net revaluation increment	-	5,000
Carrying amount at 30 June	3,530,000	3,530,000

Buildings

Carrying amount at 1 July	2,133,605	1,896,463
Additions	-	318,624
Disposals	-	(1,363)
Transfers	(7,294)	-
Depreciation expense	(64,755)	(80,119)
Carrying amount at 30 June	2,061,556	2,133,605

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

8. PROPERTY, PLANT & EQUIPMENT (Continued)	2005	2004
	\$	\$
8.1 Reconciliation of Carrying Amount (Continued)		
<i>Plant & Equipment</i>		
Carrying amount at 1 July	120,888	174,629
Additions	60,407	25,148
Transfers	37,486	-
Depreciation expense	(42,203)	(78,889)
	<u>176,578</u>	<u>120,888</u>
<i>Motor Vehicles</i>		
Carrying amount at 1 July	178,842	185,208
Additions	29,025	132,858
Disposals	(153,308)	(69,117)
Depreciation expense	(52,901)	(70,107)
Carrying amount at 30 June	<u>1,658</u>	<u>178,842</u>
<i>Caves Infrastructure</i>		
Carrying amount at 1 July	5,943,302	6,301,249
Additions	129,897	-
Transfers	14,420	-
Depreciation expense	(112,144)	(357,947)
Carrying amount at 30 June	<u>5,975,475</u>	<u>5,943,302</u>
<i>General Infrastructure</i>		
Carrying amount at 1 July	2,982,713	2,324,375
Additions	-	805,000
Transfers	(44,611)	-
Depreciation expense	(148,882)	(146,662)
Carrying amount at 30 June	<u>2,789,220</u>	<u>2,982,713</u>
<i>Capital Works in Progress</i>		
Carrying amount at 1 July	477,261	967,116
Additions	1,189,331	654,285
Capitalised	(129,896)	(1,144,139)
Carrying amount at 30 June	<u>1,536,696</u>	<u>477,261</u>
<i>Leasehold Improvements</i>		
Carrying amount at 1 July	27,640	32,822
Depreciation expense	(5,183)	(5,182)
Carrying amount at 30 June	<u>22,457</u>	<u>27,640</u>
9. OTHER FINANCIAL ASSETS		
Jenolan Caves House Lease	<u>6,500,000</u>	<u>6,500,000</u>

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

10. PAYABLES	2005 \$	2004 \$
Refundable deposits	34,228	46,253
Trade creditors	515,319	229,832
Accrued expenses	47,563	76,047
Accrued employee costs	20,817	16,856
Grants in advance	52,000	-
	669,927	368,988

Liabilities are recognised for the amounts to be paid in the future for goods or services received, whether or not billed to the Trust. Trade accounts payable are normally settled within 30 days.

11. EMPLOYEE BENEFITS

Current

Annual Leave	294,007	227,242
Long Service Leave	46,617	57,973
Other Leave	27,523	21,825
Restructuring costs	75,582	-
	443,729	307,040

Non-current

Long service leave	461,090	344,676
Restructuring costs	269,996	-
	731,086	344,676

Average number of employees during the year	47	47
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12. SUPERANNUATION FUNDS

Funds are provided to cover the anticipated future liability of the Trust for superannuation and retirement benefits after termination of an employees' services.

The assessed liability for the Trust as at 30 June 2005 and funds held in the reserve accounts at the SAS Trustee Corporation (STC) are:-

	SANCS		SASS		SSS	
	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Gross Liability Assessed by Actuaries at 30 June	(259,290)	(242,478)	(1,047,061)	(969,989)	(2,576,867)	(2,530,363)
Less: Investment Reserve Account Balance	239,297	235,944	1,209,301	1,049,415	3,035,527	2,917,036
(Unfunded Liability)/ Prepaid Contributions	(19,993)	(6,534)	162,240	79,426	458,660	386,673

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

12. SUPERANNUATION FUNDS (Continued)

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

	2005/2006	2006/2007	thereafter
	%	%	%
Rate of investment return (after tax and investment-related expenses)	7.0	7.0	7.0
Rate of general salary increase *	4.0	4.0	4.0
Rate of increase in CPI (Sydney. All Groups)	2.5	2.5	2.5

* A promotional scale also applies.

13. REMUNERATION OF AUDITORS

	2005	2004
	\$	\$
Auditing of the financial report	31,250	25,000

No other services were provided by the auditors.

14. NOTES TO THE STATEMENT OF CASH FLOWS

14.1 Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and cash held by financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash as at balance date comprises:

Cash at bank	204,894	133,146
Cash management account and fixed deposit	5,373,615	5,502,083
Cash floats	27,480	25,430
Petty cash	1,050	900
	<u>5,607,039</u>	<u>5,661,559</u>

JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)

14. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

14.2 Reconciliation of Cash Flows from Operating Activities to Surplus/ (Deficit) from Ordinary Activities	\$	2005	2004
	\$	\$	
Surplus/ (deficit) from ordinary activities		39,316	5,328,274
Add/(less) items classified as investing/financing activities:			
Profit on sale of non current assets		(63,560)	(30,270)
		<u>(24,244)</u>	<u>5,298,004</u>
Add non cash items:			
Depreciation		426,068	738,906
Superannuation		(141,341)	(932,054)
Net cash provided by operating activities before change in assets and liabilities		<u>260,483</u>	<u>5,104,856</u>
(Increase)/decrease in receivables		(32,448)	(68,944)
(Increase)/decrease in inventories		(6,561)	12,512
(Increase)/decrease in other current assets		(8,802)	(419,168)
(Decrease)/increase in payables		300,939	277,347
(Decrease)/increase in provisions		523,099	(3,104)
		<u>776,227</u>	<u>(201,357)</u>
Net cash provided by operating activities		<u>1,036,710</u>	<u>4,903,499</u>

15. FINANCIAL INSTRUMENTS

15.1 Interest Rate Risk

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

	Note	Variable Interest Rate		Within 1 year		More than 5 years		Non Interest Bearing		Total Carrying Amount as per Statement of Financial Position	
		2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
1. Financial assets											
Cash	4	798,509	170,229	-	-	-	-	28,530	26,330	827,039	196,559
Receivables-Other	5	-	-	-	-	-	-	185,504	153,056	185,504	153,056
Deposits	4	-	-	4,780,000	5,465,000	-	-	-	-	4,780,000	5,465,000
Caves House Lease	9	-	-	-	-	6,500,000	6,500,000	-	-	6,500,000	6,500,000
Total Financial Assets		<u>798,509</u>	<u>170,229</u>	<u>4,780,000</u>	<u>5,465,000</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>214,034</u>	<u>179,386</u>	<u>12,292,543</u>	<u>12,314,615</u>
Weighted Average Interest Rate %		0.81	0.51	5.43	5.48	8.00	8.00	N/a	N/a	N/a	N/a
2. Financial liabilities											
Trade Creditors & accruals	10	-	-	-	-	-	-	669,927	368,988	669,927	368,988
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>669,927</u>	<u>368,988</u>	<u>669,927</u>	<u>368,988</u>

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

15. FINANCIAL INSTRUMENTS (Continued)

15.2 Net Fair Values

The aggregate net fair value and carrying amounts of financial assets and liabilities are disclosed in the statement of financial position and in the notes to and forming part of the accounts.

Recognised financial instruments

Cash, cash equivalents and short-term investments: the carrying amount approximates fair value because of their short term to maturity.

Trade receivables and payables: the carrying amount approximates fair value because of their short term to maturity.

15.3 Credit Risk Exposure

The Trust's maximum exposure to credit risk on recognised financial assets, at balance date, is the carrying amount as disclosed in the balance sheet and notes to the financial statements.

Concentration of credit risk

The Trust does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Trust.

16. LEASE COMMITMENTS

Operating Leases – Office Accommodation and Equipment

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

	2005	2004
	\$	\$
not longer than one year	34,323	23,403
longer than one year and not longer than two years	34,323	-
longer than two years and not longer than five years	68,646	-
Total lease commitments (inclusive of GST)	137,292	23,403

Contingent assets

The total lease commitments includes input tax credits of \$12,479 (\$2,128-2004)

17. CONTINGENT LIABILITIES

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

The Trust has no other contingent liabilities (Nil in 2004).

**JENOLAN CAVES RESERVE TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005
(Continued)**

	2005	2004
	\$	\$
18. RETAINED SURPLUS		
Balance at the beginning of the financial year	13,018,699	7,690,425
Surplus/ (deficit) from ordinary activities	39,316	5,328,274
Balance at the end of the financial year	13,058,015	13,018,699
 19. RESERVES		
Asset revaluation reserve		
Balance at beginning of the financial year	8,364,289	8,359,289
Revaluation increment/ (decrement) arising on valuation of non-current assets to fair value	-	5,000
Revaluation increment/ (decrement) arising on disposal of revalued assets	(29,333)	-
Balance at the end of the financial year	8,334,956	8,364,289
 20. CAPITAL EXPENDITURE COMMITMENTS		
General Infrastructure		
Not longer than 1 year	1,430,000	-
Longer than 1 year and not longer than 5 years	-	-
Longer than 5 years	-	-
	1,430,000	-
 21. EVENTS SUBSEQUENT TO BALANCE DATE		

A review of the Jenolan Caves Reserve Trust was commissioned by the Budget Committee in July 2003 following a request from the Minister for the Environment. This review was conducted by the Council on the Cost and Quality of Government.

As a result of this review, a legislative amendment titled the *National Parks and Wildlife Amendment (Jenolan Caves Reserves) Bill 2005* is currently before parliament. This bill seeks to transfer the assets, rights and liabilities of Jenolan Caves Reserve Trust to the Department of the Environment and Conservation (DEC). The Jenolan Caves Visitor Use and Services Zone will remain under the control and management of Jenolan Caves Reserve Trust for an interim period, expected to be approximately 1 year.

All assets and liabilities relating to the Wombeyan, Abercrombie, Borenore and Jenolan Cave Karst Conservation Reserves (excluding the Jenolan Caves Visitor Use and Services Zone) are expected to be transferred to DEC within the next year. At 30 June 2005, the value of assets to be transferred include Property, Plant & Equipment with a written down value of \$4.9 million. Liabilities at 30 June 2005 include Provision for Annual Leave of approximately \$84,000 and Provision for Long Service Leave (LSL) of approximately \$225,000. The Treasurer of NSW has agreed to cover \$186,000 of this LSL liability without any transfer of funds.

The Administrator has been appointed for a further period, up to 31 July 2006.

END OF FINANCIAL STATEMENTS.