

CRINKLE BUSH ECOTOURISM

PROPRIETARY LIMITED



Business Plan

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Byron Bay, Australia

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Introduction

The community of Byron Shire in the subtropical north coast region of New South Wales pride themselves in their love of the environment, attendant lifestyle, and their remarkable and well-documented success, at least thus far, in fending off large-scale, international resort-style development. Their aim has been to preserve the attraction that traditional visitors to the region – mainly families and backpackers – have always come here for and who have happily sustained the relaxed outdoor Byron lifestyle, both for locals and visitors alike.

In the past few years, the influx of tourists and visitors to the Shire has increased considerably, mainly among the younger crowd coming on short party-style holidays, some on day-trips from the Gold Coast. This trend has been adding pressure on the local infrastructure (there are only two roads going into and out of Byron Bay) and to the local population which wants to enjoy their normally peaceful lifestyle.

One of the most recent successes of Byron Shire residents has been to save an environmentally sensitive and ecologically rare parcel of coastal heathland known as Paterson Hill that overlooks Cape Byron, the newly created Arakwal National Park, the South Pacific Ocean on both sides of the Cape, the town of Byron Bay, and the mountains beyond. It is a remarkable 360° vista from atop a hill blanketed by more than 120 species of clay heath vegetation, including a recently-discovered orchid that exists only on this land.

The struggle to save Paterson Hill from development lasted more than 10 years and climaxed in a standoff on 28 October, 1999, when local residents physically prevented earth-moving equipment to arrive on the 1.1-hectare area of land and begin destruction of the site's vegetation. In the court case that ensued, the developer was found to be delinquent in meeting the conditions of consent for their development of the site.

Now that the struggle is over and is all but finally won pending the purchase of the land by the State government, the home of two of the primary contributors of support for the struggle has come onto the market, displaying for-sale signs in the backdrop of the very heath that they had worked so hard to save. The home overlooks the site, and the spacious salt-aged decks in front of it served as a gathering spot for everyone involved in the determination to save Paterson Hill.

The home with such importance in the history of Australia's struggle to save its unique environment from any of its mostly human-inflicted effects is an ideal location for a B&B-style guesthouse open to anyone visiting Byron Bay and wishing to learn more about the heathland that was saved and how to further conserve such natural assets. The principles of ecotourism, as defined by the Ecotourism Association of Australia, seem ideally suited to such a site also located adjacent to Arakwal National Park, although the B&B business itself would be small-scale due to its location in a residential area and not necessarily attract the sort of investor seeking purely financial returns.

This Business Plan seeks to find a balance between financial returns and the satisfaction of contributing to an enterprise yielding returns that transcend simple financial rewards.

If the Crinkle Bush enterprise contributes in some way to the community of Byron Bay in finding a new identity for itself as a destination for tourists who wish to learn and experience more about the uniqueness of the Shire's natural environment, particularly through the principles of ecotourism, we feel that we will have fulfilled our most important reason for existence.

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The Crinkle Bush remains entirely inconspicuous most of the year until May, or even November sometimes, when its beautiful creamy white blossoms suddenly appear above the very low canopy of the heath.



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"Ecotourism is a travel experience, first and foremost, that helps travelers come to a better understanding of unique and cultural environments around the world." – Megan Wood, 2002

1. The Business

1.1 Core Business

Crinkle Bush Ecotourism P/L is based in Byron Bay, NSW, Australia, and specializes in offering accommodations and nature-based educational tours and activities to guests and others in the community based on accredited ecotourism principles.

1.2 Mission Statement

Crinkle Bush Ecotourism P/L is committed to fostering development that inspires appreciation and respect for the local natural environment among guests at its accommodations and the community at large through its facilities and activities designed on principles defined in guidelines established by the Ecotourism Association of Australia (EAA) and the Australian Nature and Ecotourism Accreditation Program (NEAP). Crinkle Bush also aims to become an inspiration for the Byron Bay community in measuring the merits of future development in their Shire and to extend this inspiration to other areas threatened by environmental and quality-of-life degradation.

1.3 Vision

To be regarded as a relevant and effective member of the growing ecotourism industry.

1.4 Key Success Factors

Factors essential to the success of this business include:

- * Ability to provide comfortable accommodations while minimizing impact on the environment
- * Ability to provide a wide range of nature-based activities that focus on learning about the local environment and acquiring skills to preserve it
- * Ability to provide appropriately qualified guides
- * Ability to inspire 'soft ecotourists' to become 'hard ecotourists,' expanding the ecotourism market base and attracting repeat customers
- * Ability to ^{Foster} ~~engage~~ in similar developments in other areas

1.5 Business Opportunities

- * Take advantage of the ecotourism industry that is growing much faster than the tourism industry as a whole.
- * Take advantage of the general interest in environmental protection to show how holidaying in environmentally responsible scenarios is possible.
- * Take advantage of any general interest in nature-based tours, such as wildlife photography, bushwalking, bird watching, and so on.
- * Take advantage of opportunities to establish similar ecotourism accommodations in other locations.

2. Ecotourism

2.1 Definition

Though a number of definitions of ecotourism are in circulation, the one that primarily concerns Crinkle Bush for the sake of accreditation is the one adopted by NEAP, the accreditation program established by the Ecotourism Association of Australia (EAA):

“Ecologically sustainable tourism with a primary focus on experiencing natural areas that fosters environmental and cultural understanding, appreciation and conservation.”

The definition that Crinkle Bush likes best and wishes to follow as closely as possible is given in “Ecotourism: An Introduction” by David A. Fennell (1999):

“Ecotourism is a sustainable form of natural resource-based tourism that focuses primarily on experiencing and learning about nature, and which is ethically managed to be low-impact, non-consumptive, and locally oriented (control, benefits, and scale). It typically occurs in natural areas, and should contribute to the conservation or preservation of such areas.”

Note: Some non-accredited operators spotlight the term “ecotourism” in their promotional literature. This practice reflects the growing marketability of accredited ecotourism products.

2.2 Elements

The three main elements of ecotourism in general agreement (Beeton, 1998):

- * Is nature-based (occurring in a natural setting)
- * Includes education and interpretation
- * Is managed in a sustainable manner

A more comprehensive list of ecotourism components (Wood, 2002):

- * Contributes to conservation of biodiversity
- * Sustains the well being of local people
- * Includes an interpretation / learning experience
- * Involves responsible action on the part of tourists and the tourism industry
- * Is delivered primarily to small groups by small-scale businesses
- * Requires lowest possible consumption of non-renewable resources
- * Stresses local participation, ownership and business opportunities

NEAP provides accreditation for three types of ecotourism products: Accommodation, Tours, and Attractions. NEAP accredits only products, not companies. This means that Crinkle Bush can apply for accreditation for any tours that it operates in addition to its accommodations.

2.3 How Big Is Ecotourism?

Ecotourism has become recognised as a separate form of tourism only in the past 10 to 15 years. Though numbers have been small, it is a niche market that has been growing faster than any other in the tourism industry. The spread of the conservation ethic among many societies around the world has helped to fuel this growth.

3. Byron Bay

3.1 Town Profile

Location:	In the Far North Coast region of New South Wales, at Cape Byron, the easternmost point of Australia		
Climate:	Subtropical		
	Mean maximum temperature:	Jan/Feb 27.5°C	Jun/Jul 19.6°C
	Mean minimum temperature:	Jan/Feb 20.7°C	Jun/Jul 11.9°C
	Maximum mean rainfall / Rainy days:	March	214mm / 16.9
	Minimum mean rainfall / Rainy days:	September	67.4mm / 9.3
Population of Byron Shire:	29,083 (ABS, 2000)		
Growth rate:	Approx. 2%		
Population of Byron Bay area:	10,000 [?]		
Industry:	Income derived largely from tourism and agriculture (Byron Shire Council)		
Location of Crinkle Bush site in Byron Bay:	Approx. 2 km from town (Appendix I)		

3.2 Byron Bay Tourism Statistics

An estimated 1.7 million tourists visit Byron Shire each year. (Byron Shire Council)

Average number of tourists per day = $1,700,000 / 365 = 4,657 = 16\%$ of resident population.

Since the Byron Bay area (Byron Bay, Suffolk Park, Ewingsdale, etc), with a population of approx. 10,000 [?], is by far the primary tourist destination in Byron Shire, it is expected that the vast majority (80% [?]) of these tourists visit Byron Bay, in which case the average number of tourists in Byron Bay per day would be 3,725, or approx. 37% of the area's resident population. Tourism in Byron Bay is expected to rise with the recent opening of a new section of the Pacific Highway, cutting travel time by 20 minutes to about 2 hours from Brisbane, 1 hour from the Gold Coast, and 50 minutes from Coolangata Airport. The potential market for the Crinkle Bush Lodge is thus rather considerable. The appeal of the lodge in this market is further enhanced by its unique quality overlooking heathland, Arakwal National Park, Cape Byron and surrounds along with its ecotourism emphasis, which effectively differentiate it from other accommodations in Byron Bay.

[Other statistics desired:

- 1) How many of these visitors stay overnight? What types of accommodations are available in Byron Bay, and how many beds for each kind?
- 2) Age breakdown of tourists visiting Byron Bay vs nearby destinations
- 3) Activities breakdown of tourists visiting Byron Bay vs nearby destinations
 - Subgroups: Nature-based activities, Non-nature-based activities
 - (Focus on the educational content of any activity being studied for this plan: People interested in educational content = Crinkle Bush target market.)
- 4) Age breakdown per activity
- 5) How much do Byron Bay tourists interested in educational nature-based activities spend for their activity and for their accommodation per night? Where do they typically stay? Who runs their activities? How do they book their accommodations? To what extent do they rely on Web sites to find information and make bookings?

3.3 Regional Tourism Statistics

Every six months, Tourism New South Wales publishes regional tourism statistics compiled by the Bureau of Tourism Research. The latest available statistics for the region in which Byron Bay is located are found in "Northern Rivers - Tropical NSW Region Tourism Profile" for the year ended December 2001. This tourism region covers the coastal area from just north of Coffs Harbour to Tweed Heads on the Queensland border and includes Grafton, Yamba, Iluka, Evan's Head, Ballina, Byron Bay, Brunswick Heads, Kingscliff; and inland areas such as Casino, Lismore, Nimbin, Kyogle, and Murwillumbah. Although Byron Bay attracts a large number of tourists compared with other areas in this region, the town is not typical of the region mainly due to the high proportion of backpackers that it attracts. (According to the BTR statistics, only 5% of nights spent by visitors to the region were in backpacker facilities or hostels, a figure that must be too low for Byron Bay.) Another shortcoming of the report for the purpose of Crinkle Bush's planning is its failure to clarify categories for B&Bs or guesthouses. The report also did not include statistics on how much visitors spent per night for their accommodations. Nonetheless, the following observations are useful for the purpose of identifying possible target markets:

- * In 2001, the largest number of domestic overnight visitors to the region came from Queensland at 706,000 (38%), regional NSW at 576,000 (31%), and Sydney at 412,000 (22%), totalling 91% of all domestic overnight visitors.
- * The number of nights spent by domestic visitors from Sydney rose by 84% from 2000 to 2001, while those spent by visitors from Queensland and regional NSW showed modest decreases.
- * Domestic visitors from Sydney spent an average 6.5 nights in the region in 2001 compared to 4.6 nights in 2000, a strong increase of 41%. Visitors from Queensland spent an average 2.9 nights in 2001, down from 3.0, and visitors from regional NSW spent 3.8 nights, down from 4.1.
- * The number of overnight visitors to the region has been rising in the months of February, June, and July, while dropping in December, January, and April.
- * The spread in the proportion of visitors for all months of the year has narrowed from 5%-14% (9 percentage points) in 2000 to 6%-11% (5 percentage points) in 2001.
- * Though "holiday or leisure" was by far the most popular activity for overnight domestic visitors to the region (53%), the largest proportion of these visitors (40%) "went to the beach (including swimming, surfing, diving)," while only 4% "visited national parks, bushwalking, or rainforest walks" in 2001. In absolute numbers, the latter proportion represented 74,000 visitors, down from 126,000 in 2000. (These two groups of activities comprised a larger group labeled "Outdoor ecotourism," indicating a rather loose use of the term by the preparers of the report.)
- * Increases in the proportion of domestic overnight visitors to the region have been occurring among young/midlife couples with no children (from 12% in 2000 to 13% in 2001), parents with youngest child aged 6-14 (12% to 14%), parents with youngest child aged 15+ and still living at home (7% to 9%), and older non-working married person (11% to 16%), together representing a rise from 42% in 2000 to 52% in 2001.
- * The proportion represented by "retired people or on a pension" rose from 16% in 2000 to 20% in 2001 (reflecting the "older non-working married person" statistic above).
- * The proportion of females aged 25-65+ and males aged 45-65+ has been increasing, from 38% to 43% and from 19% to 22%, respectively, for a total of 59% in 2000 rising to 65% in 2001.

- * In the year ended June 2000, of the 8.750 million overnights spent by visitors to the region, 1.314 million, or 15%, were spent by visitors from overseas.
- * International visitors coming for holiday stayed an average of 5.7 nights in the year ended June 2000; those staying 4 to 7 nights increased from 25% of the total in the previous year to 32%.
- * Behind Sydney, the Northern Rivers - Tropical NSW region was by far the most popular destination in NSW among international visitors, with 8% of these visitors coming to this region, an increase of 14% in absolute numbers over the previous year (from 171,000 to 199,000).
- * International visitors to this region spent an average of 6.6 nights here during the year ended June 2000, up from 5.9 nights in the previous year. (If Japan with its unusually high number of average nights is excluded, the total average becomes 6.5 nights.)
- * The vast majority (90%) of overnights spent by international visitors to the region were spent by visitors from the U.K. (31%, 6.4 nights), Continental Europe (31%, 5.5 nights), North America (19%, 8.4 nights), New Zealand (7%, 9.2 nights), and Japan (2%, 13.2 nights).
- * The vast majority (83%) of domestic overnight visitors to the region arrived by private vehicle (and 7% by plane, 5% by bus/coach, 3% by train) in 2001, while most international visitors (46%) arrived by bus/coach (and 29% by private/company car, 23% by rental car, 3% by train, 3% by plane) in the year ended June 2000.

The following indications concerning target market can be gleaned from these observations:

1. The primary target growth market resides in Sydney.
2. Since growth is most pronounced during the off-season, marketing activities should be engaged throughout the year rather than focused on busy periods.
3. Although ecotourism is a growth industry in other areas of the world, this growth has not yet become evident in the Northern Rivers - Tropical NSW region and therefore presents both an opportunity and a challenge for Crinkle Bush to develop this market in Byron Bay.
4. The growth market comprises young/midlife couples with no children, parents with youngest child aged 6-15+, and older non-working married persons. The target market should therefore include parents with children, since ecotourism offers valuable educational components.
5. Products/Packages for retired or pensioned persons (older non-working persons) should also be considered and included in marketing plans (aged 55+).
6. Since 62% of overnights by international visitors in the region were by visitors from Europe (31% from Continental Europe), the primary focus for marketing overseas should be on the European outbound market. (This focus should take advantage of the following observation in Wood 2002: "Australian research [Blamey 1998] on its inbound nature-based market demonstrates that a high percentage of German (20%), Swiss (23%) and Scandinavian (18%) tourists were interested in Australia because of its nature-based outdoor activities. The European market interest in nature travel exceeded any other inbound market, including the U.S. and Canada.")
7. The growth in long-staying visitors from Japan and the growing interest in ecotourism in that country offers additional opportunities for growth. Web pages in Japanese will be included.
8. Crinkle Bush should aim to discourage arrival by motorized vehicle by offering pickup service or discounts on accommodations or both.

Short

4. History of the Proposed Ecolodge Site

(by Christine Ahern)

The last few hectares of Byron Bay's dwarf graminoid clay heathland covers an area known as Paterson Hill. Its ecological importance was formally recognized in 2000 when it was pronounced an endangered ecological community by the NSW Scientific Committee [Appendix II]. Several endangered species, including an orchid only recently named *Diuris byronensis*, have been identified on the heath. This heath is also located immediately adjacent to a rare and delicate wetland, known as Cibus Margil, home to the endangered wallum froglet. The heath in question was originally crown land, and the campaign to save it began several years ago after the State Government had inadvertently rezoned and sold it off to a private developer. The campaign reached a climax in October 1999 when 64 mostly local residents were arrested while trying to stop a huge excavator from starting work on the site. Such an excavation could have wiped out the remaining heathland in less than a day. The Development Application has now lapsed, and the Land & Environment Court has upheld that the developer was acting illegally on that day only because they had failed to obtain a construction certificate! The community's love for the heathland continues to be expressed in a campaign to persuade the State Government to buy back this visually and ecologically extraordinary piece of our environment, and make it part of the adjacent Arakwal National Park. In an interesting twist, the developer, having been persuaded of its environmental value, is now working with the local community towards this outcome. In the meantime, ecologists urge the ongoing study of this rare and unique "jewel in the crown" of Byron Bay.

Update reported in *The Byron Shire Echo*, 23 April 2003:

NPWS refusal of DA welcomed Echo 23/4/03

The National Parks and Wildlife Service's decision to refuse a Species Impact Statement (SIS) proposing the clearing of an endangered ecological community and destruction of endangered species for Detala's development at Paterson Hill has been welcomed by the Byron Environmental and Conservation Organisation (BEACON).

BEACON spokesperson Dailan Pugh said 'The proposal for a grandiose house involved the clearing of, or disturbance to, a significant proportion of the endangered ecological community Byron Bay Dwarf Graminoid Clay Heath, the removal of endangered plants (ie. Dwarf Heath Casuarina), and the destruction of habitat for a range of threatened species (ie. the en-

dangered Byron Bay *Diuris*, Queensland Blossum Bat, Common Planigale).

'We welcome the NPWS's commitment to uphold the intent of the Threatened Species Conservation Act and refuse this proposed development on the basis that it has an unacceptable impact on threatened species and ecosystems.

'Unfortunately Detala have now submitted a new DA which involves resiting the proposed house within the heath. The effect on endangered ecosystems and species has not been lessened and the site is still inappropriate for development.

'We trust that the NPWS and Council will now move swiftly to refuse this modified DA, thereby removing any excuse for the Department of

Urban and Transport Planning to not implement Council's resolution for the land to be rezoned as an Environmental Protection, Scientific Zone (7(j)).

'Meanwhile we are still waiting for the NSW state government to commit half the purchase price of \$1.5 million for the property, add it to the Arakwal National Park and bring this long running saga to an end.'

Veda Turner of the Paterson Hill Action Group said the refusal was 'another step towards the ultimate solution. When the land becomes part of the Arakwal National Park, that's when the skyrockets will go off.

'Obviously there is still a second DA open to submissions until May 5.'

Action group welcomes Paterson Hill move



The Paterson Hill Action Group has applauded the state government's announcement that it intends to purchase the Detala company's land at Paterson Hill. The 1.1 hectare area of land, proposed for residential development, is the core area of Byron Bay's unique Dwarf Gramminoid heath which has been recognised as Threatened Species habitat, the home of the Byron Bay orchid, *Diuris byronensis*.

Assistant planning minister Diane Beamer said last week the government is planning to buy the property through the Coastal Lands Protection Scheme.

'The purchase will ensure the land is permanently available for public access and recreation,' Ms Beamer said.

'While there is no definite time frame for the negotiations, the government views its purchase as a high priority. Public access to the land will be improved after the purchase and some of the land will be incorporated into the adjoining Arakwal National Park.'

The ten year long cam-

From left, assistant planning minister Diane Beamer, activists Peter Hamilton and Veda Turner, and Mayor Tom Wilson.

paign to protect the site, spearheaded by local resident Peter Hamilton, is an example of the success of people power, persistence and team work, said Action Group spokesperson Veda Turner.

The campaign saw over 6,000 submission writers lobby the government. On October 28 1999, 1,000 residents of Byron Shire and beyond successfully blocked access to the land by the developer's earthmoving equipment.

Subsequent court action revealed that Detala had not complied with conditions of consent for their project, and six people arrested on the day

had all charges withdrawn.

Byron Shire Council's recognition of the need to protect the area led to a series of successful court actions. The Paterson Hill Action Group thanks Byron Council for their commitment to the heath through difficult times.

'The heath and Paterson Hill area represents an irreplaceable asset to the local tourism industry,' Mr Turner said. 'With the inclusion and management of the heath in the Arakwal National Park, Byron Bay will have a world class example of environmental biodiversity of great scientific interest.'

Suffolk Park support for 107

The Suffolk Park community has expressed its strong support for Byron Shire Council's Amendment 107 to the Byron LEP 1988.

Well over 100 letters and petitions will today be delivered to Council offices by Progress Association repre-

sentative Peter Wegner.

With their signatures residents have reiterated their opposition to higher density developments in Suffolk Park and Byron Bay, and their support for the community's vision of a small, low density coastal town.

5. Proposed Ecolodge Site

5.1 Land

- * Lot 12 + 1 Section in Development Plan 247555 + 47022; located at 48 Shelley Drive, Byron Bay.
- * Land area: 1,330.8 m²
- * Generally rectangular in shape: 27.35 meters wide at the top end and 19.27 meters at the bottom end by approx. 57 meters long.
- * The lower end of the rectangle abuts Shelley Drive and the other end abuts road reserve off the end of the Pacific Vista Drive cul de sac. Vehicle access is from Shelley Drive, although access for disabled guests is proposed off the more easily accessible Pacific Vista Drive cul de sac.
- * The site slopes up at a slightly steep pitch from Shelley Drive to a level plateau at the top.
- * Current owner drives car up the slope and parks next to the house at the top.
- * The site has been surveyed for subdivision (675.8 square meters at the top end + 655 square meters at the lower end). The site has not been formally divided, however; Crinkle Bush plans to keep the site in tact, although a detached managers quarters with 2-3 bedrooms is proposed for construction on the lower portion to allow for separate sale of that property should it ever become necessary.
- * The site contains mostly vegetation that is native to its surroundings. The top end of the site borders on an extensive clay heath that is home to the Byron Bay Dwarf Graminoid Clay Heath Community, listed as an Endangered Ecological Community in 2000.* (Appendix II)
- * The top of the site provides splendid views of the heathland, Arakwal National Park, South Pacific Ocean, and the Byron Bay Lighthouse and headland.
- * The existing structure faces North-Northeast, an orientation that the new structure plans to maintain while adding more exposure toward the west as well for passive solar benefits.
- * The land is currently occupied by a dwelling, described below.

5.2 Existing Dwelling

- * Timber dwelling built in 1979, now 24 years old
- * 4 bedrooms, 3 bathrooms, 2 living areas (including 1 rumpus)
- * Contains considerable timber resources that can be recycled to new building or sold to demolition crew.

5.3 Estimated Purchase Cost

- * Purchase price: \$1,300,000
- * Stamp duty: \$50,000
- * Conveyance: \$2,000
- Total \$1,352,000

*) The name “Crinkle Bush,” incidentally, is the common name for *Lomatia silaifolia*, one of the some 120 species occurring on this heath. *Lomatia* is a member of the evolutionarily early Proteaceae family that includes Banksias, Grevilleas, Hakeas, and other such genera common in this region along the Australian east coast.

6. Proposed Ec lodge Development

6.1 Existing Building

* We propose to dismantle the existing structure and salvage the timber flooring and the deck. The remainder of the building will be made available to the demolition firm for consequent sale in order to minimize the cost of dismantling. The primary materials to be salvaged are...

- Timber flooring

The current flooring is made of Blue Gum, 130 mm wide, and is used in most rooms of the house; supply is considerable. Already cured, finished with tung oil, and requiring only a resanding and a refinish, possibly water-based acrylic, this material of wider than normal width would complement the wide 300mm earth walls of the new building extremely well.

- Timber deck

Thought to be made of ironbark, the deck is weathered to a light gray and in excellent condition with no rotting, made up of various levels that can be rearranged if needed.

The deck was the venue of numerous gatherings of the Paterson Hill Action Group during their struggle to save the Paterson Hill heath.

6.2 New Building

- * Proposing 2-storey, generally open-plan rammed earth structure, 4 bedrooms, 3 bathrooms, 1 lavatory (toilet room), office, meeting room, lounge, dining, kitchen; total living area approx. 300m² to be in keeping with Byron Shire Council guidelines for B&B establishments.
- * Passive solar features, solar panels for power generation, solar hot water, composting toilets, greywater system, rainwater tanks, etc., all features to be in keeping with NEAP criteria for an ecotourism accommodation to become accredited under their program. (See Appendix IV.)
- * Access for disabled guests. One bedroom on the ground floor will be outfitted to cater to these needs and other facilities provided as required.
- * Since this is to be an ecotourist accommodation, we are assuming that guests will want to be able to choose whether to be alone for the sake of enjoying solitude with nature or to share common space with other guests with whom they may share similar interests. This common space will be a lounge, library with study space, dining area, decks, kitchen, etc. Most guest rooms will have private decks as well. A modest pool is also being considered.
- * The landscaping will emphasize a seamless integration with the clay heathland that it borders mainly at the front. All guest rooms and other areas of the building will feature different views over this heathland to impart a different character of the heath and its environment with each view. Landscaping will be used to facilitate these views. (See Appendix IV for more.)

6.3 Estimated Costs

- * Dismantling: \$8,000
- * New building: \$595,000 [est.]
 - Architect (9%) \$45,000
 - Landscaping \$20,000
 - Builder \$500,000
 - Furnishings \$30,000
- * TOTAL cost of development: \$603,000 [est.]

7. Marketing

7.1 The Product

Crinkle Bush will be offering two main products: Accommodations, and Ecotours. (Ecotours will be planned after the accommodation business is established, later in the 1st year of operation.)

* Accommodations

- The lodge proposes to have four bedrooms: one downstairs on the ground floor that can also accommodate disabled guests, and three on another floor or in adjacent areas.
- Facilities include library & sitting area, kitchen, dining area, lounge, another sitting area upstairs, and a meeting room for classes, presentations, video shows, etc.
- The lodge is approximately 2 km from the center of Byron Bay, walked in about 20 minutes over Paterson Hill with 360° views of the area, or a few minutes by car.
- Crinkle Bush aims to earn NEAP accreditation for this lodge as an Ecotourism accommodation by the start of the second year of operation. Application processing takes about one month.

* Ecotours and other educational activities

- Full-day or half-day tours into the surrounding natural environment, including Arakwal National Park, all within walking distance of the lodge.
- Bush regeneration workshops. In future, some can be organised externally; see Appendix IX.
- Open to guests and non-guests alike. Opening these products to non-guests is good advertising for the lodge. Also helps transform 'soft ecotourists' into 'hard ecotourists'.
- Some local volunteer groups welcome guests to join their activities. See Appendix VIII.

7.2 Competition and Pricing

As of April 2003, there are no NEAP accredited ecotourist products (accommodations, tours, or attractions) in Byron Bay. The nearest accredited accommodation is the Crystal Creek Rainforest Retreat outside Murwillumbah, about 60 minutes north, while the nearest accommodation that markets itself as a place to enjoy nature is the Byron Bay Rainforest Retreat, a pet-friendly cottage-based property with easy access for the disabled on over 30 acres in Suffolk Park, 5 minutes south of Byron Bay. Prices and descriptions of these and other accommodations useful for comparison are given in Appendix V. This information is provided as a general reference only, as these products are considered to be complementary rather than competitive to the Crinkle Bush products, i.e. Crinkle Bush has a degree of latitude in setting its prices as it sees fit for the uniqueness of its products for the target market. References for comparison have been selected for the relative similarity of their product or target market.

Main similarities

- Offer nature-based experiences or are set in attractive natural surroundings, including beachfront
- Can accommodate families

Main differences

- Crinkle Bush Lodge surroundings and history are unique
- Crinkle Bush Lodge offers educational activities and merits (as per the ecotourist experience)

7.3 Marketing Strategies

The primary vehicle for advertising will be the Internet. Crinkle Bush will maintain its own website with links at other selected sites. The domain <http://www.crinklebush.com> has already been registered. (www.crinklebush.com.au will be used following registration of the company.) This means of advertising is considered effective, as the target market with its interest in educational activities is likely to include many frequent users of the Internet as a source for research. The profile of nature-based tourists on page 4 indicates that 82% are university graduates. A breakdown on occupations common among the target market would also hint at the frequency with which the Internet is used, including its use as a resource for planning holidays.

Another website that is said to have a good response rate for accommodations in the area is www.byron-bay.com, as well as www.bigvolcano.com.au, a site centered around Mt. Warning, with strong support for ecotourism through their Ecotourism Resource Centre pages (www.bigvolcano.com.au/ercentre/ercpage.htm).

The other primary means of advertising that will be cultivated is word-of-mouth. This is considered to become fairly successful after the first year, as the lodge becomes more established and known for its uniqueness and the positive experiences that people will want to share with others. Lodge rates aim to rise approximately 10% after the first year and another 10% after the second year.

The Crinkle Bush web site will include a list of activities in Byron Shire that would be of interest to guests in the target market and a calendar of events for 2003. The list of activities is provided in Appendix VI, and the calendar of events is in Appendix VII. Crinkle Bush plans to promote its accommodations to members of the target market that may be coming to the area for certain events, such as the BASC Film Festival for 10 days in February and the Byron Writers Festival in early August. Making the lodge available exclusively to participants in these events is being considered.

In addition, the Crinkle Bush lodge will list itself with the Byron Visitor Centre as a source of guests. Simple color brochures will also be made available at the Centre. The Centre charges a 10% commission for bookings they make.

8. Community Involvement and Benefits

An essential component of ecotourism is the involvement of and benefits to the local community in which it operates. With Crinkle Bush, this component is being proposed in a number of areas:

8.1 Immediate neighbours in residential area where lodge is located

- * Consultation of project with neighbours prior to lodgement of Development Application (DA)
- * Invitation to purchase shares in Crinkle Bush, with the following benefits:

- Contact with day-to-day operations [??]

While neighbours are always welcome to drop in for a cuppa as neighbours may normally do, shareholding neighbours have the added benefit of contributing to the care of guests if they wish [more details on this?]

- [This whole topic needs to be considered carefully.]

The above benefits accord to neighbour shareholders in addition to the following benefits enjoyed by other shareholders (See Section __, page __, for details [diff betw voting & non-voting shareholders?]):

- Ethical investment
- Reports on progress
- Attendance in shareholder meetings
- A share in equity performance
- Dividend returns when paid.

8.2 Consultations with Arakwal National Park Management Committee

- * During the planning stage, the Management Committee of Arakwal National Park will be consulted on a variety of issues such as:
 - Can Crinkle Bush contribute in any way to activities planned by the Committee for the Park? Such as planning, promotion, operation, etc.
 - Arranging for interpretive guides taking visitors to the Park
 - Details on topics such as Arakwal history for its own promotional literature
 - Planning other types of tours, such as bush regeneration, bird-watching, nature study, etc.
 - [any others?]
- * After lodge is in operation, the Management Committee of Arakwal National Park will be consulted on the following issues:
 - Ongoing operation of tours, improving content, designing new tours as requested by market
 - Training of additional guides as required
 - Support for planned Arakwal cultural centre (See Appendix III)
 - [others?]

8.3 Byron Bay Community

Crinkle Bush will also work with local community groups in Byron Bay, contributing to their activities by introducing guests wishing to perform volunteer work, financial support where needed and possible, special concessions for school groups engaged in educational activities, and others. (See Appendix VIII for a list of local community groups involved in environment-related activities, and Section 5 in Appendix IV for NEAP criteria on working with local communities.)

9. The First Five Years

The first five years in the life of Crinkle Bush Ecotourism are outlined below.

9.1 1st Year Following Establishment of Crinkle Bush

The first year of operation will be devoted to planning and building the lodge and ensuring it meets the criteria established by NEAP for an ecotourist lodge. The main activities and their approximate time frame for completion are as follows:

- | | |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| * Funds raising | During course of the year until all shares are sold |
| * Property purchase | By 30 June 2003 |
| * Planning (architect, etc.) | Started 10 April, ending 31 August 2003
\$3000 retainer paid for completion of concept plan |
| * Construction | Starting 1 October 2003, ending 30 April 2004 |
| * Landscaping | Starting 1 May, ending 31 May 2004 |
| * Furnishing | Starting 1 May, ending 15 May 2004 |
| * Preparing web site / promotional materials | Starting anytime, ending 30 April 2004 (first public upload) |
| * Consultations with Arakwal National Park Management Committee | As required during course of the year |
| * Hiring/Training staff | Starting 1 May, ending 31 May 2004 |

Crinkle Bush will not be making any money during the first year. Income will derived primarily from the sale of shares in the company, and expenses will be devoted to forming the foundation for the business' future operations.

9.2 2nd Year (1st year of business)

- * Prepare and lodge NEAP application for Ecotourism accreditation
- * Begin planning ecotours to operate from the lodge
- * Begin planning tie-ups with organisations such as Conservation Volunteers Australia to provide bush regeneration and other volunteer programs for paying guests (Appendix VIII)
- * Financial statements for the first year of operation

9.3 3rd Year (2nd year of business)

- * Review performance during the first year of business, implement changes where needed
- * Introduce ecotours and bush regeneration tours to product offering
- * Financial statements for the second year of operation

9.4 4th Year (3rd year of business)

- * Review performance during the second year of business, implement changes where needed
- * Look into expanding tour offerings and other educational products such as seminars/workshops
- * Prepare and lodge NEAP application for Advanced Ecotourism accreditation
- * Financial statements for the third year of operation

9.5 5th Year (4th year of business)

- * Review performance during the third year of business, implement changes where needed
- * Financial statements for the fourth year of operation

9.6 Business and Other Opportunities to be Incorporated

Crinkle Bush aims to add products and hold events related to ecotourism and nature-based activities in the following ways:

- * Ecotours by accredited guides (following the EcoGuide Certification Program)
- * Guide training
- * Ecotourism seminars
- * Seminars/classes on bush regeneration and other special interest topics
- * Events for children
- * Consulting to other tourism operators on becoming accredited
- * Contributing to improvements in carrying capacity in the Crinkle Bush surroundings
- * [others?]

“When James Cook sailed up the east coast of Australia in 1770, he remarked that the land looked like a gentleman’s park. And indeed it was, for those eucalypt groves set in grassy plains were the result of 45,000 years of careful management by Aboriginal people. They, just like the Europeans, irrevocably changed the land when they first arrived – but thereafter they crafted it with fire and hunting, creating something new. It was that ‘something new’ that we now recognize as the distinctive Australian landscape. Thus, in a very real sense, this land is human-made – a handi-craft of the Aboriginal people.

“This concept has profound implications. It means that there is no Australian wilderness, and no national park that can exist in its pre-1788 form without the ongoing input of people. All of the continent must be managed or it will change in ways that we will not like.” – Tim Flannery, 2002

10. Management

10.1 Directors

Crinkle Bush will have three directors as outlined below.

(1) Douglas Braat

Born in New York in 1950, Doug received an M.A. degree in East Asian Studies at Sophia University, Tokyo, in 1979 and has since been working professionally in Japan as a free-lance copy writer, translator, and university instructor. Doug purchased vacant land in Byron Bay in 1992, just down the street from the proposed Crinkle Bush site, and built a house inspired by traditional Australian home design there in 1995. In 1999, Doug purchased the vacant lot next door and built a house in rammed earth there. During this time, Doug developed a love for the heathland and its rich diversity of species and sought to preserve the small but nonetheless valuable heath on his own land, collect their seed and propagate the vegetation to other areas of the property. Doug commissioned Wildside Ecological Services of Byron Bay to undertake a survey and feasibility study to achieve this. Meanwhile, the home that was at the center of activities to save the Paterson Hill heathland came onto the market and Doug now is proposing to purchase and develop the property into the ecotourist lodge that is described in this Plan.

(2) Dr. Christine Ahern

Born in Adelaide in 1956 and raised there, Christine is a single mother and doctor, having obtained an MBBS from Adelaide University in 1978. Christine worked in South Africa 1980-81, then travelled overland from Capetown to Cairo which is where her love for nature and appreciation of environmental issues emerged. After living in London 1981-82, Christine returned to Australia when her first child was born and lived along the east coast of NSW, and Byron Bay in particular since 1995. Christine and her family found themselves situated geographically at the centre of the campaign to save the Paterson Hill heathland. As a family they embraced the cause and were propelled into the fight to save Paterson Hill, and Byron Bay. Since a divorce is now forcing the sale of their home, for this site to become an ecolodge devoted to the study and care of the heathland would be a "dream come true" for Christine. [Christine describes the history of this struggle and her home's involvement in Section 4.]

(3) Paul Everingham

Paul was born in Auckland, New Zealand, in 1954 and moved to Australia in 1964. In 1996, Paul moved to Byron Bay, a region where members of his family have been living since 1851. Paul has had many years experience in hospitality and small business management, more recently as the co-owner and operator of a film and TV set design business, and currently is the proprietor of Byron Garden Design. Paul is very active in a number of community organisations in Byron Bay where his special interest is in fostering cooperation and communication between different groups. As a result, he has excellent contacts with a wide range of community representatives, including Councillors and Council staff, as well as a great depth of knowledge of Byron Bay's social dynamics. Of particular relevance to the Crinkle Bush project, Paul is coordinator of the Recreational Users Focus Group and a member of the Tourism Focus Group on the Cape Byron Marine Park Consultative Committee, and a member of the steering committee for the Byron Bay Surfing, Marine, and Beach Cultural Centre.

10.2 Professional Advisors

Crinkle Bush engages the services of the following professional advisors:

Accountant	Robert MacInnes, FCA
Solicitor	Stuart Garrett, LL.B. [?]
Bank	Westpac Banking Corporation
Architect	Arion Ocean, __

10.3 Professional Memberships

Crinkle Bush plans to belong to the following professional organizations:

Ecotourism Association of Australia (EAA)

Northern NSW Ecotourism Association

Northern Rivers Tourism

And others as they are identified and considered useful for Crinkle Bush's operations

"The reality is that if natural areas are to survive, they must be 'valued' more through developments such as tourism. Often it is only tourism that will provide the conservation of such areas. So while there is undoubted concern at the increasing demand for tourism to natural areas, this just may be the one activity that ensures their continued survival." – Newsome, Moore, Dowling in Natural Area Tourism: Ecology, Impacts and Management (2002)

11. Staff and Subcontractors

11.1 On-site Manager(s)

A manager, or more ideally a married couple working as co-managers, will live on site to handle bookings, organise subcontracted work, keep books, cook breakfasts when required, and provide for the needs of guests. During busy periods, the on-site manager will hire part-time help as needed.

11.2 Subcontractors

Subcontractors will be hired as needed to perform garden maintenance, clean, change linens, maintenance work on the buildings, keep the web site up to date, organize activities for guests, take guests on tours, and so on.

12. Financing

12.1 Startup Capital Requirements

Crinkle Bush will require approximately \$2.1 million in start-up capital and will survive on the operating cash indicated below for the first year until the company's facilities are built and it can begin to operate. The start-up capital is required for the following:

- Purchase of property	\$1,352,000
- Development	\$603,000
- Operating cash *	<u>\$145,000</u>
Total	\$2,100,000

* Operating cash will be used to pay expenses during the first year, such as wages to the on-site manager for project management work during planning and construction (est. \$20,000), expenses for managing director while in Byron Bay (est. \$12,000), construction/landscaping cost overruns if they occur (contingency \$60,000), developing and printing promotional literature (est. \$2,000), developing content and putting up a web site (est. \$3,000), paying property rates (est. \$1,600), accountant fees, about \$45,000 left over for others.

12.2 Financial Sources

Crinkle Bush's majority finance will be provided by the managing director, with additional finance being derived from two main sources: bank loan and public share offerings. Shares are expected to be offered at \$100 each (this figure may change). Details are as follows:

- Managing director's contribution	\$1,200,000	12,000 shares
- Investors		9,000 shares on offer
- Bank loan	To cover remaining amount required	

The Profit/Loss Statements on pages 28-30 assume bank loan only and no investor financing.

13. Estimated Return On Investment

Crinkle Bush estimates the following return on investment (ROI) for the first three years of operation based on the Profit/Loss Statements in chapter 14. Two extreme scenarios are presented: The first scenario assumes no investors and 100% bank loans to make up the shortfall required after the managing director's contribution; the second scenario assumes 100% investor participation and no bank loans to make up the shortfall. A comparison and analysis of the two scenarios is given in section 13.3. The ROI for the Profit/Loss Statements in chapter 14, which assumes investor participation of \$500,000 and a bank loan of \$385,000, is given in section 13.4. This scenario is based on indication from Westpac Bank that they would be prepared to look at a loan of no higher than \$400,000 to \$500,000.

Since Crinkle Bush's ROI includes asset appreciation in addition to operating income, total ROI represents the sum of these two returns. Equity ROI is given at 8%, slightly higher than average for the real estate industry. Byron Bay real estate values grew as much as 50% per year in the past two years, and are now finally showing signs of softening (autumn 2003).

Figures assume initial total investment of \$2.1 million and a corporate tax rate of 30%.

13.1 ROI assuming no capital investors and 100% bank loan

YEAR 1

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	94,136	65,895	-	3.14%	8%	11.14%	-
70%	32,007	22,405	-	1.07%	8%	9.07%	-
50%	-9,412	-6,588	-	-0.31%	8%	7.69%	-

YEAR 2

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	113,307	79,315	16.92%	3.78%	8%	11.78%	5.43%
70%	44,707	31,295	28.41%	1.49%	8%	9.49%	4.46%
50%	-1,026	-718		-0.03%	8%	7.97%	3.51%

YEAR 3

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	131,798	92,259	14.03%	4.39%	8%	12.39%	4.97%
70%	56,931	39,851	21.47%	1.90%	8%	9.90%	4.12%
50%	7,019	4,913	114.62%	0.23%	8%	8.23%	3.26%

13.2 ROI assuming 100% participation from investors and 0% bank loan

YEAR 1

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	164,936	115,455	-	5.50%	8%	13.50%	-
70%	102,807	71,965	-	1.07%	8%	11.43%	-
50%	61,388	42,972	-	-0.31%	8%	10.05%	-

YEAR 2

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	184,107	128,875	10.41%	6.14%	8%	14.14%	4.52%
70%	115,507	80,855	10.99%	3.85%	8%	11.85%	3.57%
50%	69,774	48,842	12.02%	2.33%	8%	10.33%	2.71%

YEAR 3

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	202,598	141,819	9.13%	6.75%	8%	14.75%	4.18%
70%	127,731	89,411	9.57%	4.26%	8%	12.26%	3.32%
50%	77,819	54,473	10.34%	2.59%	8%	10.59%	2.53%

13.3 Is investor participation more favorable for ROI?

On the surface it seems so. Investors, however, must be given ways to pull their money out of an investment if they so desire. This adds pressure ^{on} Crinkle Bush to perform in a manner that would satisfy investors sufficiently so that they would not wish to cash in on their investment. Should Crinkle Bush become a public company in which shares are more easily traded? Should Crinkle Bush shares be sold to ethical investment trust funds, for instance, as a way to raise funds among institutions willing to keep their money in a company longer? Should Crinkle Bush pay dividends? Crinkle Bush prefers not to pay dividends until the company has become firmly established with a steady future on stream. Event then, dividends are expected to be small, as the company would prefer to reinvest funds into its ongoing activities as an ecotourism operation and develop future ventures such as consultation services for other operators in the region aspiring to have their products become ecotourism-accredited. Such activities would provide additional revenues while also increasing occupancy rates at the Crinkle Bush lodge as it gains higher status as an ecotourism destination.

The difference between ROI for the two scenarios presented above is a consistent 2.36% across the board for all three years and occupancy rates. This spans from a low of 7.69% to a high of 14.75%.

Conclusion: Investors willing to keep their money in Crinkle Bush and help minimize exposure to bank loans over the first four years of the company's life will enjoy a higher rate of return for their investment. Crinkle Bush should also aim to offer maximum liquidity for their shares to stimulate maximum investor interest while minimizing exposure to bank loans and higher running expenses.

13.4 ROI for Profit/Loss Statements in next chapter

YEAR 1

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	134,136	93,895	-	4.47%	8%	12.47%	-
70%	72,007	50,405	-	2.40%	8%	10.40%	-
50%	30,588	21,412	-	1.02%	8%	9.02%	-

YEAR 2

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	153,307	107,315	12.51%	5.11%	8%	13.11%	4.87%
70%	84,707	59,295	14.99%	2.82%	8%	10.82%	3.91%
50%	38,974	27,282	21.52%	1.30%	8%	9.30%	3.01%

YEAR 3

Occup'cy	Pre-tax	Net	Comp to Prev Yr	Operating ROI	Equity ROI	Total ROI	Comp to Prev Yr
100%	171,798	120,259	10.76%	5.73%	8%	13.73%	4.49%
70%	96,931	67,851	12.61%	3.23%	8%	11.23%	3.63%
50%	47,019	32,913	17.11%	1.57%	8%	9.57%	2.80%

This scenario is a consistent 1.33% points above the 100% bank loan scenario across the board, and 1.03% points below the 100% investor participation scenario across the board. This spans from a low of 9.02% in year 1 (50% occupancy) to a high of 13.73% in year 3 (100% occupancy), or, in a more realistic scenario, from 9.02% at 50% occupancy in year 1 to 11.23% for 70% occupancy in year 3.

14. Profit/Loss Statements

The following three pages contain Profit/Loss Statements for the first three years of operation.

Highlights are as follows:

- Nightly tariffs reflect competitive rates for accommodations in the Byron Bay area where the accommodations offer an ensuite, privacy, access to a common area, pool, nature walks in the immediate vicinity (in national park land and other reserve in this case), approximately 10-minute walk to the beach (Tallow Beach in this case), small food shop in the neighbourhood, and 20-minute walk to town.
- Tariffs are average per room; actual room rates may vary from room to room.
- The number of weeks in a month is based on the number of Saturdays in the month.
- The Agency Commission is payable only when an agency makes a booking on behalf of Crinkle Bush. Not all bookings will come through agencies; some will come through direct contact or the Crinkle Bush web site.
- Staff wages are still under review, as actual staff needs on an ongoing day-to-day basis have not yet been determined. Staff entitlements, payroll taxes and other items in addition to wages have also not yet been factored into the total outlay required.
- Utilities include electricity, water & sewage, and gas. The use of renewable power sources, rain tanks, composting toilets, and solar hot water with electric booster has not been factored.
- "Net Profit" is actually "Pre-tax Profit." True Net Profit results after 30% corporate tax is paid. The ROI tables provide Pre-tax Profit and Net Profit figures.

15. Cash Flow Statements

The ensuing four pages provide Cash Flow statements for the start-up year (Year 0) and the first three years of operation.

Highlights are as follows:

- Not all the capitalization was used during the start-up year. The remainder of \$95,000 was originally budgeted mainly for construction cost overruns. If these funds are not required, they will remain in the bank to hold down the bank loan.
- Crinkle Bush begins repaying bank loan principal during the middle of financial year 2004-05, the first year of operation. This occurs during the peak season of the year.
- Full repayment of loan principal is expected during the fourth year (2007-08) or fifth year of operation (2008-09). Thereafter, small dividends may be paid, enhancing ROI. (This scenario may vary due to higher demand on the original budget and, of course, occupancy rates.)

(GST calculations have not yet been made.)

FORECASTED CASH FLOW - Monthly for Year 0 (2003-04; Start-up Year)

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	CAP TOTALS
CAPITAL INPUT													
Cash receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
GST rebates													
MD investment	\$1,215,000												\$1,215,000
Other investment	\$200,000			\$100,000	\$100,000	\$100,000							\$500,000
New bank loan							\$60,000	\$10,000	\$100,000	\$60,000	\$50,000	\$10,000	\$290,000
TOTAL	\$1,415,000	\$0	\$0	\$100,000	\$100,000	\$100,000	\$60,000	\$10,000	\$100,000	\$60,000	\$50,000	\$10,000	\$2,005,000
Accumulative loan	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$70,000	\$170,000	\$230,000	\$280,000	\$290,000	
										Remainder from est. capital required:			\$95,000
CASH DISBURSEMENTS													OUTGO TOTALS
Property purchase	\$1,300,000												\$1,300,000
Stamp duty	\$50,000												\$50,000
Conveyance	\$2,000												\$2,000
Dismantling	\$8,000												\$8,000
Architect (as per contract)	\$3,000	\$14,000	\$9,000	\$9,000		\$5,000				\$5,000			\$45,000
Construction				\$50,000	\$150,000		\$150,000		\$100,000	\$50,000			\$500,000
Landscaping											\$20,000		\$20,000
Furnishings											\$30,000		\$30,000
Plan/Set-up website								\$1,000		\$1,000		\$1,000	\$3,000
Print brochures								\$1,000				\$1,000	\$2,000
Utilities (power, water)	\$117		\$117		\$117		\$117		\$117		\$117		\$700
Property rates			\$500			\$500			\$500			\$500	\$2,000
Accountant													\$0
Debt service	\$0	\$0	\$0	\$0	\$0	\$0	\$400	\$467	\$1,133	\$1,533	\$1,867	\$1,933	\$7,333
Loan principal repayment													\$0
Project manager	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000
MD living expenses	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
GST													
TOTAL	\$1,365,783	\$16,667	\$12,283	\$61,667	\$152,783	\$8,167	\$153,183	\$5,133	\$104,417	\$60,200	\$54,650	\$7,100	
NET CASH FLOW	\$49,217	-\$16,667	-\$12,283	\$38,333	-\$52,783	\$91,833	-\$93,183	\$4,867	-\$4,417	-\$200	-\$4,650	\$2,900	
BANK BALANCE	\$49,217	\$32,550	\$20,267	\$58,600	\$5,817	\$97,650	\$4,467	\$9,333	\$4,917	\$4,717	\$67	\$2,967	

Assumptions

STARTUP CAPITAL

MD contribution	\$1,215,000
Investors contribution	\$500,000
Bank loan	\$385,000

TOTAL CAPITALIZATION \$2,100,000

Start-up cash \$145,000
(incl. in capitalization)

MAIN START-UP EXPENSES

Dismantling	\$8,000
Construction	\$500,000
Architect @9% constructic	\$45,000
Landscaping	\$20,000
Furnishings	\$30,000
Plan/Setup website	\$3,000
Plan/Print brochures	\$2,000
Project mgr annual wage	\$20,000
MD living expenses	\$12,000

ONGOING EXPENSES

Utilities (annual, 12/6)	\$700
Rates (annual, 12/4)	\$2,000
Accountant	
Debt service int rate	8.00%

FORECASTED CASH FLOW - Monthly for Year 1 (2004-05)

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	TOTALS
CASH RECEIPTS													
Occupancy	20%	25%	30%	40%	65%	85%	100%	80%	70%	70%	60%	40%	57%
Cash received	\$3,192	\$4,200	\$4,032	\$6,048	\$16,380	\$23,800	\$28,000	\$16,128	\$14,700	\$14,504	\$10,080	\$5,376	\$146,440
GST rebates													\$0
New bank loan	\$10,000												\$10,000
TOTAL	\$13,192	\$4,200	\$4,032	\$6,048	\$16,380	\$23,800	\$28,000	\$16,128	\$14,700	\$14,504	\$10,080	\$5,376	\$156,440
Accumulative loan	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$290,000	\$270,000	\$270,000	\$270,000	\$260,000	\$260,000	\$260,000	
CASH DISBURSEMENTS													
Agency Commission *	\$160	\$210	\$202	\$302	\$819	\$1,190	\$1,400	\$806	\$735	\$725	\$504	\$269	\$7,322
Cleaning/Linens	\$240	\$300	\$240	\$240	\$300	\$240	\$240	\$240	\$300	\$240	\$300	\$240	\$3,120
Food (breakfast)	\$174	\$217	\$252	\$347	\$546	\$738	\$868	\$650	\$608	\$588	\$504	\$347	\$5,838
Building Maintenance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Grounds Maintenance	\$60	\$60	\$120	\$120	\$180	\$240	\$240	\$240	\$180	\$120	\$60	\$60	\$1,680
Water/Sewer			\$50			\$50			\$50			\$50	\$200
Electricity	\$50		\$50		\$50		\$50		\$50		\$50		\$300
Staff Wages	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Staff on-costs	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$5,000
Property Rates			\$500			\$500			\$500			\$500	\$2,000
Debt Service	\$1,933	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,933	\$1,800	\$1,800	\$1,800	\$1,733	\$1,733	\$22,733
Insurance	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$2,400
Accountant	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$1,800
Miscellaneous	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
GST													\$0
TOTAL	\$6,867	\$7,037	\$7,664	\$7,260	\$8,145	\$9,208	\$8,981	\$7,986	\$8,473	\$7,723	\$7,401	\$7,449	\$94,193
Corporate tax			\$0			\$6,485			\$10,016			\$2,216	\$18,717
NET CASH FLOW	\$6,325	-\$2,837	-\$3,632	-\$1,212	\$8,235	\$8,108	\$19,019	\$8,142	-\$3,789	\$6,781	\$2,679	-\$4,289	
BANK BALANCE	\$9,292	\$6,455	\$2,824	\$1,612	\$9,847	\$17,954	\$26,973	\$15,115	\$11,326	\$18,107	\$10,786	\$6,496	
Loan princ repayment						\$10,000	\$20,000			\$10,000			\$40,000
NET BANK BALANCE	\$9,292	\$6,455	\$2,824	\$1,612	\$9,847	\$7,954	\$6,973	\$15,115	\$11,326	\$8,107	\$10,786	\$6,496	

Assumptions

Agency commission*	10%	*Paid only when bookings come via agency, assumed here at 50% of bookings; most bookings expected from website.
Cleaning/Linens (weekly)	\$60	Once weekly cleaning at \$15/hr * 4 hrs; on-site staff handles most daily cleaning/linen requirements.
Building maintenance	\$100	This is an unpredictable item; estimated only.
Grounds maintenance per time	\$60	Mainly weeding 3 hrs/week at \$20/hr; weekly in summer, monthly in winter.
Water/Sewer (quarterly)	\$50	Even though composting toilets will be used, Council charges a minimum basic fee (estimated here).
Electricity (bi-monthly)	\$50	Even though solar panels will be used, it is not yet known to what extent grid power will be required (est).
Staff wages	\$36,000	Staff on-costs estimated.
Staff on-costs	\$6,000	
Rates (annual, 12/4)	\$2,000	Insurance \$2,400
Accountant (est.)	\$150	Food \$3.50 Est. per guest, breakfast only; multiplied by occupancy
Debt service int rate	8.00%	Miscellaneous \$300 Includes NEAP fees
Corporate tax rate	30%	

FORECASTED CASH FLOW - Monthly for Year 2 (2005-06)

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	TOTALS
CASH RECEIPTS													
Occupancy	50%	50%	60%	70%	80%	100%	100%	85%	75%	85%	65%	60%	73%
Cash received	\$8,778	\$9,240	\$8,870	\$11,642	\$22,400	\$30,800	\$30,800	\$19,040	\$17,325	\$19,373	\$12,012	\$8,870	\$199,151
GST rebates													\$0
New bank loan													\$0
TOTAL	\$8,778	\$9,240	\$8,870	\$11,642	\$22,400	\$30,800	\$30,800	\$19,040	\$17,325	\$19,373	\$12,012	\$8,870	\$199,151
Accumulative loan	\$260,000	\$260,000	\$260,000	\$260,000	\$250,000	\$230,000	\$210,000	\$200,000	\$200,000	\$190,000	\$180,000	\$180,000	
CASH DISBURSEMENTS													
Agency Commission *	\$263	\$277	\$266	\$349	\$672	\$924	\$924	\$571	\$520	\$581	\$360	\$266	\$5,075
Cleaning/Linens	\$240	\$300	\$240	\$240	\$300	\$240	\$240	\$240	\$300	\$240	\$300	\$240	\$3,120
Food (breakfast)	\$434	\$434	\$504	\$608	\$672	\$868	\$868	\$690	\$651	\$714	\$546	\$521	\$7,510
Building Maintenance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Grounds Maintenance	\$60	\$60	\$120	\$120	\$180	\$240	\$240	\$240	\$180	\$120	\$60	\$60	\$1,680
Water/Sewer			\$50			\$50			\$50			\$50	\$200
Electricity	\$50		\$50		\$50		\$50		\$50		\$50		\$300
Staff Wages	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$3,167	\$38,000
Staff on-costs	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$517	\$6,200
Property Rates			\$550			\$550			\$550			\$550	\$2,200
Debt Service	\$1,733	\$1,733	\$1,733	\$1,733	\$1,733	\$1,667	\$1,533	\$1,400	\$1,333	\$1,333	\$1,267	\$1,200	\$18,400
Insurance	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$217	\$2,600
Accountant	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$170	\$2,040
Miscellaneous	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
GST													\$0
TOTAL	\$7,251	\$7,275	\$7,983	\$7,520	\$8,077	\$9,009	\$8,325	\$7,611	\$8,104	\$7,459	\$7,053	\$7,357	\$93,024
Corporate tax			\$1,314			\$12,071			\$12,937			\$5,516	\$31,838
NET CASH FLOW	\$1,527	\$1,965	-\$427	\$4,122	\$14,323	\$9,720	\$22,475	\$11,429	-\$3,716	\$11,915	\$4,959	-\$4,003	
BANK BALANCE	\$8,024	\$9,989	\$9,562	\$13,684	\$28,007	\$27,728	\$30,202	\$21,631	\$7,914	\$19,829	\$14,788	\$785	
Loan princ repayment					\$10,000	\$20,000	\$20,000	\$10,000		\$10,000	\$10,000		\$80,000
NET BANK BALANCE	\$8,024	\$9,989	\$9,562	\$13,684	\$18,007	\$7,728	\$10,202	\$11,631	\$7,914	\$9,829	\$4,788	\$785	

Assumptions

Agency commission*	10%	*Paid only when bookings come via agency, assumed here at 30% of bookings; most bookings expected from website.
Cleaning/Linens (weekly)	\$60	Once weekly cleaning at \$15/hr * 4 hrs; on-site staff handles most daily cleaning/linen requirements.
Building maintenance	\$100	This is an unpredictable item; estimated only.
Grounds maintenance per time	\$60	Mainly weeding 3 hrs/week at \$20/hr; weekly in summer, monthly in winter.
Water/Sewer (quarterly)	\$50	Even though composting toilets will be used, Council charges a minimum basic fee (estimated here).
Electricity (bi-monthly)	\$50	Even though solar panels will be used, it is not yet known to what extent grid power will be required (est).
Staff wages	\$38,000	Staff on-costs estimated.
Staff on-costs	\$6,200	
Rates (annual, 12/4)	\$2,200	Insurance \$2,600
Accountant (est.)	\$170	Food \$3.50 Est. per guest, breakfast only; multiplied by occupancy
Debt service int rate	8.00%	Miscellaneous \$300 Includes NEAP fees
Corporate tax rate	30%	

FORECASTED CASH FLOW - Monthly for Year 3 (2006-07)

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	TOTALS
CASH RECEIPTS													
Occupancy	60%	70%	75%	80%	90%	100%	100%	90%	80%	80%	70%	50%	79%
Cash received	\$11,508	\$14,210	\$12,180	\$14,560	\$27,720	\$33,040	\$33,040	\$22,176	\$20,160	\$19,712	\$14,210	\$8,120	\$230,636
GST rebates													\$0
New bank loan													\$0
TOTAL	\$11,508	\$14,210	\$12,180	\$14,560	\$27,720	\$33,040	\$33,040	\$22,176	\$20,160	\$19,712	\$14,210	\$8,120	\$230,636
Accumulative loan	\$180,000	\$180,000	\$180,000	\$170,000	\$160,000	\$140,000	\$120,000	\$110,000	\$100,000	\$90,000	\$90,000	\$90,000	
CASH DISBURSEMENTS													
Agency Commission *	\$230	\$284	\$244	\$291	\$554	\$661	\$661	\$444	\$403	\$394	\$284	\$162	\$4,613
Cleaning/Linens	\$240	\$300	\$240	\$240	\$300	\$240	\$240	\$240	\$300	\$240	\$300	\$240	\$3,120
Food (breakfast)	\$521	\$608	\$630	\$694	\$756	\$868	\$868	\$731	\$694	\$672	\$588	\$434	\$8,064
Building Maintenance	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,200
Grounds Maintenance	\$60	\$60	\$120	\$120	\$180	\$240	\$240	\$240	\$180	\$120	\$60	\$60	\$1,680
Water/Sewer			\$50			\$50			\$50			\$50	\$200
Electricity	\$50		\$50		\$50		\$50		\$50		\$50		\$300
Staff Wages	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$3,333	\$40,000
Staff on-costs	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	\$533	
Property Rates			\$500			\$500			\$500			\$500	\$2,000
Debt Service	\$1,200	\$1,200	\$1,200	\$1,200	\$1,133	\$1,067	\$933	\$800	\$733	\$667	\$600	\$600	\$11,333
Insurance	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$233	\$2,800
Accountant	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$190	\$2,280
Miscellaneous	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
GST													\$0
TOTAL	\$6,991	\$7,142	\$7,724	\$7,236	\$7,664	\$8,315	\$7,682	\$7,144	\$7,601	\$6,783	\$6,572	\$6,736	\$87,590
Corporate tax			\$4,812			\$15,632			\$15,885			\$6,585	\$42,914
NET CASH FLOW	\$4,517	\$7,068	-\$356	\$7,324	\$20,056	\$9,093	\$25,358	\$15,032	-\$3,326	\$12,929	\$7,638	-\$5,202	
BANK BALANCE	\$5,303	\$12,371	\$12,015	\$19,339	\$29,395	\$28,488	\$33,846	\$28,878	\$15,552	\$18,481	\$16,119	\$10,918	
Loan princ repayment				\$10,000	\$10,000	\$20,000	\$20,000	\$10,000	\$10,000	\$10,000			\$90,000
NET BANK BALANCE	\$5,303	\$12,371	\$12,015	\$9,339	\$19,395	\$8,488	\$13,846	\$18,878	\$5,552	\$8,481	\$16,119	\$10,918	

Assumptions

Agency commission*	10%	*Paid only when bookings come via agency, assumed here at 20% of bookings; most bookings expected from website.
Cleaning/Linens (weekly)	\$60	Once weekly cleaning at \$15/hr * 4 hrs; on-site staff handles most daily cleaning/linen requirements.
Building maintenance	\$100	This is an unpredictable item; estimated only.
Grounds maintenance per time	\$60	Mainly weeding 3 hrs/week at \$20/hr; weekly in summer, monthly in winter.
Water/Sewer (quarterly)	\$50	Even though composting toilets will be used, Council charges a minimum basic fee (estimated here).
Electricity (bi-monthly)	\$50	Even though solar panels will be used, it is not yet known to what extent grid power will be required (est).
Staff wages	\$40,000	Used for cooking in kitchen; one bottle normally lasts one year.
Staff on-costs	\$6,400	
Rates (annual, 12/4)	\$2,000	Insurance \$2,800
Accountant (est.)	\$190	Food \$3.50 Est. per guest, breakfast only; multiplied by occupancy
Debt service int rate	8.00%	Miscellaneous \$300 NEAP fees included
Corporate tax rate	30%	

FORECASTED PROFIT & LOSS - Monthly for Year 1

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	Total
Projected Revenue													
Week 1	4,200	3,360	3,360	3,360	5,040	7,000	7,000	5,040	4,200	7,000	3,360	3,360	56,280
Week 2	4,200	3,360	3,360	3,360	5,040	7,000	7,000	5,040	4,200	7,000	3,360	3,360	56,280
Week 3	4,200	3,360	3,360	4,200	5,040	7,000	7,000	5,040	4,200	3,360	3,360	3,360	53,480
Week 4	3,360	3,360	3,360	4,200	5,040	7,000	7,000	5,040	4,200	3,360	3,360	3,360	52,640
Week 5		3,360			5,040				4,200		3,360		15,960
Total Revenue	15,960	16,800	13,440	15,120	25,200	28,000	28,000	20,160	21,000	20,720	16,800	13,440	234,640
Ind Avg occupancy	11,172	11,760	9,408	10,584	17,640	19,600	19,600	14,112	14,700	14,504	11,760	9,408	164,248
Conserv. occupancy	7,980	8,400	6,720	7,560	12,600	14,000	14,000	10,080	10,500	10,360	8,400	6,720	117,320
Projected Costs (those marked * vary with occupancy; agency commission is assumed for all bookings but in reality applies only to agency bookings)													
Agency Commission *	1,596	1,680	1,344	1,512	2,520	2,800	2,800	2,016	2,100	2,072	1,680	1,344	23,464
Cleaning/Linens (avg) *	220	220	220	220	220	220	220	220	220	220	220	220	2,640
Building Maint. (avg)	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Grounds Maint. (avg)	80	80	80	80	80	80	80	80	80	80	80	80	960
Utilities (avg) *	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Staff Wages	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Property Rates	133	133	133	133	133	133	133	133	133	133	133	133	1,600
Debt Service	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	30,800
Insurance	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Total Costs	8,016	8,100	7,764	7,932	8,940	9,220	9,220	8,436	8,520	8,492	8,100	7,764	100,504
Ind Avg occupancy	7,435	7,494	7,259	7,376	8,082	8,278	8,278	7,729	7,788	7,768	7,494	7,259	92,241
Conserv. occupancy	7,048	7,090	6,922	7,006	7,510	7,650	7,650	7,258	7,300	7,286	7,090	6,922	86,732
Pre-tax Profit	7,944	8,700	5,676	7,188	16,260	18,780	18,780	11,724	12,480	12,228	8,700	5,676	134,136
Ind Avg occupancy	3,737	4,266	2,149	3,208	9,558	11,322	11,322	6,383	6,912	6,736	4,266	2,149	72,007
Conserv. occupancy	932	1,310	-202	554	5,090	6,350	6,350	2,822	3,200	3,074	1,310	-202	30,588

Assumptions	Cost Assumptions	Debt service assumptions (IO)	Totals
Guest house has 4 rooms to let year round	Agency commission * 10.00%	Sale of 12 PVD \$1,800,000	
Rooms with views would generate more revenue	Cleaning/Linen (avg) * \$220	Debt repaid \$585,000	\$1,215,000
Average price per room per night will be used for this analysis	Building maint. (avg) \$100		
A = \$250.00 /room - December & January	Grounds maint. (avg) \$80	Purchase cost \$1,352,000	
B = \$180.00 /room - Nov & Feb, Holiday times	Utilities (avg) * \$120	Improvements \$603,000	
C = \$150.00 /room - shoulder season	Staff wages (annual) \$36,000	Operating cash \$145,000	\$2,100,000
D = \$120.00 /room - low season	Property rates (annual) \$1,600	Shareholders invest \$500,000	
Ind Avg occupancy = 70%	Debt service \$2,567	Loan required \$385,000	
Conserv. occupancy = 50%	Insurance (annual) \$2,400	Interest rate (est) 8.00%	\$30,800

FORECASTED PROFIT & LOSS - Monthly for Year 2

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	Total
Projected Revenue													
Week 1	4,620	3,696	3,696	3,696	5,600	7,700	7,700	5,600	4,620	7,700	3,696	3,696	62,020
Week 2	4,620	3,696	3,696	3,696	5,600	7,700	7,700	5,600	4,620	7,700	3,696	3,696	62,020
Week 3	4,620	3,696	3,696	4,620	5,600	7,700	7,700	5,600	4,620	3,696	3,696	3,696	58,940
Week 4	3,696	3,696	3,696	4,620	5,600	7,700	7,700	5,600	4,620	3,696	3,696	3,696	58,016
Week 5		3,696			5,600				4,620		3,696		17,612
Total Revenue	17,556	18,480	14,784	16,632	28,000	30,800	30,800	22,400	23,100	22,792	18,480	14,784	258,608
Ind Avg occupancy	12,289	12,936	10,349	11,642	19,600	21,560	21,560	15,680	16,170	15,954	12,936	10,349	181,026
Conserv. occupancy	8,778	9,240	7,392	8,316	14,000	15,400	15,400	11,200	11,550	11,396	9,240	7,392	129,304
Projected Costs (those marked * vary with occupancy; agency commission is assumed for all bookings but in reality applies only to agency bookings)													
Agency Commission *	1,756	1,848	1,478	1,663	2,800	3,080	3,080	2,240	2,310	2,279	1,848	1,478	25,861
Cleaning/Linens (avg) *	220	220	220	220	220	220	220	220	220	220	220	220	2,640
Building Maint. (avg)	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Grounds Maint. (avg)	80	80	80	80	80	80	80	80	80	80	80	80	960
Utilities (avg) *	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Staff Wages	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	3,167	38,000
Property Rates	150	150	150	150	150	150	150	150	150	150	150	150	1,800
Debt Service	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	30,800
Insurance	217	217	217	217	217	217	217	217	217	217	217	217	2,600
Total Costs	8,376	8,468	8,098	8,283	9,420	9,700	9,700	8,860	8,930	8,899	8,468	8,098	105,301
Ind Avg occupancy	7,747	7,812	7,553	7,682	8,478	8,674	8,674	8,086	8,135	8,113	7,812	7,553	96,319
Conserv. occupancy	7,328	7,374	7,189	7,282	7,850	7,990	7,990	7,570	7,605	7,590	7,374	7,189	90,330
Pre-tax Profit	9,180	10,012	6,686	8,349	18,580	21,100	21,100	13,540	14,170	13,893	10,012	6,686	153,307
Ind Avg occupancy	4,542	5,124	2,796	3,960	11,122	12,886	12,886	7,594	8,035	7,841	5,124	2,796	84,707
Conserv. occupancy	1,450	1,866	203	1,034	6,150	7,410	7,410	3,630	3,945	3,806	1,866	203	38,974

Assumptions	Cost Assumptions	Debt service assumptions (IO)	Totals
Guest house has 4 rooms to let year round	Agency commission * 10.00%	Sale of 12 PVD \$1,800,000	
Rooms with views would generate more revenue	Cleaning/Linen (avg) * \$220	Debt repaid \$585,000	\$1,215,000
Average price per room per night will be used for this analysis	Building maint. (avg) \$100		
A = \$275.00 /room - December & January	Grounds maint. (avg) \$80	Purchase cost \$1,352,000	
B = \$200.00 /room - Nov & Feb, Holiday times	Utilities (avg) * \$120	Improvements \$603,000	
C = \$165.00 /room - shoulder season	Staff wages (annual) \$38,000	Operating cash \$145,000	\$2,100,000
D = \$132.00 /room - low season	Property rates (annual) \$1,800	Shareholders invest \$500,000	
Ind Avg occupancy = 70%	Debt service \$2,567	Loan required \$385,000	
Conserv. occupancy = 50%	Insurance (annual) \$2,600	Interest rate 8.00%	\$30,800

FORECASTED PROFIT & LOSS - Monthly for Year 3

	July	August	Sept	Oct	Nov	Dec	January	February	March	April	May	June	Total
Projected Revenue													
Week 1	5,040	4,060	4,060	4,060	6,160	8,260	8,260	6,160	5,040	8,260	4,060	4,060	67,480
Week 2	5,040	4,060	4,060	4,060	6,160	8,260	8,260	6,160	5,040	8,260	4,060	4,060	67,480
Week 3	5,040	4,060	4,060	5,040	6,160	8,260	8,260	6,160	5,040	4,060	4,060	4,060	64,280
Week 4	4,060	4,060	4,060	5,040	6,160	8,260	8,260	6,160	5,040	4,060	4,060	4,060	63,280
Week 5		4,060			6,160				5,040		4,060		19,320
Total Revenue	19,180	20,300	16,240	18,200	30,800	33,040	33,040	24,640	25,200	24,640	20,300	16,240	281,820
Ind Avg occupancy	13,426	14,210	11,368	12,740	21,560	23,128	23,128	17,248	17,640	17,248	14,210	11,368	197,274
Conserv. occupancy	9,590	10,150	8,120	9,100	15,400	16,520	16,520	12,320	12,600	12,320	10,150	8,120	140,910
Projected Costs (those marked * vary with occupancy; agency commission is assumed for all bookings but in reality applies only to agency bookings)													
Agency Commission *	1,918	2,030	1,624	1,820	3,080	3,304	3,304	2,464	2,520	2,464	2,030	1,624	28,182
Cleaning/Linens (avg) *	220	220	220	220	220	220	220	220	220	220	220	220	2,640
Building Maint. (avg)	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Grounds Maint. (avg)	80	80	80	80	80	80	80	80	80	80	80	80	960
Utilities (avg) *	120	120	120	120	120	120	120	120	120	120	120	120	1,440
Staff Wages	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	40,000
Property Rates	167	167	167	167	167	167	167	167	167	167	167	167	2,000
Debt Service	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	2,567	30,800
Insurance	233	233	233	233	233	233	233	233	233	233	233	233	2,800
Total Costs	8,738	8,850	8,444	8,640	9,900	10,124	10,124	9,284	9,340	9,284	8,850	8,444	110,022
Ind Avg occupancy	8,061	8,139	7,855	7,992	8,874	9,031	9,031	8,443	8,482	8,443	8,139	7,855	100,343
Conserv. occupancy	7,609	7,665	7,462	7,560	8,190	8,302	8,302	7,882	7,910	7,882	7,665	7,462	93,891
Pre-tax Profit	10,442	11,450	7,796	9,560	20,900	22,916	22,916	15,356	15,860	15,356	11,450	7,796	171,798
Ind Avg occupancy	5,365	6,071	3,513	4,748	12,686	14,097	14,097	8,805	9,158	8,805	6,071	3,513	96,931
Conserv. occupancy	1,981	2,485	658	1,540	7,210	8,218	8,218	4,438	4,690	4,438	2,485	658	47,019

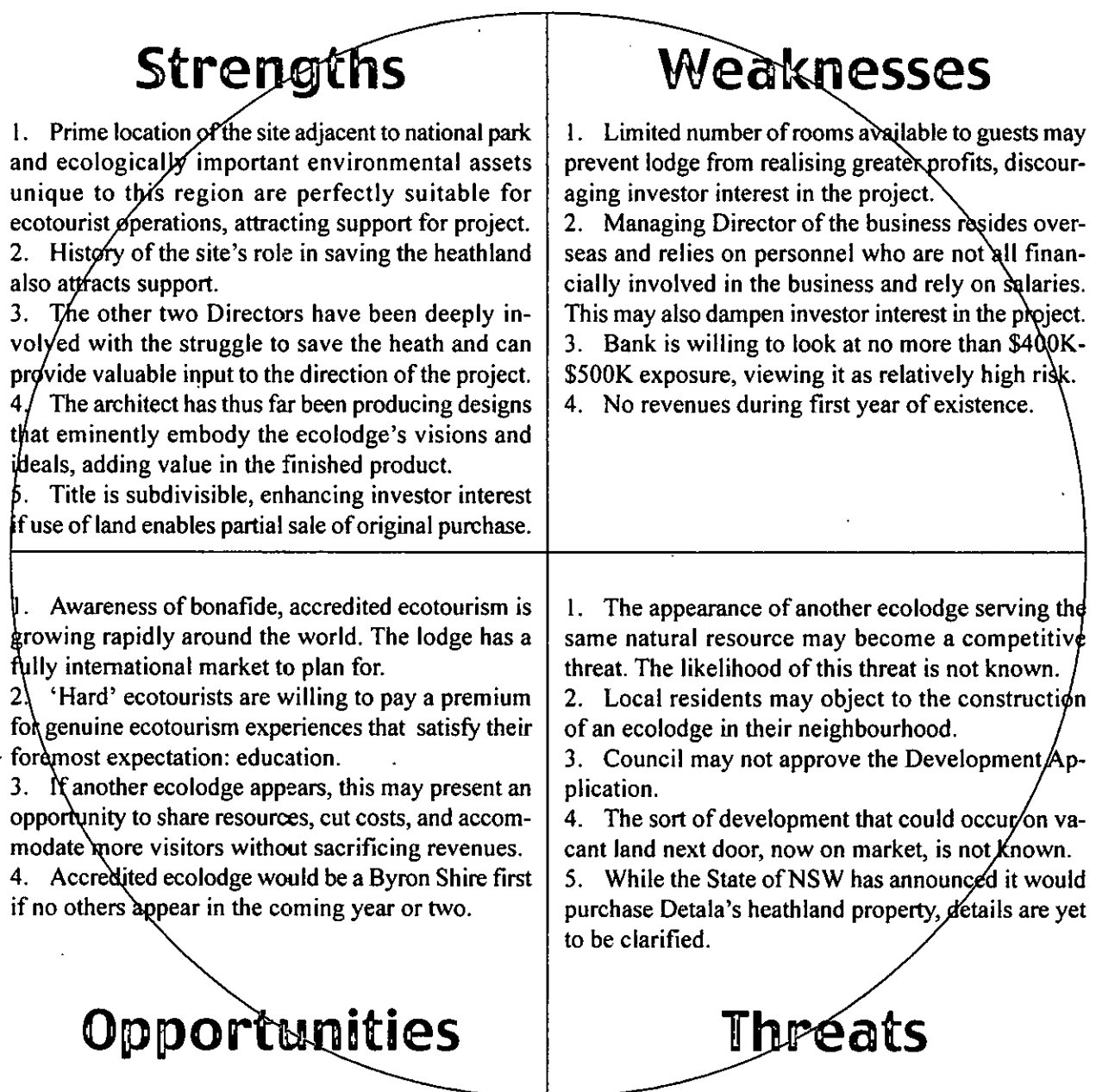
Assumptions				Cost Assumptions				Debt service assumptions (IO)		Totals
Guest house has	4	rooms to let year round		Agency commission *	10.00%			Sale of 12 PVD	\$1,800,000	
Rooms with views would generate more revenue				Cleaning/Linen (avg) *	\$220			Debt repaid	\$585,000	\$1,215,000
Average price per room per night will be used for this analysis				Building maint. (avg)	\$100					
A =	\$295.00	/room - December & January		Grounds maint. (avg)	\$80			Purchase cost	\$1,352,000	
B =	\$220.00	/room - Nov & Feb, Holiday times		Utilities (avg) *	\$120			Improvements	\$603,000	
C =	\$180.00	/room - shoulder season		Staff wages (annual)	\$40,000			Operating cash	\$145,000	\$2,100,000
D =	\$145.00	/room - low season		Property rates (annual)	\$2,000			Shareholders invest	\$500,000	
Ind Avg occupancy =	70%			Debt service	\$2,567			Principal required	\$385,000	
Conserv. occupancy =	50%			Insurance (annual)	\$2,800			Interest rate (est)	8.00%	\$30,800

15. SWOT Analysis

Two sets of SWOT analyses are given below. The first covers prospects for the company as it aims to attract investors and other interest prior to the launch of operations. The second covers the first year of operations based on conditions that exist as of the writing of this Business Plan. This second analysis is thus by necessity a forecast. A SWOT Matrix analysis is attempted in Section 15.3.

These SWOT analyses assume that Strengths and Weakness reflect conditions internal to the company while Opportunities and Threats reflect external conditions.

15.1 During Set-up Process (1st year)



15.2 During Operation (2nd year) [forecast]

The SWOT analysis in section 15.1 presents a set of challenges that need to be overcome somehow via the project's Strengths and any investor interest in the lodge's Opportunities. This section focuses on SWOT forecasts for the first year of actual operation. Other SWOTs may appear over time.



15.3 SWOT Matrix Analysis

The SWOT Matrix is a tool that is used to develop strategies. The one given below represents only a partial attempt.

S-O Strategies pursue opportunities that take advantage of the company's strengths.

W-O Strategies overcome weakness to pursue opportunities.

S-T Strategies identify ways the company can use its strengths to reduce its vulnerability to threats.

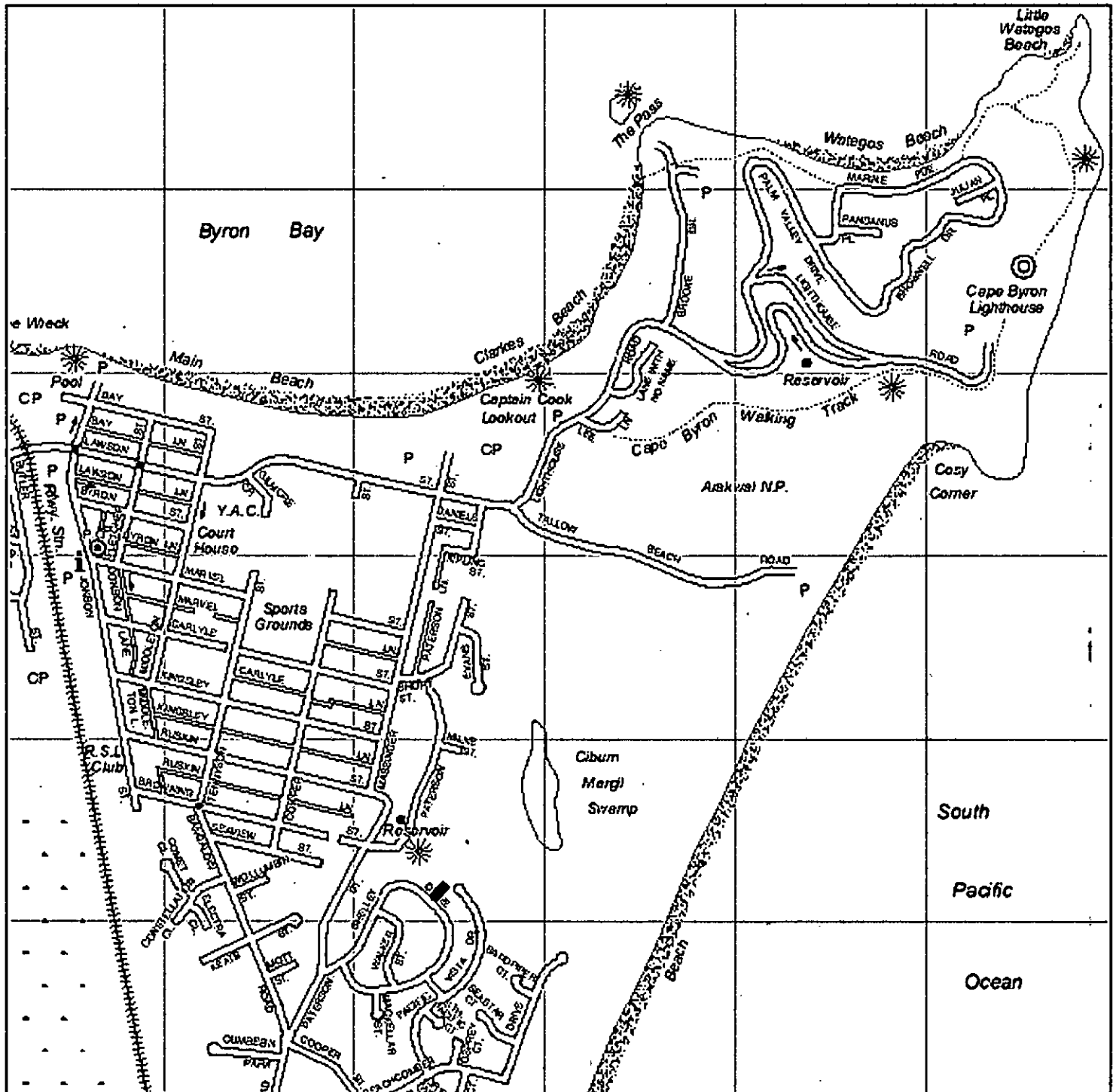
W-T Strategies establish a defensive plan to prevent the company's weaknesses from making it susceptible to threats.

	Strengths	Weaknesses
Opportunities	<ul style="list-style-type: none">* Ensure that education is part of the guests' experience.* Ensure that lodge is capable of advertising and catering to international guests.* Establish working relations with other hopeful ecotourism operators emerging in the same area.	<ul style="list-style-type: none">* Ensure that guests receive full satisfaction in the educational experiences they expect. This may keep room rates at satisfactory levels.* Keep Managing Director on site as much as possible.* Keep clean accounts and pay bills promptly; minimize debts.
Threats	<ul style="list-style-type: none">* Offer opportunity to any new lodge to share resources, cut costs (like sharing bulk-ordered foodstuffs), coordinate activities, refer excess visitors, etc.* Use unique characteristics of lodge (location and history) to differentiate itself in market.	<ul style="list-style-type: none">* Ensure that guestrooms offer maximum privacy and attract viable/sustainable yields.* Establish and maintain relationships with neighbours.* Keep in touch with plans for next door, provide inspiration if possible.

Appendix I.

Map of Byron Bay and Location of Site

The proposed site, located on Shelley Drive, is indicated on the map below. The top of Paterson Hill is located at the spot just to the northwest of the site, indicated by the symbol for good views.



Appendix II.

Final Determination of the NSW Scientific Committee concerning the Byron Bay Dwarf Graminoid Clay Heath

NSW SCIENTIFIC COMMITTEE

Final Determination

The Scientific Committee, established by the Threatened Species Conservation Act, has made a Final Determination to list Byron Bay Dwarf Graminoid Clay Heath Community as an **ENDANGERED ECOLOGICAL COMMUNITY** on Part 3 of Schedule 1 of the Act. Listing of endangered ecological communities is provided for by Part 2 of the Act.

The Scientific Committee has found that:

1. The Byron Bay Dwarf Graminoid Clay Heath Community is the accepted name for the plant community that is found on gently sloping clay ridges of low relief, within the Byron Bay Council area.
2. Byron Bay Dwarf Graminoid Clay Heath Community is floristically distinct from other graminoid clay heaths found in NSW. It is disjunct from and to the north of other known graminoid clay heaths in NSW.
3. Byron Bay Dwarf Graminoid Clay Heath Community is characterised by the following assemblage of vascular plant species:

<i>Acacia sophorae</i>	<i>Allocasuarina littoralis</i>	<i>Aristida warburgii</i> grass
<i>Asplenium flabellifolium</i>	<i>Austromyrtus dulcis</i> RF	<i>Banksia oblongifolia</i>
<i>Bauera capitata</i>	<i>Burchardia umbellata</i>	<i>Cassytha filiformis</i>
<i>Caustis recurvata</i>	<i>Centella asiatica</i>	<i>Centrolepis fascicularis</i>
<i>Corymbia intermedia</i>	<i>Cryptostylis subulata</i> (herb orchid 8023)	<i>Cymbopogon refractus</i>
<i>Dampiera stricta</i>	<i>Dianella caerulea</i> RF	<i>Dodonaea triquetra</i>
<i>Drosera auriculata</i>	<i>Drosera spatulata</i>	<i>Entolasia stricta</i>
<i>Epacris obtusifolia</i>	<i>Epacris pulchella</i>	<i>Eustrephus latifolius</i> RF
<i>Gahnia sieberiana</i>	<i>Geitonoplesium cymosum</i> RF	<i>Gleichenia dicarpa</i> fern (WA 146)
<i>Gompholobium pinnatum</i>	<i>Hibbertia aspera</i>	<i>Hibbertia scandens</i> RF
<i>Hibbertia vestita</i>	<i>Imperata cylindrica</i>	<i>Lepidosperma laterale</i>
<i>Leptospermum polygalifolium</i>	<i>Lindsaea linearis</i> screw fern (WA 195)	<i>Lomandra elongata</i>
<i>Lomandra filiformis</i> RF	<i>Lomandra longifolia</i> RF	<i>Lomatia silaifolia</i> RF
<i>Lophostemon suaveolens</i>	<i>Melaleuca nodosa</i>	<i>Melaleuca quinquenervia</i>
<i>Mirbelia rubrifolia</i>	<i>Monotoca elliptica</i> shrub/sm. tree	<i>Ozothamnus diosmifolius</i>
<i>Parsonia straminea</i>	<i>Patersonia fragilis</i>	<i>Patersonia sericea</i>
<i>Pimelea linifolia</i>	<i>Platysace ericoides</i>	<i>Pseudanthus orientalis</i>
<i>Pteridium esculentum</i>	<i>Pultenaea villosa</i>	<i>Schizaea bifida</i>
<i>Schoenus apogon</i>	<i>Schoenus brevifolius</i>	<i>Sowerbaea juncea</i>
<i>Strangea linearis</i>	<i>Themeda australis</i>	<i>Trachymene incisa</i>
<i>Xanthorrhoea fulva</i>	<i>Platysace</i>	

4. The total species list of the community is larger than that given in 3 (above), with many species present in only one or two sites or in very small quantity. In any particular site not all of the assemblage listed in 3 may be present. At any one time, seeds of some species may only be present in the soil seed bank with no above-ground individuals present. The

NSW SCIENTIFIC COMMITTEE

will change with time since fire, and may also change in response to changes in fire frequency.

5. The structure of the community is a heathland with occasional emergents of *Corymbia intermedia* and *Lophostemon suaveolens*.
6. Only approximately 5 Ha of the Byron Bay Dwarf Graminoid Clay Heath remains and this occurs in small, disturbed and isolated fragments. Threats include clearing, disturbance by humans, weed invasion and alterations to fire and hydrological regimes.
7. No areas of Byron Bay Dwarf Graminoid Clay Heath are known from a conservation reserve.
8. In view of the small size of existing remnants the threat of further clearing and disturbance, the Scientific Committee is of the opinion that Byron Bay Dwarf Graminoid Clay Heath is likely to become extinct in nature unless factors threatening its survival or evolutionary development cease to operate and that listing as an endangered ecological community is warranted.

Dr Chris Dickman
Chairperson
Scientific Committee

Proposed Gazettal date: 11/2/00

Appendix III.

History of Aboriginal People in Byron Bay and the creation of Arakwal National Park

Part 1. Aboriginal History in Byron Bay

The NSW North Coast - SE Queensland region has been inhabited by Aboriginal people for at least 20,000 years. As the ice caps melted at the end of the Pleistocene about 10,000 years ago, sea levels rose and covered an 8 km wide strip of land off Cape Byron, leaving high relief terrain exposed as a coastal promontory. Coastal campsites used before the sea stabilised around 6,000 years ago, lie beneath the sea. Most of the Aboriginal archaeological sites so far investigated on the North Coast have dated to more recent times.

At the time of the first European settlement, around twenty different dialects of the Bundjalung language were spoken in the NSW North Coast - SE Queensland region, with the Minjungbal dialect spoken in some of Byron Bay. In resource rich areas like Cape Byron, Aboriginal land-owning clan groups with at least 100 members subsisted within relatively small territories. The boundaries of these territories were generally known and were clearly established in local mythology.

In contrast with what is known of other parts of Australia, local Aboriginal groups enjoyed a comparatively settled lifestyle, building large comfortable huts of tea tree bark laid over a frame of bent saplings. The early European settlers reported finding groups of these huts at the mouths of larger rivers along the NSW North Coast and on the islands of Moreton Bay. During the course of everyday life Aboriginal clan groups remained within their own well-defined boundaries, moving short distances in response to the availability of individual resources. Long-ranging movement between territories was often undertaken for the purpose of attending social and ceremonial gatherings.

The Minjungbal name for Byron Bay was Cavvanba, "meeting place". The area further east within Cape Byron Headland Reserve (the Palm Valley/Wategos Beach locality) was called Currenba because of the water channels (curraby means gully), while the Cape itself was known as Walgun, "the shoulder". Walgun was also a place for ceremony and spiritual inspiration and remains part of many Dreamtime stories. Cape Byron is a place of importance as it is connected by way of several myths with Julian Rocks. Apart from mythological status, the

Cape was also used as a lookout point and as a ceremonial place. A "dancing circle" is believed to have once been located on the crest of the headland, which was levelled in 1899 to make way for the construction of the lighthouse.

There are many Aboriginal archaeological sites along the coastline to both the north and south of Cape Byron. Prior to the advent of sandmining, middens containing the remains of Aboriginal meals of shellfish, stone tools and human burials stretched for over 4 km north from the Cape. The sign-posted midden at The Pass, first used around 1,000 years ago represents one of the few remaining examples of these former campsites. Middens have also been found along the Tallow Beach dunes south from the Cape. In addition, Bora-ceremonial grounds, natural mythological sites and human burials have been recorded along this stretch of the coastline.

Test excavation of The Pass midden revealed a range of activities consistent with the archaeological expectations of a frequently used base camp. The recovered materials show a heavy reliance on marine fish and shellfish, along with less intensive use of forest resources. Large chopping tools have also been found within Palm Valley and these are thought to have been left behind by individuals from the midden site who had been searching for food and other raw materials.

Of the major vegetation types now present across the Reserve, Palm Valley rainforest offers the widest range of both potential Aboriginal food plants and plant species known to have been used in the manufacture of material items. Although there is little direct evidence for the Aboriginal use of specific plant foods at Cape Byron, one early botanist reported that the Goatsfoot *Convolvulus* once covered large sections of the sand dune with its prostrate trailing stems and that its roots were regularly cooked and eaten by the Aboriginals.

A wide variety of material items were used by the local Aboriginal people, with most made from the wood or bark of various trees. They included shields, spears, boomerangs, clubs, digging sticks, containers and canoes, and these were cut and shaped using shell and stone tools. String was rolled from bark, dilly bags were woven from rushes and grasses

and Bangalow Palm leaves were fashioned into water and honey containers. Land animals such as pademelons and other small wallabies were often captured in bark fibre nets. These hunting nets were constructed in long sections 1.2 m wide and 2.4 km in length. In the absence of the hook and line, fish were either speared in the shallow using straight wooden spears with fire-hardened tips or caught in finely meshed scoop nets known as "tow-rows".

"King Bobby" was the king of the Bumberin Tribe when there was a large camp at Byron Bay near the crossroads of Lawson and Fletcher Streets, not far from the site of the old Council Chambers. There were 79 people of the Bumberin camped there in about 1896. "King Bobby" was then an old man and died two or three years later. He had one son, Harry, who succeeded to the kingship when he died. Harry Bray is frequently mentioned in local early historical sources. During the late 19th century Harry is said to have lived in a big Aboriginal camp at Tallow Creek, some 4 km south of Cape Byron. He was apparently not a permanent resident at this camp however, as he has also been reported as living further southwest at Midgen Flat during this time. Harry Bray

passed away in 1922. Harry and Clara Bray are buried opposite Byron Bay Golf Club.

Arakwal Aboriginal people are the acknowledged custodians of the Byron Bay area and retain a strong role and interest in the maintenance, protection and management of Aboriginal cultural values. The historic 1997 agreement between the State Government and the custodians guaranteed them a role in the management of the Cape Byron Reserve, land for housing and land to construct a cultural centre (at Paterson Street).

In 2001 this agreement was extended. The present day Arakwal National Park is a Native Title agreement overseen by ILEA (Indigenous Land Use Agreement). The 183 ha park extends from Cosy Corner to just north of the Crosby Caravan Park and includes Cibus Margil swamp. It is managed jointly by Arakwal National Park Management Committee and the National Parks and Wildlife Service. Currently there are 2 rangers and 4 Arakwal trainee field officers working at the park. Because Native Title rights extend 3 km out to sea, Arakwal people are also involved in the proposed Marine Park [created in November 2002].

(Source: Byron Bay Community Centre, www.heartofbyron.org.au/directory/aboriginalhistory.html)

Part 2. Arakwal Indigenous Land Use Agreement

National Native Title Tribunal, Media Release, 28 November 2001

Arakwal Indigenous Land Use Agreement

An Indigenous Land Use Agreement between the Arakwal People of northern NSW and the State Government - celebrated today at a ceremony at Cape Byron [on 28 October 2001] - may be a major catalyst for similar agreements in NSW, the head of the National Native Title Tribunal has said.

Tribunal President Mr Graeme Neate congratulated the Arakwal People and acknowledged their goodwill and commitment to reaching the agreement - the first ILUA in NSW involving the State Government and the first in Australia to create a new national park.

Mr Neate also acknowledged the National Parks and Wildlife Service, the Department of Land and Water Conservation, the NSW Aboriginal Land Council, the Byron Shire Council and the many local and regional interest groups for remaining committed to reaching a workable agreement that would stand the test of time.

"Today's celebration marks an historic moment in NSW," Mr Neate said. "It shows that where there

is commitment to resolving native title issues through negotiation rather than litigation, real and lasting agreements can be achieved."

In the grounds of the Cape Byron Lighthouse, Mr Neate joined Arakwal elders Lorna Kelly, Linda Vidler and Dulcie Nicholls, Bundjalung elder Eric Walker, the NSW Premier Bob Carr, the NSW Minister for the Environment Bob Debus and other parties to the agreement in placing their hand-prints on a specially prepared canvas.

"What has been achieved here through consultation and negotiation shows the way forward for the rest of NSW," Mr Neate said.

The Arakwal Agreement is one of 33 Indigenous Land Use Agreements now registered with the National Native Title Tribunal - the federal Government body set up under the Native Title Act 1993 to assist people around Australia to resolve native title issues.

Since 1996, the National Native Title Tribunal has played a key mediation and facilitation role in negotiations for the Arakwal ILUA.

ARAKWAL INDIGENOUS LAND USE AGREEMENT - An Australian first

Background

In late 1994, Lorna Kelly, Linda Vidler and Yvonne Graham on behalf of the Arakwal People from northern NSW, commenced a process for recognition of native title rights in the land and waters around Byron Bay. A formal native title claim was registered with the National Native Title Tribunal in September 1995.

In his environment policy statement at the 1995 NSW State election, Premier Bob Carr promised to create a national park on Crown land that was included in the Arakwal native title claim area.

To pursue the creation of the new park, the National Parks and Wildlife Service convened the Cape Byron Consultative Committee that included the Arakwal People, the Byron Shire Council and other regional interest groups as well as environmental and resident bodies. That committee made a number of recommendations about the proposed national park and other Crown lands within the Byron Shire.

As a result, a State Recreation Area around the Cape Byron Lighthouse, managed by a Trust made up of Arakwal people and community representatives, was established. In April 1997, representatives of the NSW Government and the Arakwal People signed an agreement establishing the recreation area.

Since early 1996, there have been hundreds of meetings and consultations with all parties and interest-holders affected, or thought to be affected, by the native title claim. The process involved negotiations between the Arakwal People and the NSW Government about the national park proposal, with mediation assistance from the National Native Title Tribunal from 1998 to 2001.

In October 2000, at a meeting arranged by the NSW Aboriginal Land Council, the Arakwal People authorised the Indigenous Land Use Agreement (ILUA) which was registered by the National Native Title Tribunal on 28 August 2001.

Why is the Arakwal agreement significant?

The Arakwal Indigenous Land Use Agreement is the result of seven years of consultations between the Arakwal People, the NSW Government through the National Parks and Wildlife Service and the Department of Land and Water Conservation, a range of community groups and the Byron Shire Council. The NSW Aboriginal Land Council and the National Native Title Tribunal have played key roles in coordinating and mediating the negotiations.

The agreement also marks the beginning of stage two of negotiations for a framework agreement aimed at resolving all native title and other interests in the traditional country of the Arakwal People.

Key features of the ILUA:

- * It is the first agreement of its kind in Australia as it creates a new national park that will be jointly managed by the Arakwal People and the National Parks and Wildlife Service. The park will provide jobs and training for Arakwal people.
- * It provides for Crown land to be transferred to the Arakwal Corporation for traditional owners to live on.
- * It also involves the transfer of land for the construction of a cultural centre and tourist facility.

Parties to the agreement hope that it will become a model for other native title negotiations in NSW and around Australia

Arakwal National Park

The Arakwal National Park stretches south from the Cape Byron Lighthouse, covering around 183.5 hectares of land.

The park forms an important component of the reserve system in the area that includes Taylors Lake Aboriginal Place and Broken Head Reserve in the south and Cape Byron Reserve and Tyagarah Nature Reserve in the north.

Cultural values

The area, which has been highly significant to local Indigenous People for thousands of years, contains important Aboriginal mythological and burial sites and campsites.

Natural values

The area provides habitat for significant flora and fauna species, including wintering sites for nomadic and migratory birds and flying foxes. It is also home to:

- * The Cibus Margil Swamp, a declared coastal wetland
- * A declared Endangered Ecological Community that takes in vegetation of particular interest such as the Wallum Banksia community
- * Four endangered plant species, including the Byron Bay Diuris [orchid]
- * Two endangered animal species - Mitchell's Rainforest Snail and Black-necked Stork
- * Fourteen vulnerable species, including the Wallum Froglet, Bushhen, Little Bentwing Bat, Large-footed Myotis and Common Planigale.

What is an Indigenous Land Use Agreement?

An indigenous land use agreement (ILUA) is a vol-

untary agreement about the use and management of land, made between a native title group and other people.

An ILUA is one of the most practical ways to resolve native title issues. It allows people to make agreements about how land is used without entering into the usual native title process.

An ILUA may be a stepping stone on the way to a native title determination or it may suit the parties better than a determination. ILUAs may be made about matters such as mining developments, sharing

land and exercising native title rights and interests. ILUAs are binding just like other kinds of agreements.

The advantage of an ILUA is its flexibility - it can be tailored to suit the needs of the people involved and their particular land use issues. By making agreements, Indigenous Australians may gain benefits such as employment, compensation and recognition of their native title.

Other parties to the agreement may obtain the use of land for development or other purposes.

(Source: National Native Title Tribunal, www.nntt.gov.au/media/1019179371_8149.html)

Part 3. Report on Speech by NSW Premier Bob Carr and Ceremony

[The ceremony that took place on 28 October 2001 at Byron Lighthouse marked the creation of Arakwal National Park and the transfer of Crown Land to Arakwal Elders.]

PREMIER WELCOMES ARAKWAL HOME

“This always was, always will be Aboriginal Land”.

With those words the NSW Premier, Bob Carr, formally welcomed the Arakwal people back to Byron Bay and recognised their rights as its traditional owners.

In an emotional ceremony, the Premier also presented Arakwal Elder, Lorna Kelly, and her sisters, Linda Vidler and Dulcie Nicholls, with the title deeds to land near their childhood home on Tallow Creek.

“It’s taken 50 years nearly,” she said proudly. “But I’m back and we’re here!”

The symbolic handover marked the formal registration of an Indigenous Land Use Agreement (ILUA) which includes the creation of the Arakwal National Park and the transfer of Crown Land to the Arakwal Elders to establish homes and an Aboriginal cultural centre and tourist facility.

Under the agreement, the Arakwal people and the National Parks and Wildlife Service will jointly manage the 183 hectare National Park creating training and jobs for Aboriginal people.

“The advantage of an ILUA is its flexibility,” Premier Carr said. “It can be tailored to suit the needs of the people involved and their particular land use issues.”

For Lorna Kelly, it was a happy end to seven years of negotiation involving the State Government, Native Title Tribunal, NSWALC and Byron Shire Council.

“My family and I were forced from our homes over 50 years ago,” she said. “I only hope that I live long enough to see homes built on our old campsite where I have all my childhood memories.”

This was before sand miners smashed her family’s

camp and welfare took her away to an Aboriginal mission on Cabbage Tree Island, south of Ballina.

Lorna spent decades living on the island before returning to Byron Bay to fight for the return of her land.

“This is a good day for all of the people of Byron Bay,” she said.

The Chair of the Cape Byron Trust, Yvonne Stewart, led the gathering in an emotion filled silent tribute to Auntie Yvonne Graham, who initiated the land claim but had not lived to see it realised.

“For too long we have watched our land destroyed by greed. This agreement ensures that some of our land is protected,” Yvonne said. “It also ensures that we have a say over the management of the land and that our people are trained and employed to protect our land.”

“We now have the title deeds to land to build houses and for our cultural centre but we are only half way there. The struggle must continue.”

Welcoming the Arakwal back to their land, Premier Bob Carr acknowledged their special connection with the headland they call “Walgun” - the Shoulder.

“It is part of their dreaming, the stories of creation and Aboriginal life. It is also a place of ceremony, learning and inspiration.

“This agreement recognises the Aboriginal traditional rights over the land and its special place for the Arakwal people.”

Premier Carr said it was appropriate that the ceremony took place near the Byron Bay Lighthouse.

“It is a lighthouse agreement. It points the way. It guides other communities in NSW and other com-

munities around Australia,” he said.

During the seven year consultation process, the NSW Aboriginal Land Council brought groups together for community consultations and provided legal and anthropological support to underpin the agreement.

Stage Two

NSWALC Far North Coast Regional Councillor, David Brown, congratulated all parties on the achievement and said he looked forward to stage two of the ILUA which will address all native title issues in the broader Byron area, including compensation for past extinguishments.

“Such a comprehensive Indigenous Land Use Agreement has never before been achieved on mainland Australia. It’s a big task, but given what has already been achieved, we are convinced the parties can make history yet again,” Cr Brown said.

Although the Government has formally committed itself to further negotiation, Premier Carr declined to comment on the next stage.

He laughed, however, when taken to task by Bundjalung Elder, Eric Walker, who entertained those gathered with a reference to the Biblical command against stealing.

Waving the Bible in the air he said, “It says here that stealing involves taking the property of someone else.” Then turning to Premier Carr he added, “Right Premier?”

“And you brought this [the Bible] over with you on the First Fleet!”

The ceremony ended with the presentation of paintings by young Arakwal artists to the Premier, Environment Minister, Bob Debus and the Native Title Tribunal President, Graeme Neate. The dignitaries also added their hand prints to a commemorative painting by Arakwal artist, Sean Kay.

(Source: NSW Aboriginal Land Council, www.alc.org.au/news/archives/feature/Arakwal/arakwal.html)

Part 4. On the First Anniversary of Arakwal National Park

ONE YEAR ON, ARAKWAL NATIONAL PARK IS A REALITY

Just over a year ago on the headland at Cape Byron—Australia’s most easterly point—an historic indigenous land use agreement was signed between the Arakwal People and the NSW Government.

After seven years of negotiations, the ILUA was hailed as a model agreement as it was the first in Australia to create a national park in consultation with the native title applicants. The ILUA also provided for the transfer of Crown land for a cultural centre and tourist facility and gave some land to the Arakwal Corporation for the elders to live on.

To celebrate and reflect upon the first anniversary of the creation of the Arakwal National Park, the Arakwal People and the NSW National Parks and Wildlife Service hosted a community event on 1 November [2002] at the Cape Byron Headland Reserve. Guests were made welcome with traditional dancing and a smorgasbord of contemporary bush tucker.

Former Tribunal member Mr Kim Wilson, who spent many years mediating the agreement, joined current member Dr Gaye Sculthorpe and other Tri-

bunal staff at the event. Dr Sculthorpe said discussions would continue in 2003 with the state government, Byron Council and other parties for a second agreement expected to settle the remainder of the Arakwal People’s claim for native title.

Chair of the Arakwal National Park Management Committee Ms Yvonne Stewart said much had been achieved in the 12 months since the signing. The management committee, established as a result of the agreement, meets monthly to oversee the operations of the park.

“A number of Arakwal people have also been employed to manage parks and reserves in Arakwal country and are working out of the newly established depot in Byron Bay,” Ms Stewart said.

The agreement created four traineeship positions with the National Parks and Wildlife Service and facilitated the employment of Arakwal ranger Mr Mark Johnston as Northern Rivers Regional Manager. The traineeships have given young Arakwal people employment opportunities close to home that are culturally meaningful to them.

(Source: *Talking Native Title: News from the National Native Title Tribunal*, 5 December 2002)

Appendix IV.

Main NEAP Criteria for Ecotourism Accreditation

The Nature and Ecotourism Accreditation Program (NEAP) accredits three types of nature-based or ecotourism products: Accommodations, Tours, and Attractions. In addition, NEAP applies two types of criteria in assessing the level of standards that these products have achieved: Core criteria and Bonus criteria. Products are accorded one of three levels of accreditation based on these criteria: Nature Tourism, Ecotourism, and Advanced Ecotourism. Generally, products satisfying the core criteria specified for Nature Tourism (a portion of the total core criteria) become Nature Tourism accredited, products satisfying all core criteria become Ecotourism accredited, and products satisfying bonus criteria as well as core criteria receive Advanced Ecotourism accreditation. NEAP describes its principles for eligibility as follows:

Products eligible for Ecotourism and Advanced Ecotourism accreditation...

1. focus on personally and directly experiencing nature;*
2. provide opportunities to experience nature in ways that lead to greater understanding, appreciation and enjoyment;
3. represent best practice for environmentally sustainable tourism;*
4. positively contribute to the conservation of natural areas;
5. provide constructive ongoing contributions to local communities;
6. are sensitive to, interpret and involve different cultures, particularly indigenous culture;
7. consistently meet customer expectations;*
8. are marketed accurately and lead to realistic expectations.*

* Principles marked with an asterisk apply to Nature Tourism accreditation.

Principle #2 above is “optional” for Nature Tourism, “mandatory but not necessarily core to experience” for Ecotourism, and a “core element of experience” in the case of Advanced Ecotourism.

The criteria described below apply to Ecotourism accreditation for accommodations. Bonus criteria, for Advanced Ecotourism accreditation, are also given in some instances. Due to space limitations, not all criteria are included. The NEAP application document is 150 pages long!

1. Natural Area Focus

For Principle 1: Nature tourism and ecotourism focus on directly and personally experiencing nature.

1. The majority of each customer’s time is spent in nature.
2. Product is based around activities that help customers to personally experience nature.
(Bonus: Each customer can experience nature in relative solitude through a feature such as
 - a. Part of development allows customer to comfortably rest and observe nature;
 - b. Walking trail takes customer away from development and visitor activity;
 - c. Outdoors food and beverage experience)
3. Accommodation is within or adjacent to a natural area.
(Bonus: Private land is used to offer customers an uncrowded experience within the immediate vicinity.)
4. Majority of marketing images for the product incorporate nature as a feature or background.

2. Interpretation

For Principle 2: Ecotourism provides opportunities to experience nature in ways that lead to greater understanding, appreciation and enjoyment.

1. Customers have the *opportunity* to learn about the natural and cultural heritage of the environment they are visiting. (Bonus: These interpretive activities are a *core component* of the product.) This includes activities aimed at children and disabled persons.
2. Accuracy of information provided to customers is verified by reference to at least two of the following sources: reference books/publications, professionals, museums or zoos [Arakwal Culture Centre in future], documentaries, scholarly oral history, recognised training courses/materials, recognised bodies or interest groups, traditional custodians. (Bonus: at least three)
3. Interpretation has been designed to meet specific objectives.
4. Key staff in contact with customers are able to provide accurate information and interpretation.
5. Key staff are adequately trained in ecotourism and interpretive techniques.

3. Environmental Sustainability

For Principle 3: Nature tourism and ecotourism represent best practice for environmentally sustainable tourism.

1. All personnel of ecotourism operations have an understanding of the environmental sustainability aspects of the operation relating to their duties. (Bonus: Awareness of monitoring results)
2. All ecotourism operations have considered the risks of their operations causing environmental harm and are prepared to respond to environmental emergencies (bushfires, erosion, sewage treatment failures, landslides, etc). (Bonus: Meets ISO 14001 standards, external audits, etc.)
3. Operations are only undertaken in locations where tourism is an appropriate use and impacts are minimised (not threatening conservation value, minimising impact on local community, avoiding unnecessary development/disturbance to protected areas, etc). (Bonus: Independent assessment concludes that the site is suitable.)
4. The ecotourism operation involves minimal disturbance; any areas disturbed are rehabilitated to restore ecological processes (minimal clearing of native vegetation, no impact on viability of rare or threatened species, landscaping reflects surrounding natural environment, no declared weeds, no residual pesticides/herbicides are used, etc). (Bonus: Inventory of naturally occurring values, existing exotic species replaced by natives, rehabilitation undertaken, etc.)
5. Construction has maximised the use of renewable and recycled materials and has involved practices to minimise environmental impacts (minimal excavation or ground cover disturbance, locally-sourced sustainable materials, free of weeds/diseases, renewable power source, timber without arsenic or copper treatment, etc; at least 3). (Bonus: At least 6 measures are used.)
6. Nature tourism and ecotourism operations are not visually dominant (below tree line, etc).
7. Where natural lighting is inadequate, lighting is minimised to that required to provide for safety, security, etc (compact fluorescents used where possible, natural light provides illumination to all areas of building during daylight, portable lights for customers outdoors at night, etc).
8. Ecotourism operations involve minimal use of an ecologically sustainable supply of water (mains water and/or collected rain water, greywater reuse, reuse of treated sewage effluent, composting toilets, showers only, low-water gardens, written guides for customers to minimise water use, etc; at least 5 are implemented). (Bonus: At least 8 for innovative best practice.)

9. Sewage and effluent are minimised and have no significant environmental impact (no septic systems, at least secondary treatment with sustainable effluent reuse or composting, recognised by environmental professional/authority, ANZECC Water Quality Guidelines, monitoring, etc).
10. Nature tourism and ecotourism operations enable customers to experience the natural soundscape (human-generated noise less than background levels, “natural quiet” in nature areas, etc).
11. Nature tourism and ecotourism operations involve minimal air pollution (no odors from composting toilets, NAZECC Air Quality Guidelines, no CFC/solvent emissions, etc).
12. Nature tourism and ecotourism operations involve minimal waste (food and materials with minimal packaging, purchased in bulk, no disposable items, litter recycled, organic waste composted, written guides for customers, etc).
13. Nature tourism and ecotourism operations involve minimal use of energy (fluorescent rather than incandescent lights, no air-conditioning, natural lighting during day, insulation in roofs with low heat absorption, passive solar maximised, cool room to minimise refrigeration, energy-efficient [5-star+] appliances, metered energy use for guest rooms, solar hot water, etc).
14. Customers and staff are encouraged to use fuel-efficient transport (courtesy transfer service, public transport info, bicycles, electric vehicles, etc).
15. Nature tourism and ecotourism operations involve minimal disturbance to wildlife.
16. Walking on trails has minimal environmental impact [applicable to CB Lodge surroundings].

4. Contribution to Conservation

For Principle 4: Ecotourism positively contributes to the conservation of natural areas.

1. Operators of ecotourism products provide constructive contributions to the management of natural areas visited (discussing operation with representative of a relevant protected area manager, rehabilitation of areas subject to negative visitor impacts, reduction of feral animals, reduction of weed infestations, development of boardwalks etc that reduce visitor impacts, maintenance of such facilities, donations of funds, researching and monitoring impacts, etc).
2. Operators of ecotourism products provide constructive contributions to the conservation of natural areas generally (membership of a conservation group, donation to or sponsorship of a local group, concession rates to schools studying environmental conservation, involvement in regional tourism impact monitoring, regeneration of other areas in locality, etc).

5. Working with Local Communities

For Principle 5: Ecotourism provides constructive ongoing contributions to local communities.

1. Ecotourism generates constructive ongoing contributions to local communities (local residents are employed in some aspect of operation, basic products [e.g. food] and services [e.g. maintenance] are purchased locally, customers are given opportunities to purchase locally, etc).
2. Operators of ecotourism products are involved in the local community beyond what is required to run the operation (support for local non-profit organisations or events, discounted access to ecotourism product to local school or group [raffle coupons supplied to Green & Clean or DuneCare], free training or work experience for locals, advice on career development in ecotourism or related fields, etc).

6. Cultural Component

For Principle 6: Ecotourism is sensitive to, interprets and involves different cultures, particularly indigenous culture.

1. Ecotourism operators consult with and involve indigenous communities in the delivery of the product (consult with related traditional custodians or cultural group about product, customers provided with accurate interpretation to enhance understanding/appreciation of local indigenous heritage, staff is adequately trained to assist customers in this endeavor, etc).
2. Bonus: Relevant components of product are approved by representative traditional custodians or cultural group, indigenous staff are employed to act as interpreters or trainers, access to training in guiding [e.g. communication skills] is offered to traditional custodians interested in becoming guides, etc.

7. Customer Satisfaction

For Principle 7: Nature tourism and ecotourism consistently meet customer expectations.

1. Ecotourism operations monitor and act upon customer feedback (informal feedback is sought in at least 4 ways, actions on this feedback can be demonstrated).
2. Bonus: Formal monitoring of customer satisfaction using interviews or focus groups or written surveys, periodical reviews by tourism professionals are actively sought, customers are informed of NEAP-inspired changes for improved satisfaction, etc.

8. Responsible Marketing

For Principle 8: Nature tourism and ecotourism marketing is accurate and leads to realistic expectations.

1. Marketing material includes characteristics of area being visited, values that make the area special [e.g. rare Byron Bay Dwarf Graminoid Clay Heath, Arakwal NP as the first national park in Australia to be co-managed between an Aboriginal group and NPWS under an ILUA], principal activities undertaken by customers, interpretive services provided, number of guests that can be accommodated, incentives to avoid private vehicle access, travel ethics required, special events, activities, defines ecotourism, uses NEAP logo next to accredited product, description of lodge and typical guest experience, disabled access, children's activities, etc.
2. Bonus: The above plus greater detail, means of accessing additional information about ecotourism, other ecotourism products in the region, voluntary contributions made by operator from each customer's payment towards the conservation of natural areas or welfare of local or indigenous communities, etc.



Appendix V.

Sampling of Accommodations in Byron Bay Area

The table below provides a sampling of accommodations in the Byron Bay area as a reference for market positioning, differentiation, and pricing purposes. Price range reflects daily rates per room. Analytical details are provided in Chapter 7 of the Plan.

Abbreviations

AP	Apartments	CB	Crinkle Bush	ET	Ecotourism
CA	Cabins / Cottages	BB	Byron Bay	N	North
MO	Motel	SP	Suffolk Park	W	West
B&B	Bed & Breakfast	TB	Tallow Beach	E	East
GH	Guesthouse	ANP	Arakwal National Park	S	South

Seasons (generally defined)

L	Low	After Easter up to September school holidays
S	Shoulder	September to Easter except school holidays
P	Peak	School holidays in September, Easter, Christmas/New Year

Name	Location	Type	Price Range	Remarks
A. Within Crinkle Bush Vicinity				
Cory's on Coopers	21 Cooper St, 800m S of CB, residential area	B&B	L: S: 295 P:	1 acre of garden, 4 rooms with ensuites, luxury, pool, spa, picnic area, afternoon tea
Oasis Resort	24 Scott St, 1km S of CB, edge of resid area	AP	L: 130-180 S: 130-180 P: 210-275	Faces ANP, 5 min to TB, tennis, lg pool, self-service, ensuites, wkly rates, no daily in P time, daily towels \$19, 3km to BB
Byron Bay Rainforest Resort	3km S of CB, Bangalow Rd, on way to SP	CA	L: 120-150 S: 140-160 P: 180-250	30 acres, superior disabled access, on-site nature tracks, saltwater pool, pets, wkly 10% disc, 5 km to BB
Tallow Beach Houses	N of SP, Fronting TB, 5 min to BB	CA	L: 150 S: 175-200 P: 200-300	30 acres, wildlife sanctuary, 2-br beach houses, tennis, disabled facilities, 630m beachfront, rates per beach house 2-3 people each
B. Byron Bay - In Town				
Holiday Inn Motel	45 Lawson St, in town	MO	L: 125-200 S: 195-295 P: 195-395	Regular motel rooms, overlooks Clarks Beach just 100 m away, easy walk to town, beautiful location among casuarina trees

Name	Location	Type	Price Range	Remarks
Waves Motel	35 Lawson St, in town	MO	L: 165-204 S: 204-234 P: -396	Similar to Holiday Inn Motel
Amigos Guesthouse	32 Kingsley St, in town	GH	L: 60- 75 S: P: 120-195	3-br budget B&B w/breakfast an option (\$2 in pot for simple self- service), 2 rms share bathroom, easy walk to town & beaches
Baystay Bed & Breakfast	30 Marvel St, in town	B&B	L: 52- 88 S: 58- 98 P:	Budget B&B, easy walk to town & beaches, some rooms with ensuite
C. Byron Bay - Wategos (area of exclusivity)				
Rae's at Wategos	Wategos Beach	GH	395-1295 depending on room	Top of BB's top end, 7 luxury suites/ penthouses, 2-nt min on weekends, 5-nt min 20/12-20/1, pool, dining restaurant, beach
Seaview House	146 Lighthouse Rd.	B&B	L: 180-295 S: P:	Luxury B&B, 4 stars, views across BB to Mt Warning and Tweed mtns, gourmet breakfast, all rooms w/ensuite
D. Byron Bay - Hinterland				
Byron Bay Summerhouse	9 Coopers Shoot, Byron Bay	B&B	L: 240-290 S: 340-390 P: 440-490	"Stylish" B&B, elevated rural setting, ocean views, pool, private spa bath, breakfast incl, 5km from BB
The Tin Dog	Federal, 20 min to BB	B&B	L: 160-180 S: 180-200 P:	4 lg rooms with ensuites & verandahs, 12m pool, gourmet breakfast, 5 acres
Green Mango Hideaway	Coorabell, 15 min to BB	B&B	L: S: 140-195 P:	3 rooms + 1 cabin, min 2 nts, min 4 nts in peak season, pool
Havan's Ecotourist Retreat	Terania Creek, The Channon, 45 min to BB	B&B	L: 75-115 S: P:	Near Night NP, Protestor Falls, "ecowalks", bushwalking, in rainforest, abundant wildlife, yoga & arts, too
Pockets Rainforest Retreat	20 min N of BB	CA	L: 165 S: P: 250	4 cottages, private spa, saltwater pool, tennis, sm conferences, near New Brighton Beach, licensed restaurant (F&S only), excl brekkie

Name	Location	Type	Price Range	Remarks
Suzanne's Hideaway	Clunes, 24km to BB, 18km to Lismore	CA	L: 115-150 S: 145-210 P: 175-270	Tennis, river, rainforest walking trails nearby, linens/towels included
Murojum Farm	243 Coopers Shoot, Byron Bay	CA	L: 150 S: P: 230	Farmstay accommodations, 2-br cottages, family-oriented, pool
E. Ecotourism (NEAP) accredited				
Crystal Creek Rainforest Retreat	N of Chillingham near Qld border, 1 hr from BB	CA	L: 240-275 S: P:	3 bungalows surrounded by rainforest & creek, min 2 nights on wkends, mid-wk 3-nt rates, couples, Adv ET accreditation
Hanging Rock Chalets	Near Mt Warning & Springbrook NP, 50 min BB	CA	L: 130-150 S: P:	Near Mt Warning and Springbrook NP, cabins, ET accreditation
Midginbil Hill Country Resort	Nightcap NP, 50 min from BB	B&B	L: 133-194 S: P:	Family-oriented, canoeing, horse riding, 3-nt pkg \$369 incl 3 meals, B&B wkend \$194/nt, Nature Tourism accreditation

Appendix VI.

Typical Activities for Visitors to Byron Bay

The following activities on offer to tourists visiting Byron Bay have been analyzed to gain a sense of the types of tourists that come to the area and the sorts of activities that interest them. The focus of the analysis is on the nature-based content and the educational content of these activities. No figures have yet been obtained indicating the numbers of tourists actually participating in these activities. (Sources: Mainly on-line information for visitors to Byron Bay)

[incomplete]

Appendix VII.

Relevant Events in Byron Bay Area during 2003

The following events during 2003 provide an idea of the kinds of events that might attract guests in Crinkle Bush's target market. Crinkle Bush will attempt to promote its facilities directly with the organisers of events marked with an asterisk (*), as people attending or participating in these events are often provided with discounts at certain accommodations promoted by the organisers. Since these guests are generally in the Crinkle Bush target market, such discounts are justified as advertising expense when these guests recommend the lodge to others after returning home.

January

- 3-6 Starlight Festival - a celebration of well-being (Bangalow, 10 min.)
- 5 Richmond River Bird Club Annual Show (Lismore, 40 min.)

February

- 14-23 BASC Film Festival (Byron Bay) *

April

- 18-21 East Coast International Blues & Roots Music Festival (Byron Bay) [Easter]

May

- 8-11 Ballina District Orchid Show (Ballina, 20 min.)
- 9-11 Mother's Day Orchid Gala (Ballina)

June

- 3 Goat Island Music & Arts Festival (??)
- 5-8 Old and Gold (Byron Bay)

July

- 19-20 Splendour in the Grass (Byron Bay) [??]

*Whale watching season begins until late September/October **

August

- 1-4 Byron Writers Festival *
- 16-17 Northern Rivers Herb Festival (Lismore, 40 min.)
- 29-31 Bangalow Music Festival (Bangalow, 10 min.)

September

September to January

- 8th Thursday Plantation East Coast Sculpture Show (north of Ballina)
- 1-5 Spring Garden Competition (?)
- 11-14 Ballina District Orchid Club Spring Show (Ballina, 20 min.)
- 15-21 A Taste of Byron (Byron Bay)
- TBA Southern Cross Arts & Crafts Festival (Ballina)

October

- 4-6 Ballina Aquatic Festival (Ballina) [?]

November

- 15-16 Bangalow Show (Bangalow) [?]
- TBA NCEIA presents 12th annual Dolphin Awards [?]

December

- TBA Christmas Lightup (Byron Shire, etc.)
- 24 Christmas Eve Street Celebrations (Bangalow)
- 31 Byron New Years Eve Street Celebrations (Byron Bay)

Appendix VIII.

Local Nature-based Volunteer Groups

The following local volunteer groups are engaged in bush regeneration, replanting, erosion control, and other nature-based activities that are also open to visitors to the area interested in learning more about the area and meeting people with common interests. Information on these groups, activities, schedules, and contacts will be made available at the lodge to guests.

- * Green and Clean
- * Dune Care
- * Headland Trust volunteer program
- * Bush regeneration (Byron Environment Centre)

[incomplete]

Appendix IX.

Bush Regeneration Tours for Volunteers

This is an example of what can be done in the way of organising bush regeneration tours for volunteers desiring to come to Byron Bay and help regenerate bushland in Arakwal National Park in cooperation with the Arakwal NP Management Committee and surrounding natural areas which are badly in need of care. In this case, volunteers paid their own transportation fares and accommodation costs to work on Lord Howe Island for a week. "Last year, 150 volunteers each paid around \$1500 for the privilege of working on one of seven week-long weeding tours."

Similar tours are operated by Conservation Volunteers Australia which has an international network of members and volunteers (www.conservationvolunteers.com.au).

Green know Howe earns award

by REBECCA LANG

LOCAL environmentalist Rymill Abell has been recognised for his efforts in bush regeneration in Ku-ring-gai and on World Heritage-listed Lord Howe Island with a state Community Service Award.

The enthusiastic bush regenerator was surprised in Paddy Pollin Park recently by Ku-ring-gai MP Barry O'Farrell with the award. Mr Abell has had a lengthy affiliation with Ku-ring-gai, but six years ago he took his bush regeneration commitment one step further after a chance meeting with naturalist and photographer Ian Hutton on Lord Howe Island.

There Mr Abell learned of the problems introduced weeds had created for native flora and fauna.

Mr Hutton shared his vision of establishing a series of week-long weed tours to help rid the island of weeds - an earlier attempt in 1995 failed to generate repeat visits. Mr Abell set about using his local contacts to ensure its success and the first bush regeneration tour was born in 1998, with volunteers paying their own airfares and accommodation costs to work on the island for a week. Last year, 150 volunteers each paid around \$1500 for the privilege of working on one of seven week-long weeding tours. Sixty per cent of volunteers



Willing and Abell . . . Rymill Abell is chuffed to be given a community service award for his work on Lord Howe Island
Photo: PHIL BLATCH

came from, and around, Ku-ring-gai.

Mr O'Farrell said: "Rymill gave a talk and slide show about the success of the weed trips."

"The reduction in ground and climbing asparagus weed has been phenomenal. As a result I decided to see for myself what local residents were doing and I

signed up for one of the seven weeding parties this year.

"During my July visit I saw Rymill in action. He's indefatigable. Without his drive, contacts and organisational skills it is unlikely the program would have been as successful."

While Mr Abell has led nearly all 18 weeding trips to the island,

he still maintains a strong commitment to local bush regeneration projects in Ku-ring-gai.

Mr O'Farrell said there were an estimated 1000 people engaged in bush regeneration at almost 100 sites around Ku-ring-gai.

For more details on bush regeneration call 9415 3998 or 9424 0888.

Appendix X.

Humpback Whales Off Cape Byron

Byron Bay is also a popular whale watching destination, with an estimated 4,000 whales migrating to Antarctica for the summer and back up to their spawning waters near Hervey Bay, Queensland, during winter. Data on their twice-annual movements past Cape Byron indicate when visitors to the lodge will have the greatest chance of seeing them. This data will be provided on the Crinkle Bush website and at the lodge.

Since whales appear most often during late May through July on their northbound migration and in late September through October on the southbound migration, whale watching can be an activity that attracts visitors to the Crinkle Bush Lodge during the off-season.

[graph below will show number of weekly or monthly sightings during the year - data yet to be procured.]

Appendix XI.

"Australian Terrestrial Biodiversity Assessment 2002"

In a ravaged land, 1600 species at risk

James Woodford

The nation's biological wealth is collapsing and almost 1600 species are threatened, according to the most detailed stocktake of Australia's plants and animals yet.

Land clearing is identified as the chief culprit and it could cost at least \$4.5 billion just to restore vegetation to the worst-affected parts of the continent.

"One-third of the world's extinct mammals since 1600AD are Australian," says the report by the Federal Government's National Land and Water Resources Audit, leaked to the *Herald*. "Such a record is unparalleled in any other component of Australia's biodiversity, or anywhere else in the world."

In all, 346 vertebrates, eight invertebrates and 1241 plants are listed as threatened. And almost 3000 different types of ecosystem are now considered at risk.

Twenty-two Australian mammals are already extinct and a further eight species persist only on islands, says the report, Australian Terrestrial Biodiversity Assessment 2002.

Australia has long had the worst record for mammal extinctions on Earth. But the crisis appears to be worsening, a direct result of environmental degradation, especially land clearing.

The report calls for an urgent halt to the removal of native vegetation: "There has been a massive contraction in the geographical ranges and species composition of Australia's indigenous mammal fauna over the last 100-plus years."

For the report, Australia was divided into 384 sub-regions. Threatened plants were in decline in 177 of these areas, birds in 240, mammals in 194, reptiles in 119 and amphibians in 65.

Only eight sub-regions in the whole of Australia had no recorded threatened species.

The report makes a grim prediction about the ecosystem on which most of Sydney sits - the Cumberland Plain. It is considered one of the most endangered ecosystems on the continent.

"The threatened communities [of the plain] are inadequately reserved and it is unlikely, recognising the pressures... that recovery of biodiversity values will occur."

The audit says only 13 per cent of the native vegetation on the plain remains. About 90 per cent



Peritrichia richmondia butterfly, a green and golden bell frog and the squirrel glider.



Endangered species include:

Green and golden bell frog, bilby, Eastern barred bandicoot, long-footed potoroo, numbat, squirrel glider, brush tailed rock wallaby, northern hairy-nosed wombat, Eastern quoll, yellow-bellied glider, powerful owl, Richmond birdwing butterfly.

Article in the *Sydney Morning Herald* on 23 April 2003 about the "Australian Terrestrial Biodiversity Assessment 2002" by the National Land and Water Resources Audit, due for release in 2003 according to NLWR website.

ABC Local Radio reported this morning that this assessment includes information about the situation in the Far North Coast of NSW that should be of interest to Crinkle Bush activities.

On the following page is the text of a related article in the same issue of the *Sydney Morning Herald* that contains insight into what an ecotourist experience might mean for visitors.

To fix a ravaged land, start with \$4.5bn

this assessment is bleak, but the opportunities are clear: controlling land clearing, completing the national parks system and protecting northern Australia can all be cost-effective investments for government."

The Environment Minister, David Kemp, said: "The report is an excellent statement of the issues we face in relation to biodiversity." Discussions on vegetation removal were under way with NSW, Tasmania and Queensland.

require four times the injection of cash delivered by the Government's Natural Heritage Trust - already unprecedented.

Another alarming finding is that the biodiversity in the great wilderness areas in northern Australia - once considered a refuge for wildlife - is declining rapidly.

The Australian Conservation Foundation's executive director, Don Henry, said the relationship with the environment was out of balance. "The picture given in

From Page 1

have a "very good standard of management". The management on more than half the reserves on both public and private land is considered to be only "fair".

Almost 60 sub-regions in Australia have less than 30 per cent of native vegetation cover. The audit says about 9 million hectares would have to be planted to re-vegetate these areas. At a cost of at least \$4.5 billion, that alone would

of the riverside vegetation is gone and 85 species are listed as endangered or vulnerable.

In even worse condition is the Murrumbidgee district on the ACT/NSW border - 99.5 per cent of its precious ecosystem has been destroyed for agriculture. Its temperate grasslands are the most endangered ecosystem in Australia, the report says.

Overall, it says: "The rapid decline and loss of many mammal species that respond rapidly to environmental stress provides an insight of what may be occurring with other groups of species over a longer time frame."

"For birds, though the extinction debt has yet to become apparent in many bio-regions as they are more mobile and can persist longer, populations of some species have markedly reduced."

Less than 10 per cent of the landmass - 71.3 million hectares - is managed for conservation.

Only 12 per cent of all conservation reserves are considered to

Continued Page 5
How to become extinct - Page 14

How To Become Extinct

Sydney Morning Herald, April 23, 2003

IN 1990 camel man, amateur historian and Central Australian legend Phil Gee and his wife Ifeta discovered a population of black-footed rock wallabies in the Davenport Ranges in northern South Australia. A decade later, the ecologists John Read and Katherine Moseby went back to check how the beautiful little wallabies were doing and set themselves up for a weekend of quiet observing.

But the young scientists were stunned to discover that before anyone had taken the opportunity to study the colony they were all dead. All that was found were a few dried droppings, a mummified carcass and cobwebs covering the crevices in which the animals once sheltered.

Read is a passionate observer of desert wildlife and felt a personal responsibility for the loss.

"What had gone wrong?" he asks in his new book *Red Sand, Green Heart*. "What had happened to these wallabies that had been isolated from tourists, cattle, mines, pollution and even donkeys? Katherine and I suspected that their population had been restricted to an unviably small level by the high numbers of predators and competitors ...

"After reading accounts of mammals in the 1930s that have since become extinct, I was frustrated that little had been done to save these creatures. So many excuses could be made. In those days outback residents were so busy trying to survive that they were probably not aware of the impending demise of these species. Back then no one had the money, knowledge or support to conserve the critters that lived out in the boondocks. But what about now?"

Read says he used to imagine how he could have done things differently had he been alive 70 years ago: "What a joke. I was around in exactly the circumstances that I had dreamed of and the result had been no better."

On that weekend Read received his membership into the club of frightened Australian scientists who have witnessed an extinction event.

The passing of the Davenport rock wallaby is just one small act in the catastrophic collapse of Australia's biodiversity - possibly the single greatest environmental disaster that the continent faces. A new report on biodiversity, by the Federal Government's National Land and Water Resources Department, warns that no other place on the planet has lost so many mammal species.

The simple answer to what is causing the crisis is homelessness. The habitat that our extraordinarily evolved species depend upon is being destroyed for agriculture and development, degraded by new man-

agement regimes or invaded by feral residents.

"The most widespread processes threatening ecosystems are vegetation clearing, fragmentation of remnant vegetation, grazing pressure, exotic weeds, feral animals, firewood collection, salinity and other changed hydrology, and altered fire regimes," says the Australian Terrestrial Biodiversity Assessment 2002 report.

In its assessment, the Federal Government directly fingers the land clearing practices of NSW and Queensland as being the single biggest destroyer of biodiversity: "Urgent action is required to halt the clearing of all threatened ecosystems as well as broad-scale clearing within the Murray-Darling Basin."

It is only in recent years that the threat posed by firewood collection in southern and eastern Australia has been realised. For the insects and animals at the bottom of the food chain both home and the next meal is often a rotting log.

Unfortunately, conservation has focused almost totally on national parks, but they comprise less than 10 per cent of Australia - about 71.5 million hectares on both public and private lands - which means that 90 per cent has been neglected. Also, only about 12 per cent of the national parks were found by the audit to have a "very good standard of management".

"The standard of management of most of Australia's protected areas indicates that more can be done," the assessment says. "In most bioregions [53 per cent], the standard of management is only fair, though any resource degradation is retrievable, and in 14 per cent it is poor, where permanent resource degradation is occurring."

The management of less than a quarter of all reserves was considered by the report's authors to be "good".

No matter what improvements are made to parks, until the remaining 90 per cent of the continent is managed with consideration to the survival of native species then extinction will remain synonymous with Australia.

Outside national parks, wetlands are being destroyed, ancient forests cleared, rivers drained for irrigation and native animal populations crushed by the presence, in their millions, of creatures such as sheep and foxes.

The line of plants and animals in the queue for extinction is now 1595 species long. Nearly 3000 types of ecosystems are considered threatened. More than one-third of our nationally significant wetlands are in decline.

The report includes the following devastating case

study of an area just a few hours' drive from Sydney: "The natural temperate grasslands that are one of the dominant ecosystems in the Murrumbateman [on the Canberra/NSW border] subregion is the most threatened ecosystem in Australia, having declined by 99.5 per cent since European settlement." Plant and animal species have collapsed and yet officially approved clearing still occurs there.

Another case study details the impact of wetland destruction north of Dubbo: "For the Macquarie marshes, the building of dams and diversions upstream have significantly reduced the frequency of flooding and the numbers of breeding pairs of ibis, egrets and herons have declined by about 100,000 every 11 years. Similarly, the number of waterbird species breeding in the Barmah-Millewa forest on the Murray River has declined. On the lower Murrumbidgee floodplain, waterbird numbers declined by more than 80 per cent over a 19-year period from an average of more than 100,000 to less than 20,000 waterbirds ...

"The most commonly listed threats associated with this decline are: increased fragmentation, overgrazing, feral animals and weeds, changed fire regimes and changed hydrology with many of these threats having a combined impact on riparian zones." Although the situation with birds generally does not seem to be as grim as mammals - 29 species are dramatically declining - the assessment warns of what it calls an "extinction debt". In other words we have done the damage to the environment and it is now only a matter of time before a suite of species will perish. These birds are the "flying dead" - no longer reproducing, which means that once the adults succumb the species will disappear. The job of repaying the debt is an enormous one that will consume vast amounts of cash and resources.

"Overall the clearing of land for agriculture appears to have had the greatest non-climatic influence on bird abundance in Australia. Some species have been lost as soon as habitat is destroyed, but others persist for decades in remnants. Species in the latter group will generally decline over time because of loss of habitat or lack of recruitment from other areas."

The report also highlights that, considering Australia is the driest inhabited continent on earth, Australians have given scant regard to sustainably using rivers. It assessed 209,118 kilometres of Australian rivers. "Over 85 per cent of river length was classified as having undergone some environmental modification, including catchment disturbance, reduced riparian vegetation, hydrological disturbance and

increases in the load of suspended sediments and nutrients," the report says.

NSW has a staggering 97 per cent of its rivers modified. The Northern Territory by comparison has the smallest - 34 per cent.

Who cares? The report highlights the fact that nature-based tourism is estimated to make up 4.7 per cent of gross domestic product in direct terms and 11 per cent indirectly. There is much more to experiencing Australian wildlife than seeing kangaroos, emus and galahs - all species that thrive in our presence. As tourists and the public become more sophisticated in their appreciation of nature they increasingly want to see some of our more unique creatures. Imagine how much a Tasmanian tiger would be worth for tourism today.

Also, the Australian landscape and its wildlife are entangled to a degree that we are only just beginning to understand - many animals provide fundamental environmental services such as pollination of plants, turning over soil and controlling insect pests.

More than anything, however, it is the simple pleasure of protecting something that is beautiful and wild that makes the job of preserving our flora and fauna so important. The assessment report describes this as the "aesthetic" value of biodiversity.

Late last year my family was invited to dinner at a friend's place on the South Coast of NSW. Between the main course and dessert our host asked us to follow him outside into a deepening dusk. My children were beside themselves with excitement as we followed through a remnant patch of forest red gums and into a small clearing where we were told to stop and watch the crowns of the trees quietly.

Soon a miniature marsupial emerged, a sugar glider, seemingly oblivious to our presence. To everyone's amazement the ball of fluff flung itself skywards like a base jumper - except rather than fall to the ground, it magically began to glide through the air, far into the night, landing 30 metres away without the slightest sound.

Will my children have the same opportunity to show their children such a wonder of the Australian bush?

Sugar gliders are not endangered. But that cannot be taken for granted - until 1920 museum collectors went to Coogee when they wanted to collect eastern quoll specimens. Today the native cats at Coogee have been replaced by thousands of the domestic variety.

This story was found at: <http://www.smh.com.au/articles/2003/04/22/1050777255629.html>

Appendix XII.

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