

# 2013

J and HK Joyce Pty Ltd  
t/as Brick House Cattle  
Station and Terra  
Australis (Great  
Southland) Wilderness  
Retreat

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## Executive Summary:

Not often does the opportunity to purchase a working cattle/sheep station, located 16 km's from a major regional town and in the heart of some of the best tourists destinations in Western Australia. Add to this, 60km's of ocean frontage, 40km's of river frontage and inland tourist wilderness tourists sites, you have the ingredients to build one successful tourism/wilderness/working cattle or sheep station tourism opportunities. J and H.K. Joyce Pty Ltd have identified such a working cattle/sheep station located in the Gascoyne region of Western Australia, which offers domestic and international tourists a wilderness experience beyond compare. Wait, there's more! World food shortages and the perfect soils and water supply make Brick House Cattle Station an ideal location to introduce an additional income stream growing horticultural products for domestic and international supply.

### **1.1 Introduction:**

Brickhouse Station, located 16 km's from the Carnarvon Town Centre, is a working Cattle Station of 224,243 hectares (554,117 acres) with over 60km's (36miles) of ocean frontage, 40km's (24miles) of Gascoyne River frontage and superb outback plains. Brickhouse Station is for sale for \$6,235,600.00 USD. The sale includes all assets, buildings, stock, vehicles, equipment and much more.

The cost of establishing Terra Australia (Great Southland) Wilderness Retreat at Brickhouse Station, Carnarvon is \$2,672,400 USD for the luxury wilderness resort, including restaurant/function centre, luxury wilderness tent accommodation, backpacker accommodation, and equipment.

Additional costs of \$1,200,000 USD are required to fund: solar and wind power generation systems for each luxury wilderness tent and the guest dining/restaurant facility; the reintroduction of a reduced flock of sheep; and, the introduction of horticultural production for sale to local and Perth markets. These additional items introduce significant cost savings and provide for multiple streams of income to strengthen the bottom line viability of the whole operation.

### **1.2 The Company:**

J and H.K. Joyce Pty Ltd, plan to build a luxury wilderness retreat, Great Southland (Terra Australia) Luxury Wilderness Retreat planned around up to 50 luxury wilderness tents located along the coast, with ocean views and where possible, private beach access. The luxury tents will range from top end couple/VIP tents to family/group tents. Along the beach will be shelters with hammocks for guests to recline in. Kayaks, snorkelling, fishing, SCUBA and a whole range of other recreational items will be available.

Central to the tent location will be a licensed restaurant and dining facility with bar for guests to take main meals at if they require. This facility will be open to the public for lunch and dinner. Backpacker accommodation will be incorporated into the station's tourism/hospitality activities.

Remote cabins with no power or accessories will be available for guests to spend real wilderness time away in with nothing more than swag and supplies in their backpack.

Guests will also have access to the station work life, being offered opportunity to share in working the station, riding stock from paddock to paddock and shearing when in season.

### **1.3 Our Services:**

Part of Terra Australis (Great Southland) strategy, we will provide paid day tours to significant sites of the inland Gascoyne creating for guests a total wilderness experience they can choose for themselves.

Historic Station on Western Australia's Coast... Brick House Station covers 225,315 hectares (554,000 acres) of premium Western Australian grazing land in a location second to none. Adjacent to Carnarvon, with 60kms of Indian Ocean frontage, opportunities for further development of this property are boundless. The Gascoyne River runs through the station for 40 kms providing possibilities for horticultural pursuits. Carnarvon is situated 900 kms north of Perth and nearby world famous tourist destinations such as Ningaloo Reef and Exmouth. "Brick House" station homestead is situated 16km's from the Carnarvon town site and is accessed from Highway No 1 for ease of transport requirements. All services are provided in Carnarvon including medical, schooling and shopping centre's.

A national/regional airline takes off from Perth Domestic Airport, heading for the regional town of Carnarvon 900km's (556 miles). Carnarvon, a coastal town of 8500 people on the mouth of the Gascoyne River, is the regional centre for the Gascoyne region of Western Australia and lies adjacent to the World Heritage Listed Site of Shark Bay and its amazing flora, fauna and sea life. Inland from Carnarvon, vast outback plains, unique mountain ranges, the world's largest rock feature (twice the size of Uluru in central Australia) lie waiting for tourists to tread their ancient paths.

Acclaimed to be one of the most beautiful places on the Australian coast, where whales often pass within 200 metres of the property during the season. Combining the intrigue of a working cattle/sheep station with comfortable accommodation, the park offers a truly quintessential Gascoyne experience for all.

Tourism is an important industry for the Australian economy. In the financial year 2010/11, the tourism industry represented 2.5% of Australia's GDP at a value of approximately A\$35 billion to the national economy. This is equivalent to tourism contributing \$94.8 million a day to the Australian economy. Domestic tourism is a significant part of the tourism industry, and was responsible for 73% of the total direct tourism GDP. This was at a time of high currency value for the AUD vs USD. Recent devaluation of the AUD to below \$0.90 USD will make tourism to Australia more affordable for international tourists.

The 2010-11 financial year saw a record number of overseas arrivals in the financial year, with 5.9 million short-term visitor arrivals to Australia (or 588 extra visitors a day extra). Tourism employed 513,700 people in Australia in 2010-11, or which 43.7% of total tourism employed persons were part-time. Tourism also contributed 8.0% of Australia's total export earnings in 2010-11.

Recent tourism trends for overseas tourists to Australia show an increasing number seeking 'wilderness' experience holidays as their main purpose in coming to Australia. The unique Australian landscape and its diversity, including wildlife are significant points of interest in the country's tourism.

Tourism Australia's latest consumer campaign "There's Nothing Like Australia" invites Australians to share their favourite Australian place or experience with the world.

Stay in a real Australian homestead or wilderness retreat in Australia's Gascoyne and experience outback life at its best.

## **2.1 Financial Considerations:**

The property operates profitably, has a 5000 cattle carrying capacity and a 38,000 (sheep) DSE Rating, cattle yards hold 1500 adjacent to Highway. Soils are predominantly alluvial red. It's very generous size is indicated... Land Size 224,243 ha (554,117 ac) Price Per ha - \$31 Price Per ac- \$13.

Financials are available from the Seller's Agent on receipt of a signed Offer To Purchase Contract, subject to finance document.

At this point, no offer has been made until such time as finance approval is provided by a suitable Lender.

Financial Projections on the performance of The Great Southland (Terra Australia) Luxury Wilderness Retreat, are provided below.

## **3.1 Objectives:**

- 1/ Purchase of Brick House Cattle Station, Carnarvon – continue operations with addition of horticultural development to produce first crops within 1 year.
- 2/ Review stock make-up with view to introduce 5,000 head of sheep in addition to 5,000 head of beef cattle, and the capture of 9,000 – 10,000 to feral goats per annum.
- 3/ Construction and development of Great Southland (Terra Australia) Luxury Wilderness Retreat, using luxury 'eco tent' designs to provide a restaurant and guest centre, along with 50 luxury accommodation tents built in stages to provide for opening of accommodation to guests as each new stage comes into readiness for use.
- 4/ Introduction of local station tours and day tours to areas of interest within travelling distance of the Retreat and led by local Aboriginal guides, who will also share with tourists their culture and the significance of the land in Aboriginal life. Likewise, local food and cultural tours within the station boundaries will also be provided.

5/ With the combined financial strength of multiple income streams from cattle station operations, wilderness retreat incomes and tourism based services, Great Southland (Terra Australia) Luxury Wilderness Retreat will be the premier tourist accommodation sought out by international and domestic tourists seeking an authentic wilderness experience, enjoyable luxury accommodation and service, and the opportunity to participate in local Aboriginal culture and living.

### Services

Our focus will be on the provision of excellence and luxury from the moment a potential international or domestic guest spots our professionally constructed and eye catching website, to our paid advertisements, which we will spread throughout the internet, using targetting technology for our advertisements, and in select up-market print publications to be seen by our most likely class of guest.

Station stay style accommodation has increased in popularity in Australia over the past 10 years, in response to more people being prepared to tour the outback of Australia for a holiday in lieu of travelling overseas. Likewise, trends show increasing numbers of overseas tourists coming to Australia are seeking an authentic wilderness experience. Many stations provide basic accommodation for guests. Few have specific guest accommodation or large numbers of accommodation.

Even less stations have 60 kilometres (35 miles) of pristine ocean frontage or 40 kilometres (24 miles) of major river system to add to the opportunities guests may experience at Great Southland (Terra Australis) Wilderness Retreat. Brick House Cattle station is one of a few stations located close (less than two hours) to two World Heritage listed wilderness locations of Shark Bay and Ningaloo Reef.

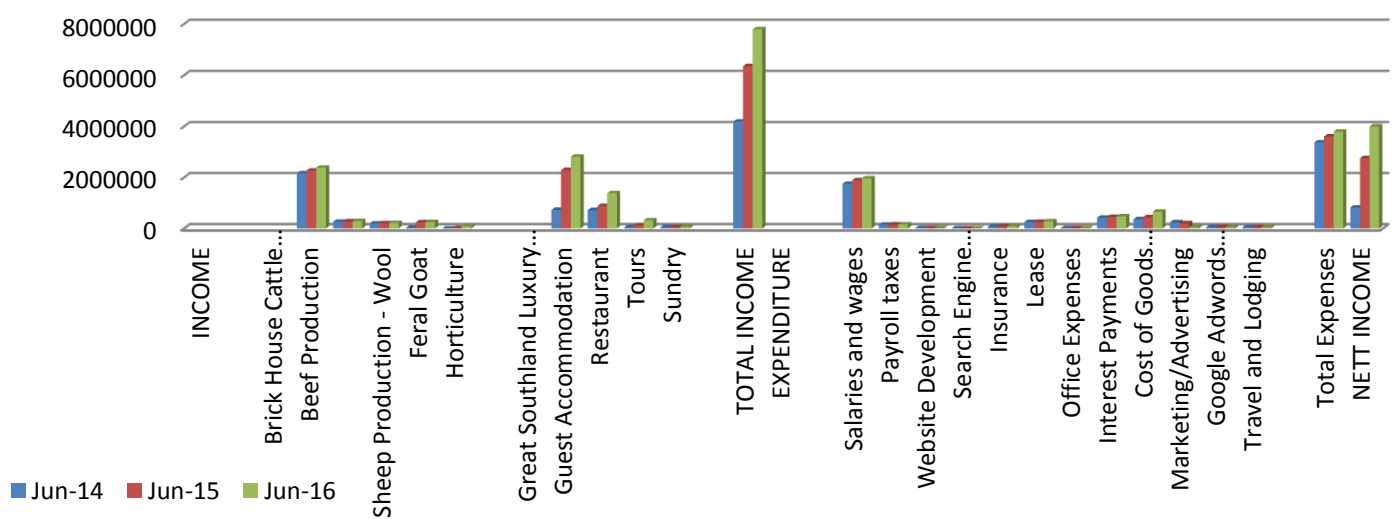
No stations are located less than 10 miles from a major regional centre on a major highway system, with an airport handling regular daily flights from Perth, making access to an authentic wilderness site very easy and convenient.

### Exit Strategy:

The goal of J and H.K. Joyce Pty Ltd is to develop Brick House Cattle Station and Great Southland (Terra Australis) into a premier cattle station in the Gascoyne region of Western Australia and, to make Great Southland (Terra Australis) Luxury Wilderness Retreat an award winning tourist destination with a worldwide reputation for excellence, comfort and authentic wilderness experience!

Creation of a cattle station and wilderness tourist resort to this standard will create a saleable entity, which can be brought to market and sold at premium price for the owners.

## Brick House Cattle Station and Great Southland Luxury Wilderness Retreat



INCOME			
	Jun-14	Jun-15	Jun-16
<b>Brick House Cattle Station</b>			
Beef Production	\$2,160,000.00	\$2,268,000.00	\$2,381,400.00
Sheep Production -Meat	\$262,500.00	\$275,625.00	\$289,406.00
Sheep Production – Wool	\$196,212.00	\$206,022.00	\$216,323.00
Feral Goat	\$25,000.00	\$236,250.00	\$248,062.00
Horticulture	\$0.00	\$15,000.00	\$85,000.00
<b>Great Southland Luxury Wilderness Retreat</b>			
Guest Accommodation	\$728,000.00	\$2,293,200.00	\$2,809,170.00
Restaurant	\$720,000.00	\$882,000.00	\$1,380,000.00
Tours	\$48,000.00	\$120,000.00	\$316,800.00
Sundry	\$50,000.00	\$55,000.00	\$65,000.00
<b>TOTAL INCOME</b>	<b>\$4,189,712.00</b>	<b>\$6,351,097.00</b>	<b>\$7,791,161.00</b>
EXPENDITURE			
Salaries and wages	\$1,750,000.00	\$1,890,000.00	\$1,962,450.00
Payroll taxes	\$148,750.00	\$153,212.00	\$157,808.00
Website Development	\$15,000.00	\$15,000.00	\$15,000.00
Search Engine Optimization	\$5,000.00	\$5,000.00	\$5,000.00
Insurance	\$75,000.00	\$78,750.00	\$82,687.00
Lease	\$250,000.00	\$258,000.00	\$278,640.00
Office Expenses	\$12,000.00	\$13,250.00	\$15,000.00
Interest Payments	\$420,000.00	\$450,000.00	\$475,000.00
Cost of Goods (Restaurant)	\$360,000.00	\$441,000.00	\$654,000.00
Marketing/Advertising	\$240,000.00	\$200,000.00	\$50,000.00
Google Adwords Marketing	\$50,000.00	\$50,000.00	\$50,000.00
Travel and Lodging	\$45,000.00	\$45,000.00	\$48,000.00
<b>TOTAL EXPENSES</b>	<b>\$3,370,750.00</b>	<b>\$3,599,212.00</b>	<b>\$3,793,585.00</b>
<b>NETT INCOME</b>	<b>\$818,962.00</b>	<b>\$2,751,885.00</b>	<b>\$3,997,576.00</b>