Office of Environment & Heritage
NSW National Parks & Wildlife Service

Penders Conservation Management Plan / Feasibility and Business Assessment

PENDERS,

MIMOSA ROCKS NATIONAL PARK

Prepared for
National Parks and Wildlife Service
Office of Environment and Heritage

Prepared by
Urbis Pty Ltd

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Table of Contents

FIGURES:

PICTURES:

TABLES:

NPWS Actions and Responses: Review of Conservation Management Plan / Feasibility and Business Assessment for Penders, Mimosa Rocks National Park

Background

Following two generous donations of freehold land, totalling 220 hectares to the NSW Government in 1976 by Kenneth Myer and Sir Roy Grounds, an area of 20 hectares was leased back to the owners until 2001. The lease was extended for 10 years and expired in January 2011. After this date, the area known as "Penders" is managed by the National Parks and Wildlife Service (NPWS) a part of the Office of Environment and Heritage (OEH) within the Department of Premier and Cabinet (DPC) and forms a part of Mimosa Rocks National Park. When the lease expired in January 2011 the remaining assets became the property of the Crown. This includes two main building structures, "The Barn" and the Myer House along with other smaller outbuildings, facilities and infrastructure.

In 1998, the Barn, the Geodesic Dome and the site of the former timber preservation works were placed on the NSW State Heritage Inventory. The Barn was included on the Register of the National Estate (1981), and classified by the National Trust and included on its Register (1991). The Geodesic Dome and the remains of a wind generator were also recognised as significant structures associated with the Barn.

The 1998 Plan of Management for Mimosa Rocks National Park committed to management of the Penders buildings in accordance with recommendations of a heritage assessment. The NPWS in 2001, commissioned Jill Sheppard Heritage Consultants to prepare a Conservation Management Plan (CMP) for the Penders site. The CMP was completed in 2002 and adopted in 2003. This document and the 1998 Plan of Management have been the basis for management of the significant historic elements of the site for the past 12 years.

The 1998 Mimosa Rocks National Park Plan of Management has now been reviewed and in February 2011, The Minister for the Environment adopted a new Plan of Management for the park. The 2011 Plan of Management, section 5.2.2, details the policies and actions that guide the on-going management of the Penders site. Of particular note is policy/action 6 which states:

1. *Ongoing conservation of the "Barn" and investigation into the financial viability of its adaptive re-use as paid holiday accommodation. If shown not to be viable, adaptive re-use of the structure as the key interpretive node for the site.*
2. *Adaptive re-use of the Myer House, and supporting infrastructure such as the tennis court, as paid holiday accommodation pending the findings of a feasibility study. This study will also include investigations into the environmental (natural and cultural values)*

social equity (opportunities for community use at a lower rent for short periods of the year), financial and site security implications of such re-use, and its compatibility with use of the area by other visitors.

3. *The site of the two buildings to be adequately secured, with a preference for an on-site presence.*
4. *The site to be made available at fixed times each year for use by community groups.*
5. *Recording followed by removal of all other built structures, with building foundations retained for interpretive purposes.*
6. *Breaching and rehabilitation of the existing dams without cultural significance unless breaching will result in the creation of unacceptable environmental disturbance, in which case these will be retained as will any dams required for management purposes.*
7. *Allowing the golf course to naturally revegetate.*
8. *Recording and removal of the gardens and orchards; and recording and interpretation of remaining miscellaneous items.*

NPWS commissioned planning consultants, URBIS Pty Ltd to review the 2002 CMP and undertake a feasibility and business assessment for the adaptive re-use of the Penders site including the two main buildings, “the Barn” and Myer house (2 above).

In August 2011, URBIS presented their final report to NPWS. The following is a review of the URBIS report as it relates to NPWS implementing its statutory obligations under the *National Parks and Wildlife Act 1974*, the *Heritage Act 1977* and the 2011 Mimosa Rocks National Park Plan of Management.

Conservation Management Plan 2011

The 2011 CMP was formally adopted by the OEH in October 2011 and replaces its 2002 predecessor. The NPWS recognises that in some areas the 2011 CMP is no longer consistent with the 2011 Plan of Management for the park (PoM). The discussion below outlines issues that arise from this, with recommended actions to satisfactorily resolve them.

***Issue**:* Section 2.7.1 Policy 1 states “*Amend the PoM, if necessary, to ensure conservation and/or adaptive re-use of the Geodesic Dome, Covered Orchard, Main Dam, Shed/Bathroom Pod, Windmill Tower remains, slab seats and the former timber Treatment plant (if there are no contamination issues), and to ensure controlled use of the interior of ‘The Barn’ with interpretation to be provided external to the building.”*

Discussion: This Policy recognises there are some inconsistencies with the 2011 MRNP PoM. NPWS accepts this and will make recommendations to amend the Plan of Management.

Action: **Seek to amend the 2011 PoM to be consistent with the policies stated in the 2011 CMP as listed below**:

The Geodesic Dome*: The current PoM indicates recording, removal and interpretation of this feature. We will seek to amend this action to ensure "the structure of the Geodesic Dome is to be actively conserved".*

The Covered Orchard*: The current PoM actions indicate recording and removal of the orchard. We will seek an amendment to the PoM to reflect the CMP indicating "Conservation and interpretation of a representative sample of the covered orchard following the recording and removal of the remainder.*

Shed / Bathroom Pod*: The current PoM indicates recording, removal and interpretation of this feature. We will seek to amend this action to ensure "the structure of the Shed / Bathroom Pod is to be actively conserved and investigated for adaptive re-use."*

Windmill Tower remains: *The current PoM indicates recording, removal and interpretation of this feature. We will seek to amend this action to ensure "the structure of the Windmill Tower is to be stabilised and interpreted."*

Slab Seats: *The current PoM indicates recording, removal and interpretation of this feature. We will seek to amend this action to ensure these items are actively conserved.*

Former Timber Treatment Shed: *The current PoM indicates recording, removal and interpretation of this feature. We will seek to amend this action to ensure "the structure of the former Timber Treatment Shed is to be conserved, interpreted and investigated for adaptive re-use".*

Feasibility and Business Assessment

The URBIS report considers the merits of five separate options for the adaptive re-use of the Penders site. The options are: **Option 1**: *Retain and do nothing*; **Option 2**: *Develop a holiday retreat (Myer House) as occasional holiday lettings*; **Option 3a**: *Develop holiday retreats (Myer House and Grounds Barn) as occasional holiday lettings*; **Option 3b**: *Develop holiday retreats (Myer House, Grounds Barn and Thong Camp) as occasional holiday lettings with 10 semi-permanent tents at the Thong Camp*; **Option 4**: *Develop holiday retreats (Myer House and Thong Camp) as occasional holiday lettings with 20 Semi-permanent tents at the Thong Camp*.

Based on its economic assessment, URBIS considered option 3b as preferable. The NPWS acknowledges this assessment, although as discussed below further investigation will be required in relation to the adaptive re-use of the Barn and further investigation and consultation is also required in relation to future use of the Thong Site. The following discussion outlines the NPWS response to the major components of the proposal as outlined in section 7.1 of the URBIS report.

Issue: The Myer House:

Plan of Management: *Adaptive re-use of the Myer House, and supporting infrastructure such as the tennis court, as paid holiday accommodation pending the findings of a feasibility study. This study will also include investigations into the environmental (natural and cultural values) social equity (opportunities for community use at a lower rent for short periods of the year), financial and site security implications of such re-use, and its compatibility with use of the area by other visitors.*

Discussion: The URBIS report confirms that adaptive reuse of the Myer house for paid holiday accommodation is financially viable either as a stand alone proposal or as a component of URBIS's options 2 or 3. The report notes that there will be opportunities for community use of the facility and describes compatible day use access for the site.

A review of Environmental Factors (REF) will be prepared for the proposal to more fully consider the environmental impacts of the proposal. These impacts cannot be fully considered until detailed design is complete.

This proposal is consistent with and addresses the requirements of the Plan of Management, subject to determination of the REF.

***URBIS Report*.** The Myer House will be maintained and upgraded as indicated below for holiday rental accommodation. Existing facilities are to be upgraded and access will be managed so that it is only accessible for guests at the house and maintenance/emergency vehicles.

- Upgrades to the building with details provided in the report.
- The wall on the western side of the existing spa room is to be moved to the west as far as practicable without impinging on the existing doorway;
- The spa is to be removed.

Discussion: The NPWS accepts the URBIS proposal.

***Action*:** Subject to satisfactory determination of the REF, implement the proposal with the aim of opening the house to holiday bookings in spring 2012.

Issue*: *The Barn

Plan of Management *Ongoing conservation of the "Barn" and investigation into the financial viability of its adaptive re-use as paid holiday accommodation. If shown not to be viable, adaptive re-use of the structure as the key interpretive node for the site.*

Discussion: The URBIS assessment is consistent with the Plan of Management in that it concludes that the use of the Barn for holiday accommodation is financially viable as a component of options 2 or 3.

However as noted below the NPWS is yet to commit to its implementation.

URBIS Report: *"The Barn will be maintained and improved for holiday accommodation along with the possibility of additional tent accommodation if required. Other furniture required will include dining chairs and a lounge. The bathroom and other facilities are to be upgraded, including installation of gas cooking facilities and new sinks."*

Discussion*:* NPWS accepts the URBIS proposal in principle. However, furnishing detail described in the report will not necessarily be implemented. NPWS will be undertaking further investigations, including assessing suitability, to determine the most appropriate option for adaptive reuse of the Barn for holiday accommodation.

Action*:* Accept in principle the recommendation of the URBIS report. Carry out more detailed planning work before finalising our proposal for the site. Seek input from interested parties.

Issue: The Geodesic Dome

Plan of Management: *Record and remove the structure*.

URBIS report: *"The Geodesic Dome will be repaired/refurbished in an appropriate and sympathetic manner, ideally following a call for assistance from and involvement of the Architectural community throughout Australia"*

Discussion*:* This is a significant change from the 2002 CMP which effectively recommended managing the dome as a ruin. Urbis recognises the architectural significance of this structure. Urbis indicate that "*the tanalithic log construction Geodesic Dome has aesthetic significance at a State level as a rustic interpretation of the hyper-technological solutions to construction of Geodesic domes overseas designed by the original inventor R Buckminster Fuller".* Urbis also suggest that the Geodesic Dome offers state level research potential as a rare architectural work and due to its demonstration of pioneering advances in timber preservation and treatment and in techniques in timber pole construction.

Repair of the dome offers a research and educational opportunity in itself and NPWS is keen to capitalise on this by inviting voluntary involvement and advice from the Australian Architectural community in the necessary repairs.

Action: Accept the URBIS recommendation. Propose an amendment to the 2011 PoM in line with the URBIS recommendation. NPWS to approach heritage architects and heritage institutions to discuss the feasibility and practicality of repairing the geodesic dome and investigate appropriate future use in conjunction with the considerations for the adaptive re-use of the Barn.

Issue: **The Thong Camp**

Plan of Management: *The development of the Thong Camp is not considered in the PoM*.

URBIS report: *"The thong camp is to have an ablution block installed along with a shelter and stands for ten high quality canvas tents.*

Discussion*:* There are no immediate plans to develop the Thong Camp as suggested by URBIS. Any future proposal will require an amendment to the PoM with appropriate community consultation.

Action*: Defer consideration of the Thong Camp proposal.*

Issue*:* ***Site Caretaker***

Plan of Management: *The site of the two buildings to be adequately secured, with a preference for an on-site presence.*

URBIS report: recommends the *"the appointment of a caretaker who will collect fees, provide keys, service the accommodation and set up and maintain the tents as necessary."*

Discussion*:* Given the remote nature of Penders site security is of concern. As discussed in the URBIS report it is likely that there would be a correlation between occupancy rates and the risk of theft and vandalism. It is important to the NPWS to maintain an appropriate level of security to preserve the cultural integrity of the site and protect infrastructure assets.

Action*:* Ensure that in developing business arrangements for the management of the site, security considerations are explicitly considered. The NPWS is in the process of developing such arrangements.

Issue*:* **Community Uses of Site**

Plan of Management: *The site to be made available at fixed times each year for use by community groups.*

Discussion*:* URBIS have recognised, as does the NPWS, the significance of continued community involvement by individuals and community groups. The NPWS encourage the pursuit of educational, artistic and architectural activities that specifically benefit from the cultural and natural values of the site. The hire rates for the facility will be kept to a minimum and will be aimed at no more than cost recovery.

Action*:* Develop formal access arrangements for community group's use of the Myer house and the Barn which will include:

- Times of the year the buildings will be available
- Costs
- A definition of community groups
- A method of resolving conflicting booking applications

Conclusion

The NPWS commissioned URBIS to carry out an independent feasibility and business assessment and to develop a new conservation management plan for the Penders site. The NPWS has adopted the Conservation Management Plan which will form the basis for managing the Heritage values of the site into the future.

The Feasibility and Business assessment indicates that adaptive reuse of the site for holiday accommodation is consistent with maintaining its heritage values and is financially viable. However the NPWS notes that not all of the URBIS proposal is consistent with 2011 Mimosa Rocks National Park Plan of Management. For the entire plan to be implemented a Plan of Management amendment would be required, with appropriate community consultation.

Acronyms

NPWS	National Parks and Wildlife Service
CMP	Conservation Management Plan
PoM	Plan of Management
URBIS	Urbis is the company contracted by NPWS to prepare an updated CMP, feasibility study and business plan for the Penders Site.
MRNP	Mimosa Rocks National Park
Penders	The name given to the original 220ha property purchased by Sir R. Grounds and K. Myer and now commonly used to refer to the area (approx 20ha) leased back to the Grounds and Myers families after their donation of their entire property to the people of NSW under the care of the National Parks and Wildlife Service. The name is thought to derive from the surname of the owners of the dairy that occupied this site prior to the purchase by Myer.

Executive Summary

The original Penders Precinct was donated to the Government in the 1970's. A lease granting the Grounds and Myer families the right to use 20 hectares expired in January 2011 and this feasibility study and business plan has been prepared to support OEH decisions regarding the ongoing management of the precinct.

The methodology generally comprises the following elements;

- Review and update the existing CMP;
- Review the market for and operation of Holiday accommodation on the far south coast and holiday accommodation within the broad area;
- Development of a concept design and business model;
- A feasibility model linked to the proposed business plan(s) has been prepared to estimate the net present value, benefit/cost ratio and internal rate of return for each option;
- Consideration of the opportunities for various community and other uses of the site.

The primary improvements erected on the land incorporate:

- the Myer house, including tennis court and out buildings;
- the "Barn", comprising a timber pole structure with awnings at the side and a metal roof;
- the Geodesic Dome, comprising a timber structure primarily of an aesthetic function;
- sheds, covered orchard, timber seats, dams; and
- various ancillary landscaping and other minor structures.

Gradings of high and exceptional heritage significance for The Penders site include;

Structure, Space or Element	Grading
Penders site overall	1
Former dairy remains	2
The "Barn"	1
Geodesic Dome	2
The Slab Seat	2
The "Bum" Seat	2
Myer House	1
Shed/Bathroom Pod	2
Former Timber Treatment Plant Shed	2
Main Dam	2
2 x memorial monuments	2
Avenues of native trees	2

Accommodation Market

Tariffs for well located holiday houses in the broader area range up to $3200 per week and more in peak season around Christmas and the summer school holidays. They move between $1200 and $2500 per week in the Low and Shoulder seasons. Camp sites range up to $60 per night from $20.

Based on the parameters of the site and our investigations the following options were analysed.

Table 1 – Options Considered

Options	Development	Dwellings	Details
Option 1 (Base Case)	Retain and do nothing	Nil	Secure the existing improvements to the site and provide basic security to limit any vandalism.
Option 2	Develop holiday retreats as occasional holiday lettings	1 house	Upgrade the Myer house to provide basic holiday style accommodation and let as holiday accommodation
Option 3a	Develop holiday retreats as occasional holiday lettings	1 house plus The “Barn”	Upgrade the Myer house and The “Barn” to let as holiday accommodation. Provide or permit tents at The “Barn” if desired.
Option 3b	Develop holiday retreats as occasional holiday lettings plus 10 Tents at Thong Camp	1 house plus “Barn” 10 Semi - Permanent Eco Tents	Upgrade the Myer house and The “Barn” to let as holiday accommodation. Provide or permit tents at The “Barn” if desired. Install 10 High Quality Tents at The Thong Camp with ablutions block and shelter structure.
Option 4	Develop holiday retreats as occasional holiday lettings	1 House 20 Semi - Permanent Eco Tents	Upgrade the Myer house and The “Barn” to provide and let as holiday accommodation. Install a limited number of permanently erected tents, camp beds, ablutions block and shelter structure at the Thong camp.

Socio-Economic Outcomes

Summary	*Option 1*	*Option 2*	*Option 3a*	*Option 3b*	*Option 4*
PV Cost	-1,396,941	-1,445,776	-1,445,776	-1,689,949	-1,772,538
PV Benefit	1,477,371	2,815,949	3,321,973	3,840,045	4,408,031
NPV	80,430	1,370,174	1,876,197	2,150,096	2,635,492
BCR	1.1	1.9	2.3	2.3	2.5
IRR	7.2%	9.8%	11.1%	11.6%	12.7%

Source : Urbis

The higher the Net Present Value (NPV), Benefit Cost Ratio(BCR) and internal rate of Return (IRR) the better the assessment of the option[1].

After assessment of the site, the CMP, the leisure accommodation market in the area and various other parameters, **Option 3b has been recommended.** This proposes the site be used for holiday accommodation through the adaptive re-use of the Myer House and the Grounds Barn with an up market camping ground at Thong Camp.

The proposal to retain the Penders for low key holiday accommodation is consistent with the stated significance of the site and the early environmental aims of both the Myers and Grounds families. It enables the retention of the main elements on the site that have been assessed as having heritage significance, and interpretation of elements that are significant. It also allows for public day and overnight use of the site which is consistent with the Myer and Grounds families' belief in public ownership of coastal lands.

The main built elements of significance, the Myer House, Barn and shed /bathroom pod are to be retained and used for their original purpose. Other significant structures such as the Geodesic dome, windmill tower remains, timbers seats, covered orchard and former timber treatment plant will be retained and conserved, and in some cases adaptively reused.

[1] Refer to Section 4.6.1 for further a definition of these terms.

1 Introduction

1.1 The Brief

The original Penders Precinct of 220 hectares was donated to the Government in the 1970's and as part of the agreement the owners were permitted to continue to use an area of 20 hectares which contains their holiday retreats . The lease granting the right to this use expired in January 2011 and this feasibility study and business plan is required to support decisions regarding the ongoing management of the precinct and the Park in general.

The broad purpose of undertaking such a study is to ensure that public services are delivered efficiently and effectively and in such a way that costs are minimised and the community benefit is maximised.

In short, this study will comprise the following elements:

- Review the condition and significance of the site since the preparation of the 2002 Conservation Management Plan;
- Review the conservation policies for the site;
- Identify appropriate new business opportunities for the site which provides for increased public use of the site and an appropriate financial return to OEH;
- Update the Tanja community in cooperation with NPWS in regard to the process and the proposed options through an "open day" at Penders;
- Provide a preferred business model;
- Provide a schematic design and indicative costings to support the proposed reuse of the site, and a Business Plan to support the proposal;
- The development of operational and business models and the preparation of feasibility analysis and business plans in relation to the models.

The site contains a number of existing structures and built features, including infrastructure such as unsealed roads, gravity fed water supply from a dam, and septic tanks.

A number of potential options for the future of the area have been considered within the context of the above elements. Based on this broad review a recommendation is be made as to the most appropriate future for the site.

1.2 Methodology

Our methodology for the preparation of the report generally comprises the following elements;

- Review and update the existing CMP to reflect changes that have taken place to the structures and the site since 2002 and changes to the management context for the operation of Penders. The heritage assessment and Assessment of Significance has been prepared in accordance with the *NSW Heritage Manual* (1996 and updated publications), the Australia ICOMOS Burra Charter (1999), and *The Conservation Plan* by James Semple Kerr (2000).
- Review the market for and operation of Holiday accommodation on the far south coast, including caravan parks, hotels, motels, camp sites and eco tourism ventures.
- Review the market for holiday accommodation within the broad area and assess the options for the site, leading, through an iterative process, to an assessment of the highest and best use of the site within the pre-defined parameters, including the CMP and the Mimosa Rocks National Park Plan of Management.

- Having developed a range of broad options, a concept design option has been prepared and a business model developed with estimates of future maintainable earnings (FMV). An assessment is made as to the appropriate development, upgrading, conservation and maintenance costs for the model along with approximate values.
- A feasibility model linked to the proposed business plan(s) has been prepared to estimate the net present value, benefit/cost ratio and internal rate of return for each option.
- Our modelling includes consideration of the opportunities for various community uses of the site.

1.3 Limitations

The site visits comprised an inspection of all built structures of significance, although some sections of the larger site were not inspected.

1.4 Site Location[2]

The authors take this opportunity to acknowledge the traditional owners of the site, being the Yuin Aboriginal People.

The Penders Precinct is located within the Mimosa Rocks National Park on the Far South Coast of NSW, approximately 420 kilometres south of Sydney, 15 kilometres north east of Bega, 12 kilometres north of the township of Tathra and 22 kilometres south of Bermagui. It is within the local government area of Bega Valley (Figure 1) and the boundaries of the Bega Local Aboriginal Land Council area. The original Penders Precinct covers 220 ha. However, the area that has been privately occupied by the families as a holiday retreat since 1964 comprises 20 ha.

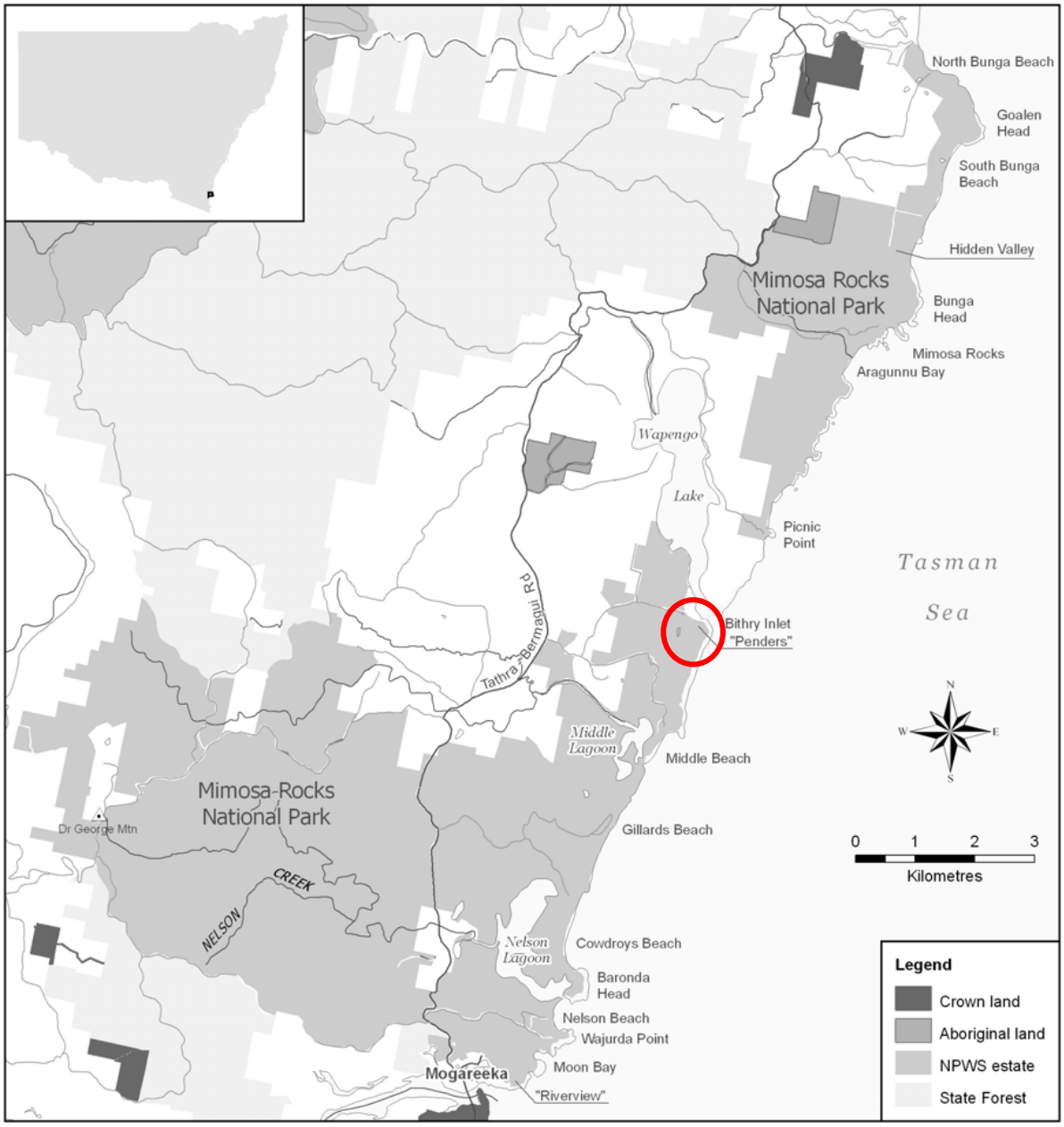
Mimosa Rocks National Park covers some 5,804 hectares and extends northwards along the coast from the mouth of the Bega River for 20 kilometres to the southern shore of Bunga Lagoon. Mean high water mark delineates the seaward and lakeside boundaries of the park. In addition to this coastal strip of land, the park also protects areas of hinterland forest, including most of the catchment of Nelson Creek (refer Figure 1).

The National Park is divided into northern and southern sections, separated by Wapengo Lake and a private property with ocean frontage situated on the northern shore of the lake. The inland extension of the park varies considerably, from a mere 100 metres at Picnic Beach to over 9 kilometres in the south at Doctor George Mountain. A cluster of partially-cleared rural blocks at Doctor George Mountain forms an inholding within the park. A second inholding is situated immediately east of the Tathra-Bermagui Road near the village of Mogareeka. This small area is vested in the Bega Valley Shire Council and contains water supply infrastructure for Mogareeka. The rural properties situated at the head of Nelson Lagoon are virtually, though not entirely, enclosed by the park.

State forests border the park along two sections of the southern boundary (Tanja State Forest) and to the north-west (Mumbulla State Forest). Elsewhere, the park adjoins a mixture of forested and cleared freehold land that is primarily used for livestock grazing and a variety of residential and commercial developments on small rural allotments. Oyster leases exist within Nelson Lagoon and Wapengo Lake, both of which border the park

[2] Mimosa Rocks National Park Plan, Plan of Management, February 2009

Figure 1 – Location Plan



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2 The Site and the Cultural Context

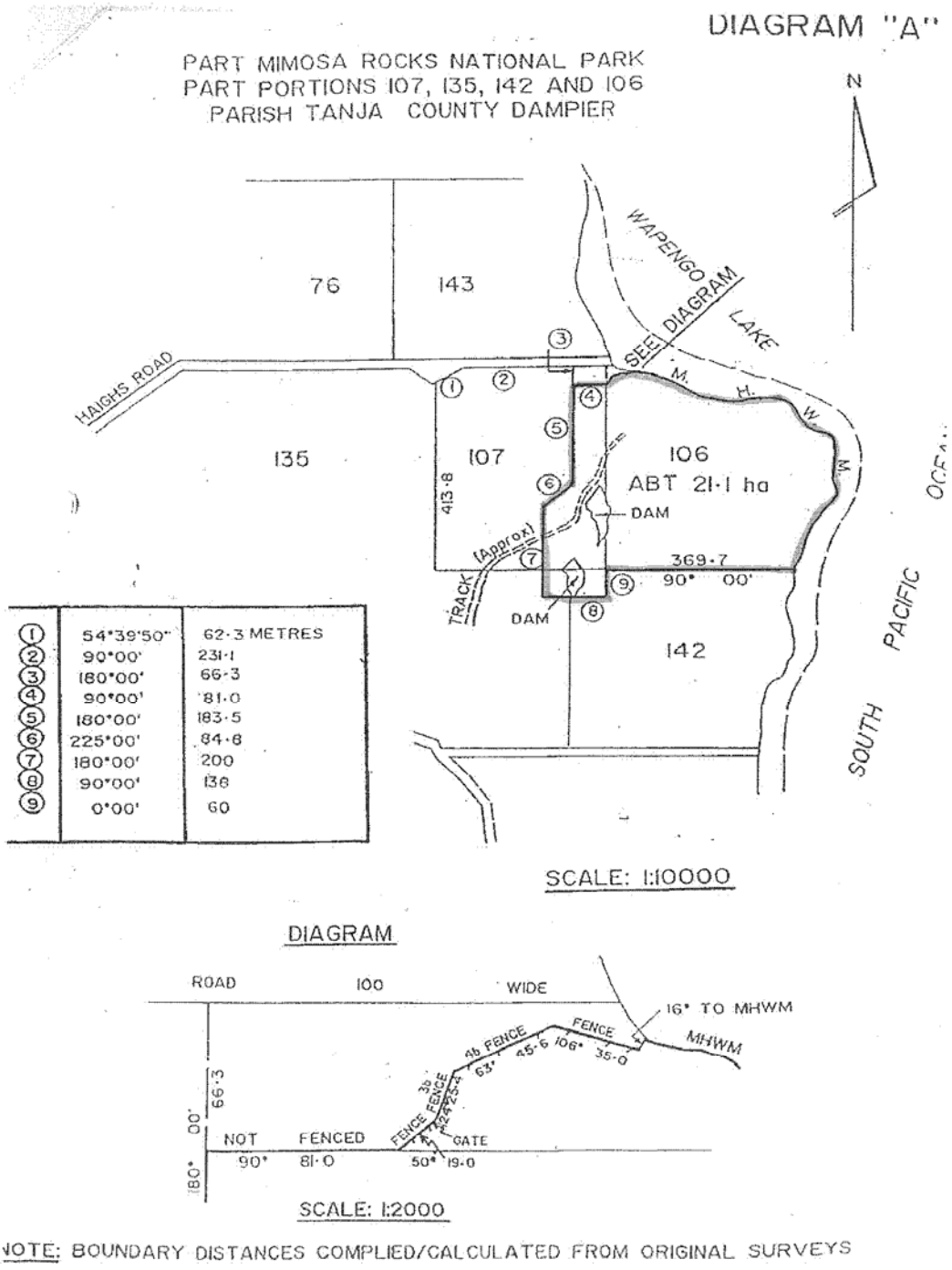
2.1 Background to the Current Site

The initial park reservation of 1973 was promptly followed by two generous donations of private land. In 1973, Sir Roy Grounds and Mr Ken Myer offered their property named “Penders” to the government on the basis that it be reserved as National Park. The property includes a 2 kilometre frontage to the Pacific Ocean and bushland stretching from Middle Beach to Bithry Inlet. In the same year, Mr David Yencken offered his “Baronda” property, covering 30 hectares at Nelson Lagoon, for the same purpose. These two additions were critical in establishing or consolidating core areas of the national park that would subsequently be added to and joined to create a viable conservation reserve. The history of private individuals donating land to the park has continued. The 37 hectare “Texas” property at Tanja, which was added to the park in 1996, was bequeathed by the late Ken Myer, while other neighbours (including Roy Grounds’ son Marr), have donated land that was added to the park in 2001 and 2002.

A full description of the climate, geology, landforms, soils, native and introduced plants, native and introduced animals of the national park can be found in the Mimosa Rocks National Park Plan of Management. In addition, the Plan of Management details the Aboriginal Heritage of the national park. However, within the Penders site there are no identified/known sites of Aboriginal heritage. Further assessment and mapping is recommended in the Conservation Management Plan 2002.

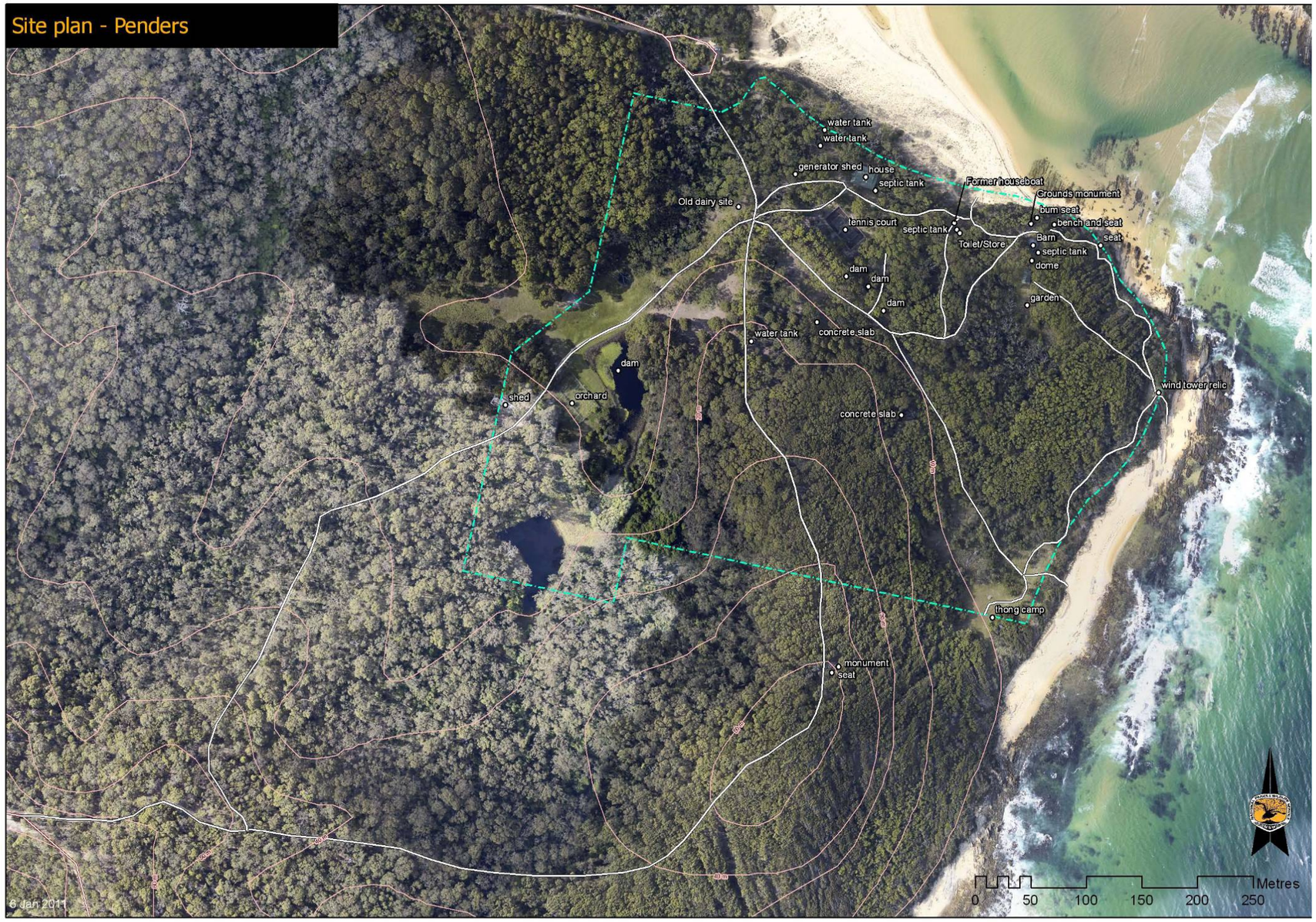
2.2 Condition and Integrity of Structures – Penders Precinct

In early 2011 the two families who developed the structures within the site vacated and handed the site over to OEH. A full description of the site and structures was included in the 2002 Conservation Management Plan. The discussion below highlights major changes to the structures in condition or integrity since 2002. Survey Plan



Picture 1 – Survey Plan with site boundary
Source: OEH

Figure 2 – Aerial plan of site



Picture 2 – Aerial with site boundary and location of existing structures. Source: OEH

The study area of this report is consistent with the study area in the 2002 Conservation Management Plan. The landscape has also remained fairly consistent, with the recent drought impacts no longer prevalent. However, since preparation of the Conservation Management Plan in 2002 the following structures have been removed from the site:

- Houseboat (was situated between the Myer House and The “Barn”);
- Cubby and Solar Shed (was situated adjacent to The “Barn”);
- Workshop (was adjacent to the Geodesic Dome);
- Wind tower relic (which has been further dismantled since the 2002 report);
- Sculptures including the Tripod Sculpture by Sir Roy Grounds, two Tripod and Rock sculptures by Marr Grounds, the Marr grounds sculpture in front of the slab seat, the Peter Taylor’s wooden Cape Barren Goose sculpture, the David Tolley sculpture, the Michael Meszaros sculpture, the Japanese stone lantern and the two Japanese stone cats.

The following is an assessment of the description and condition of the remaining structures as compared to the description and condition as described in the 2002 Conservation Management Plan.

2.2.1 The Thong Camp

The Thong Camp was not specifically assessed in the 2002 CMP. However, it is simply a cleared area of land for camping, located south of the “Barn” and Geodesic Dome close to the beach on the eastern edge of the site. It has been maintained as an open area for camping in good condition.

Figure 3 – The Thong Camp

Picture 3 – Looking southeast from the centre of the camp

Picture 4 – Looking southwest from the centre of the camp

2.2.2 Former Dairy site (c late 1880s)

The stone foundations of the former Dairy building remain on site and are in fair condition.

Figure 4 – Former Dairy site

Picture 5 – Overall view
[Source: OEH]

Picture 6 – Detail
[Source: OEH]

2.2.3 The “Barn” (1965)

The primary changes to The “Barn” since 2002 are its loss of original use as accommodation at the end of 2010, and removal of some furniture including the original deck chairs, the c1970s bamboo hanging chair, and the mosquito net. The dovetail jointed cupboard has been removed, and the double bed has been removed since October 2010. Timber repair including scarfing of the inclined poles at their bases, which was underway in 2001-02, has been completed and the following description is taken from a compilation of sections of a 2003 OEH report by project manager, Stephen Deck, describing the works undertaken in 2001-02:

- Scarfing in a new bottom section to each inclined pole, setting this into a concrete footing via a heavy stainless steel bracket, and full replacement of each vertical pole, again set into a concrete footing;
- Other changes included enlarging the bolts and replacing them as stainless steel;
- The heavy wire strapping around the building at lintel level was removed and replaced with 6mm diameter, high tensile, low relaxation, stainless steel cable, with three equi-distant turnbuckles for tensioning;
- Adjustments were made to the attachment point on each lintel beam, especially where there had been some rotation of that beam and it was not sitting square;
- The connection between each inclined and pair of vertical poles was also replaced with a 16mm diameter stainless steel threaded rod;
- The concrete footing at the base of each pair of verticals was chamfered towards the poles, and a fillet of sealant placed to prevent water running down into the footing;
- All new timbers were painted with Koppers CN Emulsion product, with particular attention to buried or partially buried timbers, cut surfaces, and bored holes;
- the floor retaining perimeter logs which were also mostly rotted out were replaced, along with some of the flooring blocks where these were no longer serviceable;
- All the perspex infill panels between the vertical poles were also replaced, as they had been cut progressively shorter as the building settled over the years, and because they were cut to the profile of the previous vertical logs. The rubber seals which held them in place were replaced with a similar product, as the old rubber had perished badly;
- All the yellow blinds were removed during the stabilisation works, and were re-hung following, with attention to regaining a good fit against the new vertical poles, re-instatement of the stainless steel retaining clips, fitting of new tie-downs at the bottoms, and fitting of new lifting ropes;

- Galvanised steel covers were shaped to the poles, but held off them by about 25mm by a perforated strip to allow for air circulation.

The condition of The “Barn” therefore has improved since 2002 with the completion of the structural stabilisation work to the pole structure. The Grounds family used the site intensively. The “Barn” is exposed to insect infestation, general wear and tear from the lightweight walls exposing the interior to the elements, and to general wear and tear from the different groups who now use the building.

Figure 5 – The “Barn”, October 2010

Picture 7 – External view

Picture 8 – Internal view

Picture 9 – Internal view of fireplace and floor

Picture 10 – Detail of scarfing and metal sheathing to timber support poles

2.2.4 The Geodesic Dome (c 1966)

There have been no obvious changes to the way the Geodesic Dome was constructed since preparation of the 2002 Conservation Management Plan, other than loss of all of the perspex infill panels (indicating movement of the dome structure). The condition of the structure appears to have deteriorated markedly since 2002, especially the support base for the dome, comprising vertical sapling balustrades with a sapling top plate which have largely separated from each

other. Attempts have been made to prop the sapling balustrades and brace between the posts as the balustrade structure is now being forced open by the weight of the dome structure itself and attempts have been made in some sections to provide a bottom plate for the sapling balustrades. The splitting of some of the poles and the rusting of the bolts and hubs as noted in 2002 is continuing.[3] The deterioration of the planter boxes is also continuing.

Figure 6 – The Geodesic Dome

Picture 11 – View from The "Barn"

Picture 12 – General view of construction

Picture 13 – Detail of base and internal area

Picture 14 – South elevation

2.2.5 The Slab Seat (1964-65)

To the north east of the "Barn" the slab seat and associated logs remain in good condition, with no obvious alterations other than removal of the sculpture previously adjacent to the seat. These elements are in an erosion zone and may be moved to a safer place nearby when necessary.

[3] Within each of the hubs the bolts are rusting from an electrolytic reaction occurring between the preservative chemicals used on the timber struts and the metal of the bolts. This causes the hubs to fail and the struts to split. There is no way that the structure can be retained except as a new structure using different materials that are compatible.

Figure 7 – The Slab Seat

Picture 15 – Looking east to ocean

Picture 16 – Looking north to Bithry Inlet

2.2.6 The Windmill Tower remains (originally c 1964)

The remnants and alterations made to the Windmill Tower to turn it into a sculptural relic that were made in 1996 remain, and the structure has not deteriorated markedly since 2002.

Figure 8 – The Windmill Tower remains

Picture 17 – Remains of Windmill Tower
[Source: OEH]

Picture 18 – Detail of adaptation by Marr Grounds
[Source: OEH]

2.2.7 Small Fenced Garden

Remnants of the small fenced garden remain including many posts, however the netting survives only on one section. Overall the garden is in poor condition.

Figure 9 – Cultural Landscape Features

Picture 19 – Small fenced garden

Picture 20 – The Bum Seat

2.2.8 The Bum seat

The bum seat remains and is in average condition, and is a more delicate structure than the other log seats.

2.2.9 The Myer House and tennis court (c1970)

The Myer House was constructed in the 1970 has been in use as a holiday residence and is in good condition. The only substantial change since 2002 has been removal of the timber blocks forming the floor of the verandah and replacement with a cement slab. Two remnant semi-circular patches of the blockwork were intentionally retained to indicate the original finish – one in the south western side near the entry directly to the kitchen, and one on the south eastern side against the east wall. In addition, the main bathroom has been altered to provide wheelchair access. The cork floor tiles in the living area are starting to lift and require resealing. The tennis court is in fair condition.

Figure 10 – Myer House

Picture 21 – Western elevation

Picture 22 – South eastern corner of house

Picture 23 – Room in north western corner of former verandah

Picture 24 – Verandah on north side of the building

Picture 25 – Central dining/living area looking west to kitchen

Picture 26 – View of tennis court

2.2.10 Myer Generator Shed

The generator shed remains in sound condition with no substantial changes.

Figure 11 – Myer generator Shed, and the former Golf Course

Picture 27 – Generator shed

Picture 28 – From orchard looking towards former golf course across the road

2.2.11 Golf Course (1983-85)

Since 2002 the natural landscape has continued to encroach into the remnants of the fairways of the former golf course, however no active regeneration has taken place. The golf course therefore remains in poor condition.

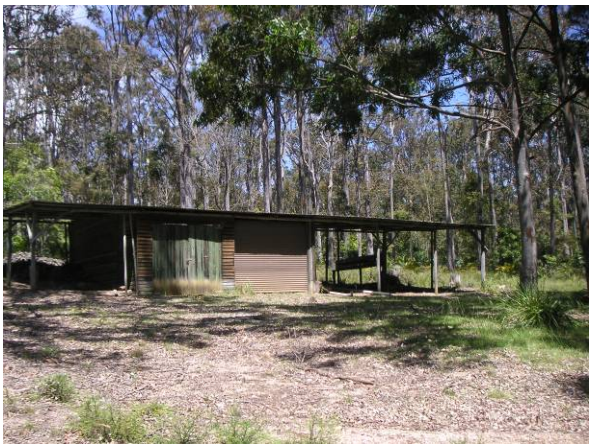
2.2.12 Shed/bathroom pod (c1969)

The Shed/bathroom pod remains sound and in good – fair condition. (Some of the poles were intentionally placed at an angle and this gives the impression that the building is failing). The WC remains but the water supply has been disconnected from the building since 2002.

2.2.13 Former Timber Treatment Plant Shed

The former timber treatment plant shed remains without any major changes to the structure since 2002. The shed is suffering from some wear and tear including a section of damaged weatherboards near the base of the north east corner, and is in fair condition.

Figure 12 – Former Timber Treatment Plant Shed



Picture 29 – View of shed

Picture 30 – Detail of bench under shed awning

2.2.14 The Covered Orchard

The covered orchard remains in poor condition, with the netting and post structure starting to fail. There are random plantings remaining but these seem to be in poor condition.

Figure 13 – Covered Orchard

Picture 31 – Remnant plantings in the covered orchard

Picture 32 – Southern edge of covered orchard

2.2.15 The Main Dam

The main dam remains functional as the water supply for the Myer House and as the water supply for The “Barn”. It continues to be engulfed by extensive weed growth (lilies), and although the fountain still exists it is not operational and has been displaced by weed growth.

2.2.16 3 Dams

The three dams date from the Myer/Grounds era and provide water supply to the Myer House, although it is not potable.

2.2.17 Avenues of native trees

There are two avenues of Flooded Gums planted in the Myer/Grounds era – one up the hill to the south of the Myer House towards the water tower and one south of the Myer House on the track between the Myer and Grounds properties. These are in good condition, and are considered appropriate plantings for the site.

2.2.18 Ken Myer and Yasuko Hiraoka Memorial

This exists on the hill to the south of the site, and is technically outside of the Penders site. It comprises a seat and plaque beside the walking track.

2.2.19 New structure placed by M. Grounds (2010)

A memorial exists just near where the Roy Grounds tripod structure stood east of the “Barn”, and comprises a plaque in memory of Sir Roy and Lady Bettine Grounds.

2.3 Effect of changes to the site to the overall integrity of Penders

It is considered that the removal of the Houseboat, the Cubby, the Workshop and the Solar Shed have no impact on the significance of the site, confirmed by the fact that they were provided with a level of low significance in the 2002 Conservation Management Plan. Although the remains of the Wind Tower were considered to have high significance in the 2002 CMP. It was noted that they have low integrity, and this remains the case.

The loss of the sculptures from the site is considered a major loss to the significance of the Penders site, particularly the Sir Roy Grounds and Marr Grounds sculptures which had a direct relationship to the creators of the place, and these were assessed as having high significance or

some significance in the 2002 CMP. The sculptures at the Myer House (the Japanese stone lantern and cats, and the sculptures by Peter Taylor, David Tolley and Michael Meszaros) were all assessed as having a high level of significance, with the sculpture by Michael Meszaros having had a direct relationship to the site. However these items were personal artefacts and the Grounds sculptures have been re-erected at Marr Ground's property nearby. It is noted that log, concrete and steel sculptures have been retained on the site.

2.4 Significance

2.4.1 Significance of the Mimosa Rocks National Park

The following statement of significance for the Mimosa Rocks National Parks is taken from the Mimosa Rocks Plan of Management. January 2010:

Mimosa Rocks National Park is regionally significant in that it is one of a suite of reserves that together protect more than three-quarters of the coastline of the South East Corner Bioregion. The park has important natural, cultural, scientific, aesthetic and recreational values.

The coastal rock exposures in the park display a range of spectacular large and small-scale features such as folds, faults and intrusions in a variety of rock types.

They contribute to the aesthetic appeal of the place and have considerable educational potential. They also contain fossils of club mosses and fish from the Devonian period, which are of considerable scientific value.

Three vegetation types in the park are listed as endangered ecological communities under the NSW *Threatened Species Conservation Act 1995* (TSC Act) and, as such, are of statewide significance. These are:

- Littoral Rainforest (Bunga Head Rainforest; Coastal Warm Temperate Rainforest);
- Bangalay Sand Forest (Dune Dry Shrub Forest); and
- Themeda Grassland.

Of these, the Bunga Head Rainforest is of special scientific interest as it contains a variety of plants that typically occur in more northerly rainforests. The Bunga Head/Aragunnu area also supports populations of a number of vulnerable or uncommon plant species, as do the forests on Doctor George Mountain at the far western edge of the park.

The park is considered to be of regional significance as a refuge for threatened animal species. Three bird species observed in the park – hooded plovers (*Thinornis rubricollis*), little terns (*Sterna albifrons*) and swift parrots (*Lathamus discolour*) are listed as endangered under the TSC Act. In addition, 19 species listed as vulnerable under the TSC Act have also been recorded in the park. These include nine mammal species and ten bird species, most of which inhabit forest and open woodland communities or the immediate coastal fringe.

For local Aboriginal people, the park contains tangible connections between them and their country, their ancestors, their traditional lifestyles and the stories of creation beings. Particular features are imbued with cultural significance or sensitivities that remain important for people today. Certain communities and families regularly camp within the park and continue to pass on cultural knowledge associated with the area from one generation to the next.

The park also has a rich and varied history of European occupation and use. Evidence remains of pastoral, timber harvesting, gold mining and recreational ventures, with places such as the former "Riverview" property containing features of significance to both Indigenous and non-Indigenous people. Also notable is a local tradition of philanthropy in which a number of neighbouring property owners have donated their land to the park.

The undeveloped and elevated coastline of the park is an important landscape feature that dominates views north from the township of Tathra. The wooded ridges and valleys of the park

are also locally significant visual elements, especially in the otherwise cleared landscapes of the Tanja and Wapengo districts where they form aesthetically-appealing backdrops to many properties. At the western end of the park, the coastal range of Doctor George Mountain forms part of the eastern viewfield from the township of Bega.

The park protects most of the catchment of Nelson Creek, which is the principal tributary of Nelson Lagoon. Maintaining high water quality in the creek is vital to the health of the lagoon which is an important oyster-growing area.

The park is a popular recreational venue for local people and visitors from elsewhere in Australia, especially during the summer months, Easter and school holiday periods. Day visitors and those camping overnight participate in a variety of recreational activities including picnicking, fishing, walking, swimming, surfing, car touring, canoeing and cycling. The relatively undeveloped nature of the park is a key attraction for many visitors.

2.4.2 Assessment Criteria – Penders Precinct

The Heritage Council of NSW has developed a set of seven criteria for assessing heritage significance, which can be used to make decisions about the heritage value of a place or item. There are two levels of heritage significance used in NSW: state and local.

The following assessment of heritage significance has been prepared in accordance with the 'Assessing Heritage Significance' (2001) guideline from the *NSW Heritage Manual* for subject site. The 2002 Conservation Management Plan for the Penders assessed the site under this criteria and where it remains relevant material from this assessment has been included below, in italics.

Table 2 – Heritage Significance

Criteria	Significance Assessment
A – Historical Significance *An item is important in the course or pattern of the local area's cultural or natural history.* ▪ items which demonstrate strong associations to past customs, cultural practices, philosophies or systems of government, regardless of the intactness of the item or any structure on the place; ▪ items associated with significant historical events, regardless of the intactness of the item or any structure on the place; ▪ significant cultural landscapes and other items demonstrating overlays of the continual pattern of human use and occupation; and/or ▪ items where the physical fabric (above or below ground) demonstrates any of the points described above.	The Penders site has local historical significance to the Indigenous community as an area that was inhabited due to the availability of seafood, fresh water and terrestrial resources. The Penders site has local historical significance to the non-Indigenous community as part of an area used for logging, and the grazing of dairy cattle (and bullocks), from the mid 1840s to the mid 20th century. The Penders site is also significant for its continuous use for recreation by the local population. The former Dairy site has local historic significance. The site also has historical significance at a State level as a coastal retreat established by two prominent Melbourne families, the Myer and Grounds families, in 1964. It exhibits evidence *of their combined talents, mutual interests and philanthropy, and their interests in architecture, sculpture, native forestry, in the preservation and rehabilitation of the natural environment.* The "Barn" has historical significance at a State level *as one of the four domestic residences that Grounds designed for himself and his family that became iconic representations of a particular phase of his work.* *The "Barn"* and the Myer House have historic significance at a state level as *foreshadowing the development of the "Sydney School" architectural style which gained national and international recognition by the mid 1980s.* The former Timber Treatment Plant shed has local

Criteria	Significance Assessment
	historical significance as being *associated with timber milling and with the development of a Tanolithic treatment process* for materials used in the Ground's structures, although the main Tanolithic works were carried out on a much larger scale on another part of the property. The Tanolithic timber preservation treatment *which was pioneered on the site and became a significant local industry in the region*.
Guidelines for Inclusion ▪ shows evidence of a significant human activity ☒ ▪ is associated with a significant activity or historical phase ☒ ▪ maintains or shows the continuity of a historical process or activity ☒	**Guidelines for Exclusion** ▪ has incidental or unsubstantiated connections with historically important activities or processes ☐ ▪ provides evidence of activities or processes that are of dubious historical importance ☐ ▪ has been so altered that it can no longer provide evidence of a particular association ☐
B – Associative Significance *An item has strong or special associations with the life or works of a person, or group of persons, of importance in the local area's cultural or natural history.* ▪ items which demonstrate strong associations to a particular event, historical theme, people or philosophies, regardless of the intactness of the item or any of its structures; ▪ items associated with significant historical events, regardless of the intactness of the item or any structure on the place; and/or ▪ items where the physical fabric (above or below ground) demonstrates any of the points described above.	Penders has associative significance at a State level as exhibiting *the continuing involvement and occupation of the Grounds and Myer families since 1965. The donation of the of the land to the State to expand Mimosa Rocks National Park is a significant philanthropic contribution by enlightened individuals to the ongoing preservation of the natural environment and an expression of Grounds and Myers belief in public ownership of coastal lands.* Significant associations with individuals include: ▪ Sir Roy Grounds (1905 – 81): prominent 20th century modernist architect who used the Penders site as an experimental workshop for the exploration of creative and experimental structures, which have subsequently become an integral part of a design process that ultimately produced a body of work of National significance. He is credited with introducing pole architecture to Australia in the 1930s. ▪ Kenneth Myer (1921-92): prominent businessman and active in the promotion of the arts and architecture, and philanthropist. The site demonstrates his ecological aims and interests in commercial use of native timbers through its timber plantation and early on site experimentation with the Tanalith timber preservation process, and his ecological interests with reafforestation and avenue tree planting. ▪ Hamish Ramsay (Betty Ground's son from her first marriage): an engineer who collaborated with Grounds on the structure of the Geodesic Dome, having already worked on some of Ground's buildings in Canberra. ▪ Marr Grounds: prominent 20th century artist, who has continually maintained the Grounds structures on the site. The associative significance with Marr Grounds (influential artist and son of Sir Roy and Lady Bettine Grounds) and Yasuko Hiraoka (artist and second wife of Kenneth Myer) has been diminished by the recent removal of their sculptures from the site.
Guidelines for Inclusion ▪ shows evidence of a significant	**Guidelines for Exclusion** ▪ has incidental or unsubstantiated connections

Criteria	Significance Assessment
human occupation ☐ ▪ is associated with a significant event, person, or group of persons ☒	with historically important people or events ☐ ▪ provides evidence of people or events that are of dubious historical importance ☐ ▪ has been so altered that it can no longer provide evidence of a particular association ☐
C – Aesthetic Significance *An item is important in demonstrating aesthetic characteristics and/or a high degree of creative or technical achievement in the local area.* ▪ items which demonstrate creative or technical excellence, innovation or achievement; ▪ items which have been the inspiration for creative or technical achievement; ▪ items which demonstrate distinctive aesthetic attributes in form or composition; ▪ items which demonstrate a highly original and influential style, such as an important early (seminal) work of a major architect; and/or ▪ items which demonstrate the culmination of a particular architectural style (known as climactic).	The primary structures on the site (The "Barn", Myer House and Geodesic Dome) and their setting in the landscape have resulted in a place that has aesthetic significance at a State level as demonstrating the creative experimentation *of the nationally significant architect Sir Roy Ground's postwar interest in platonic geometries, innovative structure, bold forms and natural materials, resulting in buildings that were highly unusual at the time.* His buildings have *subsequently influenced* later generations of *architects including Glenn Murcutt who continued the functional tradition of primitive honest construction* celebrated in Ground's work at the Penders. These structures also have aesthetic significance at a local level *as following the themes initiated by fellow Melbourne architect Robin Boyd in Merimbula in1958 (although in new and inventive combinations) and for subsequently influencing the contemporary domestic architecture of the region.* *The "Barn" (1965) and Geodesic Dome (c1966) at Penders are architecturally the most distinguished of the small number of Ground's works in NSW.* *The "Barn" is the iconic domestic work of the last phase (1960-81) of Roy Grounds* and has aesthetic significance at a State level as the most outstanding creative work on the site*. The tepee-like structure built with Tanalith log construction was one of the first post war log structures to be built for domestic use, and was more complex in its design and environmental aims than Ground's subsequent works.* The Geodesic Dome was also constructed from Tanalithic log construction and has aesthetic significance at a local level as a rustic interpretation of *the hyper-technological solutions being developed overseas to waterproof, seal and connect the much larger geodesic domes designed by the original inventor R Buckminster Fuller.* It is considered that the loss of original fabric has affected the significance of this structure. The Myer House has aesthetic significance at a local level as part of the suite of structures on the site designed by Sir Roy Grounds. It was constructed from Tanolithic log construction and is said to be *based on a miniaturised plan of Ground's National Gallery of Victoria, and is a modest but urbane holiday house that echoes the best qualities of the Australian homestead in form, space and environmental responsiveness.* The slab seats and "bum" seat, the memorials, the Main Dam, the covered orchard and the shed/bathroom pod (near the former Houseboat site) are considered to have aesthetic significance at a local level as contributing to the suite of built elements on the site.

Criteria	Significance Assessment
	The Windmill Tower remains, the Myer Tennis Court and the golf course are contributory items of some aesthetic significance, although the fabric is not of significant.
Guidelines for Inclusion ▪ shows or is associated with, creative or technical innovation or achievement ☒ ▪ is the inspiration for a creative or technical innovation or achievement ☒ ▪ is aesthetically distinctive ☒ ▪ has landmark qualities ☐ ▪ exemplifies a particular taste, style or technology ☒	**Guidelines for Exclusion** ▪ is not a major work by an important designer or artist ☐ ▪ has lost its design or technical integrity ☐ ▪ its positive visual or sensory appeal or landmark and scenic qualities have been more than temporarily degraded ☐ ▪ has only a loose association with a creative or technical achievement ☐
D – Social Significance *An item has strong or special association with a particular community or cultural group in the local area for social, cultural or spiritual reasons.* ▪ items which are esteemed by the community for their cultural values; ▪ items which if damaged or destroyed would cause the community a sense of loss; and/or ▪ items which contribute to a community's sense of identity. Items are excluded if: ▪ they are valued only for their amenity (service convenience); and/or ▪ the community seeks their retention only in preference to a proposed alternative.	The Penders site has social significance at a state level *as the local community* (including the Indigenous community) *and visitors have high regard for the scenic and recreational qualities of the Bithry Inlet adjacent to Penders, as demonstrated by the high levels of visitor use and frequent return visitation*. *Penders also has social significance* at state level *as a founding example of like-minded individuals purchasing south coast land for artistic, architectural and ecological pursuits.*
Guidelines for Inclusion ▪ is important for its associations with an identifiable group ☒ ▪ is important to a community's sense of plac e ☒	**Guidelines for Exclusion** ▪ is only important to the community for amenity reasons ☐ ▪ is retained only in preference to a proposed alternative ☐
E – Research Potential *An item has potential to yield information that will contribute to an understanding of the local area's cultural or natural history.*	The stone foundations of the former Dairy site at Penders has research potential at a local level for its potential to yield information about the former Dairy structure. The "Barn", Geodesic Dome, the Myer House and the shed/bathroom pod have research potential at a local level as *demonstrating advances in timber pole construction techniques*, and as demonstrating the early use of the Tanolithic timber preservation treatment *which was pioneered on the site and became a significant local industry in the region*. The concrete slabs, also believed to date from the use of the site of a Dairy farm, have little potential to yield information. The former timber treatment plant shed also has little potential to yield information. The dams also have little research potential.
Guidelines for Inclusion ▪ has the potential to yield new or further	**Guidelines for Exclusion** ▪ the knowledge gained would be irrelevant to

Criteria	Significance Assessment
substantial scientific and/or archaeological information ☐ ▪ is an important benchmark or reference site or type ☒ ▪ provides evidence of past human cultures that is unavailable elsewhere ☐	research on science, human history or culture ☐ ▪ has little archaeological or research potential ☐ ▪ only contains information that is readily available from other resources or archaeological sites ☐
F – Rarity *An item possesses uncommon, rare or endangered aspects of the local area's cultural or natural history.*	Penders is the site of a rare suite of buildings and landscape elements, associated with State significance, designed by Sir Roy Grounds, and the juxtaposition of the three primary structures is a rare demonstration of Ground's creative scope within the one site. The site is also rare as an early example of the demonstration of ecological aims in remediation of a denuded remote coastal landscape. The "Barn" and Geodesic Dome are rare architectural works. The gifting of the Penders site to the State to extend the domain of the Mimosa Rocks National Park is a rare gesture of philanthropy and stems directly from the interest of Kenneth Myer and Sir Roy grounds in public accessibility of coastal lands.
Guidelines for Inclusion ▪ provides evidence of a defunct custom, way of life or process ☐ ▪ demonstrates a process, custom or other human activity that is in danger of being lost ☐ ▪ shows unusually accurate evidence of a significant human activity ☐ ▪ is the only example of its type ☒ ▪ demonstrates designs or techniques of exceptional interest ☒ ▪ shows rare evidence of a significant human activity important to a community ☐	**Guidelines for Exclusion** ▪ is not rare ☐ ▪ is numerous but under threat ☐
G – Representative *An item is important in demonstrating the principal characteristics of a class of NSWs (or the local area's):* ▪ *cultural or natural places; or* ▪ *cultural or natural environments.*	Penders is representative of coastal holiday retreats on the south coast. The "Barn" and the Myer House are representative examples of new building types for holiday accommodation, following the introduction of the motel in the 1950s postwar tourism boom. *They represent a critical reassessment of the polished and machine inspired architecture of the 1950s.* The "Barn" *in particular represents an idealised way of living in the Australian climate and landscape in the 1960s. The adjustable blinds, the original lighting on the perimeter, and the use of construction materials taken from the site demonstrate an early attempt at ecologically responsible architecture.*
Guidelines for Inclusion ▪ is a fine example of its type ☐ ▪ has the principal characteristics of an important class or group of items ☐ ▪ has attributes typical of a particular way of life, philosophy, custom, significant	**Guidelines for Exclusion** ▪ is a poor example of its type ☐ ▪ does not include or has lost the range of characteristics of a type ☐ ▪ does not represent well the characteristics

Criteria		Significance Assessment	
process, design, technique or activity	☒	that make up a significant variation of a type	☐
▪ is a significant variation to a class of items	☒		
▪ is part of a group which collectively illustrates a representative type	☐		
▪ is outstanding because of its setting, condition or size	☒		
▪ is outstanding because of its integrity or the esteem in which it is held	☒		

The Thong camp, remnants of the Ground's small fenced garden, the Myer generator shed, and the three dams and the two concrete slabs are considered to have little cultural heritage significance.

While not directly relevant to the assessment of significance, Penders was never promoted yet was well known in art and architecture circles and achieved almost mythical status.

2.4.3 Statement of Significance

Historic significance:

The Penders site has local historical significance to the Indigenous community as an area that was inhabited due to the availability of abundant resources, and to the non-Indigenous community as part of an area used for logging, and the grazing of dairy cattle (and bullocks), from the mid 1840s to the mid 20th century. The Penders site is also significant for its continuous use for recreation by the local population.

The site has historical significance at a State level as a coastal retreat established by two prominent Melbourne families, the Myer and Grounds families, in 1964. It exhibits evidence *of their combined talents, mutual interests and philanthropy, and their interests in architecture, sculpture, native forestry, in the preservation and rehabilitation of the natural environment.*

The "Barn" and the Myer House have historic significance at a local level as *foreshadowing the development of the "Sydney School" architectural style which gained national and international recognition by the mid 1980s.* The "Barn" has historical significance at a State level *as one of the four domestic residences that Grounds designed for himself and his family that became iconic representations of a particular phase of his work.*

The former Timber Treatment Plant shed has state historical significance as being *associated with timber milling and with the development of a Tanolithic treatment process* for materials used in the Ground's structures, and the former Dairy site has local historic significance.

Associative significance:

Penders has associative significance at a State level as exhibiting *the continuing involvement and occupation of the Grounds and Myer families since 1965.* Significant associations with individuals include Sir Roy Grounds (1905 – 81) - prominent 20th century modernist architect; Kenneth Myer (1921-92) - prominent businessman, active in the promotion of the arts and architecture and philanthropist; Hamish Ramsay - an engineer who collaborated with Grounds on the structure of the Geodesic Dome, having already worked on some of Ground's buildings in Canberra; and Marr Grounds - prominent 20th century artist, who has continually maintained the Grounds structures on the site.

Aesthetic significance:

The primary structures on the site (The "Barn", Myer House and Geodesic Dome) and their setting in the landscape have result in a place that has aesthetic significance at a State level as demonstrating the creative experimentation *of the nationally significant architect Sir Roy*

Ground's postwar interest in platonic geometries, innovative structure, bold forms and natural materials, resulting in buildings that were highly unusual at the time.

The "Barn" is the iconic domestic work of the last phase (1960-81) of Roy Grounds and has aesthetic significance at a State level as the most outstanding creative work on the site*. The tepee-like structure built with Tanalith log construction milled and treated on the site was one of the first post war log structures to be built for domestic use, and was more complex in its design and environmental aims than Ground's subsequent works.*

The Geodesic Dome was also constructed from Tanalithic log construction and has aesthetic significance at a state level as a rustic interpretation of *the hyper-technological solutions being developed overseas to waterproof, seal and connect the much larger geodesic domes designed by the original inventor R Buckminster Fuller.* It is considered that the loss of original fabric has affected the significance of this structure.

The Myer House has aesthetic significance at a local level as part of the suite of structures on the site designed by Sir Roy Grounds. It was constructed from Tanolithic log construction and *is based on a miniaturised plan of Ground's National Gallery of Victoria, and is a modest but urbane holiday house that echoes the best qualities of the Australian homestead in form, space and environmental responsiveness.*

The primary structures also have aesthetic significance at a local level *as following the themes initiated by fellow Melbourne architect Robin Boyd in Merimbula in1958 (although in new and inventive combinations) and for subsequently influencing the contemporary domestic architecture of the region*

The slab seats and "bum" seat, the memorials, the Main Dam, the covered orchard and the shed/bathroom pod (near the former Houseboat site) are elements considered to have aesthetic significance at a local level as contributing to the suite of built elements on the site.

The Windmill Tower remains, the Myer Tennis Court, the golf course and the former timber treatment plant are contributory items of some aesthetic significance, although the fabric is not of significant.

Social significance:

The Penders site has social significance at a state level as the community (including the Indigenous community) and visitors have high regard for the scenic and recreational qualities of the Bithry Inlet adjacent to Penders, as demonstrated by the high levels of visitor use and frequent return visitation.

Penders also has social significance as a founding example of like-minded individuals purchasing south coast land for artistic, architectural and ecological pursuits. Ground's buildings have subsequently influenced later generations of architects including Glann Murcutt who continued the functional tradition of primitive honest construction celebrated in Ground's work at the Penders.

Research potential:

The stone foundations of the former Dairy site at Penders has research potential at a local level for its potential to yield information about the former Dairy structure.

The "Barn", Geodesic Dome, the Myer House and the shed/bathroom pod have research potential at a state level as *demonstrating advances in timber pole construction techniques*, and as demonstrating the early use of the Tanolithic timber preservation treatment *which was pioneered on the site and became a significant local industry in the region*.

Rarity:

Penders is the site of a rare suite of buildings and landscape elements designed by Sir Roy Grounds, and the juxtaposition of the three primary structures is a rare demonstration of

Ground's creative scope within the one site. The site is also rare as an early example of the demonstration of ecological aims in remediation of a remote coastal landscape. The "Barn" and Geodesic Dome are rare architectural works.

The gifting of the Penders site to the State to extend the domain of the Mimosa Rocks National Park is a rare gesture of philanthropy and stems directly form the interest of Kenneth Myer and Sir Roy grounds in public accessibility of coastal lands.

Representativeness:

Penders is representative of coastal holiday retreats on the south coast. The "Barn" and the Myer House are representative examples of new building types for holiday accommodation, following the introduction of the motel in the 1950s postwar tourism boom. *They represent a critical reassessment of the polished and machine inspired architecture of the 1950s.*

The "Barn" *in particular represents an idealised way of living in the Australian climate and landscape in the 1960, and an early attempt at ecologically responsible architecture.*

Other:

The associative significance with Marr Grounds (influential artist and son of Sir Roy and Lady Bettine Grounds) and Yasuko Hiraoka (artist and second wife of Kenneth Myer) has been diminished by the recent removal of their sculptures from the site.

The Thong camp, remnants of the Ground's small fenced garden, the Myer generator shed, and the three dams and the two concrete slabs are considered to have little cultural heritage significance.

2.4.4 Curtilage

The curtilage of the site is considered to be the former Penders property boundary. Within the former property boundary there are various recommended buffer zones to protect the existing views to and from significant aspects of the site, and these are summarised in Figure 17.

The 2002 Conservation Management Plan divided the sites into precincts, however it is considered that these precincts do not relate to significance, and therefore have not been used in this report.

2.4.5 Gradings of Significance

Different components of a place may contribute in different ways to its heritage value. There are five gradings of significance, which were developed by the Heritage Council (Table 3).

Table 3 – Gradings of heritage significance definitions

Grading	Grading No.	Justification	Status
Exceptional	1	Rare or outstanding element directly contributing to an item's local or state significance	Fulfils criteria for local or state listing
High	2	High degree of original fabric; demonstrates a key element of the item's significance; alterations do not detract from significance	Fulfils criteria for local or state listing
Moderate	3	Altered or modified elements; elements with little heritage value, but which contribute to the overall significance of the item	Fulfils criteria for local or state listing
Little	4	Alterations detract from significance; difficult to interpret	Does not fulfil criteria for local or state listing
Intrusive	5	Damaging to the item's heritage significance	Does not fulfil criteria for local or state listing

The Penders site includes structures, spaces and elements of varying significance within the overall heritage significance of the place, which have been graded according to their relative significance below.

Table 4 – Gradings of heritage significance for The Penders site

Structure, Space or Element	Grading
Penders site overall	1
Thong camp	3
Former dairy remains	3
The "Barn"	1
Geodesic Dome	2
Windmill tower remains (little of original structure survives)	3
Small fenced garden	4
The Slab Seat	2
The "Bum" Seat	2
Myer House	1
Myer Tennis Court	3
Generator Shed	3
Golf Course (degraded – affects signif)	3
Shed/Bathroom Pod	2
Former Timber Treatment Plant Shed	2
Covered orchard (degraded – affects signif)	3

Structure, Space or Element	Grading
Main Dam	2
3 Dams	4
2 x memorial monuments	2
Avenues of native trees	2
Concrete slabs	4

2.5 Current Legislative framework

2.5.1 Commonwealth Legislation

Aboriginal and Torres Strait Islander Heritage Protection Act 1984

The purpose of this Act is the preservation and protection from injury or desecration of areas and objects of particular significance to Aboriginal people in accordance with Aboriginal tradition. The Act allows for the Minister to make emergency declarations in response to applications by or on behalf of Aboriginal groups seeking to protect areas from desecration or injury. In August 2009 the Minister for the Environment, Heritage and the Arts invited written submissions on proposed reforms to the Act and the government has released a discussion paper that contains the proposed reforms.

Native Title Act 1993

The Native Title Act recognises and protects native title and communal rights and interests in land and waters, where the Indigenous people have a connection with those land and waters, where the rights and interests are recognised under Australian common law and where they are possessed under traditional laws and customs. The Act provides native title holders and registered native title claimants with the right to negotiate about protecting, managing and securing access to heritage areas.

Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)

The EPBC Act applies to the site as the “Barn” (including the Geodesic Dome and Windmill) is a Registered place under the Register of the National Estate (RNE).

2.5.2 NSW Legislation

Environmental Planning and Assessment Act 1979

The *Environmental Planning and Assessment Act 1979* (EPA Act) governs strategic planning and development assessment processes undertaken by State and Local Government in NSW. It is necessary in most cases to submit a development application to the relevant Local Council for permission to erect or alter a building, demolish a building; or change the use of an existing building. Sites owned by OEH are not required to submit development applications to local councils under the *Environmental Planning and Assessment Act 1979 (NSW)*.

National Parks and Wildlife Act 1979

In addition to a range of other environmental and land management matters, the National Parks and Wildlife Act also includes provisions that apply to Aboriginal objects and places. If Aboriginal objects and places are found, the National Parks and Wildlife Service must be informed under Section 91 of the Act and permits may apply under Section 90. A licence may also be required under the Act to damage or destroy threatened fauna species. Penalties apply for the destruction of Aboriginal objects and places, and the harm of any protected species.

Heritage Act 1977

The purpose of the Heritage Act 1977 is to ensure cultural heritage in NSW is adequately identified and conserved. Individual elements of the Penders site are listed on the OEH S170 Register, and as such are subject to the NSW Heritage Act.

If historical archaeological remains are found or there is potential for their discovery, the Heritage Branch of the NSW Department of Planning must be notified under s.139 of the Act.

Aboriginal Land Rights Act 1983

Under this Act, Land Councils have a say over protection of Aboriginal places and sites. The Bega Local Aboriginal Land Council should be informed of any Aboriginal heritage studies being conducted and contacted if an Aboriginal site or relic is discovered.

Rural Fires and Environmental Assessment Legislation Amendment Act 2002

The NSW *Rural Fires and Environmental Assessment Legislation Amendment Act* 2002 amends the *Rural Fires Act* 1997 and several environmental assessment-related Acts. This Act provides for mapping bush-fire prone lands and the development of a Bush Fire Environmental Assessment Code. This code is aimed at streamlining the assessment process for hazard reduction works. To this end, the Code will include general ameliorative prescriptions and, in some cases, species specific prescriptions.

Occupational Health and Safety Act (1983) NSW

Any works to make the place comply with health and safety provisions should be governed by the heritage significance of the place

Building Code of Australia 1996 (as amended)

The Building Code of Australia guides all construction work in Australia. Under the *Local Government (Approvals) Regulation 1993* the consent authority has the discretionary power to require that existing buildings comply with current building standards, as a condition of approval for proposed works to the building. The BCA provisions relate to fire safety, access and egress, and services and equipment.

Any strategies or solutions to ensure that components of the Cunglebung Homestead comply with the BCA should be driven by the cultural significance of the place. Where necessary, alternative solutions and performance based outcomes should be pursued to ensure the intent of the code is met without adversely impacting on significant fabric. Professional advice should always be obtained.

2.6 Heritage listings

The “Barn” (including the Geodesic Dome and Windmill) is a Registered place under the Register of the National Estate (RNE). Individual elements of the Penders site are listed on the OEH S170 Register, and as such are subject to the NSW Heritage Act. The site is not listed under the Bega Valley Local Environmental Plan 2002.

2.7 Management

2.7.1 Vision Statement and Plan of Management

In the 2002 CMP a Vision Statement was developed, and this is still considered to be relevant to the significance of the site. In particular, the Vision Statement recommends the future use of the site as *an appropriate place for creative interpretation and experimentation with art and architectural form*.

The 2011 Plan of Management provides for specific requirements for the Penders site as follows:

Amend the provisions of the existing conservation management plan (2002) for the leaseback area of the former "Penders" property at Bithry Inlet so that upon cessation of the lease, the management of cultural values will entail:

- *Ongoing conservation of the "Barn" and investigation into the financial viability of its adaptive re-use as paid holiday accommodation. If shown not to be viable, adaptive re-use of the structure as the key interpretive node for the site (Section 5.4);*
- *Adaptive re-use of the Myer house, and supporting infrastructure such as the tennis court, as rented holiday accommodation pending the findings of a feasibility study. This study will also include investigations into the environmental (natural and cultural values), social equity (opportunities for community use at a lower rent for short periods of the year), financial and site security implications of such re-use, and its compatibility with use of the area by other visitors;*
- *The site of the two buildings to be adequately secured, with a preference for an on-site presence;*
- *The site to be made available at fixed times each year for use by community groups;*
- *Recording followed by removal of all other built structures, with building foundations retained for interpretive purposes (Section 5.4);*
- *Breaching and rehabilitation of the existing dams without cultural significance unless breaching will result in the creation of unacceptable environmental disturbance, in which case these will be retained as will any dams required for management purposes (Section 5.1.2);*
- *Allowing the golf course to naturally revegetate;*
- *Recording and removal of the gardens and orchards; and recording and interpretation of remaining miscellaneous items (Sections 5.3.1 and 5.4).*

The key differences between the PoM policies and the significance assessment established by this report is that that the Geodesic Dome, covered orchard, shed/bathroom pod and Tanolith shed are proposed for demolition under the PoM and recommended for retention and/or adaptive reuse in this report. In addition, the "Barn" is recommended under the PoM as being of key significance and it is the recommendation of this report that controlled access be provided to The "Barn". .

Policy 1. Amend the PoM, if necessary, to ensure conservation and/or adaptive reuse of the Geodesic Dome, Covered Orchard, Main Dam, Shed/bathroom Pod, Windmill Tower remains, Slab seats and the former Timber Treatment plant (if there are no contamination issues), and to ensure controlled use of the interior of The "Barn" with interpretation to be provided external to the building.

2.8 Conservation Policies

Policies in italics are adapted from or quoted from 2002 CMP

2.8.1 Managing Heritage Significance

The Penders site is a site of scenic beauty, with great value as a natural flora and fauna resource which has been modified over time by Indigenous and European land management activities. It currently exhibits a collection of structures of varying significance, with the most significant structures, combined with the recent history of the site, collectively resulting in a site that is of State significance.

Policy 2. Elements of exceptional and high significance must be actively conserved. This includes the former Dairy remains, The “Barn”, the Geodesic Dome, the Myer House, the shed/bathroom pod, the memorial monuments, the avenue of native trees, the slab seats, and the Main Dam.

Policy 3. Elements of exceptional and high significance should not be obstructed by new works, structures or services, and they should be clearly interpreted as part of any new development at the site.

Policy 4. Elements of moderate significance should be conserved and interpreted although alterations are possible if they do not affect the significance of the item. This includes the Windmill Tower remains, the former timber treatment shed, the covered orchard, Thong Camp and the Myer Generator shed. The tennis court and golf course are also of moderate significance as an expression of the recreational use of the site although the fabric itself is not significant.

Policy 5. Elements of little significance may be altered or considered for removal and interpretation. This includes the, the small fenced garden, the 3 dams and the concrete slabs.

Policy 6. All elements considered intrusive should be removed in a planned way as resources allow.

Policy 7. Any works to the place should be carried out in accordance with the principles set out in the Australia ICOMOS Burra Charter.

2.8.2 Legislative Compliance and Review

OEH is required to comply with various legislation and in-house policies and procedures in relation to changes to and the ongoing management of the Penders site.

Policy 8. The collection and use of cultural heritage information from individuals or communities associated with the Penders site must be undertaken in accordance with the NPWS Cultural Heritage Information Policy.

Policy 9. The impact of any works to the place should be considered and appropriate approvals or exemptions obtained prior to undertaking works. A heritage impact statement, review of environmental factors or archaeological assessment may be required to assess any works to the place.

Policy 10. Any works to make the place comply with Building Code of Australia requirements should have regard to the heritage significance of the place.

Policy 11. Changes to the place should be undertaken in liaison with appropriately qualified consultants and works undertaken by suitably qualified tradespersons.

Policy 12. Signage and other interpretive devices should be developed in accordance with OEH corporate signage strategies although should recognise the unique creative qualities of the existing built elements of the place.

Policy 13. These Conservation Policies should be adopted and used as a guide for the management, conservation and maintenance of the place.

Policy 14. These Conservation Policies should be reviewed and updated within 10 years to remain relevant to ongoing change and use of the place, and statutory compliance.

Policy 15. A copy of these Conservation Policies should be retained at the National Parks and Wildlife Service's Narooma office for use by those responsible for the management and maintenance of the place.

2.8.3 Managing the Natural Environment

Mimosa Rocks National Park is regionally significant in that it is one of a suite of reserves that together protect more than three-quarters of the coastline of the South East Corner Bioregion. The park has important natural, cultural, scientific, aesthetic and recreational values. While there are no Threatened Species specific to Penders they do exist within Mimosa Rock NP, and in particular there may be Potoroo (small mammals) on the site.

Policy 16. Recreational use of the Penders site must be managed in a manner that does not detrimentally impact on the natural environment.

Policy 17. Conservation and other future works at the Penders site must not pollute or cause adverse impact on the soils or waterways in the vicinity of the site. All activities should be undertaken in a manner which minimises their impact on soils and natural drainage systems.

Policy 18. Obtain silvicultural advice on the future management of the timber plantations on the former 'Penders' property. Depending on this advice, manage the plantations in the short to medium term as cultural artefacts with the aim of harvesting them in the longer term and revegetate harvested areas with endemic species.

Policy 19. *Regeneration of natural species around the margins of clearings should be monitored and the extent of regeneration considered desirable should be reassessed every five years, and management action taken to control the level of regeneration.*

2.8.4 Managing the Cultural Landscape

The following policies are aimed at managing the cultural landscape of the Penders site.

Policy 20. *The current clearings that comprise the vehicular and pedestrian walking tracks, the camping grounds and the sculpture locations will continue to be managed as a managed cultural landscape.*

Policy 21. The cultural landscape should be maintained in a way that maintains the concept of the Penders site as secluded retreat, and maintains the concept of the Myer and Grounds areas as two separate and private enclaves.

Policy 22. The major cultural landscape elements to be retained comprise the covered orchard and main dam, the seats, and the avenues of trees. These should be conserved in accordance with their levels of significance as per Policies 2 -5. Tracks and pathways and any archaeological deposits identified in the future should be retained.

Policy 23. Key views are to be retained, including:

- The view into the site on passing the former timber treatment plant, with the orchard, dam and avenue of trees visible;
- Views to the water from each of the slab seats;
- Views of Bithry Inlet through foliage from the Myer House and from The "Barn";
- Views of the Myer House from the access tracks approaching the house;

- Views of the hill from the main access road between the Myer and Grounds properties;
- Views of The “Barn” and Geodesic Dome from the main access road;
- Views of the Geodesic Dome when approaching from the track from the windmill remains.

2.8.5 Managing Indigenous Heritage

There are no known existing Aboriginal heritage sites or objects located within the Penders site, however Penders is recognised as a place that is likely to have been a popular coastal location for Aboriginal people. Its history of Indigenous use and association has not yet been researched and documented.

Policy 24. *A holistic approach will be taken to identifying, mapping and understanding the historical and contemporary Aboriginal values within the Penders.*

Policy 25. Until the extent of the Indigenous archaeological resource on the site is known, any works which involve the surface or subsurface removal of potentially undisturbed material should only be undertaken after an examination by a relevant specialist.

Policy 26. Investigations or decision making for sites, places, interpretation or activities of Aboriginal culture should include consultation with the Bega Local Aboriginal Land Council and other relevant stakeholders.

2.8.6 Managing the Built Heritage

The built heritage at the Penders includes the buildings and other structures that form the cultural landscape such as identified in Section 3.5 - Gradings of Significance.

2.8.7 Uses

Policy 27. New uses should be compatible with the significance of the site as a place of scenic and natural beauty, as a holiday retreat and as an early attempt at sustainable living. New uses should also be compatible with the significance of the existing structures.

Policy 28. *The site is recognised as a place where it is appropriate to install experimental and environmentally sensitive art and architecture*.

Policy 29. *The “Barn” should continue to be conserved and to be* reused for low impact accommodation that reflects its former use as a dwelling.

Policy 30. The Myer House should continue to be conserved and used for accommodation or similar uses.

Policy 31. The Geodesic Dome should be conserved and interpreted and the Windmill Tower should be stabilised and interpreted.

Policy 32. The former timber treatment shed should be conserved and interpreted for its contribution to the method of conserving timber, now discontinued but influential at the time.

Policy 33. The shed/pod structure may be adaptively re-used, possibly for a toilet and storage area.

Policy 34. Most of the Covered Orchard should be removed with a representative sample conserved and for interpretation.

Policy 35. The Thong Camp should be maintained as potential public camping area.

Policy 36. The Golf Course will not be maintained and can revegetate naturally.

Policy 37. The small fenced garden and the three dams may be removed.

Policy 38. The Myer generator shed should be conserved and used.

2.8.8 Alterations and Additions to Buildings

Policy 39. Significant elements proposed to be altered or removed (eg at the end of their serviceable life) should be photographically recorded prior to and during physical disturbance. Such records should be dated and annotated and filed in a way that is accessible to all managers of the site.

Policy 40. Alterations and additions should not adversely impact on the significance of the structures on the site. Non-significant fabric may be altered to allow for sympathetic adaptive re-use.

Policy 41. Alterations or additions to The “Barn” and the Geodesic Dome, or to the remains of the Dairy are only appropriate if the alterations and additions are necessary to conserve existing significant fabric, or to replace non-significant fabric.

Policy 42. The Windmill Tower should be maintained in its current configuration by maintenance.

Policy 43. It is not considered appropriate to provide additions to the envelope of the Myer House, however sympathetic internal alterations would be appropriate.

Policy 44. No painting of originally unpainted surfaces on any of the structures.

2.8.9 New Development

Policy 45. New development should be restricted to the areas nominated in Figure 17.

Policy 46. Any proposed new buildings or works should have high architectural integrity.

Policy 47. *Any new services introduced to the site should follow the ESD principles established by the Grounds/Myer collaboration and should have a minimal visual impact*.

Policy 48. *New fittings, fixtures or architectural elements to be placed within existing structures should be selected or designed to respect the existing character, fabric and visual qualities of the structure.*

Policy 49. Any future amenities required at the site should only be located outside in the zones nominated for future development.

2.8.10 Security

Policy 50. Security of the site must be provided in a manner sensitive to the open and relaxed nature of the holiday retreat as established by the Myer/Grounds families. Security may be provided by provision of a caretaker, by Ranger patrols and sensitive signage, and by active use of the site and the structures.

Policy 51. Expansion of visitor use and facilities may need to consider that some areas should be accessible only for daylight visitation, to minimise the need for public safety infrastructure.

Policy 52. The Park’s fire management strategy should continue to be implemented to ensure protection of the cultural and natural landscape and the significant built heritage.

2.8.11 Managing individual elements of the site

The following policies are aiming at managing specific individual site elements.

Policy 53. The “Barn” must be actively conserved and maintained given its high level of significance.

Policy 54. Alterations or additions to The “Barn” to facilitate reuse of the building may add sympathetic elements as necessary but must not remove significant fabric.

Policy 55. An in-ground stormwater system should be implemented to shed water away from the existing Barn and Myer buildings.

Policy 56. No new rooms should be built within the verandahs of the Myer House.

Policy 57. Modifications may be permitted to the later additions of the Myer House.

Policy 58. The structure of the Geodesic Dome is required to be conserved.

Policy 59. On-site trials should be undertaken prior to the introduction of any new material or non-traditional construction method at the site. These should be undertaken on selective areas only as required, or on original fabric that is intended for removal or replacement.

Policy 60. The former Windmill Tower remains should be retained and maintained as existing.

Policy 61. The existing fabric of the slab seats should be conserved and they should be relocated to a secure nearby location if erosion threatens to damage them.

Policy 62. The former timber treatment plant is of state significance and should be conserved and interpreted for its contribution to the history of the site and the method of processing.

Policy 63. There must be no painting of originally unpainted surfaces.

2.8.12 Managing the Archaeological Resource

The following policies are aimed at managing the historical and potential Aboriginal archaeological resource within the nominated curtilage of the Penders site. Policies relating to management of the Aboriginal archaeological resource should be supplemented and endorsed by consultation with the relevant communities. At present there are no known Aboriginal sites within the nominated curtilage of the Penders site.

Aboriginal Archaeology

Policy 64. The contribution of the Aboriginal archaeological resource to the heritage significance of the Penders site must be recognised through the addition of any future known individual archaeological sites and/or items to the Aboriginal Heritage Information Management System (AHIMS) and/or relevant statutory lists.

Historical Archaeology

Policy 65. If sites of historical archaeological potential are discovered that have not been previously recorded, the discovery must be reported to the Heritage Branch of the Department of Premier and Cabinet and OEH, and the advice of a qualified heritage historical archaeologist should be sought to

determine the significance of the relics and provide clear strategies for future management.

Policy 66. The former Dairy remains are to be retained and conserved.

Policy 67. The former Dairy concrete slabs are considered to have little potential for providing research potential and may be recorded and removed.

2.8.13 Managing the Movable Heritage

The Myer and Grounds families have vacated the site and have removed their personal belongings including furniture. The "Barn" is currently empty except for fixed fittings including the fixed table.

The existing purpose designed dining table in the Myer House should not be removed and should be used in conjunction with any future use of the house.

Policy 68. New internal furnishings in the "Barn" and the Myer house should be informed by professional heritage advice and be consistent with the original design of the buildings.

2.8.14 Maintenance and Change

Policy 69. Any maintenance works to the existing structures of exceptional, high or medium significance should be undertaken using the same construction methods as originally used, and with similar materials and dimensions where-ever feasible to retain the significance of these components.

Policy 70. Contemporary glues, fillers etc should not be visible, with the exception of rust preventative treatments and timber preservatives, which may be used if trials indicate that they will be successful in addressing particular maintenance issues.

Policy 71. Replacement of finishes/materials in built structures must be undertaken with finishes/materials of a comparable quality and character if an exact match of the material is no longer available.

Policy 72. A maintenance strategy should be prepared for the site, and should be reviewed if intensification of use occurs at the site.

Policy 73. The NSW Heritage Branch Minimum Maintenance standards for security, waterproofing, fire protection and essential maintenance are required to be maintained for The "Barn", The Geodesic Dome and the former timber treatment shed as these are listed on the OEH's S170 Register and therefore subject to the provisions of the NSW Heritage Act.

2.8.15 Visitor Use and Interpretation

The following policies are aimed to guide future visitor use and interpretation at the Penders site.

Policy 74. To conserve the site's significant fabric and values, any future use of the site should include interpretative and information signage.

Policy 75. Any expansion of visitor use or introduction of facilities must not impact on the Indigenous, natural or cultural heritage of the Penders site or Mimosa Rocks National Park.

Policy 76. If visitor use is increased at the Penders site the on-going monitoring of vehicular traffic movement should take place to ensure vehicular movements do not detract from the visitor experience or the presentation of the heritage of the site.

Policy 77. The Penders site should be interpreted broadly to the community who may not have the ability to access the site. Methods such as web-based information could provide greater knowledge of the Indigenous and European significance of the site.

Policy 78. The balance required to manage a historic cultural landscape in a National Park setting should be conveyed as one of the interpretation themes on the site, along with the early aims for sustainable living as demonstrated by the Myers and Grounds families.

Policy 79. Use of the site by day visitors should be encouraged through the provision of toilets, maintenance of walking tracks and interpretation. .

2.8.16 Research and Recording

This report has identified opportunities for further research which are recommended to be pursued to gain a better understanding of the Penders site, which will also assist in interpretation and appreciation of its values.

Policy 80. Recording of any elements proposed for demolition or alteration has been recommended. “Recording” is defined as “archival recording” and should be undertaken by a qualified heritage consultant to the standards of the Heritage Branch Guidelines including Photographic Recording of Heritage Items Using Film or Digital Capture (2006).

Policy 81. Details of repair methods used on the site should be kept at the local OEH office, especially where these may not be visually evident eg if timber preservatives are trialled and used on the structure.

Policy 82. Future research, survey and consultation should focus on areas where Aboriginal heritage has not yet been surveyed.

Policy 83. Further research into the significance, social history and conservation values of the Penders site should continue, particularly if new research information comes to light.

2.9 Constraints and Opportunities arising from heritage significance

2.9.1 Physical

The physical constraints on the use of the site arising from the heritage significance of the place relate primarily to the following:

Access: approximately half of the property boundary is coast line, with shallow and/or rocky access to the water. There is one public road adjacent to the site (to the north) that terminates in a small public carpark with walking tracks into the Penders site. There is one track in and out of the property, and limited opportunity for new access routes given the environmental sensitivity of the surrounding national park. However within the site there is the opportunity to create additional access tracks within the existing cleared areas.

Views: New development should not be visible above the existing tree line, or from the ocean or Bithry Inlet. New development should not be visible from the land to the north of Bithry Inlet or from Lake Wapengo.

New development should not obscure the primary views as noted in Policy 22.

Existing structures: The “Barn”, Geodesic Dome, Myer House, the remains of the former Dairy, the shed/bathroom pod, the former treatment plant, the main dam, the seats, Windmill Tower

remains and avenues of trees should all be retained and conserved to varying degrees as described in the Conservation Policies.

Uses: The “Barn” and the Myer house should remain as accommodation. Adaptive reuse opportunities exist for the Thong camp site, the shed/bathroom pod, the Myer generator shed, and the Covered Orchard.

The timber treatment shed should be conserved and be used for interpretation of its former use.

Demolition or removal: The small fenced garden near the “Barn”, concrete slabs, golf course and the three dams can be recorded, removed and interpreted.

New structures: May be contemporary in character and should be of high architectural quality if they are permanent structures. New structures should also be recyclable, and located in areas nominated for development in Figure 17 below.

Recovering significance: Conservation of the Geodesic Dome, installation of new site specific sculptures on the site and continued revegetation within nominated zones as directed by OEH would all assist in recovering the significance of the Penders site.

2.9.2 Social

There is an expectation that the site will be managed in accordance with sustainable development principles given the principles on which the site was founded by the Myer and Grounds families. There is also an expectation that equitable access will be provided to the site for visitors, locals and indigenous groups.

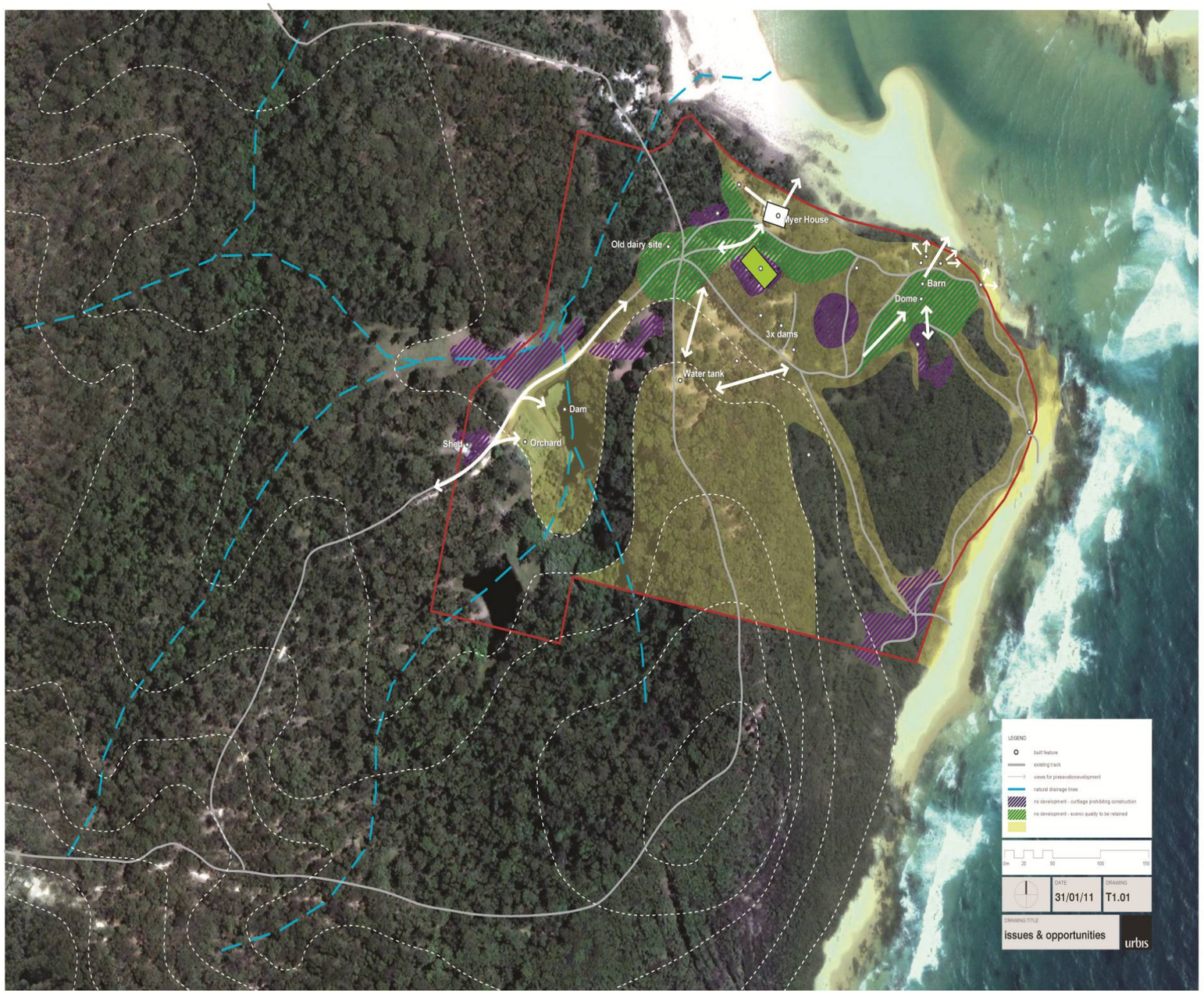
Public access opportunities: The site provides many opportunities for increasing public access. The “Barn” and the Myer House should be accessible for controlled accommodation purposes.

2.9.3 Economic & Administrative

Increased usage will require services upgrades to power, water and sewage systems.

A site management structure will need to be implemented to ensure the site is managed as a historic site with State significance. This includes ensuring that the NSW Heritage Minimum Maintenance standards for security, waterproofing, fire protection and essential maintenance are maintained.

Figure 14 – Summary of opportunities and constraints



Picture 33 – Issues and Opportunities Map

3 Business Analysis

3.1 Background

This analysis and the business plan have been prepared in consideration of the requirements of the NSW Treasury Guidelines for Business Cases and Economic Appraisals. This is done with a view to ensuring the future of the Penders Precinct is considered and the plan developed in a balanced, sustainable and rigorous manner. It is however noted that this is not a Business Case or Economic and Financial Appraisal and provides more general and in some circumstances broader consideration than may be the case for these types of studies.

In brief, this report aims to provide OEH/PWG with a Feasibility Study and Business Plan that on balance provides the most appropriate sustainable adaptive reuse of the Precinct in the interests of the community as a whole.

3.2 Property Description

The property, which is the subject of this project, comprises Lot 106 in the Parish of Tanja, County of Dampier.

Improvements

As described in more detail previously, the improvements erected on the land incorporate a holiday dwelling, being Myer House along with;

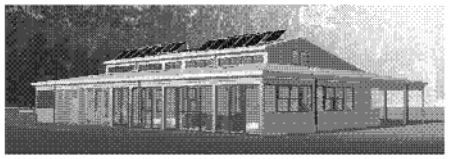
- The “Barn”: Comprising a timber pole structure with plastic awnings at the side and a metal roof;
- The Dome: Comprising a timber structure primarily of an aesthetic function;
- A tennis court;
- Sheds and timber seats;
- Dam s;
- Various ancillary landscaping and other minor structures.

Myer House

The Myer House was ground breaking when constructed in terms of materials, layout of the rooms and design, alternative servicing of water, sanitary drainage and electrical supply. The house is set out more or less symmetrically on a pole frame grid with the various rooms fitting into the grid pattern. The rooms include: entry vestibule and corridor, main living dining sitting area with 2 fire places, 3 bedrooms, 2 bathrooms, kitchen, sunroom, laundry cupboard, and various semi protected verandah areas. The construction of the Myer House is reinforced concrete slab and footings, timber clad walls externally, timber veneered walls internally, timber framed roof with pole main rafters, half pole and timber veneer ceilings, skylights, metal deck roof, water collection tanks, septic sanitary drainage, solar and diesel generator electrical supply (not currently in service), solar and gas hot water system, gas stove, and gas and wood heating[4].

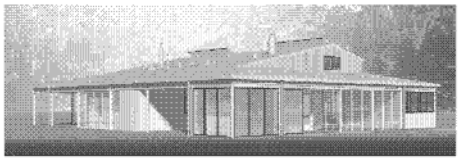
[4] BCA Report & Condition Report Pg 5

Table 5 – Concepts House

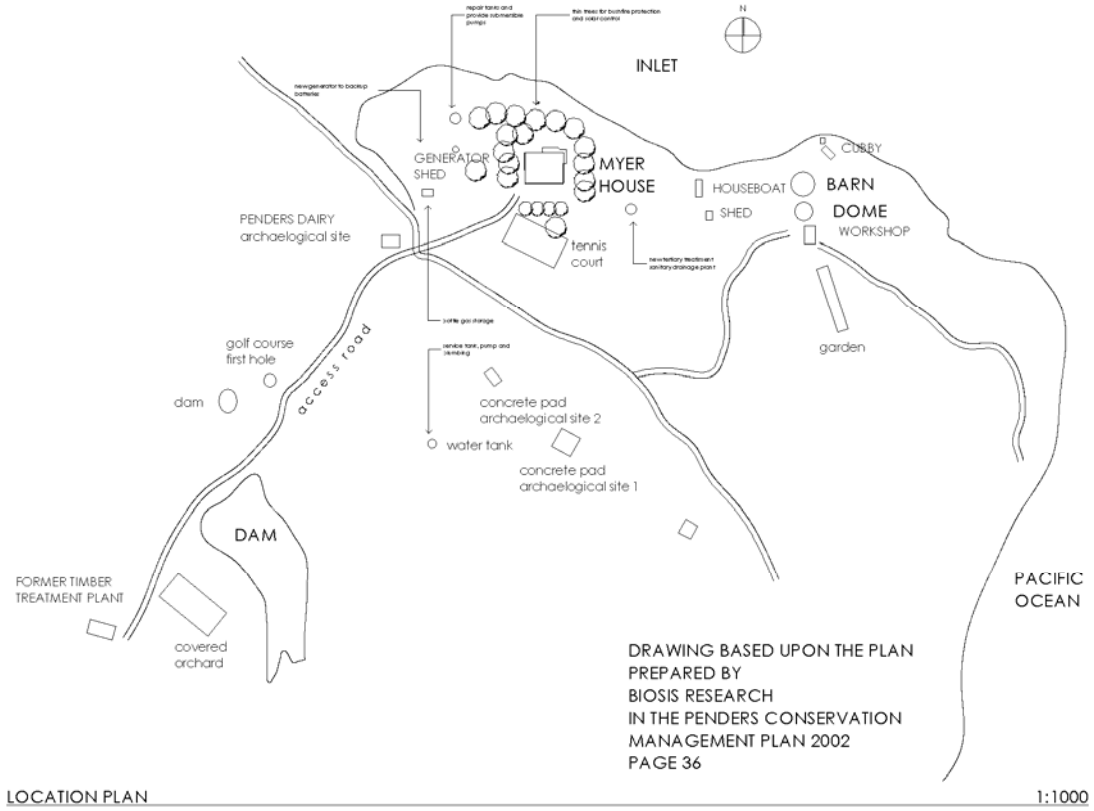


SKETCH FROM THE NORTH

SKETCH FROM THE SOUTH



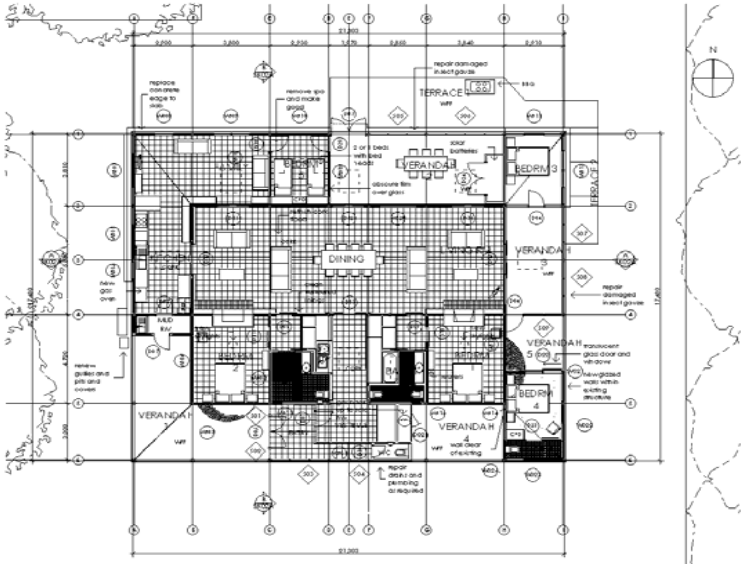
SKETCH FROM THE EAST



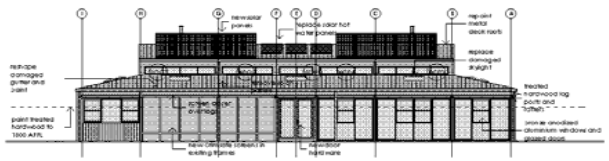
LOCATION PLAN 1:1000

Source: Graeme Barr Architects

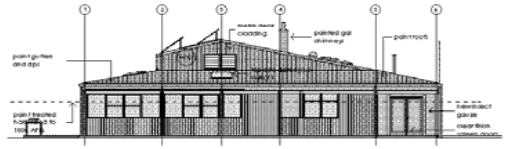
Table 6 – Myer House Plan and Concept



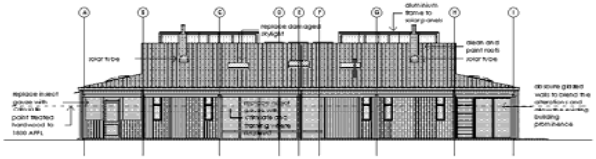
FLOOR PLAN 1:100



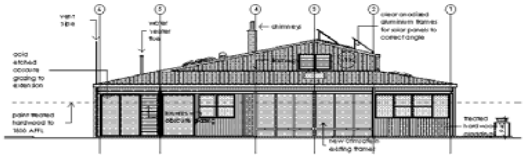
NORTH ELEVATION 1:100



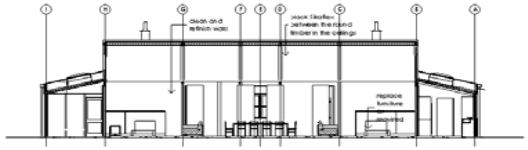
WEST ELEVATION 1:100



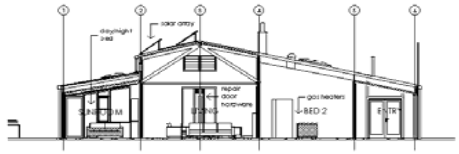
SOUTH ELEVATION 1:100



EAST ELEVATION 1:100



A SECTION 1:100



B SECTION 1:100

PROPOSAL 1

The Site

The area is serviced by a number of unformed roads/tracks suitable, in dry weather, for two wheel drive vehicles.

The northern portion of the site faces Bithry Inlet and from the west the land falls to a gully then rises again to where the “Barn” is situated. The balance of the site is predominantly elevated and rises gently to the eastern shoreline facing the Pacific Ocean. There is a cliff face to the Ocean boundary of a few metres, parts of which comprise shale and sand dune. There is a small beach area at the base of the cliff face facing the ocean, although this becomes a rocky shoreline before falling away to the ocean.

There are cleared areas of land surrounding the “Barn” and to the south eastern portion of the site along with other areas around Myer House. Much of the vegetation on the site comprises Australian native species.

Condition of the Myer House

The condition of improvements is described as “fair ", with considerable upgrading required.

The scope of repairs necessary to bring the improvements to an appropriate condition is reasonably considerable. The BCA inspection report details the work necessary in relation to the Myer House and includes the following:

- Ensure the site slopes away from the building to ensure good site drainage and also that any pipes and pits installed are below the floor level.
- Replace damaged concrete apron around the building.
- Ensure effluent disposal and water tank run off is a way from the house.
- Replace damaged pipes and ensure the water overflow from the water tanks does not cause damage.
- Replace the sanitary drainage with a current best practice tertiary treatment septic tank.
- Remove dirt, leaves and earth from around the house on a regular basis.
- Repair concrete apron around the house with a stainless steel mesh Termite barrier between the apron and the slab. Done?
- Immediate and regular inspection of the site, at least every 12 months, by an accredited termite controller is strongly recommended.
- Paint the roof sheeting and replace any damaged fasteners to the roof, trims, gutters and downpipes.
- Repair the damaged skylights with new skylights and reinstall the skylights where they have been removed. Additional skylights could also be installed to lighten up bedrooms 1 and 2. Skylights have an effect on Basix requirements however their benefit in this house will be immediately apparent.
- Repair the damaged gutter with material to match and keep clean.
- Replace the mismatched downpipes.
- Seal the weatherboard gaps with a small 30x15mm treated hardwood batten fixed with gal fixings.
- Paint the claddings and exposed framings to a height of 1800mm with clear finish to protect persons from the CCA.

- Replace vermin guards to posts and walls and replace any damaged mesh at the junctions of the lintels and the roof. Weatherboard
- Repair any broken glazing.
- Replace glazing with low heat transmittance glazing, low E and double glazing. This could be done in one go or *over time*.
- The type of glass in the doors should be checked by a glazier to advise if it is toughened.
- Replace non safety glazing in large panels and close to the floors with Grade A glass.
- Replace screens as they have deteriorated and broken in places.
- Replace smoke alarms and install smoke alarms outside bedrooms 3 and 4.Provide additional gas heaters in the bedrooms for greater comfort.
- Clean the chimneys in the open fire and in the slow combustion wood heater regularly.
- Consider the safety of visitors using wood burning fires. (These should be kept if at all possible)
- Monitor if they should be closed off and more gas heaters considered. For people not used to wood fires they can be difficult and dangerous if flammable items are left near the fires or burning material falls out.
- Remove the understorey of the planting around the house to reduce the Bushfire Attack Level to BAL-LOW. (If this isn't done the building should be upgraded to BAL-FZ and that would be a major costly upgrade of the windows, subfloor, doors, eaves, cladding, skylights, etc. The simplest way to reduce the BAL would be to clean out the understory and have low planting of native shrubs strategically placed for privacy. Many of the trees have been damaged by decay and bellbirds and these could be thinned. (The solar heating and electricity would benefit from thinning these trees.) If the surrounding landscape can achieve Open Woodland status with grassland under it would then be BAL-LOW which would preserve the current house materials, design and integrity. Please refer to page 20 of AS3959-2009. Mowing the lawn and maximum of 10% over storey around the house would satisfyAS3959-2009.Maintain the house bushfire fighting unit and check regularly as part of the maintenance schedule.)
- Provide a new Biolytix type tertiary sanitary drainage treatment system Repair the pump and water tanks so the house has fresh water to the kitchen. decide whether to keep the dam fed water to the showers and basins. This could be health risk if drunk by unsuspecting visitors. Install a washing machine in the laundry.
- Provide a new oven, dishwasher, refrigerator, microwave to the kitchen.
- Fit the required star rating of taps shown in BASIX.
- Lift the range hood over the stove so it is above head height.
- Install new heating, venting and lighting to the bathrooms preferably in a single unit.
- Take the vented air to an acceptable location to the BCA.
- Stairs should be constructed according to sections 3.9.1.3 and 3.9.1.4 of the BCA Vol.2 in an acceptable location to NPWS. These are of ten timber on edge with turf/earth/or paved steps behind. Define tracks with low evergreen shrubs such as Lomandra if suitable to the Mimosa Rocks National Park or similar.
- Provide solar power to the house. A total of 16-18 panels would be required and the system would need a backup.
- It is proposed to use a diesel generator to charge the batteries when they get too low in stored charge. The system would be inverted to 240 volts. A solar system suits the aim of

the CMP to utilize new ideas and energy efficient services compatible with the Department of Environment and Climate Change. A stand alone solar powered house would set an example for visitors which may encourage them to also utilize solar power in their usual residences.

- BASIX would be applied to any renovations to this building. Used for the rest of the building it is only a guide. The building currently uses tank and dam water which are both required by BASIX. BASIX would also require a better sanitary drainage system, protection to all glazed windows and doors (and different glass), water saving taps in the kitchen, bathroom, basin, etc, electricity saving light fittings, insulation in the walls and roof where possible, a native landscaped garden watered by the roof water and a solar with gas boost hot water heater fitted.
- Thermal efficiency: The building has major problems with heating. The problems include the windows on the west and the south of the house. These windows and doors present a design conflict because at once the view should be retained however the comfort of the building needs to be improved. The building is cold in winter. Special glass and thinning of trees if approved will greatly improve the comfort of the house. Consideration has to be made to the aesthetic, cultural and historical value of the house but it is argued the comfort of the visitors is also very important. The rules of Basix are not required for the whole house but they are an aim to strive to achieve.
- Thermal Insulation: The insulation should be checked when building works are being undertaken to check the roof has an R value of 2.5 insulation and the walls RI.8. Any opening up of the walls and roof would also permit the installation of insulation (eg when weatherboards are repaired).
- Building Sealing: The building should have to the degree necessary a level of sealing against air leakage to facilitate the efficient use of energy for artificial heating and cooling. If the building is draughty in winter the windows and doors should be sealed by mohair and rubber seals at jambs and styles. Door seals should be installed at the base of doors. OEH to advise if door and window sealing is necessary for heating in winter, to “the degree necessary”.
- Building Services: The solar hot water and energy production will assist to comply with BASIX. The water from tanks and dam are very environmentally friendly.
- The tertiary treated sanitary drainage will keep enrichment from the native bush and waterways.

Works required to Provide Accommodation:

The above list is considered an appropriate reference for the upgrading of the house to a standard suitable for holiday letting. By and large these upgrades are as recommended by the Building Report and will be necessary to ensure the safety and functionality of the facility. It is noted that at this point it is not considered necessary to carry out the full upgrade and extension of the house to the extent suggested in the Architects proposed design. The cost of this upgrade is not considered reasonable in relation to the additional revenue it is likely to generate. What is recommended is the conversion of the Spa room into a children’s bedroom by moving the northern partition wall to the north to create more space and by moving the spa out. It is further suggested that the side balcony with access to the other children’s bedroom should be made wind and waterproof as far as possible.

Services:

The services of electricity, water and sanitary drainage are in considerable need of upgrade. Electricity from a diesel generator does not run all the electrical fittings and fresh water has to be brought by hand from water tanks with minimal filtering and treatment. The sanitary drainage should be tertiary treatment to suit the National Park. The House and other accommodation areas will need to be serviced by adequate diesel generators and solar power units such that reticulated water can be supplied reliably and lighting is adequate.

Furniture:

The house will require new furniture including: kitchen appliances, crockery and cutlery; new beds and bed side tables for bedrooms 1-4; dining chairs for the dining room, verandah 2 and family room; sofas for the living room and the family room (spare trundle beds for the family room); outdoor seats and a table; gas or wood barbeque; TV and cabinet; sheets, blankets, pillows and towels. It is assumed that bed linen would be supplied and changed/washed by the caretaker.

Market Value

Current market value of the property, incorporating the 20 hectares is estimated to be in the order of **$1.2 million**, assuming fee simple vacant possession. (Note: This appraisal does not constitute a valuation and should not be relied on as such).

3.3 Climate Change

Consideration is given to the possibility of rising sea levels influencing the property in the longer term. However, within the context of the site and the estimated elevation, it is considered that sea level changes will have no material affect. This does not comprise an expert opinion and should be referred to a Surveyor for confirmation. Erosion may however be a problem and structures may at some future point need to be moved or protected.

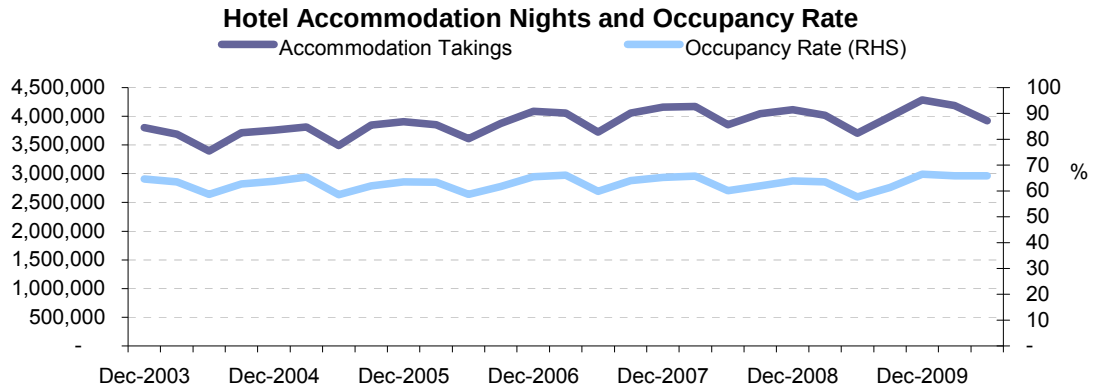
3.4 Holiday and Leisure Accommodation Market

3.4.1 Supply

The tourist market on the South Coast, and particularly in the Bega Shire, is well catered for, with Merimbula being a popular tourist town and destination.

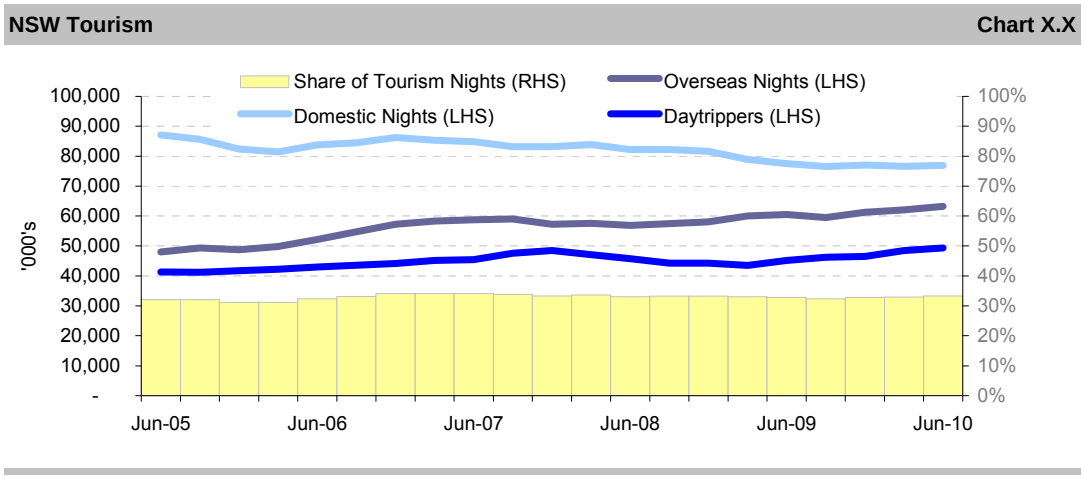
Figure 7 – Hotel Occupancy

NSW Hotels



Source : ABS CAT 8635; Urbis

Figure 8 – Visitor Numbers



Source : Tourism Research Australia Quarterly International Visitor Survey; Tourism Research Australia Quarterly National Visitor Survey; Urbis

3.4.2 Demand

The market for Holiday Accommodation on the South Coast is particularly seasonal, with summer, and particularly the summer school holidays being the peak season. Occupancy and usage at other times is substantially lower than these peak periods.

For Australia, the 2010 average takings per room night occupied were $144.98 for establishments with 5 or more rooms. This was heavily influenced by hotels, motels and serviced apartments with 15 or more rooms which contributed 94.9% of total room nights occupied, and had average takings per room night occupied of $147.18. The average for 5 to 14 room establishments was $104.48. The room occupancy rate for hotels, motels and serviced apartments with 5 or more rooms was 59.7% in the June quarter 2010. For hotels, motels and serviced apartments with 15 or more rooms, the room occupancy rate was 60.9%, while for 5 to 14 room hotels, motels and serviced apartments the room occupancy rate was 43.7%. The site occupancy rate for all caravan parks in the June quarter 2010 was 53.2%. Short-term caravan park occupancy rate was 50.2% and long-term caravan park occupancy rate was 74.6%. For holiday flats, units and houses, the unit occupancy rate was 37.9%. The bed occupancy rate for visitor hostels in Australia was 47.5%. Queensland and the Northern Territory had the highest bed occupancy rates at 52.2% and 52.1% respectively. (Source ABS, 2010)

3.4.3 Market Rates, Competition and Opportunities

Consideration is given to the relatively large market for holiday accommodation and in particular holiday homes in the general area. The supply in the market is reasonably good however competition is significant. The market is highly seasonal and although businesses located on major thoroughfares and in towns benefit from some passing and business trade, there can be low occupancy rates during the off season.

Table 9 – Accommodation Rates

Accommodation				
Property	Low*	High	Est Average p/night	Details
Sea Eagles Nest, Tathra	$1,652	$2,905	$325	Large House with 5 beds and sleeps 8 overlooking Bega River Valley.
The Outlook, Kalaru	$1,900	$3,150	$350	Large House with 5 beds and sleeps 8 overlooking Blackfellows Lake.
33 Dolphin Cove, Tura Beach	$1,000	$2,600	$178	3br purpose built holiday cottage, views over beach, 6 people in any configuration
5 Lakewood Drive, Merimbula	$1,200	$2,500	$200	Modern 3 bedroom, 3 bathroom home, views, close to town
19 Weemilah Drive, Pambula	$1,000	$2,000	$165	Re-locatable single room cabin with a double and 4 single beds(bunks)
Merimbula Beach Holiday Park 2 Shortland Point, Merimbula EnSuite cabin	$72	$199	$104	2 storey brick home, water views, short walk to beach
Merimbula Beach Holiday Park 2 Shortland Point, Merimbula un-powered site	$25	$55	$4	Canvas eco-tent with 4 camp beds/cots

Source : Urbis

**Rates are per week for the cottages and nightly for cabins and unpowered sites*

Tarrifs for well located holiday houses in the broader area range up to $3200 per week and more in peak season, around Christmas and the summer school holidays. They move between $1200 and $2500 per week in the Low and Shoulder seasons. Cabins and similar accommodation range up to $200 per night in peak season from around $50 in low season. Powered Camp sites range up to $60 per night from $20.

Benchmarks for small accommodation and food businesses are given below.

Table 10 – Accommodation Benchmarks

Business Benchmarks	
Gross Profit	68.0%
Net Profit	17.0%
Return on Assets	9.5%

Source : ANZ, Urbis

These figures suggest that direct costs for the provision of accommodation are generally reasonably low, with operating costs, such as management, taking up the bulk of the available revenue.

Table 11 – Campsite Occupancy Rates

Occupancy Rates at Camp Sites						
Location	**No Sites**	Rev/Site 08	Rev/Site 09	Rev/Site 10	Average	Implied Occupancy
Mimosa	150	900	960	1047	969	12%
Deua	159	69	69	57	65	1%
Eurobodalla	100	680	450	500	543	7%
Bournda	66	1212	1087	1167	1155	15%
Ben Boyd	44	1273	1545	1659	1492	19%
			Average Implied Occupancy			**11%**

Source : Urbis

It is noted from the above data that occupancy rates tend to be higher where there are less available sites.

Table 9 – Camp Fees

Camp fees			
Location	No Sites	Adult Rate	Child Rate
Mimosa	150	10	5
Deua	159	5	3
Eurobodalla	100	10	5
Bournda	66	10	5
Ben Boyd	44	10	5

Source : DEECW, Urbis

Camp fees range from as low as $5 per Adult per night to $10 per night, having increased from around $5 per Adult in 2007. Although the rise in tariff does appear to have reduced occupancy rates, they seem to have recovered within a couple of years of the increase. It is envisaged that there would be limited opportunity to attain higher rates for sites alone.

3.4.4 Leisure Property Sales

It is relevant to consider the comparable value of Holiday Accommodation and Leisure Businesses in assessing the relative benefits that may accrue through the development of the subject site.

Table 12 – Leisure Property Sales

Sales					
Property	Income/to	Price	Date		Details
601 Fishery Point Road, Bonnells Bay	830,663	7,750,000	4/06/2010	10.7%	Caravan park zoned business, land 44,240 sqm
White Horse Inn; 3 Market Pl. Berrima	na	1,730,000	18/02/2009	na	Inn and Restraunt on allotment of 5,583 sqm.
99 Princess Highway, Eden	500,000	For sale	25/09/2010	na	Caravan Park for Sale with 263 sites on a 62,900 sqm lot.
485 Lake Conjola Entrance Road, Lake Conjola	na	1,350,000	28/08/2010	na	Resort with DA for 71 Cabins and 26 Campsites, 1 cabin complete, sold by receivers.
NSW South Coast Caravan Park (For Sale)	277,751	1,700,000	For Sale Dec 2010	16%	17 cabins , 10 long term, 40 short term sites and 5 camp sites

Source : Urbis

By and large caravan parks and similar styles of holiday accommodation will have values which fall at around 10% to 15% of their annual income, depending on their size and the consistency of the income.

3.4.5 Adopted Tariff Rates, Yield and Assessed Value

Based on comparable accommodation, the following estimated tariff rates are provided.

Table 13 – Potential Accommodation

Potential Accommodation at Penders

Property	Low	Shoulder	High	Average p/night	Occupancy (Outside High)	Annual Revenue	Details
Myer Cottage	$1,500	$2,000	$3,000	$290	66%	$77,790	4 bedroom cottage. 2 queen beds and 6 single beds (Bunks)
Barn	$500	$1,000	$2,000	$147	66%	$40,750	Single room with a double and 2 single beds(bunks)
Family Tent (4)	$200	$300	$600	$46	40%	$9,560	Canvas eco-tent with 4 camp beds/cots
Tent for Two	$150	$200	$400	$31	40%	$6,460	Canvas eco-tent with 2 camp beds/cots

Source : Urbis

It is noted that the proposed accommodation is somewhat unique in the area and that although the somewhat 'rustic' nature of the "Barn" and to a lesser extent the Myer House will limit the patronage of a certain portion of the market it will tend to be attractive to others. The accommodation will tend to suit those more interested in an experience, rather than just a luxurious residence or escape. As a consequence, it is appropriate to advertise to and attract this market through marketing in Architectural and Arts publications and at Universities. A following by this market may assist in supporting occupancies during the off season, where the experience will still be available but at lower tariffs.

The adopted tariffs represent those considered achievable for the respective accommodation options and hence are recommended as starting points for tariffs to be charged. The high season rate is considered to apply to the six week period up to the end of the NSW Summer School Holidays, then for a total of two weeks over Easter and the October long weekend. The rates might be adjusted as operational experience is gained to target a reasonably high, but manageable occupancy rate of up to say 80%. The analysis itself assumes occupancy rates of 66% for Myer House and the "Barn" and 40% for the Eco-Tents outside the peak period, where it is assumed to be 100%.

The occupancy rate is applied to the low and shoulder periods before the revenue is added for the high period to arrive at the annual revenue. This figure is then transposed to the budget for the operation, discussed further on.

4 Options – General Discussion

The following discussion is general in nature and pertains broadly to factors which may be relevant to each or all of the options considered. We then look in more detail at the individual options. Schematic plans are provided at figures 15 and 16 for the two main options considered.

During the preparation of this report, a number of different project options were evaluated. A number of key parameters were instrumental in identifying the scope of the options to be evaluated. The development, management and implementation options for the site seek to enhance the use and accessibility of the site for the community, in a sensitive manner in accordance with the overarching objectives of OEH. They have incorporated the consideration of:

- The upgrading of the Myer House;
- The provision of some permanent tents;
- The construction of ablutions blocks;
- The improvement of access to the site and to the beach;
- other upgrades and maintenance as is necessary and practical to enhance the safe and effective use of the site;
- The relatively unique nature of the existing accommodation;
- The large tourist and holiday market within the locality.

The site generally appears to offer 2 or 3 locations which may be suitable for camping. These areas include the clearing to the eastern portion of the site known as Thong Camp, the area surrounding the “Barn” and the gully leading down to and adjacent to the inlet. Family camp sites may be expected to be around 10 metres wide by 10 metres long, allowing for the parking of a car to the side of the tent and a covered alfresco dining and lounge area to the front.

The camping area to the south eastern portion of the site would require the provision of beach access and possibly the provision of a suitable access point from the rocks to the water for surf board riders.

It is possible that those using the “Barn” and the Myer House could access the beach via the existing access way through the gully.

The area could be managed by the local OEH Tanja Depot with daily security checks at the camp sites. Alternately the site could be managed by a local Real Estate Agent with the assistance of a contract Caretaker. The usual management practices may apply, however if tents were to be provided it would be necessary to take a bond or credit card swipe from the guests, when letting these, to cover any possible damage caused by them. Tents and cots would need to be secured such that they could not be readily disassembled and removed. Consideration has been given and allowed for the erection of permanent timber stages for the tents such that they are slightly elevated from the ground and provide a solid, flat surface within the tent.

The nature of or model for the camping areas could be considered to be similar to that operated on Cockatoo Island in Sydney Harbour by the Sydney Harbour Federation Trust. This involves campers being given a choice of a camp site or a camp site with pre-erected tents which sleep up to 4 people. The tents are of a sturdy construction and measure about 2.4 metres by 2.4 metres. Tents may be pre-erected during peak and shoulder seasons and then erected as needed during the low season. This will also provide the flexibility to leave areas fallow from time to time to ensure the recovery and rehabilitation of the area. Alternatively, should tents be erected on timber platforms/stages, it is not anticipated that they would be taken down other than for repairs.

It is noted that there are a number of other structures on the site which may warrant adaptive re-use. The old timber treatment shed near the entry may be adapted for an interpretive use or entry statement. The old curvilinear shed/toilet structure in the gully will require refurbishment for use as a toilet, predominantly for day trippers. It is recommended that the Geodesic Dome be refurbished, as mentioned, and converted for use as an outdoor eating area.

In light of the considerations above the options developed included the base case, to provide a reference point, along with various levels of development and operation of the estate.

After reviewing the CMP, planning, social and urban design parameters, five scenarios have been developed for analysis. The scenarios reviewed include:

Table 14 – Options Considered

Options	Development	Dwellings	Details
Option 1 (Base Case)	Retain and do nothing	Nil	Secure the existing improvements to the site and provide basic security to limit any vandalism.
Option 2	Develop holiday retreats as occasional holiday lettings	1 house	Upgrade the existing house to provide basic holiday style accommodation and let as holiday accommodation
Option 3a	Develop holiday retreats as occasional holiday lettings	1 house plus “Barn”	Upgrade the existing house and “Barn” to provide holiday accommodation and let as holiday accommodation through an Agent, using a Caretaker. Provide or permit tents at Barn if desired.
Option 3b	Develop holiday retreats as occasional holiday lettings plus 10 Tents at Thong Camp	1 house plus Barn 10 Semi - Permanent Eco Tents	Upgrade the existing house and Barn to provide holiday accommodation and let as holiday accommodation through an Agent, using a Caretaker. Provide or permit tents at Barn if desired. Install 10 High Quality Tents at Thong Camp.
Option 4	Develop holiday retreats as occasional holiday lettings	1 House 20 Semi - Permanent Eco Tents	Upgrade the existing Houses to provide basic holiday style accommodation and let as holiday accommodation. Install a limited number of permanently erected tents with lockable entries, and camp beds and ablutions blocks.

The nature of the proposals are such that the holiday accommodation will tend to be somewhat ‘up market’ particularly with respect to camping holiday accommodation. To this end it is envisaged that facilities will be of a reasonably high standard and of sturdy construction. Ablutions blocks are envisaged to be constructed to a consistent standard with other OEH facilities incorporating say 4 toilets and 4 showers for every 10 tents and supported by adequate tank water supply with solar power to operate hot water supply. It may be necessary to provide a backup generator to service the sites where solar power fails to be adequate.

Under Option 4 it would be intended to use The Grounds Barn as a communal facility to service the camping area adjacent to it and incorporate gas BBQ, sinks and a communal table. In Option 4, Thong camp is anticipated to have a purpose built common area incorporating similar BBQ, washing up and communal dinning facilities.

Although outside the scope of this report, OEH may consider increasing the size of the public car park adjacent the inlet. This will improve the opportunities for those who choose not to stay at Penders to experience the area.

Occupational Health and Safety Issues

We are not expert in occupational health and safety and recommend that a detailed risk assessment be carried out in relation to the final option adopted. Some of the issues however which we consider worthy of note at this point include:

- The risk of injury as a consequence of people climbing on, or as a result of the failure of, the Geodesic Dome;
- The unsuitability of the site for small children, due to the unrestricted access to the water;
- Beach access from the southern end of the site, near Thong Camp, is not of a suitable or safe standard.

Community Use and Access

The Grounds Barn may be made available, particularly during the low season, for use by community groups, and the heritage and cultural walks will allow the public to experience the features of the Precinct.

4.1 Option 1 (Do nothing)

Option 1 is the base case or do nothing option. This involves simply securing the existing improvements on the site and providing basic security to limit any vandalism. This option may be considered appropriate if there was no opportunity or capacity to use the site or if it was considered inappropriate to do so. There would necessarily be a cost to securing the existing structures and this part of the National Park would require additional security as it may attract squatters and vandals.

4.2 Option 2 (Let Existing House)

Upgrade the Myer House to provide holiday style accommodation and let as holiday accommodation. The remainder of the precinct would be left for use by visitors to the national park with the Grounds Barn being made available for day use visitors and interpreted appropriately with internal access restricted.. Naturally there would need to be some maintenance of the precinct along with security measures.

The Myer House could be let and managed by OEH or it could be given to a local real estate agency to manage as a holiday letting. It is envisaged that whilst the house would be furnished and items such as plates, knives and forks and basic consumables such as soap would be provided, visitors would generally be expected to bring their own linen and personal items although these may also be offered for hire by the management. The opportunity may also exist for cooking and cleaning services to be offered to holiday makers, generating additional revenue or possibly offering a business/employment opportunity for locals.

Should the local community be interested, they could choose to provide cultural experiences to holiday makers such as guided tours, bush tucker and cooking classes, and/or meals, art classes and entertainment.

4.3 Option 3a (Let Myer House and the “Barn”)

This option involves upgrading the Myer House as discussed above and making the “Barn” suitable for occupation by holidaymakers. The “Barn” would require the provision of a queen size bed and two single beds or a bunk bed. The improvement or upgrading of the bathroom will also be necessary.

The specific market segment targeted: The Myer House could be used in a similar manner to that described in Option 2 above.

The Geodesic Dome, after restoration, should be developed for use as an outdoor eating area to compliment the “Barn”.

4.4 Option 3b (Let Myer House, Barn and install Tents at Thong Camp)

This option is an evolution or extension of Option 3a. It involves doing all those things intended in Option 3a plus installing a number of up market tents (10) and an ablutions block at Thong Camp. The Thong Camp is located to the south east of the site. The area known as the Thong Camp has long been a location where friends of the Myer and Grounds families have camped. It provides additional usage activation of the site with minimal impact. It is envisaged that the tents will be canvas and incorporate relatively good quality camp beds. These might be secured to the site as possible, or located on timber platforms and guests charged a bond in the event that they cause any damage. The tents would be situated on sites of approximately 10 metres by 10 metres allowing an area to the side of the tent to park a vehicle. An ablutions block with standard National Park facilities would be erected in the camp site.

4.5 Option 4 (Up market camping/Glamping)

This option involves the upgrade of the existing Myer house as necessary to provide holiday accommodation, the development of the “Barn” for holiday accommodation, along with the provision of some 20 high quality eco-tents with camp beds at the Thong camp. This would also require the installation of an ablutions block to the site. The camping area around the “Barn” could use the “Barn” as a communal eating and recreational area and a light weight shelter structure could be erected at Thong Camp. It would also be advantageous to establish appropriate private access to the Tennis Court, such that all guests could make use of it. A drawback of this option is the concern that the communal use of the “Barn” may result in too much wear and tear.

5 Economic Appraisal

5.1.1 Introduction

The economic appraisal assesses all of the costs and benefits of the base case and project options from the *"whole of community"* or whole of economy point of view. In this particular case the boundaries of the economy selected is the State of NSW although consideration is given to the appraisal as it would be from the perspective of the nation. The economy or *"whole of community"* is the sum of all parties being government, government agencies, businesses, residents etc and any third parties that may be affected by the project. The methodology selected for the economic appraisal is a cost benefit analysis (CBA). CBA utilises the DCF method for determining the net present value of the project. Economic appraisal differs from financial appraisal in that it measures costs and benefits to the community – and not just the financial costs and revenues to the financial sponsor(s).

As recognised by AHURI[5], the categorical enumeration of either the cost-effectiveness or cost benefit of programs is difficult owing to the multi faceted nature of social problems. Berry et al (2003), note that costs and benefits relate to the individual, to government and to society[6].

This Economic Appraisal has been prepared in consideration of the NSW Treasury Guidelines, in conjunction with the relevant project partners. The report has sought to identify a range of alternative options and recommend the most socially beneficial option to support.

The EA method is used here as it is considered an appropriate broad methodology, however it is not intended that it necessarily comply with formal Guidelines.

The methodology calls for the casting of a wide net on potential options, even where they may be outside the CMP. This is in order to compare them to the compliant Options and provide relative comparability. It also assists in demonstrating that most possible options have been considered, even where they may require changes to the CMP or other parameters.

Treasury Guidelines recommend the inclusion of Opportunity Costs and the Acquisition Cost is included here as such. This assists in illustrating the effectiveness with which the assets are employed.
Terminal or Residual Asset Value: Theoretically the DCF could be extended in perpetuity and real income escalated. This would theoretically provide a similar result in the IRR/ NPV calculation as the use of a residual or terminal value.
In relation to property assets it is appropriate to use a residual or terminal asset value, escalated to reflect real future value as market rentals on property, particularly non commercial property, rarely reflect the return anticipated by the market. As such there is a substitution in the market of capital gain for income. Failure to incorporate real capital growth through an estimated real residual value ignores this substitution effect and as such can result in inappropriate or less than rigorous outcomes in the analysis.

Market rent/return is the simplest method for measuring the value that the community ascribes to a form of accommodation. Other social benefits are either quantified if readily achievable or else qualified provided that these benefits do not "double count" the benefit of value as measured by market rent.

Equity Objectives: Before quantifying the costs and benefits, an important consideration is equity. Economic appraisal and the methods it employs (cost effectiveness and cost benefit analysis) measure optimality rather than equity. Yet the objectives of many programs and specific projects relate as much to equity as optimality. Measures of equity are often ignored in CBA because they are regarded as a transfer payment from one sector of the economy to

[5] AHURI (2009) Evidence to inform NSW homelessness action priorities 2009-10, AHURI Research Synthesis Services May 2009

[6] Berry, Chamberlin, Dalton, Horn and Berman, 2003 9-12; Pinkney & Ewig, 2006 115 -118

another. An example for instance is a subsidy. The conclusion then is that the performance of a particular project may be mundane (as quantified by a CBA model) but there may be valid equity reasons for government to support it. Economic Performance measures include:

- Internal rate of return (IRR) = the discount rate to make the NPV zero; and
- Benefit cost ratio (BCR) = total discounted benefits divided by total discounted costs
- Net Present Value (NPV): The NPV is the residual after subtracting the discounted (or present value) stream of costs from the discounted (or present value) stream of benefits over the life of the project or project planning period.
- Benefit Cost (BCR): The BCR is the ratio of the present value of benefits to the present value of costs. If the BCR is greater than one, the present value of benefits exceeds the present value of costs.
- Internal Rate of Return (IRR): The IRR is the discount rate at which the present value of benefits equals the present value of costs, that is, the discount rate at which the NPV equals zero.

An option is considered viable if the NPV is greater than zero, which means the BCR is greater than one and the IRR is greater than the target IRR or discount rate.

Consistent with Treasury Guidelines, the real discount rate used for the purpose of discounting the future cost and benefit streams is 7%. This discount rate is assumed to represent the opportunity cost of resources used and is a real rate which already takes inflation into account. This assumption has been sensitivity tested with a lower bound figure of 4% and an upper bound figure of 10%[7].

Discount Rate: A discount rate of 7% was selected for the appraisal. This reflects the cost of capital for a public sector organisation.

5.2 Cost/Benefit Inputs

Provision is made for:

- Demolition costs of $20,000 associated with removal of structures considered unsafe, including some of the Covered Orchard and the removal of the spa and wall in the Myer House.
- An amount of $250,000 for the upgrading of the Myer House and the “Barn”, restoration of the Geodesic Dome along with the provision of furniture to each of the “Barn” and Myer House.
- An additional $250,000 to $385,000 for an ablution block and shelter at the Thong Camp.
- Contingency of 5% of the development cost is included, to allow for variations.
- Where included, wages are estimated at $20 per hour, based on part time cleaning/hospitality award.
- Health and Wellbeing benefits attributable to the public ownership of the site are estimated at $10,000 per annum. This is estimated by assuming that, given the outdoor activities

[7] The choice of the appropriate discount rate can have a significant impact on the outcome of the economic appraisal. Based on the NSW Treasury Guidelines, the figure of 4% reflects the social preference rate or society’s preference for current consumption of goods and services compared with consumption in the future. The figure of 7% reflects the social opportunity cost of capital involved compared to investment in the private sector. 10% represents a weighted average cost of capital for an organisation similar to the proponent. Due to the difficulty in estimating these discount rates, a selected figure of 7% is used in the base EA scenario, while 4% and 10% represent the range of sensitivity testing

available on and encouraged by the site, a week at the site provides a substitute for a visit to a gym, pool or sporting facility. It could also be assumed that those accessing the site will be somewhat encouraged by its amenity to maintain their physical and psychological health.

- An estimate of $3500 is given for the contribution of the site to the local economy, by Victorians visiting. This is done on the basis that Victoria is not part of the community for the purpose of the EA. It assumes that a small number of Victorians, including Architects, come specifically to visit this site and contribute to the local economy.

Capital Development Expenditure			
Drainage			8,000
Septic			10,000
Water tanks			10,000
Paint roof sheeting & replace damaged fasteners, trims, gutters			12,000
Repair and Match Gutter			5,000
Repair skylights			4,000
Paint cladding to protect from CCA			2,000
Vermin Gards Replace			2,000
Crimsafe and Café Blinds for Balconies			15,000
New oven, dishwasher, fridge and microwave			7,000
Bathroom venting to BCA			3,000
Solar Power			5,000
Deisel Generator			3,000
Termite Protection Barrier			8,000
Concrete Around building			7,500
Glazing			8,000
Move wall to create bedroom			5,000
Restore Geodesic Dome			60,000
Furniture			
Queen Beds and mattresses	3	3000	9,000
Single or bunk Beds	8	1500	12,000
Lounges			16,000
Chairs	15	100	1,500
Kitchenalia			2,000
Cots			6,000
Tent Provision			8,000
Contingencies			21,000
Total			250,000
Ablutions Block			250,000

Source : Urbis

Costs are provided as a broad estimate/guide only and normal procurement processes should be applied when acquiring any goods or services required. Figures exclude GST.

5.2.1 Economic Appraisal Models

100% 25% 35% 20% 10% 10% 0% 0% 0%

OPTION 2: Myer Cottage and Barn used as Holiday Accomodation 107 46

			Year	0	1q1	2q1	3q1	4q1	1q2	2q2	3q2	4q2	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL
Economic Appraisal																																									
COSTS	%	Units	$ Rate	Amount																																						
Notional purchase of existing property		1	1,200,000	-1,200,000									-1,200,000																												-1,200,000
		0	0	0	0	0	0	0				0	0	0																										0
		0	0	0	0							0	0	0																										
		0	0	0	0	0							0																												
Pre-Construction Expenditure																																								0
All consultants	5.0%	1	12,500	-12,500	-1,563	-1,563	-1,563	-1,563	-1,563	-1,563	-1,563	-1,563	-5,986	-5,585																											-24,070
Construction cost																																								0
Demolition		1	20,000	-20,000	-10,000	-10,000							-19,487																											
Development		1	250,000	-250,000	-62,500	-87,500	-50,000	-25,000	-25,000	0	0	0	-216,729	-22,923																											-489,652
Landscaping		1	50,000	-50,000		-16,667	-16,667	-16,667					-48,300	0																											
		0	0	0			0	0	0	0			0	0																											
		0	0	0	0	0							0																												
Site Maintenance		1	20,000	-20,000	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-9,577	-8,935																											
Contingency	5.0%		12,500	-12,500	-3,125	-4,375	-2,500	-1,250	-1,250	0	0	0	-10,836	-1,146																											-24,483
			0	0									0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0									0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GST	10.0%												-30,493	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-53,821
Total Costs (excl GST)				-1,565,000									-1,510,916	-38,589	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,738,205
Total Costs (incl GST)				-1,721,500									-1,541,409	-38,589	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,792,026
BENEFITS																																									
																																								0
Future Maintainable Earnings		1	67,000	67,000									0	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	67,000	1,943,000
		0	67,000	0									0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Benefits/Health & Wellbeing			10,000											10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	290,000
Local Economy (From Vic)			3,350											3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	97,150
Total revenue																																									
Terminal Asset Value																																								
Market value																																							9,134,706	9,134,706
Less selling costs	0.0%																																						0	0
Net asset value																																							9,134,706	9,134,706
Terminal Asset Value - purchased prices																																								
Market value																																							0	0
Less selling costs	0.0%																																						0	0
Net asset value																																							0	0
Vacant Land		0	0	0										0																											0
GST	10.0%												0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Benefits (excl GST)				67,000									0	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	18,349,762	11,174,856
Total Benefits (incl GST)				73,700									0	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	20,184,738	12,292,342
NET (BENEFIT - COST) excl GST													-1,510,916	41,761	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	80,350	18,349,762	9,436,651
NET (BENEFIT - COST) incl GST													-1,541,409	49,796	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	88,385	20,184,738	10,500,316

Assumptions

2.50% CPI (All Groups)	http://www.rba.gov.au/inflation/measures-cpi.html
0.00% Building Cost Index (BCI)	Rawlinsons
0.00% Property Value Escalation Rate (real)	Abelson and Chung, 2004

Excluding GST

PERFORMANCE MEASURES - Financial Appraisal (Includes Exis

Discount Rat	4%	7%	10%
PV Cost	-1,488,481	-1,445,776	-1,405,451
PV Benefit	6,944,956	3,321,973	1,731,401
NPV	5,456,475	1,876,197	325,949
BCR	4.7	2.3	1.2
IRR		11.1%	

Including GST

PERFORMANCE MEASURES - Financial Appraisal (Includes Existing LV)

Discount Rat	4%	7%	10%
PV Cost	-1,517,801	-1,474,274	-1,433,172
PV Benefit	7,639,452	3,654,170	1,904,541
NPV	6,121,650	2,179,896	471,369
BCR	5.0	2.5	1.3
IRR		11.6%	

RESIDUAL ASSET VALUE

Land	CMV	1,200,000
	r 7%	
	n	30
		1.0700
		7.6123
	FV	9,134,706
Impvts	CMV	0
	r 0	.0%
	n	30
		1.0000
		1.0000
	FV	0
Total		9,134,706

Land CMV	0
r	7%
n	30
	1.0700
	7.6123
FV	0
Impvts CMV	0
r	0.0%
n	30
	1.0000
	1.0000
FV	0
	0

OPTION 3: Myer Cottage and Barn used as Holiday Accomodation, Thong Camp with 10 High Quality Tents

107 46

			Year	0	1q1	2q1	3q1	4q1	1q2	2q2	3q2	4q2	1	2
Economic Appraisal														
COSTS	%	Units	$ Rate	Amount										
Notional purchase of existing property		1	1,200,000	-1,200,000									-1,200,000	
		0	0	0	0	0	0	0				0	0	0
		0	0	0	0							0	0	0
		0	0	0	0	0							0	
Pre-Construction Expenditure														
All consultants	5.0%	1	25,000	-25,000	-3,125	-3,125	-3,125	-3,125	-3,125	-3,125	-3,125	-3,125	-11,972	-11,169
Construction cost														
Demolition		1	20,000	-20,000	-10,000	-10,000							-19,487	
Development (Incl. Furniture + Ablutions Block)		1	500,000	-500,000	-125,000	-175,000	-100,000	-50,000	-50,000	0	0	0	-433,459	-45,846
Landscaping		1	50,000	-50,000		-16,667	-16,667	-16,667					-48,300	0
		0	0	0			0	0	0	0			0	0
		0	0	0	0	0							0	
Site Maintenance		1	20,000	-20,000	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-2,500	-9,577	-8,935
Contingency	5.0%		25,000	-25,000	-6,250	-8,750	-5,000	-2,500	-2,500	0	0	0	-21,673	-2,292
				0									0	0
				0									0	0
GST	10.0%												-53,250	0
Total Costs (excl GST)				-1,840,000									-1,744,467	-68,242
Total Costs (incl GST)				-2,024,000									-1,797,717	-68,242
BENEFITS														
Future Maintainable Earnings		1	110,000	110,000									0	110,000
		0	110,000	0									0	0
Social Benefits/Health & Wellbeing			10,000											10,000
Local Economy (From Vic)			5,500											5,500
Total revenue														
Terminal Asset Value														
Market value														
Less selling costs	0.0%													
Net asset value														
Terminal Asset Value - purchased prices														
Market value														
Less selling costs	0.0%													
Net asset value														
Vacant Land		0	0	0										
GST	10.0%												0	0
Total Benefits (excl GST)				110,000									0	125,500
Total Benefits (incl GST)				121,000									0	138,050
NET (BENEFIT - COST) excl GST													-1,744,467	57,258
NET (BENEFIT - COST) incl GST													-1,797,717	69,808

	3	4	5	6	7	8	9	10	11	12	13	14	15	16
(costs, blank row)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(costs, blank row)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Costs (excl GST)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Costs (incl GST)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Future Maintainable Earnings	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Benefits/Health & Wellbeing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Local Economy (From Vic)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Vacant Land	0													
GST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Benefits (excl GST)	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500
Total Benefits (incl GST)	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050
NET (BENEFIT - COST) excl GST	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500
NET (BENEFIT - COST) incl GST	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050

	17	18	19	20	21	22	23	24	25	26	27	28	29	30	TOTAL
COSTS															0
Notional purchase of existing property															-1,200,000
														0	0
Pre-Construction Expenditure															0
All consultants															-48,141
Construction cost															0
Development (Incl. Furniture + Ablutions Block)															-979,304
Contingency															-48,965
(costs, blank row)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(costs, blank row)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-107,641
Total Costs (excl GST)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,276,410
Total Costs (incl GST)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,384,051
BENEFITS															0
Future Maintainable Earnings	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	3,190,000
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Social Benefits/Health & Wellbeing	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	290,000
Local Economy (From Vic)	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	159,500
Market value														9,134,706	9,134,706
Less selling costs														0	0
Net asset value														9,134,706	9,134,706
Market value (purchased prices)														0	0
Less selling costs														0	0
Net asset value														0	0
Vacant Land															0
GST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Benefits (excl GST)	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	18,394,912	12,484,206
Total Benefits (incl GST)	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	20,234,403	13,732,627
NET (BENEFIT - COST) excl GST	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	125,500	18,394,912	10,207,796
NET (BENEFIT - COST) incl GST	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	138,050	20,234,403	11,348,575

Assumptions

2.50%	CPI (All Groups)	http://www.rba.gov.au/inflation/measures-cpi.html
0.00%	Building Cost Index (BCI)	Rawlinsons
0.00%	Property Value Escalation Rate (real)	Abelson and Chung, 2004

Excluding GST

PERFORMANCE MEASURES - Financial Appraisal (Includes Exis

Discount Rat	4%	7%	10%
PV Cost	-1,740,466	-1,689,949	-1,642,278
PV Benefit	7,682,278	3,840,045	2,115,980
NPV	5,941,812	2,150,096	473,702
BCR	4.4	2.3	1.3
IRR		11.6%	

Including GST

PERFORMANCE MEASURES - Financial Appraisal (Includes Existing LV)

Discount Rat	4%	7%	10%
PV Cost	-1,791,668	-1,739,715	-1,690,687
PV Benefit	8,450,506	4,224,049	2,327,578
NPV	6,658,838	2,484,335	636,892
BCR	4.7	2.4	1.4
IRR		12.0%	

RESIDUAL ASSET VALUE

Land	CMV	1,200,000
	r 7%	
	n	30
		1.0700
		7.6123
	FV	9,134,706
Impvts	CMV	0
	r 0	.0%
	n	30
		1.0000
		1.0000
	FV	0
Total		9,134,706

Land CMV	0
r	7%
n	30
	1.0700
	7.6123
FV	0
Impvts CMV	0
r	0.0%
n	30
	1.0000
	1.0000
FV	0
	0

5.2.2 Economic Appraisal Results

Table 15 – Socio-Economic Analysis Result

Summary					
	Option 1	*Option 2*	*Option 3a*	*Option 3b*	*Option 4*
PV Cost	-1,396,941	-1,445,776	-1,445,776	-1,689,949	-1,772,538
PV Benefit	1,477,371	2,815,949	3,321,973	3,840,045	4,408,031
NPV	80,430	1,370,174	1,876,197	2,150,096	2,635,492
BCR	1.1	1.9	2.3	2.3	2.5
IRR	7.2%	9.8%	11.1%	11.6%	12.7%

Source : Urbis

Judged by financial criteria, option 4 appears to provide the best outcome. It has the highest NPV and IRR. However the potential intrusion on the natural landscape is considered a draw back with this option. Hence Option 3b is considered preferable on balance.

Table 16 – Socio-Economic Performance of Project Options

Qualitative Measures					
	Option 1	*Option 2*	*Option 3b*	*Option 3b*	*Option 4*
Increase in tourism	4 (none)	3 (marginal)	2 (some)	3 (some)	3 (some)
Increased Park use	4 (none)	3 (marginal)	2 (some)	3 (some)	3 (some)
Conservation	4 (no income offset)	3 (maintain)	3 (maintain)	3 (maintain)	3 (maintain)
Improved amenity	3 (improvement)	2 (improvement)	2 (improvement)	2 (improvement)	2 (improvement)
Local economy Stimulus	4 (none)	3 (marginal)	3 (marginal)	3 (marginal)	3 (marginal)
Indigenous Community Outcomes	3 (Access and use)	2 (Some access, possible involvement in operations)	2 (Some access, possible involvement in operations)	2 (Some access, possible involvement in operations)	2 (Some access, possible involvement in operations)

Source : Urbis

The qualitative analysis suggests that option 3a or 3b will provide as good or a better outcome than the other options.

5.2.3 Recommendation

Based on the economic assessment and after consideration of subjective issues, option 3b is considered preferable. This option provides for use of the Myer House and the “Barn” as holiday accommodation with Thong Camp being available for up market camping in the long term.

6 Recommended Business Model

As discussed above, business opportunities and hence the plan for the site predominantly revolve around its potential for holiday accommodation and community use. Whilst it would be possible to let the site as a whole to a private individual or organisation this is not considered to be consistent with the objectives of the Department nor in the broader interests of the community. The proposals considered incorporate the development of the site in various configurations and the recommended option is the use of the site as holiday accommodation using The Myer House and Grounds Barn as accommodation with provision for camping at Thong Camp.

The Stakeholders include the Local Aboriginal Community, OEH and the broader community.

The Mimosa Rocks National Park is a place of great beauty and an important asset to the people of NSW and Australia. The Penders precinct was recognised by both the Grounds and Myer families as a unique and special place within the area.

Naturally it is in the interests of the community to preserve the amenity and aesthetics of the location whilst making sympathetic use of the area. The proposal developed seeks to provide for the ongoing conservation of the precinct along with its appropriate and sustainable use.

The proposal recommended, known as option 3b, involves the restoration of the Myer House and the “Barn” for use as holiday accommodation. The Thong Camp to the south east of the site is to be utilised as unique camping accommodation with ablutions and shelter with high quality semi permanent tents. This option, whilst not the most financially beneficial, is seen as the best balance between conservation and use. It will ensure the use of the precinct is maximised in the interests of the broader community.

This use is also consistent with the purpose of Sir Roy Grounds in erecting the “Barn”, to provide for a means of enjoying the location for short or long stay holidays without having to bring in and erect camping facilities. The proposed shed/bathroom pod is proposed to be refurbished as a toilet for use by the general public.

Community Use: There will be the opportunity for community groups to make use of the facilities from time to time. These groups may include the local Aboriginal community, members of the artistic community, architects, local and wider community groups.

The revenue earned from the holiday lettings may, in part, be used to conserve the area and the National Park in general.

6.1 The compatibility of the options with service and government policy and park plans of management

The options considered have been broadly reviewed against the CMP along with other relevant Planning instruments. They are understood to be broadly consistent and or adaptable to be consistent with the Corporate Plan and the Park Plan of Management.

6.2 The Objectives

The objective of the Business Plan is to support the ongoing management and conservation of the park. These objectives are consistent with community service obligations and will maximize the benefit to government and the community as a whole.

6.3 SWOT Analysis

In assessing whether a business opportunity is likely to succeed it is appropriate to undertake an analysis of the strengths, weaknesses, opportunities and threats of the proposal or opportunity. This provides an overview of the key strengths and weaknesses and the threats and

opportunities that are likely to determine the fate of the opportunity or which are essential for its success. It is not intended to be exhaustive nor to address all issues but is helpful in gaining a broad understanding of the competing issues associated with a proposal.

Element	Details	Action
Strengths	Ideal location adjacent Beach with an existing dwelling and cultural heritage	Develop and emphasise Architectural and Cultural heritage as an attraction
Weaknesses	Somewhat fragile built assets and unique style of accommodation. Lack of separate beach access from camping area to the beach	Ensure development and management plan caters for adequate security, maintenance and access to the beach.
Opportunities	To develop a unique, boutique holiday destination that conserves the area and offers an opportunity for the community to experience it.	Ensure all aspects of the facility are fully exploited to provide a unique but also quality experience.
Threats	The costs of maintaining the built assets and risks of low occupancy rates.	The better the facility is set up and developed at the outset, the more likely it will be to gain patronage and hence the funds to maintain and conserve the unique features

6.4 Business Plan for the Business Model

The capital costs of the Business are detailed in the economic model and comprise the present value of the initial outgoings.

6.4.1 Budget: Assessment of revenues and costs associated with the main options considered

The estimated revenues and costs associated with two of the options are now considered. The below option is shown to provide a comparison with the preferred or selected option.

Table 17 – Summary of Business Plan Budget Option 4 (Secondary Option)

Business Plan and Budget					
Penders - Option 4 - Let Cottage as Holiday Accommodation & Grounds Barn as Common Area Premium Camping					
Revenue					
	No. of units	Average Tariff	Occupancy Nights	Revenue	Revenue (optimistic+25%)
Myer Cottage Tarrifs	1		259	77,790	97,238
Grounds Tepee (as common area)	-	-	-	-	-
Camping Tarrifs	20	37	179	133,908	167,385
Food, Beverage & Ancilliary	1	20	259	5,186	6,482
Total Revenue				**216,883**	**271,104**
Expenses					
Cost of Sales					
Cleaning and Linen			5,186		
Consumables			1,296	6,482	6,482
Operating Expenses					
Advertising				1,300	1,300
Admin General				2,000	2,000
Insurance (self insured)				0	0
Wages - Management & Admin				31,200	31,200
Printing and Stationery				519	519
Repairs and Maintenance(incl tents)				20,000	20,000
Security				7,300	7,300
Total Expenses				**$68,801**	**$68,801**
Net Profit				**$148,083**	**$202,304**
Estimated Future Maintainable Earnings (FMV)				**$150,000**	**$200,000**
Implicit Value				**1,500,000**	**2,000,000**

This scenario incorporates the provision of 20 high quality tents and demonstrates the cash flow benefits associated with a larger number of lots that can be let.

Figure 15 – Schematic Plan for Secondary Business Model

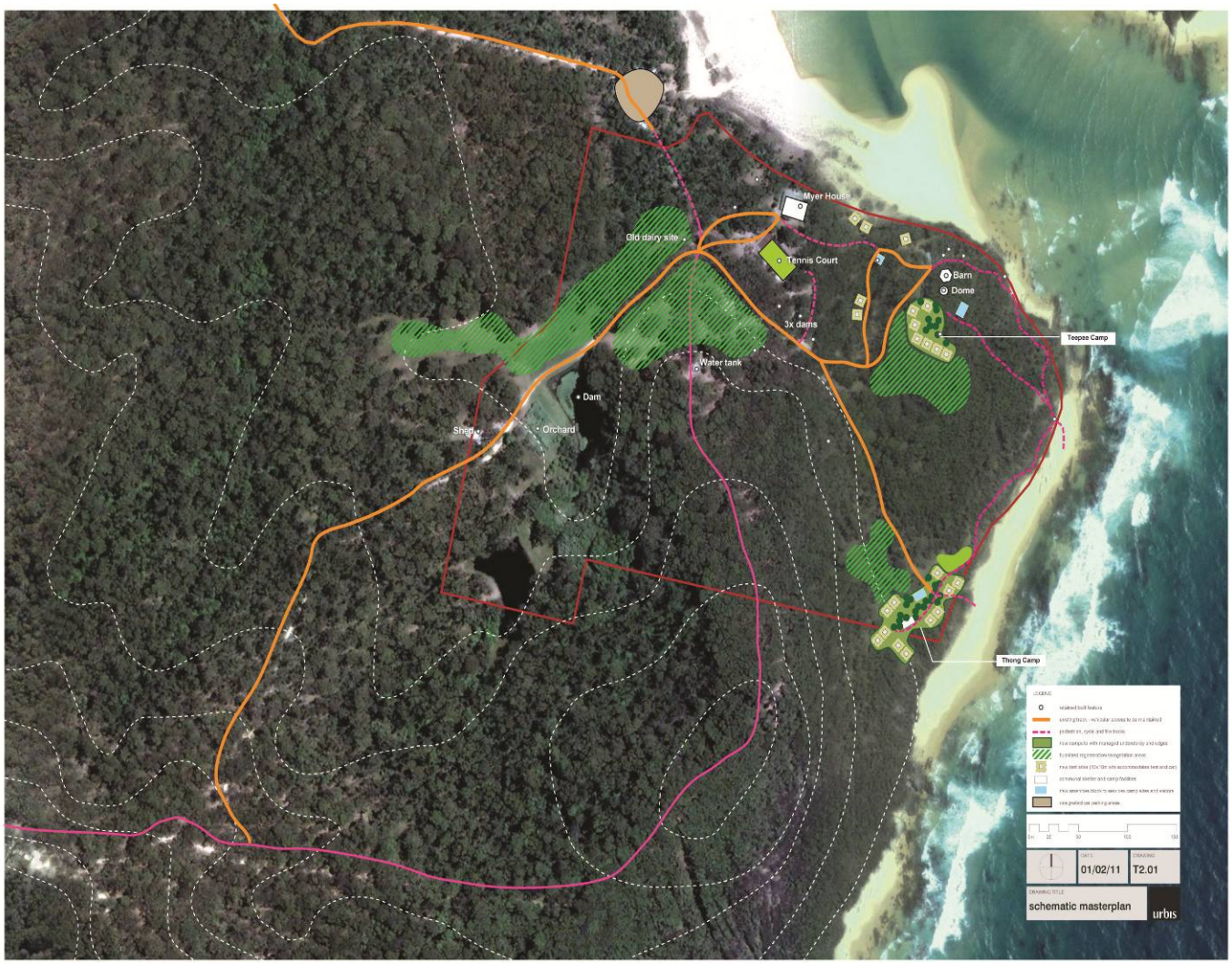
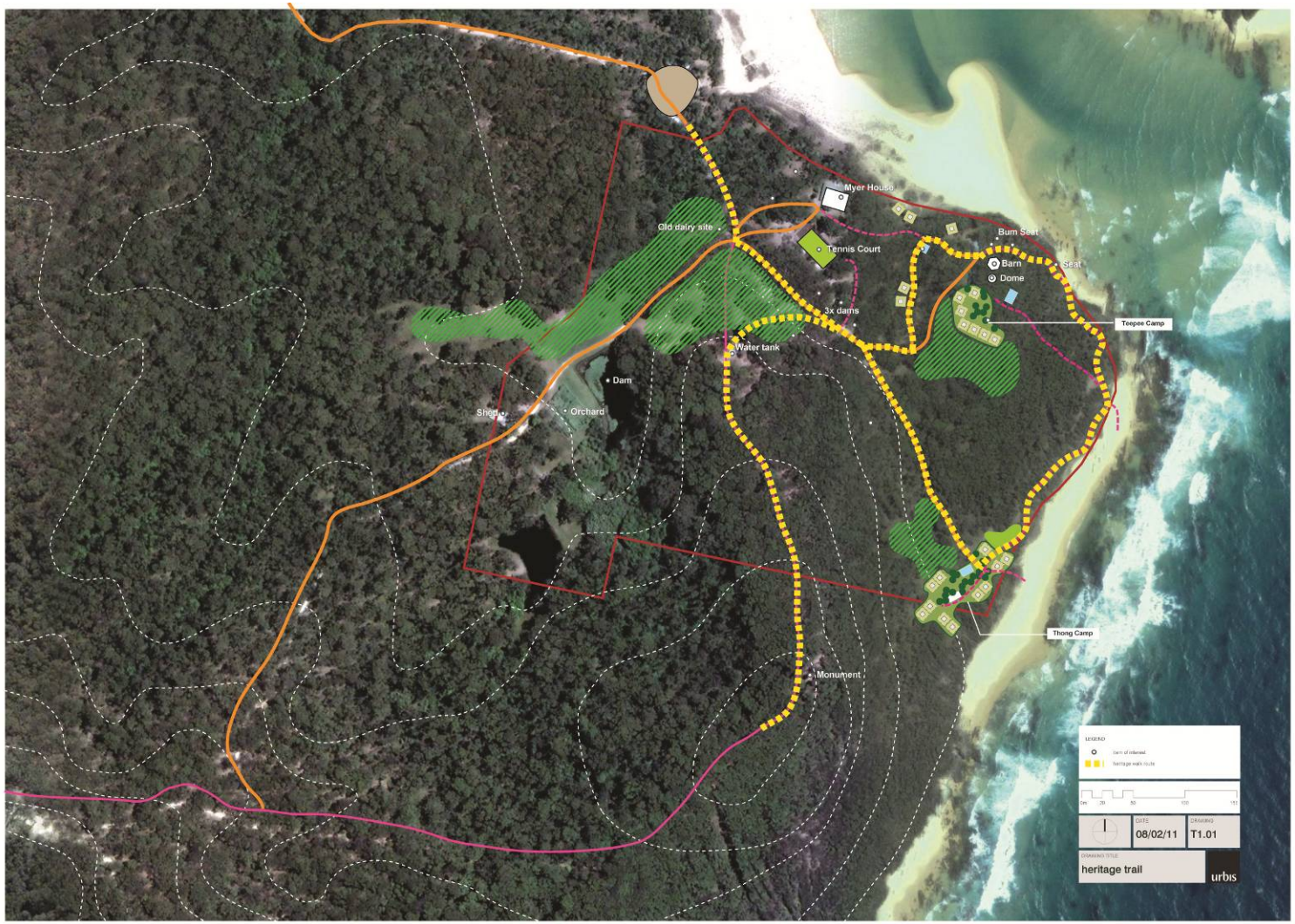


Figure 16 – Secondary Plan Showing Heritage Trail


Myer House
Old dairy site
Tennis Court
Bum Seat
Barn
Dome
Seat
3x dams
Teepee Camp
Water tank
Dam
Shed
Orchard
Thong Camp
Monument
LEGEND
08/02/11
T1.01
heritage trail
urbis

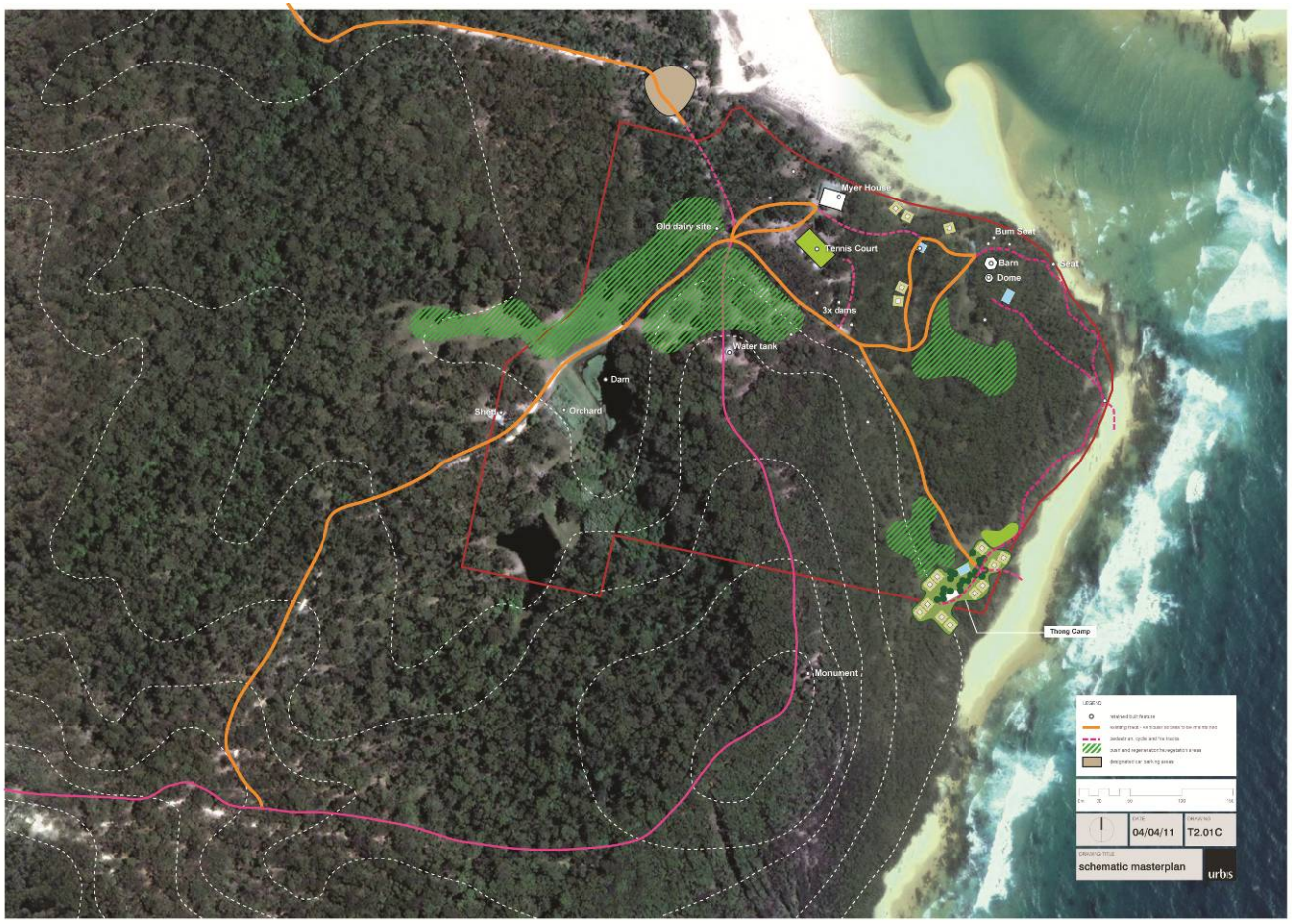
The following budget is based on the Option determined as being preferable and incorporates estimates of revenues and outgoings associated with the operation of the Precinct. Given the positive net present value of the project, it can be said to represent a good business decision.

Table 18 – Summary of Business Plan Budget for Preferred Option

Business Plan and Budget Penders - Option 3b - Let Cottage and Barn as Holiday Accommodation and Develop Thong Camp						
Revenue						
					Revenue	Revenue (optimistic+25%)
Myer Cottage Tarrifs					77,790	97,238
Grounds Barn/Tepee					40,750	50,938
Camping Tarrifs	10	37	179		66,954	83,692
Total Revenue					**185,494**	**231,867**
Expenses						
Cost of Sales				Rate		
Management Fee/Agency				10%	18,549	23,187
Caretaker Fee				15%	27,824	34,780
Operating Expenses						
Advertising					1,300	1,300
Admin General (DECCW Office)					480	480
Insurance (self insured)					0	0
Wages - Management & Admin					0	0
Printing and Stationery					0	0
Repairs and Maintenance					25,000	25,000
Security (caretaker responsibility)					0	0
Total Expenses					**$73,153**	**$84,747**
Net Profit					**$112,340**	**$147,120**
Estimated Future Maintainable Earnings (FMV)					**$110,000**	**$150,000**
Implicit Value					**1,100,000**	**1,500,000**

The above option provides a simpler management framework and will tend to result in a lower impact on the site as a whole.

Figure 17 – Schematic Plan for Recommended Option Model



7 Implementation Plan

7.1 Masterplan

The schematic masterplan has been developed in response to the heritage and economic recommendations for the long term management of the site. The Masterplan seeks to implement the conservation principles of minimizing impact on the environment, while promoting environmental values and awareness through managed visitation.

The schematic masterplan effectively creates three separate precincts within the site boundary: the Myer House, The "Barn" and the Thong Camp.

Myer House

The Myer House will be maintained and upgraded as holiday rental accommodation. Existing facilities are to be upgraded and access will be managed so that it is only accessible for guests at the house and maintenance/emergency vehicles.

- Upgrades to the building as per the detailed list provided above;
- The wall on the western side of the existing spa room is to be moved to the west as far as practicable without impinging on the existing doorway;
- The spa is to be removed.

The "Barn"

The "Barn" will be maintained and improved for holiday accommodation along with the possibility of additional tent accommodation if required. Other furniture required will include dining chairs and a lounge. The bathroom and other facilities are to be upgraded, including installation of gas cooking facilities and new sinks.

The Geodesic Dome

The Geodesic Dome will be repaired/refurbished in an appropriate and sympathetic manner, ideally following a call for assistance from and the involvement of the Architectural community throughout Australia.

Camping Grounds

The Thong Camp is to have an ablutions' block installed along with a shelter and stands for ten high quality canvas tents. These would be provided in three separate 'camps' with new or upgraded communal facilities. The curvilinear shed or toilet is to be restored for use as a toilet, predominantly for use by day visitors.

Day Use

Day use will be encouraged at the site with access via the existing road to the inlet and along the beach front to the Gully. After entering the site from the gully day visitors will be able to walk along the heritage trails.

Access

Access for guests would be via the main driveway entrance past the Orchard and Dam.

In the interests of minimizing impact on the site, the existing tracks will be retained, managed and upgraded to achieve an efficient access network for pedestrians, vehicles and emergency vehicles.

The Masterplan identifies tracks that are to be maintained as vehicular access, and how they can be managed to create separate and exclusive access to each of the three main areas. A series of locked gates could be used to control vehicular access and maintain pedestrian access.

General car parking should continue to be provided in the current location north of the Myer House. Parking for campers is accommodated adjacent to tent sites.

Heritage Trail or Walk

A heritage walk utilizing existing tracks, where possible, will create an interesting walking track around the most interesting sites. Without specific permission being provided, it is intended that Myer House only be visible from a distance. A filtered view may be may be available from the heritage walk and beach, however it is considered important to preserve the privacy of the guests as far as possible when the house is occupied. It is envisaged that a number of times a year the house could be opened for inspection when it is not in use.

Cultural Landscapes

The major cultural landscape elements to be retained and/or adapted comprise part of the covered orchard and the main dam which are part of the arrival experience as visitors enter the Penders site. The former timber treatment plant shed could be adapted for visitor uses. The seats, Geodesic Dome and the avenues of trees further into the site are also part of the experience of the cultural landscape moving through the site. The generator shed will be maintained for use as a generator shed going forward.

The small fenced garden and the three dams may be adaptively reused or removed.

Revegetation

Several areas have been identified where bush regeneration should be undertaken, or continued, as part of long-term management of the site.

The proposed Thong Camp is an existing informal camping area to the south east corner of the site. This could be formalized as a camping ground with some re-growth clearing where necessary and the following interventions:

- Ten tent sites (10 x 10m curtilage for one four man tent and a car space);
- New communal amenity block to NPWS standard design (showers and WCs);
- New communal shelter with facilities (seating, BBQ and sink).

The tent sites should be arranged in pairs to create some separation and privacy in what is otherwise a very open space. Some additional canopy planting within the central open area should be considered to assist in creating privacy to tent sites.

As a result of its location on the headland, the Thong Camp will seem somewhat remote.

Caretaker

The proposal calls for the appointment of a caretaker who will collect fees, provide keys, service the accommodation and set up and maintain the tents as necessary. Naturally normal procurement methods would be employed to source a caretaker however it is envisaged that they would receive a portion of the tariffs and revenue collected in exchange for their services. Their contract may provide for a fixed minimum fee of perhaps $2000 per month in the first year with a percentage basis thereafter. The percentage should be open to competitive negotiation however we have estimated 15% for the purpose of this work.

Marketing

The following marketing options are available and/or established:

- Create a Penders website linked via the OEH and Parks Division websites;
- Provide advertising in local press;
- Provide advertising in southern Sydney local press and NRMA motoring guides;
- Circulate via email and place a Brochure on notice boards at Architecture and Arts Schools in Sydney and Melbourne;

- Advertise in the Architectural Review Australia.

Styles of Infrastructure

Infrastructure such as built form, including ablutions block should be consistent with National Parks infrastructure, fitting into the natural environment and other infrastructure such as solar panels, pumps, water tanks should be contemporary where they can be concealed and where not should appear contemporaneous with the 1960's and 70's period. Hence, water tanks should be or appear to be of galvanized iron.

Furniture and fittings acquired for the site should be acquired by or on the advice of an experienced professional interior designer. It should be contemporaneous in style with the dwellings and of a high standard, reflecting the up market nature of the accommodation being offered.

Sample - Up Market Tents

Contingencies

The primary variables and risks associated with the operation of the site will revolve around the level of occupancy and the risk of theft and vandalism. To some extent these issues are interrelated as the higher the level of activation of the site, the less opportunity there will be for vandalism and theft.

Should the occupancy levels of the Myer House and the "Barn" fall too short of expectations, the opportunity exists to reduce the tariffs in the first instance, particularly given the depth of the market.

Property damage and theft may be minimized by regular surveillance and possibly the installation of surveillance cameras in extreme circumstances. If necessary, a security alarm could be placed at Myer House with back to base monitoring. Limiting opportunities for theft at Thong camp and the "Barn" may involve the removal of portable items such as cots and chairs, when persons are not in residence and if necessary supply of securely fixed or bolted down beds and common bench tables.

Environmental hazards such as fire should be addressed by appropriate vegetation management policies and erosion through monitoring of and where necessary vegetation of the dunes. Should items of significance be seriously threatened by environmental hazards, they should be relocated to a safe position.

Community Uses of Site

As discussed, it is intended that the site be made available for community use. This includes use by day trippers and by community groups using the accommodation. Community Groups may

include local groups and groups from further away such as Architects, Artists and others. Given the intention to link the site to Architecture Schools around Australia, it is suggested that a competition may be held each year where architecture students can win say one weeks accommodation, in the off season, to the site. The same might be offered to fine arts schools and to local community groups. The opportunity would be advertised in appropriate media and submissions received, with a random draw determining the winner. The available accommodation and the site in general may be made available to community groups at certain times of the year at a reduced cost on application.

7.2 Heritage Impact Statement

The proposed concept for the ongoing public use of the Penders is addressed below through relevant questions posed in the Heritage Office's 'Statement of Heritage Impact' guidelines.

Table 19 – Relevant HIS Questions

Question	Discussion
The following aspects of the proposal respect or enhance the heritage significance of the item or conservation area for the following reasons:	The proposal to retain the Penders for low key holiday accommodation is consistent with the stated significance of the site as an area used continually for recreation throughout the 20th century, and as a coastal retreat established by the Myer and Grounds families in 1964. The proposed use as described in Figure 17 enables the retention of the main elements on the site that have been assessed as having heritage significance, and interpretation of elements that have been assessed as not necessary to retain. It also allows for public use of the site which is consistent with the Myer and Grounds families' belief in public ownership of coastal lands. The proposed use of the Myer House for holiday rental accommodation as a single letting will allow the ongoing use of this significant building for its original purpose. Proposed changes to improve the functionality of the building will be limited to areas where change has already occurred. The proposed use of the "Barn" for holiday rental accommodation as a single letting will also allow the ongoing use of this significant building for its original purpose. The necessary alterations to the bathroom and kitchen will be made in a sensitive way considering that these areas have previously been altered in whole or in part. The proposed use of the Thong Camp with 10 boutique style semi-permanent tents and new amenities allows for modest income to maintain the site, while reusing this area for camping as it was used by the Myer and Grounds families. It also provides a facility that will enable the site to be used for Culture Camps, educational and/or arts events, allowing equitable use of the site for varied community groups. The proposed Heritage Walk allows for day use of the site to be encourage to follow a certain route, to enable a level of privacy to be provided to the Myer House and to the "Barn", and it provides incentive for day visitors to discover the depth of significance of the Penders site over one or multiple visits. The proposed use of the former Timber Treatment Plant as a visitor orientation/interpretation hut also contributes to the aims of interpreting the site.

Question	Discussion
	The geodesic dome, windmill tower remains and timber seats will be stabilised and retained, consistent with the relevant conservation policies.
The following aspects of the proposal could detrimentally impact on heritage significance. **The reasons are explained as well as the measures to be taken to minimise impacts:**	The proposed reuse of the site may increase the intensity and frequency of the use of the site. This could affect the health of vegetation in some places, and the condition of the roads and walking tracks. These should be managed as in other OEH sites by monitoring and remediation where necessary. The use of the Myer House and the "Barn" could be more intensive, however these buildings will be subject to frequent inspection and maintenance to ensure standards are maintained for them to be let. This will ensure their significance is maintained.
The following sympathetic solutions have been considered and discounted for the following reasons:	
Demolition of a building or structure Have all options for retention and adaptive re-use been explored? Can all of the significant elements of the heritage item be kept and any new development be located elsewhere on the site? Is demolition essential at this time or can it be postponed in case future circumstances make its retention and conservation more feasible? Has the advice of a heritage consultant been sought? Have the consultant's recommendations been implemented? If not, why not?	The majority of the structures on the site will be retained and the decision to retain or demolish has been based on the assessed significance of the elements. Items which have been assessed as being able to be removed on heritage grounds include the small fenced garden near the "Barn", the three dams and the two concrete slabs. While the covered orchard has been assessed as contributing to the heritage significance of the site, this assessment acknowledges the degraded condition of this otherwise highly significant element. Therefore part removal of the covered orchard and some plants may be acceptable if a representative sample is retained.
Partial Demolition Is the demolition essential for the heritage item to function? Are important features of the item affected by the demolition (e.g. fireplaces in buildings)? Is the resolution to partially demolish sympathetic to the heritage significance of the item? If the partial demolition is a result of the condition of the fabric, is it certain that the fabric cannot be repaired?	Other items which have contributory significance may be suitable for removal, adaptation or for adaptation for other uses including the golf course, the Thong Camp and the Myer tennis court and generator shed. Partial demolition is proposed in the Myer House, where the west wall of the spa room is proposed to be moved further west into the previously altered dining area on the north west corner of the former verandah,. This allows for the spa room to be removed and the room to become large enough for additional accommodation without further closing in open sections of the verandah. The work can be undertaken without changes to the external fabric.
Minor additions (see also minor partial demolition) How is the impact of the addition on the heritage significance of the item to be minimised? Can the additional area be located within an existing structure? If no, why not? Will the additions visually dominate the heritage item? Is the addition sited on any known or potentially significant archaeological deposits? If so, have alternative positions for the additions been considered? Are the additions sympathetic to the heritage item? In	The proposed addition of an ablutions building, eating pavilion and 10 semi-permanent tents to the Thong camp is considered to have little impact on the significance of this area of the site, and simply formalises its previous use as an overflow camping areas for guests of the Myer and Grounds families. The use of fixed tent locations also minimises damage to the surrounding bushland by campers seeking more remote sites. The Thong camp is on high land and the tents therefore will not be visible from the beach or Bithry Inlet.

Question	Discussion
what way (e.g. form, proportions, design)?	The proposed use of the former timber treatment plant as an entry/information point and interpretive area would require additions to the structure to achieve structural stability, level floor areas for public access, retention of the lathe while providing for public safety, and the addition of signage. Some additional protective mechanisms (eg paint, barriers, false walls and/or floors) may also be required to ensure the public would not be exposed to any remnant contamination from the tanolithic process. There may be some additional infrastructure as a result of the proposed upgraded services including solar panels and rainwater tanks, however this is consistent with the early environmental aims of te Myer and Grounds families.
Change of use Has the advice of a heritage consultant or structural engineer been sought? Has the consultant's advice been implemented? If not, why not? Does the existing use contribute to the significance of the heritage item? Why does the use need to be changed? What changes to the fabric are required as a result of the change of use? What changes to the site are required as a result of the change of use?	The use of the site changes only slightly in that it is now a more public use of the site. Day visitors will be allowed the same access as existing, and the significant Myer House and "Barn" will remain as holiday accommodation through a booking system. The significant shed/bathroom pod will also retain its original use. The development of the plan for proposed reuse has been undertaken with input from both heritage and business planning advice.
New development adjacent to a heritage item How does the new development affect views to, and from, the heritage item? What has been done to minimise negative effects? How is the impact of the new development on the heritage significance of the item or area to be minimised? Why is the new development required to be adjacent to a heritage item? How does the curtilage allowed around the heritage item contribute to the retention of its heritage significance? Is the development sited on any known, or potentially significant archaeological deposits? If so, have alternative sites been considered? Why were they rejected? Is the new development sympathetic to the heritage item? In what way (e.g. form, siting, proportions, design)? Will the additions visually dominate the heritage item? How has this been minimised? Will the public, and users of the item, still be able to view and appreciate its significance?	New development as proposed comprises an ablutions block, eating pavilion and the addition of 10 semi-permanent tents at the Thong Camp. The location of these elements is indicative at present, however they will not be visible from any other part of the site, due to the fact that the Thong Camp is south of the "Barn" and Myer House, and is surrounded by thick vegetation. It is an elevated site and not visible from the beach. The ablutions block is proposed to comprise of septic toilets and showers, and will be a modest elevated single storey structure following the design of similar structures constructed in National Parks. The eating pavilion will contain BBQs and a sink, and an open undercover dining area. The 10 semi-permanent tents will sleep 4 people and are proposed to sit on slightly elevated platforms that will require footings. There are no known archaeological implications for constructing footings in this location.
New services(e.g. air conditioning, plumbing) How has the impact of the new services on the heritage significance of the item been minimised? Are any of the existing services of heritage significance? In what way? Are they affected by the	All existing services will be required to be upgraded. This includes the power supply to both the Myer House and the "Barn", the water supply from the dams to the Myer House and Barn, and the septic systems for the Myer House and Barn. In summary the sites will be powered by solar power and waste services will

Question	Discussion
new work? Has the advice of a conservation consultant (e.g. architect) been sought? Has the consultant's advice been implemented? Are any known or potential archaeological deposits (underground and under floor) affected by the proposed new services?	be septic, with water supply fed from the dams (and possibly supplemented by tanks at the Myer House). New services to the Thong Camp will include solar power , sewer, tank water and bottled gas for BBQs.
Fire upgrading How has the impact of the upgrading on the heritage significance of the item been minimised? Are any of the existing services of heritage significance? In what way? Are they affected by the new work? Has the advice of a conservation consultant (e.g. architect) been sought? Has their advice been implemented? Are any known or potential archaeological deposits (underground or under floor) affected by the proposed new services? Has the advice of a fire consultant been sought to look for options that would have less impact on the heritage item? Will this advice be implemented? How?	The proposed use of the Myer House and the "Barn" for accommodation will require the installation smoke alarms, fire blankets and hand held extinguishers. These should be sensitively located in regard to the split log ceilings in each of these structures.
New landscape works and features (including car parks and fences) How has the impact of the new work on the heritage significance of the existing landscape been minimised? Has evidence (archival and physical) of previous landscape work been investigated? Are previous works being reinstated? Has the advice of a consultant skilled in the conservation of heritage landscapes been sought? If so, have their recommendations been implemented? Are any known or potential archaeological deposits affected by the landscape works? If so, what alternatives have been considered? How does the work impact on views to, and from, adjacent heritage items?	It is proposed that new landscape works at the site be minimal, and comprise upgrading of the entry area including the fountain in the Main Dam, maintaining the Avenue of trees, maintaining and managing the existing vegetation around the Myer House and Barn (in accordance with the Fire Management Plan), and maintaining vegetation adjacent to the roads and walking tracks. Revegetation of dieback areas within Penders would be desirable.
New signage How has the impact of the new signage on the heritage significance of the item been minimised? Have alternative signage forms been considered (e.g. free standing or shingle signs). Why were they rejected? Is the signage in accordance with section 6, Areas of Heritage Significance', in Outdoor Advertising: An Urban Design-Based approach? (1) How? Will the signage visually dominate the heritage item/ heritage conservation area or heritage streetscape? Can the sign be remotely illuminated rather than internally illuminated?	New signage will comprise directional signage, information signage and interpretive signage. Details are yet to be developed however this signage will be low key and will be in accordance with the OEH Parks Signage Manual 2010. Low key signage will not detract from the significance of the site.

8 Conclusion

The constraints and opportunities arising from the significance of the site include physical constraints and opportunities, expectations of the local communities and the donor families for provision of public access, and the opportunities and constraints set up by the existing economic and administrative frameworks.

After assessment of the site, the CMP, the leisure accommodation market in the area and in consideration of the possible revenue streams resulting from a number of options for the provision of accommodation, option 3b has been recommended. This proposes the site be used for holiday accommodation through the adaptive re-use of the Myer House and the “Barn” with an up market camping ground at the Thong Camp.

The proposal to retain the Penders site for holiday accommodation is consistent with the stated significance of the site and the early environmental aims of both the Myers and Grounds families. It enables the retention of the main elements on the site that have been assessed as having heritage significance, and interpretation of elements that it is not necessary to retain. It also allows for public use of the site which is consistent with the Myer and Grounds families’ belief in public ownership of coastal lands.

The main built elements of significance, the Myer House, the “Barn” and shed /bathroom pod are to be retained and used for their original purpose. Other significant structures such as the Geodesic Dome, Windmill Tower remains, Timbers Seats, Covered Orchard and former Timber Treatment Plant will be retained and conserved, and in some cases adapted.

The proposed use of the Thong Camp with 10 boutique style semi-permanent tents and new amenities allows for modest income to maintain the site, while reusing this area for camping as it was used by the Myer and Grounds families. It also provides a facility that will enable the site to be used for Culture Camps, educational and/or arts events, allowing equitable use of the site for varied community groups. The location of the new ablutions block, eating pavilion and 10 semi-permanent tents at the Thong Camp is indicative at present, however will not adversely impact on the significance of the site or views to and from the site.

All existing services on the site will be upgraded, and new services will be provided to the Thong Camp. There may be some additional infrastructure as a result of the proposed upgraded services including solar panels and rainwater tanks, however the introduction of these elements is considered consistent with the early environmental aims of the Myer and Grounds families.

The proposed Heritage Walk allows for day use of the site to be encouraged to follow a certain route, to enable a level of privacy to be provided to the Myer House and to the “Barn”, and it provides incentive for day visitors to discover the depth of significance of the Penders site over one or multiple visits. Low key information and interpretive signage will not detract from the significance of the site.

The proposal may result in a slight increase of use (and probably more consistent use) of the site which is expected to aid in its conservation and provide for improved maintenance of the significant structures.

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[Note: Some government departments have changed their names over time and the above publications state the name at the time of publication.]