

20th of April 2017

General Manager
Walcha Shire Council
2W Hamilton Street
Walcha NSW 2354

Dear Jack

Reference: 10.2016.17

Location: 36W-40W Fitzroy Street, Walcha NSW 2354

Proposal: Demolish three sheds & construct new supermarket with liquor outlet

We refer to the above named matter.

The Cavallaro Group in particular Walcha Property Pty Ltd would like to provide the following information to address the relevant matters outlined in the Walcha Shire Councils letter dated the 13th April 2017. Specifically the information in relation to economic impact to help assist with the councils assessment of the current DA request.

We hope that the new information provided will further and continue to show the groups support and committed investment to the town and the surrounding areas.

Yours Sincerely

per 
Carlo Cavallaro

Needs Analysis

Population

As per the most recent published data on the Australian Bureau of Statistics (Extract Table below) the region has seen a relatively unfluctuating movement in the population of its residence.

Whilst there is no current prediction of substantial increase in the near future, with the continued strengthening of the agriculture sector (practically Sheep and Beef), The Towns focus on tourism and large developments such as the redevelopment of 36W-40W Fitzroy Street. The Town would see itself in the position to attract a wider range of demographic to move into the towns economic catchment and therefore capture more dollar per person spent within the town itself.

POPULATION/PEOPLE

		2006	2007	2008	2009	2010
ESTIMATED RESIDENT POPULATION - at 30 June						
Population by Sex						
Males	no.	1 704	1 707	1 706	1 710	1 719
Females	no.	1 617	1 599	1 584	1 576	1 580
Persons	no.	3 321	3 306	3 290	3 286	3 299
Population by Age group						
Persons - 0 to 14 years	%	20.8	20.3	20.0	19.8	19.4
Persons - 15 years to 24 years	%	9.7	10.0	9.9	10.3	10.4
Persons - 25 years to 34 years	%	9.7	9.0	8.7	8.7	8.7
Persons - 35 years to 44 years	%	13.9	14.1	14.1	13.7	13.3
Persons - 45 years to 54 years	%	14.7	14.7	14.7	14.7	14.6
Persons - 55 years to 64 years	%	14.5	14.9	15.2	14.9	15.3
Persons - 65 years to 74 years	%	8.6	8.8	9.3	9.7	9.6
Persons - 75 years to 84 years	%	5.8	5.9	5.5	5.5	5.5
Persons - 85 years and over	%	2.1	2.4	2.6	2.7	3.2

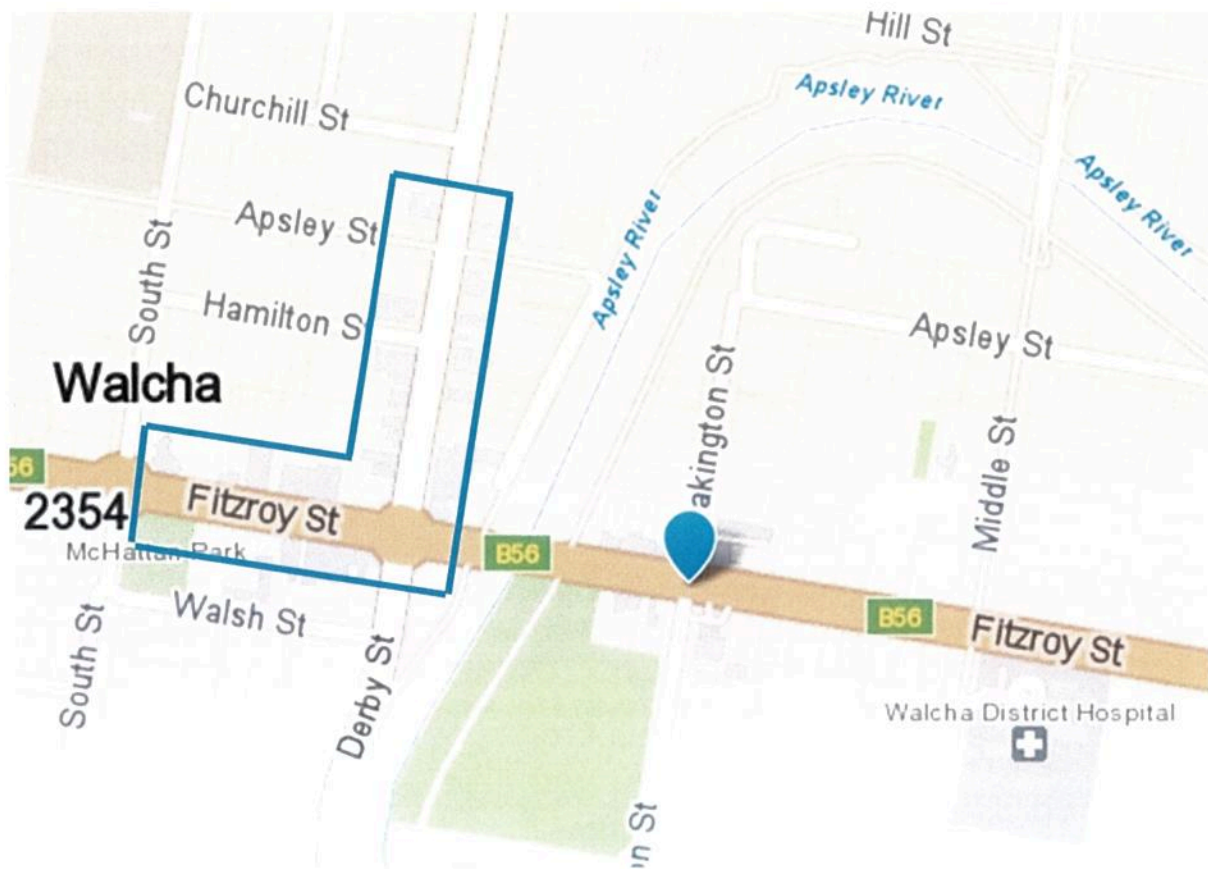
Trade Area

Walcha's current trade area within the town is predominantly condensed within Fitzroy St (between South St and Derby) and Derby St finishing by Churchill St.

The new proposed development would see a vacant block of land within the current trade area fully developed into a premium site within the area.

Whilst it is noted that the new development is a relocation of the existing Super Market situated within the existing trade area, once the new development is complete and the prediction of increase over all individual dollars per person remains in the township. The existing building may see increased demands in tenant prospects.

It is also important to note that the groups initial plan was to negotiate a renovation or a purchase of the existing premises, however due to number of unreasonable responses from the landlord there was no other option other than the new development



— Current Trade Area

Impact Assessment (including Available Spending, Retail Need)

Available Spending, Retail Need and Sales Projections

The Cavallaro Group own and operate 18 IGA stores throughout NSW and QLD and have over 50 years experience within the industry, the group is focused on growing its business through opening new and redeveloping existing stores, as this operating model comes with risk of expanding into areas which are not suitable for either a larger store or a new supermarket the group have developed a number of formulas to help with the growth predictions of each store.

The main formula used when the decision is being made to expand an existing store is, calculating the percentage of current and protentional wallet share of the average wage earner within that area and bench making the percentage with a similar demographic towns and catchment.

The group used Gilgandra as Walcha's bench mark due to the simular size of the town, the average earnings per person and the size of the development.

Gilgandra (actual data)

Population	4627
% of wallet share before redevelopment	6.25%
% of wallet share after development	20.33%
% of new wallet share staying with the town	14.58%

Walcha (predicted growth)

Population	3,267
% of wallet share before redevelopment	12.54%
% of predicted wallet share after development	20.33%
% of new wallet share currently leaving the town	7.79%

Impact on Existing Stores

The current customer base between the supermarket stores currently in the town shop within either store as that is their choice of preference. The new development of 36-40 Fitzroy St primary and sole focus is capturing the wallet share that is currently leaving the town to neighbouring large regional centres such as Tamworth and Armidale.

Net Community Benefits

Carlo's Walcha IGA (current store)

IGA stores are a medium format stores, carrying a mid-sized supermarket range. These stores are primarily neighbourhood stores catering to shoppers who purchase fewer items, but do so more regularly. 'Convenient, top-up shop'.

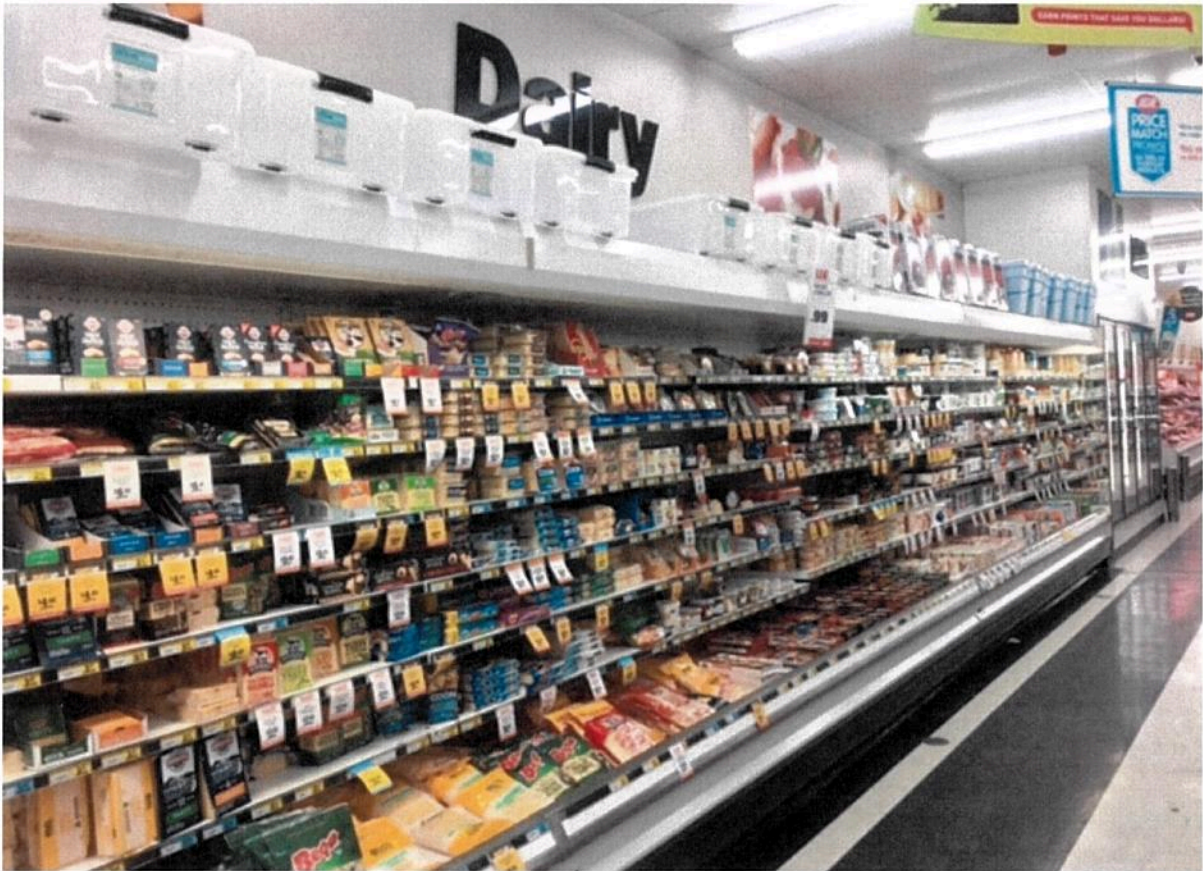
Carlo's Supa IGA (Proposed New)

Carlo's Supa IGA stores are large format stores, carrying a comprehensive supermarket range. These stores primarily cater to shoppers who wish to purchase all their grocery fresh, food requirements, general merchandise, and small white goods in one location.

As previously mentioned Gilgandra Supa IGA is fair bench mark to what the new development would offer as degree of choice (as per below photos of Gilgandra)







Short and Long Term Employment

The construction will be quoted through tender with local builders encouraged to submit their tender, it is estimated during the 8mth construction period a number of employees will be on site and depending on the stage of construction the estimate of workers would peak at 10 people.

Currently 29 staff are employed at the Walcha IGA store, once the new complex is complete a further 21 staff will need to be employed to cover the larger floor plan and newly captured wallet share.

Contamination

During the original DA application Cavallaro group has been notified from the Walcha Council that a local resident has made the council aware that the site has been previously used as a petrol station (estimated to be in the 1950's).

Whilst we have been advised that there is minimal chance of being present, the group has agreed to the council request to now provide a contamination report from a licenced inspection officer. Due the high cost of obtaining the detailed report the Group formally request that this a condition subsequent of the DA approval.

Attached is a quote from environmental engineering and energy which also outlines what data and testing that will be provided within the report.



environmental
engineering &
energy

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Project Number: 20176

20th March 2017

Mr Peter Reynolds
Engineering Mining & Petroleum Pty Ltd
PO Box 4015
TAMWORTH NSW 2340

By email: preynolds@emp-tamworth.com.au

Dear Peter,

Re: Preliminary Site Investigation – Fitzroy & South Streets, Walcha

Thank you for the opportunity to provide a proposal for a Preliminary Site Investigation (PSI) of the areas identified in the table below:

Lot	DP	Address	Area (approx.)
2	779495	38W Fitzroy Street, Walcha	4,752 m ²
1	158212	38W Fitzroy Street, Walcha	463 m ²

Please find our proposal below for your consideration.

Project Definition

Mr Peter Reynolds of Engineering Mining & Petroleum (EMP) (the client) has requested 3E Environmental Engineering & Energy (3E) to provide a proposal to conduct a PSI on behalf of the owner of the land at the corner of Fitzroy and South Streets Walcha as described above. The PSI is required by Walcha Council (the Council) under requirements contained in Clause 7 of *State Environmental Planning Policy No 55—Remediation of Land* (SEPP 55). The assessment area (the site) will include the lots as described in the above table. 3E understands that the land owner is proposing to submit a development application to Council for construction of a new supermarket at the site.



3E Environmental Engineering & Energy

NSW Contaminated Land Management Regulations

In NSW, the management of contaminated land is defined in the *Guidelines for Consultants Reporting on Contaminated Sites (EPA, 1997)* legislated under *State Environmental Planning Policy No 55—Remediation of Land (SEPP 55)* and through the *Contaminated Land Management Act (CLM Act)*.

The guidelines outline a staged approach to contaminated land management as follows:

- Stage 1 — Preliminary site investigation (PSI)
- Stage 2 — Detailed site investigation (DSI)
- Stage 3 — Site remedial action plan (RAP); and
- Stage 4 — Validation and monitoring.

The *Environmental Planning and Assessment Act (EP&A Act)* and SEPP 55 require a planning authority to consider the suitability of land for a proposed development. Ultimately, a planning authority needs to be satisfied that a site is suitable for its proposed use or can and will be made suitable, based on what they know of the site.

In the staged approach to contaminated land assessment, work only progresses to the next stage when the previous stage indicates that contamination is plausible. Therefore, should the PSI indicate that the plausibility of soil and groundwater contamination can be ruled out with certainty; other stages will not be required.

This proposal details the methodology for Stage 1 (PSI) only.

Objective and Scope

The primary objective is to conduct a Preliminary Site Investigation (PSI) as required by the Council under requirements contained in Clause 7 of *State Environmental Planning Policy No 55—Remediation of Land (SEPP 55)* on the proposed lots (as well as any other areas where cross contamination may have occurred as identified through the PSI process).

The secondary objectives are to:

- Identify the potential for the contamination of soil attributable to current and historical activities; and
- Determine any existing environmental risk of the assessment area.

The scope will include:

- A site history and background review;
- Site inspection (walk over);
- Identification of potential Areas of Environmental Concern (AECs) and Chemicals of Concern (CoCs);
- Assessment of the potential for site contamination based on the above;
- Provision of a Preliminary Site Investigation report incorporating an:
 - Executive summary and site background including scope of work and site identification details;
 - Site history (if known);
 - Site condition;
 - Outline of geological, hydrogeological and hydrological background;
 - Outline of sampling and analysis plan and sampling methodology;
 - Detailed field and laboratory quality assurance (QA) and quality control (QC) procedures and evaluation;
 - Basis for assessment criteria; and
 - Conclusions and recommendations.

Potential Contaminants of Concern

The potential contaminants of concern will be determined based on the outcome of the site history investigation.

Methodology

The site background and review will be conducted initially as a desktop review. This will include, at a minimum, a property title search and review of aerial photos as well as interviews with present owners (if possible). WorkCover (hazardous goods) search and a review of the Council property file will also form part of the review.

Based on the desktop review, a soil sampling and analysis plan and sampling methodology will be developed.

No allowance has been made in this quote for soil or water samples should they be required or further laboratory testing (leaching) should results exceed thresholds.

Deliverable

The project deliverable will include:

- One (1) electronic copy of the final Preliminary Site Investigation report including all laboratory results and reports.

Timing

The work will be scheduled as soon as client acceptance has been received and initial desktop investigations have been completed.

Insurance

3E has full and current Public Liability and Professional Indemnity Insurance. Copies of certificates are available upon request.