Monday 18th Feb 2019

Dear Commissioner

RE: Productive Economy Paper Submission

On behalf of the Romeo's Retail Group, we are pleased to provide you with the following submission.

Romeo's Retail Group has been successfully operating as an independent Supermarket chain for over 30 years, what started as a sole operator in 1987 has steadily grown to a National Company with supermarkets in both NSW and SA with outstanding results, numerous awards and accolades across the world. Romeo's strongly represent themselves as “Family Owned and Community Minded” business, they pride themselves in giving back to the local communities. Consistent company growth has seen employee numbers grow, currently we employ 2500 staff members. The business has a clear and successful strategy within SA and NSW operations, and have created benchmarks for future development, with a focus on state-of-the-art IT equipment, displays, product knowledge and innovated layouts.

The Romeo's Retail Group submission is as follows:

• It is encouraging to see that the Productive Economy paper has an upfront focus on centres, retail and mixed use activities

• There is no doubt that centres have contributed to the form and pattern of retail development that we now see across South Australia while facilitating more equitable and opportune access to convenience shopping as well as the administrative, cultural, entertainment and other facilities in one central location.

• It is our view that a centre's hierarchy approach is the right approach for South Australia moving forward, where the development of centres outside of the Adelaide CBD in accordance with the following hierarchy:

  (a) Regional Centre

  (b) District Centre

  (c) Town Centre (for smaller towns with a single centre zone)

  (d) Local Centre (subsidiary centres for towns with a regional or district centre).

• It is our firm view that encouraging or facilitating 'out of centres' development is not aligned with best practise strategic planning and has significant environmental impacts such as increased travel patterns, greater congestion on our roads as well as environmental and emissions implications
'Out of centres development' can also result in poor retail outcomes such as over-supply of retail floor space in certain areas which can give rise to increased vacancy rates, reduction in valuations and thus impacts on owners ability to borrow.

Locating centres in and around existing and future populations makes sense, but there needs to be a strategic planning framework created for the market to then operate within.

In our view there is a definite need for transition zones around existing centres - so that they can grow and expand overtime in a linear pattern.

There is a need to bring forward to review and update the centre's policy for urban and regional areas, but with the general hierarchy approach mentioned above remaining intact.

There is a need for a strategic and planned approach to future centres through the development of a Retail Catchment Analysis for Greater Adelaide (and then the regions) which is aligned to catchment expenditure ability to deliver a planned approach to future centres, ensuring they are closely aligned with residential growth areas to unlock development, investment and jobs growth and avoid over supply in areas where the catchments expenditure ability is limited.

By having a rolling land supply for retail centres in existing and new residential areas, all market players are quite clear which the opportunities are going forward.

This is needed for Greater Adelaide as a priority given the take up of infill development has been greater than anticipated with residents overwhelmingly choosing to live in inner suburbs (85% - 25%) as opposed to taking up land of the periphery - which was anticipated as part of the 30 Year Plan for Greater Adelaide, envisaged to be (70% - 30%)

In short a level playing field, with a consistent set of transparent policies and guidelines that enable all supermarket operators and retail centres owners to grow, develop and invest without disadvantage.

An ad-hoc/unplanned approach to the future location of activity centres may enable investment by larger market players, but in the absence of population growth is unlikely to drive real growth and create employment – rather these will be transferred from existing centres to the new location.

Thank you for the opportunity in allowing us to provide this submission and we look forward in continuing our involvement and support in the planning reform agenda. We are currently working with SAIR who have provided our position.

Thanking you in anticipation

Mr Paul Romeo

Company Director
Romeo's Retail Group