

SMART CITIES NEED SMART MAIN STREET CENTRES

BY STEPHEN SULLY



MAIN STREETS IN SMART CITIES

Smart Cities, according to the Smart City Plan prepared by the Federal Department of Prime Minister and Cabinet 2016,¹ rely on the “*successful concentration of industries and organisations in particular locations*” and that the “*City Deals program will position our Urban Centres, whatever their size to realise their potential through governance, strategic planning and reform*”.

Given that our network of traditional street based main streets are accessible, well served by existing information and communication technology, transport systems, business investment, have a history of nurturing start-up businesses and contain decades of embedded public and private investment, they would appear to be well placed to play a key role in any Smart City. Main streets have a track record of evolution. Why should they not be able to embrace digital change, smart technology, smart transport and communications? However digitally based and “smart” our society becomes people will still crave physical places to go, to meet, to celebrate, to relax and simply be. Main streets have fulfilled this role for the past century and would appear eminently well equipped to continue to fulfil this basic human need, provided they, their businesses and activities, receive appropriate recognition and support.

WHAT IS A MAIN STREET?

Main street is a term that can apply to any collection of small businesses or community services, that are located along a street. They are typically comprised of individual ownerships and referred to as local shops, high streets, town centres or city centres.

Main streets have always been a part of urban life and are proving to be one of its most resilient components. There are often reports of the

impending demise of these old traditional centres but they typically adapt and evolve rather than disappear. When I commenced working with the sector in the 1980s these centres were said to be doomed as the huge wave of private, enclosed, mall based mega centres and stand alone supermarkets swept through our cities. Later there were concerns about the centres being overrun by hairdressers, followed by concerns over too many real estate agents, \$2 shops and more recently it is too many cafes that have been seen as the problem, not to mention the ever increasing impact of online shopping and Uber style “digital disrupters”. Main streets’ capacity to adapt and evolve is one of their greatest attributes. The main street of today contains a very different range of goods and services to those of the 1980s and in turn, the 1980s centres were very different to the 1960s versions. Similarly, the 2030 version will be different again.

This resilience cannot however, be taken for granted. Each cycle of evolution is having an impact on the centres and eating away at their fundamental strengths. Their future potential will rely on ongoing recognition and support of the centres and the businesses and activities that they contain.

Given the locational, accessibility, and embedded infrastructure attributes of main street centres and the relationships they enjoy with their communities, it is vital that they continue to play an important economic and social component in any “smart city”. They have the capacity to provide local employment, local access to goods, services and facilities and deserve ongoing support from local and state government agencies. I consider that traditional main street centres that also incorporate coordinated management, marketing and a spirit of collaboration through a business association and work in partnership with the local council, community and property owners should be regarded as “Smart Centres” and be promoted as such as part of a Smart City agenda.

THE ECONOMIC IMPORTANCE OF MAIN STREETS

Facts, figures and analysis of main streets is often not readily available compared with the available information on the private enclosed centres. The latter constantly measure footfall, turnover, use of parking spaces, employment levels and tenancy mix. The lack of this information through which the performance of main street centres could be measured and compared undermines their capacity to demonstrate their worth, their contribution to economic development and hence, their ability to attract funding and support from various tiers of government. To address this in 2011 Mainstreet Australia, with the assistance of the Victorian Department of Small Business, engaged consultant Essential Economics² to undertake an assessment of the economic importance of Victoria's Main Streets. The consultants concluded that:

“Main Street activity centres are in highly accessible locations across Victoria, providing the wider community - from residents to tourists and other visitors - with a broad mix of retail, commercial, professional, and community facilities and services. Approximately 370,000 jobs are supported in Main Street centres, generating \$15,500 million in wages income each year. Main

Streets provide opportunities for small business development, with many successful national and international businesses having expanded from a Main Street location. Main Streets have a vital role to play in serving communities, ranging from small, local centres, to much large centres of metropolitan and state-wide importance. Importantly, they are a source of community identity.

The case for investing in and supporting Main Street activity centres is compelling for any stakeholder with an interest in contributing to Victoria's economic, social and environmental wellbeing”. Essential Economics 2011.

The research revealed that there were 680 activity centres in Victoria that met the definition of a traditional main street, high street, town centre or urban village. Of these centres, 211 had a floorspace of over 5000 sqm and as a whole the centres accommodated 45% of all retail floorspace in Victoria and 41% of all retail sales in Victoria. The centres also provided jobs for 370,000 Victorians (183,000 in retail sales and 154,000 in non-retail activities). These are significant numbers in regard to the economic and employment basis for Victoria and reinforce the importance of the centres and that they deserve the support of all tiers of government.

Why Do We Want Successful Main Streets?

Community Benefits

- Integrate with local communities
- Accommodate a wide range of community and social services (from hospitals to train stations to churches)
- Focus of community identity and civic pride
- Focus for day to day services and requirements of the community
- Meet anything from localised needs up to a large regional service role
- Are where most urban activities can co-locate (retail, transport, residential, government services etc)
- Source of community contact and interaction
- Are the face of a community
- Locations of historic importance
- Location of cultural activities

Economic Benefits

- Approximately 680 centres across Victoria
- Contain 5,300,000m² of retail floorspace
- Generate \$29.2 billion retail sales
- Contain a high share of non-retail floorspace
- Generate 374,000 direct jobs
- Create \$15.5 billion in wage income
- A high share of traders are owner/operator and independent
- Proven business incubator (JB HiFi, Grill'd)
- Focus of activity for leading retailers (e.g. 50% of Coles and Woolworths supermarkets are in Main Street centres)
- Generate tourism visitation and positive perception of Victoria as a place to visit
- Accommodate substantial public infrastructure
- Efficient location for private and public investment
- Support for local and state economies
- Existing focus for local and state government capital works.

Environmental Benefits

- Integrate with public transport and non motorised transport infrastructure
- Are location of substantial public infrastructure
- Existing infrastructure a “sunk” cost to government that makes additional investment cost effective and efficient
- Encourages multi-purpose trip making
- Reduce carbon footprint (shop local)
- Are able to accommodate higher density residential development
- Often incorporate or integrate with major sport and recreation areas (e.g. gyms, sporting ovals)

Source: Essential Economics 2011

Main street centres represent decades of public investment in infrastructure, transport, technology, community services and facilities. This public investment should be capitalised on through the ongoing support and encouragement of the main street centres, rather than the investment in new infrastructure in new centres simply on the basis that the old centres are tired and no longer reflect current trends.

Main street centres provide opportunities for local investment and business development for the local community which are not available in other styles of corporate or retail centres. The latter do not accommodate or suit “mum and dad” business investment opportunities, start-ups businesses, business incubators and pop up businesses.

Main street centres are community centres as well as business centres. These businesses keep the centre alive, active, safe and attractive and hence creating a community asset and a place where the local council can confidently locate their community facilities and services, play grounds, maternal health care centres and libraries.

MAIN STREET ISSUES AND PRIORITIES

Thirty years of working with a wide variety of main streets, high streets, town centres or villages across Australia suggests to me that of all the issues and aspects that need to be addressed, the most important is the quality, range and diversity of their businesses, services, facilities and activities. Whilst the aesthetic, locational and physical design are obviously important, without the right activities, providing the desired goods or services, at the right time and place, a centre is unlikely to thrive. Potential customers may well visit a centre once on the basis of its parking availability, its trees or its paving, however these customers are unlikely to return, or to pass on positive reviews of the centre if they were not able to access the goods, services or facilities they desired.

This is not to dismiss or ignore the need for planning, design, streetscapes and infrastructure initiatives, but rather to reinforce the need to recognise the importance of the activity mix and support for the business community as part of any improvement program. When talking to local and state government about support for main street centres the first response usually revolves around opportunities to undertake a planning or design strategy, improve streetscapes or improve traffic

management, rather than opportunities to support the business community, attract new activities or strengthen the role of the business association.

ROLE FOR ECONOMIC DEVELOPMENT AGENCIES TO SUPPORT MAIN STREETS

An important role that economic development departments within state and local government can play is internal advocacy for the centre based businesses within their organisations. It is important that the needs of the business community are taken into account along with residents, property developers, infrastructure providers and other key stakeholders. Centre based businesses deserve a voice at the table when budgets, infrastructure projects, urban planning policies, urban design projects, or the location of community, cultural, education or health services and facilities are being discussed. This can best be achieved when a business association exists to represent the business community.

This representation on behalf of a business community could range from a simple matter of determining the most appropriate hours to rip up a pavement or close a street within a centre, through to a locational decision for a multi-million dollar public facility. An effective business association can provide benefit for a local council as well as the business community as it provides a central point of contact and communication, hence streamlining consultation and information exchange. It is much more effective for a council to work with a centre through a business association rather than dealing with each business on an individual basis.

WHAT MAKES A MAIN STREET CENTRE SMART?

A smart centre, to me is one that is actively managed, marketed, monitored and measured in a coordinated way towards an agreed and sustainable future. Where:

- The businesses work collaboratively and have a business association that enables them to manage and market the centre in a coordinated fashion.
- The business association works in partnership with the local Council, local community and property owners to develop an integrated plan to manage and develop the centre.

- The physical design and development of the centre creates a safe and secure environment for pedestrians and provides space for the community to gather, children to play, people to meet, events to be celebrated.
- The business association has a vision for the future of the centre, understands its roles and functions, what it is and what it is not, and what business and activity mix is desired.
- The businesses in the centre work together to ensure that it best meets the needs of its customers in regard to, for example, opening hours, business referrals, sales or business presentation.
- The businesses and property owners fund a marketing and management program that delivers a coordinated marketing program, events, activities and advocacy for the centre.
- The local council supports the establishment and ongoing running of the business association and supports the centre by the locating its community services and facilities within the centre, takes business objectives into consideration when proposing planning, urban design, transport and infrastructure

initiatives, runs professional development sessions for businesses and celebrates and acknowledges the business leaders.

- The businesses forge a strong affiliation with the local community and support local community organisations, schools, sporting and social clubs.
- The centre is embraced by the local community as a place to go, to gather and to celebrate and is much more than a transactional retail centre. It is a location where children play, mothers and fathers meet, professionals network, and people simply sit.

HOW CAN LOCAL AND STATE GOVERNMENT SUPPORT THE DEVELOPMENT OF SMART CENTRES?

- Support the opportunities for businesses in traditional centres to collaborate and network through the establishment of, or support for, business associations. Make it easy and attractive for businesses to contribute financially to a collaborative management and marketing program for the centre.

Attributes of a "Smart" Centre

The essence of a Smart Centre is one where:

- **Businesses, services and facilities work in a collaborative fashion.**
- **A representative business association exists.**
- **A centre is efficiently managed and marketed.**
- **A centre provides a safe and secure and attractive environment for pedestrians or all ages.**
- **A centre provides the activities, goods, services and facilities required by the local community.**
- **A centre works in partnership with the local council, property owners and the local community.**
- **A centre has a clear idea of its viable roles and function, a business plan to guide its decision making and funds through which to deliver its activities.**

Source S.Sully 2019



- Ensure that community, social and cultural services and facilities are established or retained within existing centres, rather than on isolated sites and link local businesses to local sport, education, cultural and recreation organisations and encourage the businesses to build relationships with and possibly sponsor local activities.
- Recognise business needs and issues when planning and undertaking infrastructure works and ensure that businesses a say in (and potentially some responsibility for) the provision, maintenance and management of parking, traffic management, waste management and streetscapes within the centres.
- Contribute to the funding of business initiatives in the centre by directing part of the revenue raised in the centre back to the centre through the business association.
- Provide or support business development training for the businesses in the centres and recognise and publicly acknowledge the business leaders in the centres.

REFERENCES

1. Smart Cities Plan. Australian Government Department of Prime Minister and Cabinet Commonwealth of Australia 2016.
2. The Economic Value of Main Street Centres. Essential Economics May 2019.

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About Mainstreet Australia: Mainstreet Australia aims to provide a forum for information exchange, networking, advocacy and professional development for the people, business organisations and consultants involved in the management and marketing of Australia’s traditional main streets and town centres. It provides a collective voice to advocate to government on their behalf, to work to address issues of concern, capitalise on innovations and opportunities and promote what is special and unique about main streets and town centres.

ABOUT THE AUTHOR

Stephen Sully is an urban planner and economic development practitioner. He has been involved with the revitalisation of town centres across Australia over the past 30 years through his work with Local and State Government and as a private consultant. He has recently retired from full time employment and is currently Secretary of Mainstreet Australia.