The Economic Value of Main Streets

An Assessment of the Economic Contribution of Traditional Main Street Activity Centres in Victoria

May 2011

Prepared By
Essential Economics Pty Ltd

for
Mainstreet Australia

with support by

State Government Victoria
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INTRODUCTION

Background

This report has been prepared for Mainstreet Australia and with the assistance of funding from the Victorian Government - Small Business Victoria. Mainstreet Australia is a not-for-profit, member-based organisation committed to supporting traditional shopping strips and Main Street activity centres.

In 2010 Mainstreet Australia secured funding from Small Business Victoria, to undertake economic research on the benefits of viable Main Streets. The analysis in this report identifies, and where possible measures and quantifies, the economic value of main streets and town centres to the Victorian economy.

Approach

The following tasks have been undertaken in preparing this report:

1. Meet with Mainstreet Australia to discuss the project and obtain background data
2. Provide input to the development of a survey of all 79 municipalities in Victoria on the topic of special rate and special charge schemes for Main Street centres, and incorporate the results into this report
3. Develop a Main Street centres 'catalogue' which identifies all centres in Victoria with retail floorspace provision greater than 5,000m²
4. Prepare estimates of the contribution of Main Street centres to the achievement of a range of economic outcomes
5. Consider the broader contribution of Main Street activity centres to the community, including aspects related to the provision of social infrastructure and the creation of local character
6. Outline the rationale for investing in and supporting Main Street activity centres
7. Prepare this report.

Key Report Conclusions

The analysis in this report identifies the high degree of diversity in the role, layout and size of Main Street centres in Victoria. An estimated 680 Main Street activity centres operate in Victoria, with 211 of these centres identified as containing more than 5,000m² of retail floorspace each. A total of approximately 5.3 million square metres of retail floorspace is estimated to be in Main Street centres, representing 45% of total retail floorspace across Victoria.

Main Streets are also a focus for business activity and have a much higher share of non-retail activities relative to 'hardtop' shopping centres. A higher share of businesses in Main Streets are also sole traders or independent operators, and this reflected in a diverse mix of businesses. A large number of successful national retail chains began in Main Street centres including, Myer, JB Hi Fi, Grill’d and Spotlight, while approximately half of Coles and Woolworths supermarkets are located in Main Street centres. Main Streets are also an important component of Victoria’s tourist industry.
For communities, Main Streets provide a wide range of social infrastructure in highly accessible locations. This includes localised infrastructure such as schools, medical clinics and child care, as well as major community services of metropolitan significance including major hospitals and education institutions. For many people, their local Main Street is a symbol of community pride and identity.

Creating successful Main Streets requires recognition that a wide range of factors and influences determine centre performance. Many stakeholders are involved in the operation of the typical Main Street centre, and often conflicting interests are apparent. For this reason, centre management and marketing programs, often funded through a special rate or charge scheme, are a popular means of facilitating engagement between stakeholders; this helps to reconcile issues quickly and efficiently and promotes an integrated approach to fostering business growth and centre development.

**Concluding Statement**

This concluding statement summarises the results of the research in the report as follows:

"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".
1 MAIN STREETS IN CONTEXT

This Chapter provides a description of Main Street activity centres and the challenges which they currently face. A number of current initiatives supporting Main Street activity centres are highlighted. The results of a Victoria-wide survey of Main Street management and marketing programs are also provided.

1.1 What is a Main Street?

The Main Street is an important part of the urban framework in most towns and cities across Australia. Main Street is where people go to purchase their household goods and services, and to access a range of personal and professional services such as medical and legal services, and where people can enjoy community facilities such as libraries and local parks. Main Street is where people work, and where new businesses are formed and new jobs created. It’s where people come to enjoy leisure time. And Main Street is typically the location for civic features, including the town hall, library and court house. Main Street is where people – either as individuals or as a community – have invested considerable funds over many years in terms of buildings and infrastructure. Main Street is, in many ways, the heart of the community.

However, no all-encompassing definition exists as to what actually constitutes a Main Street activity centre. This is due to the diversity which exists in terms of centre types, sizes and features; and the fact that no two Main Street activity centres are the same.

In general terms, a Main Street activity centre is characterised by the following features:

- **Street-Based:** Main Street activity centres tend to be oriented onto public streets or public spaces. Most often, Main Street centres tend to be associated with ‘strip’ retailing which incorporates shops located along public streets. Typically, significant infrastructure is provided for pedestrians, including footpaths, road crossings and street furniture.

- **Multiple Ownership:** Most Main Street centres are characterised by multiple ownership of buildings and businesses. This multiple ownership reflects the incidence of individual property titles that exist in virtually all Main Street centres, with strata title often present in individual buildings. In effect, Main Street activity centres typically have an ownership structure which includes many different entities in terms of property owners and business owners.

- **‘Organic’ Development Process:** Most Main Street centres have developed in an incremental manner over an extended period of time. As a result, these centres tend to include a range of building types and styles, and in many in larger centres this pattern of development results in generalised ‘precincts’ which reflect a particular stage of a centre’s development. The organic nature of development contributes to diversity and the unique character of Main Street centres.

- **Shared Infrastructure:** Main Street activity centre are characterised by the presence of a range of shared infrastructure which includes delivery areas, parking, public libraries, public transport, parks and gardens, community centres etc. These ‘shared’ components contribute significantly to the function of core retail, commercial and community activities in the Main Street, and provide a range of benefits to the broader community.

- **Integrated into the Urban Fabric:** The street-based nature of Main Street centres and the incremental nature of their growth and development mean that in most cases a strong degree of integration into the surrounding urban areas occurs. As a consequence, in many instances no clear
boundary of where a Main Street centre begins and ends can be identified. Furthermore, many residents will regularly pass through a nearby Main Street centre for a range of non-shopping related purposes, even if it is simply passing through on the way to another destination.

- **Broad Mix of Uses:** Main Street centres are characterised by the broad mix of land uses which they accommodate. Although a primary function of most centres is retail-related, a wide diversity of non-retail functions is also typically evident, including commercial office space, community and social infrastructure, light industrial areas, health services, transport infrastructure, entertainment and recreational facilities, and parkland. Residential activity is also part of a Main Street in many cases, ranging from shop-top housing to medium-density flats and apartments in proximity to Main Street retail and commercial activities.

Although it is useful to apply these characteristics when identifying a Main Street centre, it is important at all times to recognise that each centre is unique in terms of its own role and function in the community.

Main Street centres can be observed at all levels of the retail hierarchy, ranging from small local convenience centres with a simple strip of ten or so shops, up to major higher-order centres with hundreds of businesses and property owners.

### 1.2 Current Challenges for Main Street Centres

The typical Main Street faces a number of challenges, especially in terms of the introduction of new retail formats and changes in strategic land use policy. Responses to these challenges vary. These challenges and responses are outlined below.

#### Competition from New Retail Formats

Traditionally, Main Street activity centres have been the dominant location for the provision of retail and commercial activities serving residents in urban areas and hinterlands. Prior to around 1960, Public Markets were the only other large-scale retail format competing with Main Street centres for a share of retail spending.

Since that time, a process of significant change and innovation in the retail sector has taken place, leading to the creation of a number of new retail formats which now compete directly with many Main Street centres. These new formats include the following:

- **'Hardtop' shopping centres:** These centres are under single ownership and management, and are generally characterised by internal malls and full weather protection. Hardtop shopping centres vary in size from small neighbourhood-level centres incorporating a supermarket, to large regional-level centres incorporating department stores, cinemas, supermarkets and a wide range of other retail and non-retail traders. The centres include specialty shops and may also include some community facilities and features such as multi-level carparking. In some instances, Hardtop shopping centres integrate (to varying degrees) into Main Street activity centres. Examples of hardtop centres include Chadstone and Centro The Glen.

- **Outlet retail centres:** These centres comprise traders selling goods including factory seconds and superseded stock, and have a strong emphasis on value-for-money. Outlet retailing has been a popular retail format in the United States and Europe for over twenty years, while in Australia strong growth in outlet retailing occurred from the late 1990s. Examples include DFO and Harbortown outlet centres.
• **Craft and Farmers markets**: These are temporary markets selling a range of fresh produce, food, and crafts. These markets have increased in popularity in recent years, with many such markets now operating regularly across Victoria. Examples include the Red Hill markets and Melbourne Showgrounds markets.

• **Internet retailing**: Estimates vary, but internet retailing accounts for around 3% of all retail sales in Australia. Consistent growth is being recorded in internet retail sales and this is particularly in response to recent exchange rate movements which mean imported goods from overseas websites are now relatively good value in Australia. Both Coles and Woolworths now offer internet retailing, and this highlights the expanding online presence of major ‘bricks and mortar’ retail brands.

**Changes in Strategic Land Use Policy**

Important shifts in strategic land use policy have occurred in Victoria, and in other parts of Australia, over the past decade, and such shifts represent new challenges and opportunities for Main Street centres.

In 2002, the *Melbourne 2030* metropolitan strategy identified activity centres, including many Main Street centres, as the focus for more intensive investment and the provision of additional retail, commercial and residential activities. This policy direction has also been adopted in similar planning strategies released across other major towns and cities across Australia.

The increased emphasis on Main Street centres as a focus for land use change has created significant challenges for many centres and the communities which they service. For example, some resistance is evident in regard to the large scale of residential development and associated building heights which many policies now advocate for Main Street activity centres in major cities around the nation.

In other instances, planning policy acts to secure the place of Main Street centres. The best example of such policy is that which places emphasis on in-centre development, while limiting the incidence of out-of-centre development (except in specific cases, such as a lack of suitable sites for new development in an existing centre or on the edge of an existing centre).

Planning policy also has to have regard for accommodating new and innovative forms of land use and development, and examples include the introduction of free-standing homemaker centres (with a grouping a tenants which include, for example, furniture, homewares, floorcoverings, bedding, etc), and free-standing factory outlet centres, such as DFO and Harbourtown, as noted above. While these forms of retailing provide a high level of service to shoppers, it is also the case that existing Main Street traders can experience a fall in local sales due to such competition.

**Constraints in the Response of Main Street Centres to Change**

Many Main Street activity centres have experienced difficulty responding appropriately to competitive challenges. This has often resulted in a decline in retail sales and business activity, low levels of reinvestment in centres, increased vacancy rates, and a relative decline in the importance of some Main Street activity centres as a focus for retail and other activities.

A number of factors have impeded the progress of Main Street centres in dealing with competitive and other challenges such centres face. These impediments include the following:

• The lack of integrated decision-making and lack of access to financial and other resources compared with hardtop centres under single ownership and management.
The split ownership structure of Main Street centres and the complexity of many individual landholdings and differing tenancy arrangements.

The presence of physical constraints which limit or prevent the expansion of Main Street centres into surrounding well-established residential areas.

The inability of Main Street centres to match the well-resourced management and marketing programs of other retail formats, in particular Hardtop shopping centres.

The difficulty for Main Street centres to respond rapidly to competitive changes due to issues in the planning system which relate to heritage constraints, complexity and expense of pursuing rezoning of land, application of height limits, and overly restrictive zoning provisions and the like.

A perceived preference in government (Local and State) for promoting the one-off development of large new centres, rather than encouraging the incremental growth and re-investment in established Main Street activity centres.

1.3 Initiatives Supporting Main Street Centres

It is generally recognised that Main Street activity centres have difficulty in responding positively to competitive challenges and to the shifts in strategic land use policy. In response to these serious challenges for Main Streets, the interests of these centres are currently being promoted in a number of ways. In general terms, these positive responses can be grouped along the following lines:

- **Trader Organisations:** A large number of Main Street activity centres are represented by formal or informal trader organisations. These groups provide opportunities for centre stakeholders (i.e., property owners, business owners and managers, and others) to lobby for centre improvements and to co-ordinate marketing and other outcomes for mutual benefit. The level of participation, activity and resourcing for these organisations varies significantly, usually reflecting the size of a centre.

- **Centre-based Planning Mechanisms:** A range of mechanisms are available at the policy development level which seek to overcome or prevent elements the planning system that have the potential to be an unnecessary constraint on the ability of Main Street activity centres to attract investment and respond to competitive challenges. This list (not exhaustive) includes:
  - the structure planning process promoted by Melbourne 2030 for larger centres
  - municipal-level policy initiatives such as retail and activity centre planning and development strategies
  - centre-level programs such as urban design frameworks and investment attraction strategies for individual centres
  - measures to promote prompt development assessments
  - efforts by State Government to promote small business development

- **Special Rate Schemes:** Many Main Street centres are participating in special rate schemes as a response to the highly organised and well-resourced marketing and management programs of centres under single ownership. This is in accordance with Section 163 of the Local Government Act, 1989 (Victoria) which allows Councils to provide promotion, marketing or economic
development services for Main Street activity centres. Special levies and charges are paid by property owners and traders, either as a proportion of the capital improved value, or a fixed amount depending on the location of the property, or a combination of the two.

- **Mainstreet Australia:** Mainstreet Australia is a member-based association promoting the interests of Main Street activity centres. Mainstreet Australia, originally known as Community Business Centres Victoria (CBCV), provides networking, education, support and strategic direction for all stakeholders in order to promote and support Main Street activity centres. Membership of Mainstreet Australia is open to individuals, businesses, associations, chambers and other corporate bodies or interested parties, as well as local Councils. Support to Mainstreet Australia is also provided by the Victorian Government.

- **Local and State Government Support:** This support is provided through a wide range of formal programs and informal arrangements. Important Victorian Government programs include Changing Places, which provides resources for the delivery of strategic projects, including capital works projects and funding for place managers. The Expert Assistance Program assists Councils to drive growth and change in activity centres.

### 1.4 Management and Marketing Programs Survey

Management and marketing programs are playing an increasingly important role in supporting the viability and health of Main Street activity centres in Victoria. Most of these programs are funded by special rate or special charge schemes. The funds are typically used to employ a Centre Co-ordinator or other similar role which provides professional support to the centre and its traders. Funding is also often used for promotions, advertising and other support activities.

The application of a special rate or charge in a Main Street centre is similar to the principle behind the marketing levy applied in hardtop shopping centres which involves a payment on top of normal rents paid by retailers. As a general rule, a typical hardtop shopping centre with a major supermarket and specialty shops will generate a marketing levy of approximately $50,000 per annum from its traders. In some instances, large regional hardtop shopping centres have marketing levies and budgets exceeding $1 million per annum that is paid by centre tenants.

In order to gain information on current Management and Marketing programs in place in Main Street centres, a survey of all 79 municipalities in Victoria was undertaken by Main Street Australia in late 2010. The survey identified 69 management and marketing programs in Victoria funded via special rate and special charge schemes. This includes schemes in 21 municipalities.

The key findings of the survey include the following:

- Approximately $7.6 million per annum in revenue is directly generated by special rate and charge schemes.
- This revenue is also often supplemented from funding by the relevant Council and other external funding sources such as sponsorship etc.
- Revenue generated by each scheme varies from approximately $10,000 to over $500,000 and is dependent upon the size of the centre and the level at which the rate or charge is applied.
- Approximately 16,500 individual businesses are covered by the schemes identified in the survey.
- Retail businesses covered by the schemes account for over 1.5 million m² of retail floorspace.
1.5 Summary

Main Street activity centres are an important part of the urban structure in most towns and cities in Australia. Although no strict definition exists of what constitutes a Main Street centre, the typical characteristics are as follows:

- Street-based, and oriented to public streets or spaces.
- Multiple Ownership, reflecting individual property titles and businesses.
- 'Organic' Development Process, with development occurring in an incremental manner over time.
- Shared Infrastructure (from parking to street furniture) between various community stakeholders.
- Integrated into the surrounding Urban Fabric, including a high degree of integration with adjacent residential and other urban areas.
- Mix of Uses in addition to their core retail and commercial functions.

Main Street centres have faced a number of challenges in recent decades, ranging from the rise of a wide range of competing retail formats (including hardtop shopping centres and homemaker centres), to internet retailing. Furthermore, recent changes in strategic land use policy have created new expectations of Main Street centres in terms of their ability to accommodate growth and change, including higher density residential development.

Many Main Street centres have difficulty responding to these challenges in view of impediments which include a lack of resources relative to other centrally-owned retail formats (such as hardtop centres), and property and business ownership structures which make integrated decision-making more difficult. However, support for Main Street activity centres is provided through mechanisms which include the implementation of Special Rate or Charge Schemes, growth of trader organisations and business groups, implementation of centre-based planning mechanisms, and the continuing growth and success of Mainstreet Australia.
2 REVIEW OF ‘MAIN STREETS’ IN VICTORIA

This Chapter provides a review of Main Street activity centres in Victoria and their economic contribution according to a range of relevant measures. Measures include retail floorspace, other non-retail activities, employment and wages; data is assembled by location.

2.1 Estimated Number of Main Street-Type Centres in Victoria

The actual number of Main Street-type activity centres in Victoria is not known, although estimates prepared in the course of this study indicate that some 680 such centres are likely to exist. This figure includes 211 Main Street centres identified below in Section 2.2, plus a further 470 generally smaller centres spread around metropolitan Melbourne and regional Victoria.

These estimates are derived as follows:

- In metropolitan Melbourne, industry estimates indicate that approximately 1,000 activity centres of 1,000m² (and comprising approximately 8 or more small shops) or greater exist.

- While such data does not exist for regional Victoria, on a pro-rata basis based on population, regional Victoria would have approximately 350 activity centres with at least 1,000m² of retail floorspace.

- Therefore, a total of approximately 1,350 activity centres operate across Victoria (ie, 1,000 in Melbourne and 350 in regional Victoria).

- Of these 1,350 activity centres in Victoria, 211 are identified in the Main Street centres catalogue, as described in Section 2.2 below. In addition, the Property Council of Australia Shopping Centre directory identifies a further 200 centres in Victoria. Thus, approximately 940 smaller activity centres in Victoria are not identified by either the Property Council or in the Main Streets centre catalogue (ie, 1,350 centres less 411). Many of these centres that are not identified in the catalogue will not be Main Street-style activity centres, but will include a large number of small shopping centres under single ownership and management. In general terms, a reasonable assumption is that approximately 50% of these 940 activity centres across Victoria (ie, 470 centres) are likely to be Main Street-style centres based on a review of the retail hierarchies in municipalities across Victoria where the consultant has been involved in activity centre planning. In summary, an estimated 470 or so Main Street-style activity centres are located across regional Victoria, each containing between 1,000m² and 5,000m² of retail floorspace.

- In total, an estimated 680 (rounded) centres would be considered as Main Street-type centres, comprising the 211 identified in the Main Street Catalogue (see below) and the 470 generally smaller centres noted in the previous paragraph.

In the absence of official data relating to the numbers of activity centres in Victoria, the consultants are comfortable in the approach outlined above in arriving at an estimate of total activity centres in Victoria (1,350 centres) and the number which are considered to be Main Street-type centres (680 centres).

Of the estimated 680 such centres, 211 are identified as Main Street centres where retail floorspace measures more than 5,000m² per centre, while the balance of some 470 centres are considered to be Main Street-type centres, but smaller in retail floorspace terms.
2.2 Catalogue of ‘Main Streets’

As input to this project, a catalogue of Main Street Activity centres in Victoria was developed in order to provide a more accurate basis for measuring economic and other benefits associated with Main Streets. This catalogue includes all Main Street activity centres in Victoria identified by the consultant; each of these centres is estimated to contain 5,000m$^2$ or more of retail floorspace. Information has been drawn from internal databases held by the consultant, as well as a wide range of published and industry sources.

A minimum threshold of 5,000m$^2$ of retail floorspace has been set for the following reasons:

- Centres of this (minimum) size provide a sufficiently diverse range of goods and services to a neighbourhood-level (or above) catchment
- Information for centres of this size and larger is readily available (but is not so comprehensive for smaller centres)
- Retail plays an important role as the primary driver of activity in these centres
- Retail floorspace data is more readily available compared with commercial and other non-retail floorspace categories
- Virtually all centres with an active trader group or with a special rate scheme, or which are involved with Mainstreets Australia, are of this size and larger.

While the focus in this report is placed on centres with at least 5,000m$^2$ of retail floorspace, it is recognised that smaller Main Street-style activity centres containing between 1,000m$^2$ and 5,000m$^2$ of retail floorspace also serve an important role in their communities.

Unfortunately, it is difficult to identify all centres individually, or to differentiate some centres from others of a similar size which are not in a true Main Street-style format. Only general estimates are provided of the contribution that Main Street centres of this size make to the Victorian economy. However, these estimates are based on the consultant’s extensive knowledge base and on accepted industry benchmarks.

2.3 Identification of Main Street Centres

Centres containing 5,000m$^2$ or more of retail floorspace have been identified as ‘Main Street’ centres on the basis of the broad criteria identified earlier in Section 1.1. However, in some instances Main Street activity centres are not a single contiguous strip of shops or activities, but may involve localities where a functional relationship exists between separate areas. For example, St Kilda is counted as one Main Street activity centre, although Acland Street and Fitzroy Street are often identified as functionally separate centres.

Furthermore, a number of Main Street centres are located adjacent to, or integrated with, hardtop shopping centres. Where this is the case, the total floorspace (inclusive of the hardtop centre component) has been included where a genuine sense of integration between the Main Street and hardtop centre is present, for example Central Geelong. When a hardtop centre is operating with little functional relationship to an adjacent Main Street centre, only the Main Street component of the floorspace has been included (e.g Cheltenham in the context of nearby Southland).
**Number of Main Street Centres with greater than 5,000m² of Retail Floorspace**

A total of 211 Main Street activity centres containing more than 5,000m² of retail floorspace are identified in Victoria, as shown in Table 2.1, based on the catalogue of centres prepared by the consultant. This total includes 132 centres located in metropolitan Melbourne and 79 centres located in regional Victoria.

All 30 metropolitan Councils contain a Main Street activity centre containing more than 5,000m² of retail floorspace, while 41 of 49 Councils in regional Victoria also contain a Main Street activity centre. A total of 60 special rate or special charge schemes apply to these centres.

**Table 2.1 Number of Main Street Activity Centres in Victoria of 5,000m² or Greater**

<table>
<thead>
<tr>
<th></th>
<th>Number of Councils</th>
<th>Number of Councils with Centre</th>
<th>Number of Centres</th>
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<tr>
<td>Metropolitan</td>
<td>30</td>
<td>30</td>
<td>132</td>
<td>54</td>
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<td>Regional Victoria</td>
<td>49</td>
<td>41</td>
<td>79</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>79</strong></td>
<td><strong>71</strong></td>
<td><strong>211</strong></td>
<td><strong>60</strong></td>
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Source: Essential Economics

This information highlights the extensive network of Main Street activity centres and their broad geographic distribution across Victoria.

**Concentration of Main Street Activity Centres**

A number of Councils contain a higher concentration of Main Street activity centres compared with other Councils. A total of 16 municipalities are identified in Table 2.2 as having five or more Main Street centres, and all of these Councils are located in metropolitan Melbourne, with the exception of Greater Geelong.

**Table 2.2 Municipalities with More than Five Main Street Activity Centres of 5,000m² or Greater**

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<th>Municipality</th>
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</tr>
<tr>
<td>Yarra Ranges</td>
<td>7</td>
</tr>
<tr>
<td>Bayside</td>
<td>6</td>
</tr>
<tr>
<td>Kingston</td>
<td>6</td>
</tr>
<tr>
<td>Moonee Valley</td>
<td>6</td>
</tr>
<tr>
<td>Moreland</td>
<td>6</td>
</tr>
<tr>
<td>Yarra</td>
<td>6</td>
</tr>
<tr>
<td>Darebin</td>
<td>5</td>
</tr>
<tr>
<td>Manningham</td>
<td>5</td>
</tr>
<tr>
<td>Maroondah</td>
<td>5</td>
</tr>
<tr>
<td>Port Phillip</td>
<td>5</td>
</tr>
<tr>
<td>Whitehorse</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Essential Economics
The City of Boroondara has the highest number of Main Street activity centres (9), followed by Banyule, Glen Eira and Mornington (each of which has 8 centres).

Activity centres in metropolitan Melbourne are to be found in a mix of inner-city areas (eg, Port Phillip, Boroondara), middle suburban areas (eg, Darebin, Whitehorse), and outer-suburban areas (eg, Yarra Ranges, Mornington).

**Main Street Centres and Population Growth**

The distribution of Main Streets tends to show a lower provision of such centres in the major residential growth areas of outer metropolitan Melbourne compared with more established inner urban areas.

Between 2001 and 2009, the top seven municipalities in terms of total population growth were located in metropolitan Melbourne (Greater Geelong was the 8th fastest growing municipality). Of the seven metropolitan municipalities, the highest number of Main Street centres is to be found in Casey, Whittlesea and Brimbank, each having three centres.

In all of these municipalities, the centres are located in the more established urban areas and are in the form of traditional main street centres which pre-date more recently developed hard-top shopping centres.

**Table 2.3  Top Seven Victorian Municipalities for Population Growth 2001 to 2009**

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Population Growth Ranking</th>
<th>Number of Main Street Activity Centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyndham</td>
<td>1st</td>
<td>1</td>
</tr>
<tr>
<td>Casey</td>
<td>2nd</td>
<td>3</td>
</tr>
<tr>
<td>Melton</td>
<td>3rd</td>
<td>1</td>
</tr>
<tr>
<td>Whittlesea</td>
<td>4th</td>
<td>3</td>
</tr>
<tr>
<td>Hume</td>
<td>5th</td>
<td>1</td>
</tr>
<tr>
<td>Brimbank</td>
<td>6th</td>
<td>3</td>
</tr>
<tr>
<td>Cardinia</td>
<td>7th</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Essential Economics

Note: includes centres with greater than 5,000m² of retail floorspace

**Main Street Centres with Less Than 5,000m² of Retail Floorspace**

A large number of smaller Main Street-style activity centres across Melbourne contain less than the 5,000m² of retail floorspace but they are also relevant for their economic benefit. However, these smaller centres have not been identified in the catalogue of centres for reasons described earlier.

Moreover, in regional Victoria many small town centres in a Main Street-style format do not contain greater than 5,000m² of retail floorspace, yet provide many economic and other benefits to their own local communities.

In summary, *an estimated* 470 or so Main Street-style activity centres are located across regional Victoria, each containing between 1,000m² and 5,000m² of retail floorspace.
2.4 Floorspace Provision

Retail Floorspace

Victorians support an estimated 11.7 million square metres of retail floorspace. This estimate is based on industry benchmarks which indicate that the average provision of retail floorspace in Victoria is approximately 2.15m² per capita, with the latest ABS population estimates showing the State’s population is approximately 5.45 million persons. Of this total amount of retail floorspace, an estimated 5.3 million square metres (or 45%) is located in Main Street activity centres, with the balance of 6.4 million square metres or 56%) located mainly in ‘hardtop’ centres, homemaker retail and other retail formats including small groups of local centres under 1,000m² each. These figures are summarised in Table 2.4.

Table 2.4 Main Street Share of Total Retail Floorspace

<table>
<thead>
<tr>
<th>Total Retail Floorspace</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Street Activity Centres</td>
<td>5,300,800m²</td>
</tr>
<tr>
<td>Other Retail</td>
<td>6,402,100m²</td>
</tr>
<tr>
<td>Total Retail</td>
<td>11,702,900m²</td>
</tr>
</tbody>
</table>

Source: Essential Economics

The 211 Main Street centres identified as having at least 5,000m² of retail floorspace accounted for a total of approximately 4.1 million square metres, while the remaining 470 centres of between 1,000m² and 5,000m² account for just 1.2 million square metres.

Table 2.5 shows the distribution of retail floorspace according to centres size.

Table 2.5 Main Street Activity Centres by Retail Floorspace

<table>
<thead>
<tr>
<th>Retail Floorspace Category</th>
<th>Number of Centres</th>
<th>Total Retail Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000m² plus</td>
<td>4</td>
<td>440,000m²</td>
</tr>
<tr>
<td>50,000m² to 100,000m²</td>
<td>13</td>
<td>830,000m²</td>
</tr>
<tr>
<td>25,000m² to 49,999m²</td>
<td>37</td>
<td>1,143,500m²</td>
</tr>
<tr>
<td>15,000m² to 24,999m²</td>
<td>45</td>
<td>835,500m²</td>
</tr>
<tr>
<td>5,000m² to 14,999m²</td>
<td>112</td>
<td>876,800m²</td>
</tr>
<tr>
<td>1,000m² to 4,999m²</td>
<td>470 (estimate only)</td>
<td>1,175,000m²</td>
</tr>
</tbody>
</table>

Source: Essential Economics

An assessment of the distribution of Main Street activity centres by size shows that over 100 centres have between 5,000m² and 15,000m² of retail floorspace. This level of floorspace is typically consistent with a comprehensive range of convenience retail, including groceries, and in most cases would include a major supermarket operator. These centres are generally consistent with the "neighbourhood activity centre" classification identified in Melbourne 2030.

Main Street activity centres are also well-represented in larger retail floorspace categories, as shown in Table 2.5 above and in Table 2.6 below. The significant variation between the size of these centres reflects the diversity of centre types and roles which can be achieved by a Main Street retailing environment.
The 17 largest Main Street activity centres in Victoria which contain 50,000m² or more in retail floorspace are listed in Table 2.6.

The Bendigo CBD (excluding the Bendigo Marketplace shopping centre) is the largest Main Street activity centre in Victoria with approximately 120,000m² of retail floorspace. Only three hard-top shopping centres in Victoria - Chadstone, Westfield Fountain Gate and Westfield Doncaster - contain a higher retail floorspace provision than the Bendigo CBD.

**Turnover**

In terms of total retail turnover, Main Streets are estimated to generate approximately $29,150 million of retail sales in Victoria in 2010, and this represents an estimated 41% of all retail sales in the State. The total estimate for Main Street sales turnover is based on an indicative trading level of $5,500/m²; this reflects expected average trading levels for retailers, based on relevant industry benchmarks.

**Table 2.6 Main Street Activity Centres of 50,000m² or Greater Retail Floorspace**

<table>
<thead>
<tr>
<th>Centre</th>
<th>Estimated Retail Floorspace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bendigo CBD</td>
<td>120,000m²</td>
</tr>
<tr>
<td>Ballarat CBD</td>
<td>115,000m²</td>
</tr>
<tr>
<td>Central Geelong</td>
<td>105,000m²</td>
</tr>
<tr>
<td>Shepparton CBD</td>
<td>100,000m²</td>
</tr>
<tr>
<td>Chapel Street</td>
<td>90,000m²</td>
</tr>
<tr>
<td>Footscray CBD</td>
<td>80,000m²</td>
</tr>
<tr>
<td>Sydney Road Brunswick</td>
<td>70,000m²</td>
</tr>
<tr>
<td>Warrnambool CBD</td>
<td>80,000m²</td>
</tr>
<tr>
<td>Dandenong CBD</td>
<td>70,000m²</td>
</tr>
<tr>
<td>Mildura CBD</td>
<td>65,000m²</td>
</tr>
<tr>
<td>Ringwood</td>
<td>60,000m²</td>
</tr>
<tr>
<td>Camberwell Junction</td>
<td>60,000m²</td>
</tr>
<tr>
<td>Armadale/Malvern</td>
<td>55,000m²</td>
</tr>
<tr>
<td>Colac</td>
<td>50,000m²</td>
</tr>
<tr>
<td>Sunbury</td>
<td>50,000m²</td>
</tr>
<tr>
<td>Traralgon</td>
<td>50,000m²</td>
</tr>
<tr>
<td>Box Hill</td>
<td>50,000m²</td>
</tr>
</tbody>
</table>

Source: Essential Economics

**Non-Retail Floorspace**

In addition to retail floorspace, Main Street activity centres are also important locations for a range of non-retail commercial uses. These uses include:

- Commercial office
- showrooms
- non-retail uses occupying shopfront floorspace, such as banks, real estate agents etc
- light industry and miscellaneous business premises, such as motor mechanics, printers etc.

Community-based activities in Main Street centres include child-care centres, medical rooms, public libraries, Council offices, emergency services, train stations, retirement village, and the like. Community-
based functions are often located in Main Street activity centres, but the degree to which this occurs is heavily influenced by a range of factors which are centre-specific and difficult to apply to an analysis of all Main Street activity centres.

Experience in undertaking activity centre assessments indicates that on a centre-by-centre basis, significant variation in the provision of non-retail commercial floorspace is evident. As a rule-of-thumb, it is reasonable to expect at least 30% of floorspace in a Main Street activity centre to be occupied by non-retail commercial functions, but the percentage will vary between centres according to their size, location, role and function, and the situation in competing centres.

For example, in larger centres a significant office and non-retail floorspace component reflects the regional service role of such centres. As a case in point, Camberwell Junction has an estimated 125,000 m$^2$ of non-retail floorspace, and this compares with just 60,000 m$^2$ of retail floorspace, with the retail component equivalent to just 33% of total retail and non-retail floorspace. On this basis, it is prudent to consider that, on average, the provision of non-retail floorspace across all Main Street activity centres is closer to 40% after taking into account these centres with significantly higher provision of non-retail floorspace.

Noting that Main Street activity centres have an estimated total retail floorspace provision of 5.3 million square metres (refer Table 2.4), the non-retail component in these centres would be in the order of 3.5 million square metres (where retail floorspace accounts for 60% of all floorspace, and non-retail accounts for 40%).

### 2.5 Employment

Employment located in Main Street activity centres is generated by:

- **Retail activities**: these are estimated to occupy approximately 5.3 million square metres of leasable floorspace in total
- **Non-Retail activities**: these are estimated to occupy approximately 3.5 million square metres of leasable floorspace in total
- **Other Community and Social facilities and services**: these vary significantly from centre-to-centre.

**Retail**

Nationally, the retail industry generates approximately 1 job per 29 m$^2$ of retail floorspace based on ABS data (Cat. No. 8622.0).

In general, most Main Street activity centres are dominated by specialty shops, supermarkets and other retail formats which are relatively employment 'intensive'. In contrast, homemaker centres and other large format retailers typically have low-intensity levels of employment. As a result, it is likely that Main Street centres overall generate more than one job per 29 m$^2$ of retail floorspace. However, the lack of detailed data on floorspace by retail format means that it is appropriate to simply apply the broad employment rate derived from ABS statistics.

On this basis, total employment generated by retail activity in Main Street centres in Victoria is conservatively estimated at approximately 183,000 jobs.
The average wage of a worker in the retail industry is $31,820 per annum according to ABS data (Cat. No. 6302.0). On this basis, total wages income generated by retail located in Main Street activity centres in 2010 is estimated at approximately $5,820 million.

Non-Retail Commercial

Total non-retail commercial employment in Main Street activity centres is estimated at approximately 1 job per 23m$^2$ of floorspace, and this estimate is based on the application of general industry benchmarks as follows:

- Office: 40% of non-retail commercial floorspace at one job per 15m$^2$
- Non-Retail Shopfront: 40% of non-retail commercial floorspace at one job per 30m$^2$
- Other: 20% of non-retail commercial floorspace at one job per 55m$^2$.

On this basis, total employment generated by non-retail commercial activities in Main Street centres is estimated at approximately 154,000 jobs in 2010.

These jobs will be held across a wide range of industries and therefore the average wage is expected to be close to national average wage of $50,810 per annum according to ABS data (Cat. No. 6302.0). This means that total wages income generated by non-retail commercial uses in Main Street activity centres in 2010 is estimated at approximately $7,980 million.

Other Employment

Employment other than retail and non-retail commercial employment in Main Street activity centres is generated by the wide range of community and social services. On an indicative basis, it is considered reasonable to allow for approximately 10% of total Main Street employment to be in this category, recognising that the exact level will fluctuate significantly between individual centres depending on centre size, role, location, and so on.

On this basis, approximately 37,000 community-based jobs are estimated to be located in Main Street activity centres across Victoria in 2010.

Although these jobs will be held across a range of industries, it is considered appropriate to apply an average wage of $46,390 which reflects employment in administrative and support services (ABS Cat. No. 6302.0). This means that community-based employment in Main Street centres is estimated to generate a total of $1,740 million of wages income in Victoria.

Total

In total, Main Street activity centres support an estimated 374,000 jobs in the Victorian economy, or approximately 13% of total employment.

Total wages income of approximately $15,540 million is generated in the Victorian economy each year as a result of employment located in Main Street activity centres.
Metropolitan Melbourne has a total of approximately 1,000 activity centres, while regional Victoria has an estimated 350 activity centres, bringing the total number to 1,350 centres. Of these centres, an estimated 680 are identified as Main Street activity centres, and these comprise 211 Main Streets with retail floorspace of 5,000m$^2$ and above and a further 470 centres with retail floorspace of between 1,000m$^2$ and 5,000m$^2$. Overall, one-half of all activity centres in Victoria are identified as traditional Main Street centres.

Of the 211 larger Main Streets (5,000m$^2$ and above) 132 are located in Melbourne and 79 in Regional Victoria. At least one Main Street centre of this size is located in every municipality of metropolitan Melbourne, with numerous municipalities having five or more of these centres; Boroondara has nine. In contrast, a lower provision of Main Street centres is identified in the major residential growth areas of outer metropolitan Melbourne relative to more established inner urban areas.

A total of approximately 470 Main Street centres containing less than 5,000m$^2$ of floorspace are located in Victoria. These smaller centres have a limited provision of retail and other facilities, but are nonetheless an important part of the network of activity centres serving the community.

In Victoria, total retail floorspace in Main Street centres is estimated at approximately 5.3 million square metres, and this represent approximately 45% of total retail floorspace. Total retail sales generated by these Main Street centres are estimated to total $29,150 million, annually.

Total employment in Main Street activity centres is estimated at approximately 374,000 jobs and this generates $15,500 million of wages income in the Victorian economy each year.

In summary, Main Street centres make an important contribution to the Victoria economy in terms of supporting businesses, generating jobs and incomes, and providing facilities and services to the community. These centres are both large and small in terms of size, with numerous centres exceeding 50,000m$^2$ in retail floorspace, while many have retail floorspace of less than 5,000m$^2$.

### Table 2.7 Main Street Activity Centres Employment and Wages Income

<table>
<thead>
<tr>
<th>Employment Category</th>
<th>Total Employment</th>
<th>Average Wages Income</th>
<th>Total Wages Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>183,000</td>
<td>$31,820</td>
<td>$5,820.0 million</td>
</tr>
<tr>
<td>Non-Retail</td>
<td>154,000</td>
<td>$51,800</td>
<td>$7,980.0 million</td>
</tr>
<tr>
<td>Other</td>
<td>37,000</td>
<td>$46,920</td>
<td>$1,740.0 million</td>
</tr>
<tr>
<td>Total</td>
<td>374,000</td>
<td>$41,550</td>
<td>$15,540.0 million</td>
</tr>
</tbody>
</table>

Source: Essential Economics, ABS, Industry sources
3  MAIN STREETS AS A FOCUS FOR BUSINESS ACTIVITY

Main Street activity centres continue to attract and retain a diverse range of retail and non-retail businesses. This Chapter examines the wider economic contribution of Main Streets in terms of being hubs for business attraction and activity.

3.1  Mix of Land Uses

The mix of land uses in Main Street activity centres is typically wider and more diverse than that of other centre types, with these other centres mainly involving enclosed shopping centres or ‘hardtops’. It is not unusual for Main Street centres to have in excess of 50% of their total floorspace occupied by non-retail activities. This reflects, in part, the traditional role of Main Streets as mixed use service centres meeting the retail, commercial and social needs of their communities. In comparison, most hardtop centres have an emphasis on retail activities and this is due, in part, to the higher rents paid by retail businesses compared with most other non-retail floorspace categories.

In recent times, some hardtop shopping centres have increased their provision of non-retail floorspace in order to meet government land use policy objectives, including those contained in Melbourne 2030. For example, Watergardens is the hardtop centre with the highest share of non-retail floorspace in Victoria, with 18% of total floorspace in non-retail categories. Chadstone and Epping Plaza have the next highest share of non-retail floorspace and this is estimated at 16% of total floorspace in each of the centres. These examples are taken from a sample of the 16 centres classified as a "Super Regional" or "Major Regional" shopping centres in the Property Council of Australia Shopping Centre Directory. Across the entire sample of centres in the Directory, the average provision of non-retail floorspace is just 12%.

In contrast, Main Street centres tend to have a substantially higher provision of non-retail floorspace. Elsternwick, for example, is a moderately-sized activity centre located in inner south-east Melbourne, and contains 23,000m² of non-retail floorspace and this exceeds the centre’s 20,000m² of retail floorspace. In Elsternwick’s case, the amount of non-retail floorspace is larger than that recorded for the largest hardtop shopping centres in Victoria. These patterns are summarised in Table 3.1.

Table 3.1  Retail and Non-Retail Floorspace in Selection of Activity Centres

<table>
<thead>
<tr>
<th>Centres</th>
<th>Retail Floorspace</th>
<th>%</th>
<th>Non-retail Floorspace</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Streets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Camberwell Junction</td>
<td>58,500m²</td>
<td>32%</td>
<td>125,900m²</td>
<td>68%</td>
<td>184,400m²</td>
</tr>
<tr>
<td>Werribee Town Centre</td>
<td>33,000m²</td>
<td>45%</td>
<td>40,000m²</td>
<td>55%</td>
<td>73,000m²</td>
</tr>
<tr>
<td>Elsternwick</td>
<td>20,000m²</td>
<td>47%</td>
<td>23,000m²</td>
<td>53%</td>
<td>43,000m²</td>
</tr>
<tr>
<td>Hard Top Shopping Centres</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Watergardens</td>
<td>96,100m²</td>
<td>82%</td>
<td>20,400m²</td>
<td>18%</td>
<td>116,500m²</td>
</tr>
<tr>
<td>Chadstone</td>
<td>118,000m²</td>
<td>84%</td>
<td>22,000m²</td>
<td>16%</td>
<td>140,000m²</td>
</tr>
<tr>
<td>Epping Plaza</td>
<td>52,600m²</td>
<td>84%</td>
<td>10,200m²</td>
<td>16%</td>
<td>62,800m²</td>
</tr>
</tbody>
</table>

Source: Essential Economics, Property Council of Australia
3.2 Business Diversity in Main Streets

Main Street centres are important in terms of the diversity of businesses they contain, both retail and non-retail. Furthermore, this diversity means that in general terms no two Main Street centres are the same in terms of tenant mix and range of facilities.

**Diversity of Retail Uses in Main Streets**

Main Street activity centres tend to have a high share of businesses which are sole traders, independently operated, and trading from one location only. This contrasts with hardtop shopping centres which tend to be dominated by national chain stores, including franchises and company-owned stores.

For example, a review of the tenancy mix at Chadstone shopping centre shows that approximately 90% of tenants are part of multi-store chains. In many cases, significant duplication of the tenancy mix in terms of ‘store type’ exists between similar-sized hardtop shopping centres due to the focus on accommodating major chain traders. This situation contributes to consumer perceptions that hard top shopping centres are ‘generic’ in nature and provide no underlying attraction or differentiation for shoppers (unless one wants to shop mainly in these national brand stores).

In contrast, a review of the tenancy mix in Main Street centres shows that a much lower share of approximately 50% to 60% of tenancies tend to be occupied by chain stores, with the balance primarily comprising independent traders which are more likely to offer niche and hard-to-find items. These conclusions are drawn from the consultant’s assessments of a range of centres, including the Shepparton CBD, Glenferrie, Church Street Brighton, and Carnegie centres.

**Diversity of Non-Retail Commercial Uses in Main Streets**

Main Street activity centres tend to have a higher share of non-retail commercial uses as a share of total floorspace relative to hardtop shopping centres, as noted above in Section 3.1. This reflects the diversity of non-retail uses that can be accommodated in a Main Street environment.

As an example, the following non-retail commercial uses are present in the Ashburton Main Street activity centre which is a moderately-sized centre with approximately 8,000m² of retail floorspace:

- Many small offices 6 x banks and financial services
- 3 x travel agents 2 x para-medical
- 1 x post office
- 1 x physiotherapy
- 1 x dentist
- 1 x automotive repairs (mechanics and auto electrical)
- 1 x aged care facility
- 1 x plant nursery
- 1 x medical centre
- 1 x fitness studio.
The diversity of non-retail uses in the Ashburton centre reflects the ability of Main Street centres of all sizes to offer a wide range of non-retail products and services that is typically not met in other activity centre formats.

3.3 Business Incubators

Main Street activity centres are important locations for new businesses development. In many instances, businesses established in Main Street centres go on to open stores in hardtop shopping centres.

Advantages associated with opening a new business in a Main Street centre include the following:

- competitive rental costs relative to hardtop centres
- competitive lease terms, including absence of turnover rent
- increased trader autonomy relative to tightly-controlled management and marketing in hardtop centres
- greater choice of tenancy size and type
- lower start-up costs.

With these underlying advantages, Main Street activity centres play an important role as 'business incubators' that facilitate the creation of new businesses and provide the basis for long-term business growth. Many of Australia's most famous retail businesses began as single stores in Main Street activity centres. Myer in Bendigo is a good example. Another example is George and Jim Coles' variety store, opened in 1914 at 288 Smith Street, Collingwood. This has since become the Coles national supermarket chain.

More recent examples of successful retail business which began as a single store in a Main Street centre are shown in the boxes below.

**Box 1: Grill'd**

Business: Burgers and Takeaway food  
Origin: Glenferrie Road, Hawthorn  
Year: 2004  
Stores: approx 40  
Employees: approx 1,000

Beginning from a single store in Hawthorn in 2004, Grill’d now has 42 stores across Australia, including a mix of company and franchise stores. Grill’d is actively seeking expansion, nationally.
Box 2: JB HiFi

Business:  
Home Entertainment, Small Electrical, Music, Video and Games
Origin:  
Keilor East
Year:  
1974
Stores:  
approx 140
Employees:  
5,770

The business was established at a single store in East Keilor, Victoria in 1974 and by 1999 another nine stores had opened. In July 2000, JB Hi-Fi was purchased by private equity bankers and senior management with the aim of taking the successful model nationally. Since then JB Hi-Fi has expanded rapidly and is now one of Australia’s highest profile retail chains, with ten stores also located in New Zealand.

Box 3: Spotlight Group

Business:  
Fabric, Outdoor
Origin:  
Glenferrie Road, Malvern
Year:  
1973
Stores:  
Spotlight - 90, Anaconda - 20
Employees:  
over 7,000

Spotlight is a privately owned and operated family business with stores around Australia, New Zealand and Asia. The business grew from a single Spotlight store in Glenferrie Road, Malvern, selling a range of fabrics and haberdashery. The business now employs approximately 7,000 people, including the more recently-developed Anaconda business which specialises in outdoor recreation equipment.
A quick selection of other well-known traders who began their operations in a Main Street centre in Victoria include:

- Country Road
- Bakers Delight
- Brumby’s
- Reece Plumbing
- Rays Outdoors.

### 3.4 Presence of Major Retailers

Main Street activity centres are a focus for major retailers which operate in Australia. For many major retailers, efforts to promote the health of Main Street centres have direct and positive flow-on effects for their own level of sales and profitability.

The major supermarket operators - Coles, Woolworths and ALDI - all have approximately one-half of their Victorian stores located in Main Street activity centres, as shown in Table 3.2. In addition, Main Street centres also accommodate large numbers of independent operators, including franchisees using the IGA and Foodworks brands.

Main Street activity centres are also locations for larger non-food based operators which include discount department stores operated by Kmart, Big W and Target (including Target Country). Myer also operate three department stores in Main Street activity centres, namely stores in Central Geelong, Ballarat, and Bendigo.

#### Table 3.2 Major Tenants’ Retail Floorspace in Main Street Activity Centres

<table>
<thead>
<tr>
<th>Retailer</th>
<th>Stores in Main Street Centres</th>
<th>Total Victorian Stores</th>
<th>Share in Main Streets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woolworths (Safeway)</td>
<td>99</td>
<td>195</td>
<td>51%</td>
</tr>
<tr>
<td>Coles</td>
<td>97</td>
<td>195</td>
<td>50%</td>
</tr>
<tr>
<td>ALDI</td>
<td>40</td>
<td>83</td>
<td>48%</td>
</tr>
<tr>
<td>Big W</td>
<td>5</td>
<td>25</td>
<td>20%</td>
</tr>
<tr>
<td>Target</td>
<td>35</td>
<td>69</td>
<td>51%</td>
</tr>
<tr>
<td>Kmart</td>
<td>9</td>
<td>37</td>
<td>24%</td>
</tr>
<tr>
<td>Myer</td>
<td>3</td>
<td>13</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Essential Economics, Published Sources

### 3.5 Focus for Tourist and Visitor Visitation and Spending

Main Street activity centres in Victoria are often a focus for tourist and other visitors and their spending.

Tourism Victoria promotes shopping as one of Melbourne’s ‘must do’ tourism experiences, and identifies retailing as a distinct segment of the Victorian tourism market.

Latest-available figures show that an estimated 813,000 international visitors undertook shopping in Victoria in 2009. In domestic tourism terms, an estimated 5.1 million overnight shopping visitors came
to Victoria, with 41% of these interstate visitors primarily from New South Wales, Queensland and South Australia.

In Melbourne a number of Main Street activity centres are tourist attractions and they generate additional visitation and benefits to the Victorian economy. Particular examples include:

- **Lygon Street, Carlton**: synonymous with Italian food and coffee
- **Chapel Street, Prahran and South Yarra**: fashion and entertainment
- **Brunswick Street, Fitzroy**: urban lifestyle
- **Bridge Road, Richmond**: fashion and outlet retailing
- **Acland Street and Fitzroy Street, St Kilda**: food and beach lifestyle
- **Toorak Road, Toorak and South Yarra**: high fashion and dining
- **Nelson Place, Williamstown**: dining and water views.

Many other Main Street activity centres contribute to the perceptions of tourists and visitors of Melbourne as an attractive and liveable city. This is reflected in the web-sites of the five leading global travel guide companies, all of which identify Main Street activity centres in their descriptive 'summaries' on Melbourne as a place to visit. No hardtop shopping centre is mentioned in these summaries (as of March 2011). The Main Street activity centres identified on each web-site are as follows:

- **Lonely Planet**: Fitzroy (Brunswick Street), St Kilda and Carlton (Lygon Street)
- **Frommers**: Fitzroy (Brunswick Street), Prahran (Chapel Street), Brunswick (Sydney Road), Richmond (Victoria Street) and Fitzroy (Brunswick Street)
- **Fodor's**: Lygon Street, Brunswick (Sydney Road) and Richmond (Victoria Street)
- **Let's Go**: Fitzroy (Brunswick Street), St Kilda
- **Rough Guides**: Fitzroy (Brunswick Street)

Furthermore, Main Street activity centres often are the most important single feature which characterise regional cities and towns in Victoria. Main Street centres such as Central Geelong, Mildura CBD, Shepparton CBD, Ballarat CBD, and Bendigo CBD represent their respective city’s "face to the world" and are important in shaping the positive perceptions and experiences of tourists and visitors to these centres. For example, the Bendigo CBD is extensively used in promotional material used by Bendigo Tourism.

### 3.6 Summary

Main Street activity centres are characterised by a higher proportion of floorspace in non-retail categories relative to hardtop shopping centres. A wider range of retail and non-retail functions can be accommodated successfully by Main Street activity centres relative to other formats, and this is reflected in the wide range of retailers in most Main Street centres compared with the dominance of major chains that is so in evidence in most hardtop shopping centres. The wide range of non-retail functions (such as offices, community facilities, and the like) in most Main Street centres also add to diversity in these centres and help to attract people and their spending.
The importance of Main Street activity centres as business 'incubators' is also apparent, with many well-known and successful national brands originating from single stores in Main Street locations. In this regard, approximately one-half of the stores operated by Woolworths, Coles and ALDI in Victoria are located in Main Street centres, highlighting the close links between many major retailers and traditional Main Street-style centres.

Main Street centres are also important in terms of their contribution to tourism in Victoria. All five major international travel guides specifically mention Main Street activity centres in their descriptive summaries of Melbourne as a place to visit. In contrast, no hardtop shopping centre is mentioned.
4 MAIN STREETS AND THE COMMUNITY

This Chapter describes the linkages between Main Street activity centres and the community. This includes an analysis of the accessibility of Main Street centres and the reasons why community infrastructure and Main Street centres tend to co-locate. The importance of Main Street centres in creating a sense of place and community is discussed, together with the ways in which a Main Street centre achieve outcomes consistent with a range of strategic land use objectives.

4.1 Accessibility of Main Streets

An important feature of Main Street activity centres is their usually high level of integration with surrounding urban development (and which is usually Residential) and the resulting high degree of accessibility for the community.

Main Street centres are generally part of, rather than separated from, major transport routes. As a result, residents will pass through Main Street centres when going about their normal day-to-day activities - even when this does not involve visiting a trader or other facility in that centre but simply passing through on the way to or from work, or travelling for some other purpose.

For many retail traders and other businesses, the exposure that a Main Street activity centre provides to passing traffic and other ‘passive’ forms of visitation is critically important in creating consumer awareness of a centre and its businesses, and in contributing to sales revenue.

In contrast, traders in hardtop shopping centres rely more heavily on the exposure to customers generated by major traders such as supermarkets and discount department stores, and by promotional campaigns. This is because the design and layout of these centres tends to result in less direct exposure of the smaller businesses to the day-to-day activities of the surrounding urban population.

As an example, Map 4.1 shows an overhead view of Parkmore Shopping Centre and the Werribee Town Centre. The view of each centre is taken from an elevation of 2,400 metres and each centre contains a comparable amount of retail floorspace of approximately 35,000m$^2$. The overhead view shows that the Werribee Town Centre has a relatively high degree of integration with the surrounding urban area. This is reflected in a visual perception of a high degree of ‘permeability’ between the Werribee Town Centre and surrounding urban areas. A total of ten separate streets provide direct access to the Werribee Town Centre and this encourages accessibility from both motorised and non-motorised forms of transport. In contrast, the Parkmore Shopping Centre is a hardtop shopping centre which includes a large at-grade carpark that effectively encircles the centre.

In Werribee’s case, the intensity of development decreases on the fringe of the town centre, while in the south it is difficult to identify the exact point where the centre ends and the surrounding residential area begins. This tendency for Main Street centres to have varying intensities of development is a function of the diverse range of uses and infrastructure which are typically accommodated in a Main Street-style environment.
Map 4.1  Parkmore SC and Werribee Town Centre - Overhead (2,400 metre elevation)
A further factor which contributes to the high degree of accessibility associated with Main Street activity centres is the degree to which these centres are integrated with major public transport infrastructure. In the inner and middle suburbs of Melbourne the tram network provides excellent access to Main Street activity centres; historically, these centres have developed along tram corridors. Bus networks in Melbourne also provide a high level of access to Main Street activity centres.

Integration is also apparent between the heavy rail network in Melbourne and Main Street activity centres. Heavy rail is the highest-capacity public transport mode in Melbourne and has traditionally been seen as an important influence on the location of a range of retail, commercial and community infrastructure.

According to the analysis in Table 4.1, excluding the CBD stations (Flinders Street, Southern Cross and City Loop), at least four railway stations serve a Main Street-style activity centre on each metropolitan line, but a higher incidence is noted for other lines. For example, a total of 23 stations on the Belgrave line (out of a total of 27 stations) serve a Main Street-style activity centre. And on the Frankston line, 21 of the 26 stations serve a Main Street centre; for the Lillydale line, 20 of the line’s 24 stations serve Main Street centres.

### Table 4.1  Railway Lines and Stations Serving Main Street Activity Centres

<table>
<thead>
<tr>
<th>Rail Line</th>
<th>Total Stations (excluding CBD stations)</th>
<th>Stations Serving Main Street Style Centre</th>
<th>Share of Stations Serving Main Street Style Centre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alamein</td>
<td>13</td>
<td>9</td>
<td>69%</td>
</tr>
<tr>
<td>Belgrave</td>
<td>27</td>
<td>23</td>
<td>85%</td>
</tr>
<tr>
<td>Broadmeadows</td>
<td>13</td>
<td>7</td>
<td>54%</td>
</tr>
<tr>
<td>Craigieburn</td>
<td>16</td>
<td>9</td>
<td>56%</td>
</tr>
<tr>
<td>Cranbourne</td>
<td>21</td>
<td>14</td>
<td>67%</td>
</tr>
<tr>
<td>Epping</td>
<td>20</td>
<td>11</td>
<td>55%</td>
</tr>
<tr>
<td>Frankston</td>
<td>26</td>
<td>21</td>
<td>81%</td>
</tr>
<tr>
<td>Glen Waverley</td>
<td>15</td>
<td>12</td>
<td>80%</td>
</tr>
<tr>
<td>Hurstbridge</td>
<td>23</td>
<td>16</td>
<td>70%</td>
</tr>
<tr>
<td>Lillydale</td>
<td>24</td>
<td>20</td>
<td>83%</td>
</tr>
<tr>
<td>Pakenham</td>
<td>25</td>
<td>16</td>
<td>64%</td>
</tr>
<tr>
<td>Sandringham Line</td>
<td>12</td>
<td>11</td>
<td>92%</td>
</tr>
<tr>
<td>Sydenham</td>
<td>12</td>
<td>4</td>
<td>33%</td>
</tr>
<tr>
<td>Upfield</td>
<td>13</td>
<td>6</td>
<td>46%</td>
</tr>
<tr>
<td>Werribee</td>
<td>14</td>
<td>9</td>
<td>64%</td>
</tr>
<tr>
<td>Williamstown</td>
<td>10</td>
<td>4</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Essential Economics, Metlink

1. Station which integrates with or has a close functional relationship with a Main Street style centre of at least 1,000m²

#### 4.2 Community Infrastructure

Main Street activity centres are important locations for community facilities and services which complement the centres’ retail and commercial roles, as described earlier in Chapter 3.

Once again using the example of the modestly sized Ashburton activity centre also identified in Section 3.2, a floorspace survey undertaken by the consultant identifies the following community infrastructure:

- Ashburton Library and Community centre
• Elsie Salter House (aged care)
• 2 x churches
• 2 x schools
• child care
• railway station.

These community uses are in addition to the non-retail commercial uses which include banks and financial services, medical rooms and other services which also have provide important community functions.

Larger Main Street activity centres can contain concentrations of community infrastructure and services which are of regional, and even metropolitan, importance. Some notable examples include:

• Glenferrie Road, Hawthorn - Swinburne University
• Heidelberg - Austin Hospital and medical precinct
• St Kilda - St Kilda Baths, Palais Theatre, Luna Park
• Central Geelong - Deakin Waterfront Campus, Geelong Hospital, Gordon Institute

The provision of community services in Main Street centres reflects a large financial and social commitment of government and the private sector over many years. This commitment continues to be reflected in the cost of maintaining and enhancing this infrastructure. For example, a review of capital expenditure by the City of Darebin found that approximately 25% of Council’s spending is directed to activity centres.

This commitment to Main Street centres is also reflected in new investment by all levels of government in community infrastructure located in Main Street centres. Recent examples include the Werribee Cultural Centre, the Carnegie Library and Community Centre, the Dandenong Revitalisation project, and the State Government’s Transit Cities program.

4.3 Sense of Place and Community

Main Street activity centres are important locations for community interaction due to their accessibility and the range of infrastructure and services available to the surrounding community.

For many in the community, Main Street activity centres are a source of identity and civic pride. This is reflected in part by the widespread viewpoint that many Main Street centres are the 'face of the community', and that a Main Street centre is a reflection of the character and values of the community which it serves.

This civic focus in also reflected in the fact that Main Street centres are often a location for community activities including festivals, exhibitions, community arts, fundraising etc. In many communities, a Main Street centre is the only feasible location where these activities can occur.

The maintenance and preservation of a high quality urban environment in Main Street activity centres is a high priority for many Councils across Victoria. This is evident in the investments in physical infrastructure, such as street furniture and signage, as well as investment in soft infrastructure such as
the development of Structure Plans and other planning and policy mechanisms aimed at enhancing conditions in centres.

The value which the general community places on the sense of place and community generated by Main Street activity centres can be demonstrated by a sample of the property descriptions of homes for sale provided by real estate agents.

Based on a sample of the first ten search results for the suburb name only provided on www.realestate.com.au (accessed 24 January 2011), the following specifically make reference to nearby Main Street activity centres:

- "Prahran": 10 out of 10 references mention the Chapel Street centre
- "Ascot Vale": 8 out of 10 references mention the Ascot Vale centre
- "Bentleigh": 7 out of 10 references mention the Bentleigh centre
- "Essendon": 6 out of 10 references mention the Essendon centre
- "Mentone": 5 out of 10 references mention the Mentone centre.

The degree to which real estate agents use proximity and access to Main Street activity centres as a sales pitch, highlights the importance that members of the community place in having access to these centres for purposes ranging from shopping and entertainment, to personal services and work.

4.4 Role in Land Use Planning Outcomes

The economic and social importance of Main Street activity centres means that centres have a role to play in meeting the strategic land use objectives of local and State Government. In particular, Main Street centres are an important consideration of state and local government policies dealing with activity centre planning and other broader land use outcomes.

Melbourne 2030 was released in 2002, although elements of the Strategy have since been updated in Melbourne @ 5 million and in other initiatives, such as the introduction of Central Activities Districts in selected suburban locations. These policies have a significant influence on metropolitan and urban planning elsewhere in Australia. Although the new State Government in Victoria is in the process of preparing new land use and development policies, the concepts and values which underpin Melbourne 2030 continue to be relevant.

In relation to activity centres, Melbourne 2030 identified a set of key objectives for their future development (Implementation Plan 4, p5). These objectives and their relevance to Main Street activity centres are discussed below.

1. **Reducing the number of private motorised vehicle trips to and from activity centres by concentrating activities that generate high numbers of (non-freight) trips in highly accessible locations.**

   Main Street activity centres typically have a high degree of access to public transport infrastructure, and they integrate with adjacent land uses in a way which encourages walking and cycling, thus maximising overall community access to centres. Additionally, the diversity of land uses present in Main Street activity centres encourages multi-purpose trip-making and therefore contributes to a further reduction in the number of private motorised vehicle trips.
2. **Encouraging economic activity and business synergies**

Main Street activity centres accommodate approximately 374,000 jobs or 13% of total employment in Victoria and generate $14,500 million of wages income per annum (as highlighted in Chapter 2). These centres accommodate a diverse range of retail and non-retail commercial uses, in addition to accommodating a range of community facilities and services. The importance of Main Street activity centres in promoting economic activity and business synergies is highlighted by their demonstrated ability to act as business incubators (as described in Chapter 3).

3. **Broadening the mix of uses appropriate to the type of centre and needs of the population served**

Main Street activity centres are characterised by a diverse range of retail, non-retail and community activities. Typically, Main Street centres have a higher share of non-retail floorspace relative to hardtop shopping centres and other centre formats. Main Street centres also accommodate a diverse range of uses within the retail and non-retail sectors, with this highlighted by a higher share of independent and niche traders.

4. **Providing focal points for the community at different geographic scales**

The differing size, role and function of Main Street centres means that they can operate effectively across the entire hierarchy of centres, ranging from small strips of shops containing approximately 1,000m$^2$ of retail floorspace, up to large regional-level service centres containing in excess of 100,000m$^2$ of retail. A summary of the contribution that Main Street centres make to the network of activity centres identified in the *Melbourne@5 million* planning update is shown in Table 4.2.

5. **Location for Residential Development**

Main Street centres are an important focus for policies promoting higher residential density in urban areas through maximising residential development in and around activity centres. Numerous examples exist across Melbourne of Main Street centres experiencing significant rates of unit and apartment development, and this is helping drive population growth in the inner and middle suburbs. In regional areas also, Main Street centres such as Central Geelong are a focus for infill residential development.

6. **Improving access by walking, cycling and public transport to services and facilities for local and regional populations**

Main Street activity centres have a high degree of integration with their surrounding communities. This means that Main Streets are generally highly accessible via walking, cycling and public transport.

7. **Supporting the development of the Principal Public Transport Network (PPTN).**

Main Street centres are closely integrated into high-capacity public transport networks, including heavy rail, tram and buses. This integration is promoted by the co-location of diverse land uses which support public transport patronage, and by the integration with adjacent urban areas which increases the accessibility of public transport services in Main Streets.
Table 4.2  Main Street Activity Centres and Melbourne 2030 Centres Classification

<table>
<thead>
<tr>
<th>Hierarchy</th>
<th>No. Of Centres</th>
<th>No. of Main Street Activity Centres</th>
<th>Centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Activities Districts</td>
<td>7</td>
<td>5</td>
<td>Box Hill, Dandenong, Footscray, Frankston, Ringwood</td>
</tr>
<tr>
<td>Principal Activity Centres</td>
<td>20</td>
<td>11</td>
<td>Camberwell Junction, Coburg, Cranbourne, Glen Waverley, Greensborough, Moonee Ponds, Narre Warren, Prahran/South Yarra, Preston (High Street), Sunshine, Werribee</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Altona, Ascot Vale (Union Rd), Balaclava, Bayswater, Bentleigh, Berwick, Boronia, Brighton (Bay St), Brighton (Church St), Brunswick, Burwood Heights, Carlton (Lygon St), Carnegie, Caulfield, Chelsea, Cheltenham, Clayton, Craigieburn, Croydon, Deer Park Central, Diamond Creek, Elsternwick, Eltham, Fitzroy (Brunswick St), Fitzroy (Smith St), Flemington (Racecourse Rd), Glenhuntly, Glenroy, Hampton, Hastings, Hawthorn (Glenferrie Rd), Heidelberg, Ivanhoe, Kew Junction, Laverton, Lilydale, Malvern/Armadale, Melton, Mentone, Moorabbin, Mordialloc, Mornington, Mount Waverley, Mountain Gate, Niddrie (Keilor Rd), Noble Park, North Essendon, Northcote, Nunawading, Oakleigh, Pakenham, Port Melbourne (Bay St), Reservoir, Richmond (Swan St), Richmond (Bridge Road), Richmond (Victoria St), Rosebud, Sandringham, South Melbourne, Springvale, St Albans, St Kilda, Sunbury, Toorak Village, Williamstown</td>
</tr>
<tr>
<td>Major Activity Centres</td>
<td>94</td>
<td>65</td>
<td></td>
</tr>
</tbody>
</table>

Source: Essential Economics, DPCD
Note: Includes centres which may also include hardtop and other non-Main Street style components

4.5 Summary

Main Street centres have a high degree of integration with the surrounding urban environment and this provides a significant level of accessibility for the community. This is reflected in the way in which major public transport routes tend to directly serve Main Street centres, including Melbourne’s high capacity heavy rail network. Community infrastructure is also closely aligned with Main Street activity centres.

A strong sense of identity and civic pride is often associated with Main Street centres due to the close links they have with the communities which they serve. This is reflected by the way in which the maintenance of Main Streets is typically such a high priority for many municipalities in Victoria. This is also reflected in the private sector by the way in which local centres are used to market residential properties which are for sale.

Main Street centres also have a role to play in meeting the strategic land use objectives of government due to:

- the diversity of land uses accommodated in Main Streets;
- the employment and business activity which they generate;
- their integration with public transport and other forms of transport;
- their high degree of accessibility to the community; and
- the ability of Main Streets to operate at all levels of the hierarchy of centres serving the community.
5  PROMOTING SUCCESSFUL MAIN STREETS

This Chapter takes the results of the previous analyses and presents the rationale for promoting investment in Main Street activity centres, supporting and investing in marketing and management programs, and for recognising the role of organisations such as Mainstreet Australia.

5.1  Characteristics of a Successful Main Street

It is important to recognise the factors that represent a successful Main Street centre, and to understand how measures can be targeted which ensure that Main Streets are operating effectively and maximising their contribution to the community.

The following factors have been identified as important to the trading strength and success of Main Street activity centres, including factors identified in a 2006 report by Planning by Design "Town Centre Management: Opportunities and Challenges".

1.  **Strong leadership and management**: active trading organisations, centre co-ordinator, relationships with Council and State Government authorities, management and implementation plan etc. Leadership and management should have a focus on both day-to-day issues relevant to the centre, and broader strategic issues impacting on long-term centre performance.

2.  **Supportive planning and design mechanisms**: structure plans which encourage appropriate development, suitable height and design controls, planning policy which is pro-active etc.

3.  **Trader performance**: strongly-performing traders, low vacancies, business clustering, high customer visitation to major traders including supermarkets, quality shopfronts, attractive store displays, good quality shop fittings etc.

4.  **Non-Retail and community role**: non-retail and community facilities create synergies with other areas of the centre, public investment and re-investment, office and residential development etc.

5.  **Community and stakeholder engagement**: co-operation between stakeholders, including business, property owners, trader associations, Council and local community.

6.  **Effective Business Mix**: promoting a mix of businesses and traders which responds to consumer demand, fills market gaps and differentiates a centre from its competitors. Ensure that businesses work together to attract and retain customers at the centre.

7.  **Adequate financial and human resources**: commitment of resources by stakeholders so that centres evolve and change to meet changing market trends and community needs.

8.  **High quality built form**: attractive and legible built form, easy access and circulation which provides a safe and secure environment for centre users. Distinct role, character and style of a centre which emphasises its point-of-difference with other Main Street centres and retail formats.

9.  **Communications, marketing and promotions**: needed to compete with hardtop and other retail formats which have large and centralised marketing budgets and programs. Increase
community awareness of retail and other activities (community facilities, entertainment, etc) available in their local centre.

5.2 Why Do We Want Successful Main Streets?

If the above factors are realised for Main Street activity centres, the analysis in this report highlights that a range of broader benefits can be delivered to the community. These are summarised on the next page and show the reasons why ongoing investment and other efforts to promote successful Main Street centres is important to Victoria. These benefits are also broadly applicable to other States in Australia.
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 the 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
- locations of cultural activities

**Economic Benefits**
- approximately 680 centres across Victoria
- contain 5,300,000m² of retail floorspace
- generate $29.2 billion of retail sales
- contain a high share of non-retail floorspace
- generate 374,000 direct jobs
- create $15.5 billion in wages income
- a high share of traders are owner/operator and independent
- proven business incubator (e.g. JB HI FI, Grill’d)
- focus of activity for leading retailers (e.g. 50% of Coles and Woolworths supermarkets in Main Street centres)
- generate tourism visitation and positive perceptions of Victoria as a place to visit
- accommodate substantial public infrastructure
- efficient location for private and public investment
- support 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
- encourage multi-purpose trip making
- reduced 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
6 CONCLUSIONS

A number of important conclusions are drawn from this assessment of Main Street activity centres in Victoria.

Main Streets in Context

1. **Main Street activity centres across Victoria have a high degree of diversity** in terms of their size, layout and role. In general terms, Main Street centres are characterised by the following features:
   - street-based layout and format;
   - ‘organic’ and incremental development process over extended period of time, rather than a single masterplanned development phase;
   - shared infrastructure (from roads and parking, to street furniture and parks) between a broad range of users and stakeholders;
   - integration into surrounding urban fabric; and
   - broad mix of retail, non-retail and community uses.

2. **Until the 1960s Main Street centres were the dominant format of retailing and commercial development.** Since that time, the advent of hardtop shopping centres and other retail formats has meant that many Main Street centres have experienced a relative decline in their level of activities, visitation levels and in business revenues. Other challenges faced by Main Street centres include the emphasis that land use policies now place on centres as a focus for additional retail, commercial and residential development. The advent of internet retailing is also a competitive challenge.

3. **Initiatives supporting Main Street activity centres and helping them respond to their challenges** include the operation of trader organisations, the application of centre-based planning policy mechanisms such as Structure Plans, the introduction of special rate and charge schemes, the encouragement given to small business development initiatives, and the involvement of Mainstreet Australia.

4. **Management and marketing programs supported by a special rate or charge scheme** operate in 21 municipalities and generate $7.6 million in revenue, excluding other funding sources. Approximately 16,500 businesses are supported by these schemes which provide traders in Main Street centres with access to resources that are otherwise taken for granted by traders in hardtop shopping centres where such resources (eg, marketing) are typically provided as part of the lease agreement.

Review of Main Streets in Victoria

5. **An estimated 680 Main Street activity centres are located across Victoria,** with 211 centres identified as having greater than 5,000m\(^2\) of retail floorspace. The largest Main Street centre is the Bendigo CBD with approximately 120,000m\(^2\) of retail floorspace. A total of approximately 5.3 million square metres of retail floorspace is estimated to be in Main Street centres in Victoria, representing approximately 45% of total retail floorspace in the state.
6. **Total employment generated by Main Street centres in Victoria** is estimated at approximately 374,000 jobs or 13% of total employment in the Victorian economy. This employment generates approximately $15,500 million in wages per annum.

**Main Streets as a Focus for Business Activity**

7. The mix of land uses in Main Street activity centres is typically wider and more diverse than in other centre types. Many Main Street centres have more than 50% of their leasable floorspace occupied by non-retail activities, reflecting the traditional mixed-use role of these centres. In contrast, even the larger hardtop shopping centres have a low proportion of floorspace devoted to non-retail activities, including an average of just 12% for centres defined as "Super Regional" in the Property Council of Australia Shopping Centre Directory.

8. **Main Street centres have a high level of business diversity which is reflected in the share of businesses** which are sole traders or independently operated. In hardtop shopping centres, up to 90% of traders can be multi-store chains; in contrast, a review of the tenant mix in large Main Street centres shows a far lower share of between 50% and 60% of traders as multi-chain stores. Main Street centres can also readily accommodate a wide range non-retail commercial uses in even relatively moderately-sized centres, ranging from civic uses to entertainment and aged care facilities.

9. **The importance of Main Street activity centres to the business sector in Victoria**, including new business development, is recognised by a range of stakeholders. Major chains including Myer, JB Hi Fi, Grill’d and Spotlight commenced as single stores in Main Street centres in Victoria, while major retailers such as Coles and Woolworths have a high share of their stores in Main Street centres. Main Streets are also an important component of Victoria’s tourist industry and are explicitly recognised in travel guides and tourism promotions for such features as shopping, dining and entertainment.

**Main Streets and the Community**

10. **An important feature of Main Street activity centres is their level of integration with adjacent urban areas and the high degree of accessibility to the community.** Main Street centres are part of, rather than separated from, major transport routes and are regularly accessed by the community as they go about their normal day-to-day activities. Access is also provided by the close integration of Main Street centres into public transport infrastructure and the ability to be accessed by cyclists and those choosing to walk to the centre.

11. **Main Street activity centres tend to be locations for a wide range of social infrastructure which leverages off the accessibility these locations provide to the surrounding community.** This includes localised infrastructure such as schools and child care, as well as major community services of metropolitan importance, including medical precincts and higher education. Main Streets are also an important source of community pride and identity, and this is recognised by the investment that local Councils provide to their activity centres. It is also evident in the way in which real estate agents spruik properties in proximity to Main Street centres. Main Street centres also have an important role in meeting the strategic land use policy objectives of State and Local government.
**Promoting Successful Main Streets**

12. Creating successful Main Street centres requires recognition that a wide range of factors and influences determine centre performance. Main Street centres have a diverse range of stakeholders, often with conflicting interests, and this means that significant value can be captured through a process of centre management, marketing and community engagement which reconciles any issues quickly and effectively. This is a key reason behind the success and popularity of special rate and charge schemes where funds are available for a Centre Co-ordinator and for other initiatives to serve local businesses in the centre.

13. A wide range of economic, social and environmental reasons explain why successful Main Street Activity Centres are important to the community. These benefits should be reflected in the objectives and actions of policy makers, and recognised by those engaged in the process of promoting vibrant and successful Main Street activity centres.

**Concluding Statement**

The purpose of this report has been to provide economic research on the benefits of successful Main Streets to Victoria. This concluding statement summarises the results of this research as follows:

"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 $15.5 billion 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".