Consuming spaces or living places: the competition policy and centres policy dilemma for Main Street planning

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This paper engages with the issue of growing tensions in Australian retail planning between centres policy and competition policy. Centres policies, including restrictions on supermarket locations, have long been viewed by many retail planners as key to the maintenance of Main Street viability and vitality. More recently, advocates of competition policy have suggested existing centres policies are anti-competitive, and have argued for a more ‘flexible’ approach to centres development. Against this backdrop, the broad aim of the paper is to explore how more relaxed controls on supermarket locations might affect Main Street viability and vitality. Two town centres are examined, each associated with different degrees of regulation and characterised by different levels of competition. The effects of these differences on the viability and vitality of the respective centres are explored through analysis of the movement patterns of 148 tracked pedestrians, along with various land use and built form factors.

Keywords: competition policy; centres policy; Main Streets; retail viability and vitality; pedestrian movement

Introduction

In recent years, a major conundrum has emerged in Australian retail planning, focused on growing tension between centres policy and competition policy. On the one hand, centres policy, in various guises, has been a feature of Australian spatial planning for decades, driven by a range of social, economic and environmental imperatives (see, for example, Department of Sustainability and Environment, Victoria, 2002; New South Wales [NSW] Department of Planning, 2005, 2010, pp. 56–79; Quirk, 2007). On the other, there is increasing concern that planning regulations underpinning centres policies may be restricting competition in the grocery retailing sector, acting as an ‘artificial’ barrier to the establishment of new supermarkets (Australian Consumer and Competition Commission [ACCC], 2008, pp. 177–208; Fels, Beare, & Szakiel, 2008). Central to this conundrum is the role that supermarkets play in influencing Main Street viability and vitality. As a general rule, when supermarkets are sited out of centre or edge of centre, they function to draw consumers away from in-centre businesses, denuding the viability and vitality of Main Streets; when sited in centre, they can work in concert with other land uses and broader configurations of space to generate pedestrian flows of central import to the vitality – and hence viability – of Main

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Streets. In so far as a key tenet of competition policy is the relaxation of controls on supermarket locations, it would seem significantly at odds with centres policy.

Against this backdrop, the broad aim of this paper is to explore how more relaxed controls on supermarket locations might affect the viability and vitality of Main Streets. Two town centres are examined with a view to investigating how different levels of regulation and competition in the respective centres have affected land use patterns and pedestrian movement patterns. In what follows, we first provide an overview of the uneasy relationship between competition policy and centres policy, before introducing the case studies and methodology. Major findings are then elucidated and discussed in the context of recent competition-based critiques of centres policies.

Background
Over the past decade, a series of key reports have expressed growing concern about the degree of concentration in Australia’s grocery retailing sector, estimating that the Coles–Woolworths duopoly controls 70–80% of packaged grocery sales (ACCC, 2008; National Association of Retail Gocers of Australia, 2005; Parliament of Australia, 1999). In the most recent of these, the role of spatial planning in influencing competition has come under close scrutiny: ‘Zoning and planning regimes, including existing centres policies, act as an artificial barrier to new supermarkets establishing in areas’ (ACCC, 2008, p. 195). Property development lobby groups, together with neo-liberal economists, have become increasingly strident in their objections to centres policies, asserting that the latter ‘should be seen in the context of planning failure … the inability of a planning policy to deliver benefits that would justify its implementation’ (Fels et al., 2008, p. 10). Fels et al. (2008) contend that the rationale for existing centres policies in NSW is difficult to discern; centres policies are grossly anti-competitive and function to undermine community welfare. They recommend a more ‘flexible’ and ‘efficient’, laissez-faire approach, whereby restrictions on centres and supermarket locations and formats are relaxed, if not abandoned. In response to such arguments, the NSW Government has recently initiated two inquiries into the matter (Department of Premier and Cabinet, Better Regulation Office, NSW, 2009, 2010; Standing Committee on State Development, NSW, 2008, pp. 9–10), drafted State Environmental Planning Policy (Competition) 2010, and released two new draft centres policies (Department of Planning, NSW, 2009, 2010a, 2010b).

The ACCC’s inquiry forms part of a spate of similar investigations around the world, fuelled implicitly and explicitly by neo-liberal ideology and an associated ‘economised’ view of society (Richards, Lawrence, Loong, & Burch, 2012). In its rhetorical forms, at least, this perspective includes an elevation or prioritisation of economistic principles above all others, and the notion that government regulatory functions should be reduced or, minimally, designed to service the market. The end result is a rather abstract, perhaps reductive, basis for retail planning in particular, and spatial planning more generally. Abstract in the sense that it is rationalist (rather than empiricist), furnishing a platform derived from a priori reasoning and neoclassical economic theory; and abstract in the sense that myriad contextual factors are subsumed beneath apparent economic imperatives, if not wished away.

The competition argument is thus underwritten by a certain model of spatial planning, one which arguably runs counter to existing trends in planning theory. For at least the past decade, a key strand of planning theory has been wrestling with notions of complexity, informed by theories of ‘difference’ and multiplicity of the kind found in
actor-network theory, assemblage theory, the philosophy of Deleuze and Guattari and similar (see De Roo, Hillier, & Van Wezemael, 2012; Deleuze & Guattari, 1983, 1987; Hillier, 2007). While it would be an exaggeration to suggest the emergence of a new ‘paradigm’ here, there is widespread recognition that a key problematic for contemporary planning is the negotiation of multiple planes of reference and value. By contrast, the model of planning assumed and advanced by competition advocates is an eminently straightforward affair: there needs to be but one ground for planning decision-making processes, namely, market imperatives for competition and efficiency. Planning as ‘an activity which is concerned with making choices about good and bad, right and wrong, with and for others, in relation to particular places’ (Campbell & Marshall, 2006, p. 240) is barely required, since an unfettered market will make the best choice by proxy.

Despite the strength of the rhetoric, a certain gap between the theory and ‘actually existing neo-liberalism’ (Brenner & Theodore, 2002) has meant that Australian Governments are fairly unique, if not alone, in entertaining the idea that benefits might accrue from weaker controls on supermarket and shopping mall locations (Goodman & Coiacetto, 2012, pp. 252–253). Even the UK has long held fast to regulations restricting out-of-centre retailing, despite the influence of Thatcheresque economic policies:

Throughout the whole period since the mid 1960s, each [UK] government has been mindful of the need to avoid the negative impacts on city centres and other traditional shopping centres of the largely unconstrained process of retail decentralisation seen in the US. (Thomas & Bromley, 2002, p. 792)

These impacts include the generation of car-dependent forms of retail development (Goodman & Coote, 2007); social disadvantage and exclusion (Alzubaidi, Vignali, Davies, & Schmidt, 1997; Bromley & Thomas, 1993, 1995; Gregson & Crewe, 1994; Guy, 1985; Holbrook & Jackson, 1996; Westlake, 1993; Williams & Hubbard, 2001); a diminished public realm; and ‘disintegration of the locally grounded forms of togetherness and shared communal living’ (Bauman, 1998, pp. 20–21, see also 1999, pp. 3–7; see also Voyce, 2006, p. 274) proffered by Main Street and local shopping areas.

All of which is to say, the arguments of competition lobby groups pose a dilemma, rather than an easy solution. On the one hand, minimal competition in the grocery retail sector is undoubtedly contributing to reduced levels of viability and vitality in many centres. On the other, there is a risk the competitive cure could prove worse than the disease, intensifying other forces – including deregulated shopping hours, increased mobility levels, the rise in dominance of planned shopping centres (PSCs), the global financial crisis, and Internet shopping – currently undermining the viability and vitality of Main Street retailing. An out-of-centre supermarket, for example, approved in the name of competition policy, may draw consumers away from Main Street, leading to erosion of the viability of in-centre businesses, increased vacancies, and curtailment of the range of retail facilities and employment opportunities available in the area; perversely, ‘the ability to choose’ (Independent Committee of Inquiry, 1993, p. 206) could well be reduced.

In any attempt to negotiate this dilemma, the entwined concepts of ‘viability’ and ‘vitality’ are of invaluable assistance to the retail analyst. Where viability refers to the capacity of a centre to sustain profitability and encourage investment, vitality refers to the level of activity in a centre; its ‘busyness’ or ‘buzz’. As Ravenscroft (2000) explains:
The two measures … are interrelated, with the relative level of ‘busyness’ (vitality) seen as a significant component in new investment decisions (viability) and, concurrently, the continued development of new facilities (viability) generating an enhanced attraction for visitors (vitality). (Ravenscroft, 2000, p. 2534)

With respect to viability, the focus for public sector retail planners is on retail precincts rather than individual businesses, including ways in which public provision of infrastructure and management of public space influence passing trade (responsible for generating up to 50% of the profitability of a business: Baker, 2005). This collective view of business viability is supported by the NSW Land & Environment Court’s interpretation of ‘competition’ in retail assessment (see Kentucky Fried Chicken Pty Ltd v. Gantidis (1979) 140 CLR 675). Vacancy rates provide a basic indicator of the collective viability of a precinct. Baker and Wood (2010) suggest that the statistical boundary of 5% (or a 1 in 20 chance of a vacant shop in a centre) provides an indicative measure of viability; a 10% vacancy rate is a sign of problems within the shopping centre; more than 20% is a sign of significant structural problems.

With respect to vitality, pedestrian flows are typically flagged as the key indicator, including ‘the numbers and movement of people on the streets, in different parts of the centre at different times of the day and evening, who are available for businesses to attract in to shops, restaurants or other facilities’ (Department for Communities and Local Government, UK, 2009, p. 32). In broad terms, pedestrian movement patterns might be influenced by at least four overlapping sets of factors including: land use factors (e.g. differential levels of ‘attractiveness’: Hale & Miller, 2013); built form and morphological factors (e.g. Alexander et al., 1977; Bentley, McGlynn, Smith, Alcock, & Murrain, 1985; Gehl, 1987; Hass-Klau, Crampton, Dowland, & Nold, 1999; Jacobs, 1961; Joardar & Neill, 1978; Pushkarev & Zupan, 1975; Share, 1978; Whyte, 1988); socio-economic factors (e.g. Stonor, Campos, Smith, Chiaradia, & Takamastu, 2002); and behavioural factors (e.g. Gärling & Gärling, 1988; Hanson, 1980; Seneviratne, 1985). It has been found that one crucial determinant of vitality is the maximum average distance shoppers are prepared to walk. In terms of average round-trip walking distances, Gärling and Gärling (1988) used surveys to conclude that individuals are willing to walk 491 metres; Baker (2006) used covert tracking to conclude that the average walking distance is 391 metres.

Case studies and methodology

The case studies examined in this paper, namely, the town centres of Tamworth and Cessnock, are located in northern New South Wales, and reside on different tiers of the retail hierarchy: Tamworth is a regional centre; Cessnock is a slightly smaller district centre (Figure 1). The Tamworth town centre forms part of a self-contained retail hierarchy within the Tamworth region; Cessnock forms part of a broader hierarchy across the Hunter Valley region. That said, the regional centre within the Hunter Valley hierarchy, Maitland, has been in serious decline for some time, with a 2004 vacancy rate of 19.8% (Baker, 2006, p. 301), limiting the attractive pull of Maitland for Cessnock residents. The case studies were selected to investigate how pedestrian movement patterns and land use distributions might be affected by the different degrees of regulation and competition associated with each of the respective centres. According to the 2011 Census (Australian Bureau of Statistics, 2014), the population of the Tamworth Local Government Area (LGA) is just over 56,000 with a median household weekly income
of $958, an unemployment rate of 5.8%, and car ownership rate of 1.8 per dwelling. The population of the Cessnock LGA is just under 51,000 with a median household weekly income of $1042, an unemployment rate of 6.5%, and car ownership rate of 1.8 per dwelling.

The Tamworth town centre may be defined by the boundaries of Darling, Roderick and Marius Streets and Kable Avenue, with Peel Street historically functioning as Main Street (Figure 2). The back story to the Tamworth case incorporates much that might raise the ire of competition lobby groups. With a Main Street vacancy rate of 12.5% (1998), by the late 1990s Tamworth’s town centre appeared to be in serious decline, due in no small part to the recent deregulation of trading hours. In parallel, a development application came before Council to expand the out-of-centre Tamworth Shopping World; the proposed floorspace increase would have transformed this Community Centre into a Sub-Regional Centre. After protracted legal wrangling, including a Land & Environment Court hearing, the State Government intervened to prevent the expansion, citing concerns about deleterious effects on the viability and vitality of town centre

Figure 1. Case study locations (base map: Esri, DeLorme, NAVTEQ).
retailing. Responding to this regulatory signal, the owner of one of two PSCs in the Tamworth central business district (CBD) proceeded to redevelop, upgrade and expand the PSC. Today, the town centre’s key anchors include: two PSCs, Centrepoint Tamworth (PSC1) with 40 specialty stores, and Tamworth City Plaza (PSC2) with 36 specialty stores; two discount department stores, Target (DDS1) and Kmart (DDS2); and two supermarkets, Franklins (SM1) and Coles (SM2).

The Cessnock town centre may be defined by the boundaries of Darwin, Hall and Cumberland Streets and Wollombi Road, with the northern half of Vincent Street historically functioning as Main Street (Figure 2). If Tamworth represents the antithesis of what competition lobby groups propound, Cessnock encapsulates something of the
‘flexibility’ they applaud. Over the years, an entirely new retailing precinct of some 20 hectares has opened up, alongside Main Street, at every step facilitated directly and indirectly by regulatory bodies. In the early 1980s, Cessnock Market Place was opened (PSC1), a small, edge-of-centre PSC incorporating an IGA (SM1), 17 specialty stores and a relocated post office. Approval of this development set a precedent for the subsequent development of Cessnock Plaza (PSC2), another edge-of-centre PSC incorporating Woolworths (SM2) and 20 specialty stores. In the late 1990s, Council arranged a land swap with Coles-Myer to facilitate development of a further edge-of-centre PSC (PSC3), Cessnock City Centre, incorporating Coles (SM3), Target (DDS1) and a small number of specialty stores; Cessnock City Council offices, on Main Street, are currently located where Coles was previously situated. Further evidence of Council’s ‘flexible’ approach to edge- and out-of-centre retailing is provided by the location of Big W (DDS2) within a bulk goods complex, alongside an Aldi supermarket, almost 500 metres to the west of Main Street. The floorspace cumulatively amassed in these developments has effectively produced the equivalent of a pseudo Sub-Regional PSC around the Cessnock CBD. In short, it is difficult to envisage how regulatory bodies could have been more ‘flexible’ and facilitated more competition.

To gauge how these supermarkets and PSCs interact with other land uses and built form factors to influence Main Street viability and vitality, a GIS database was generated to represent key variables. Data relating to land uses and built form were derived from a comprehensive survey of each town centre. Data relating to vitality were derived from two sources. First, the distribution of pedestrian densities in each case study was obtained through the ‘trips-and-dots’ method, whereby a predefined route was followed that passed once through all spaces in the respective study area; a ‘dot’ was placed on a map for every pedestrian that was passed. Trips were undertaken at 10am, 12pm and 3pm. A composite, scaled map of all trips was also prepared, for each case study, to convey a sense of overall, daily patterns. Trips were only undertaken in public spaces; privately owned spaces, such as the interior of shopping centres, were not examined. And second, once ethics approval had been secured, 148 pedestrians across the case studies were tracked at a distance, from different points of ‘entry’ into case study areas. In each instance, the trajectory, distance, duration, and shops visited were recorded, along with a basic categorisation of the pedestrian (i.e. gender and approximate age). Pedestrians were tracked from a range of points of origin in each case study, including supermarket/PSC car parks and different locations on Main Street.

Results

Street life and pedestrian movement patterns

For both cases, the trips-and-dots method showed substantial levels of pedestrian activity in areas of Main Street where small lots are concentrated (Figure 3), consistent with literature on street life and built form. Overall levels of street life were somewhat higher in Tamworth than in Cessnock, perhaps unsurprisingly since Tamworth is a higher-order centre. Pedestrian activity was also more concentrated in Tamworth, focused on a two-and-a-half-block stretch of Main Street, along with a section of one intersecting side street; outside these areas, pedestrian activity was minimal or, at least, not sustained over the course of the day. In Cessnock, street life was more dispersed with some of the highest pedestrian counts recorded in areas adjacent to the three PSCs, away from Main Street.
Table 1 describes key features of the movement patterns of tracked pedestrians, revealing multiple differences between the cases. In terms of average distance, trips in Tamworth (263 metres) were longer than those in Cessnock (106 metres) by a factor of 2.5. In terms of average duration, trips in Tamworth (31 minutes) were longer than those in Cessnock (11.5 minutes) by a factor of 2.7.

Movement patterns associated with different trip origins reveal further key differences between the case studies. In Tamworth, trips originating from on-street parking were less than half as long as those originating from PSC car parking in terms of both average distance (163 metres and 445 metres, respectively) and average duration (22 minutes and 48 minutes respectively). Correspondingly, trips from on-street car parking tended to be spatially ‘shallow’ in the sense that they exhibited minimal penetration of the surrounding block structure (Figure 4); 76% did not venture beyond the street section where parking had been secured. Trips from PSC car parks were spatially ‘deeper’ in the sense that they were characterised by more wide-ranging penetration of the surrounding block structure. Although a high proportion (60%) of trips from PSC
Table 1. Characteristics of movement patterns of tracked pedestrians in Tamworth and Cessnock.

|                      | Tamworth          | Cessnock         |
|----------------------|-------------------|------------------|
|                      | On-street | Shopping centre | Overall | On-street | Shopping centre | Overall |
| Average distance (metres) | 163       | 445              | 263     | 100       | 115              | 106    |
| Average duration (minutes) | 22        | 48               | 31      | 10        | 14               | 11.5   |
| Average store visits  | 1.8       | 3.2              | 2.2     | 1.5       | 1.6              | 1.5    |
| Single destination trips (%) | 54        | 35               | 46      | 77        | 59               | 71     |
| Purchase only trips (%) | 47        | 40               | 45      | 61        | 72               | 64     |
| Browse/leisure only trips (%) | 17        | 15               | 16      | 30        | 5                | 21     |
| Combination purchase/browse/leisure trips (%) | 36        | 45               | 39      | 9         | 23               | 15     |

Figure 4. Tamworth movement trajectories for (a) pedestrians tracked from on-street car parking and (b) shopping centre car parking (base maps: Land and Property Management Authority, Panorama Avenue, Bathurst, NSW, 2795, www.lpma.nsw.gov.au; data: Wood et al., 2012).
car parks did not venture beyond the associated centre, 25% shopped/browsed exclusively on Main Street, and 15% involved visits to both the associated centre and to Main Street.

Variations in trip lengths according to origin were not as significant in Cessnock. There, the average distance of trips from supermarket car parking (115 metres) was only 15% higher than trips originating from on-street parking (100 metres). The average duration of trips from on-street parking and from supermarket parking differed by only four minutes. In parallel, there appeared to be minimal integration between supermarkets and Main Streets (Figure 5). Of the three supermarket/PSC car parks from which shoppers were tracked, none furnished tracked shoppers that ventured on to Main Street.

Figure 5. Cessnock movement trajectories for (a) pedestrians tracked from on-street car parking and (b) shopping centre car parking (base maps: Land and Property Management Authority, Panorama Avenue, Bathurst, NSW, 2795, www.lpma.nsw.gov.au).
Other trip characteristics in Tamworth also differed markedly from those in Cessnock. In Tamworth, the average number of store visits, per trip, was 2.2; in Cessnock 1.5. In Tamworth, 46% of all trips were to a single destination; in Cessnock 71%. The proportion of trips that included non-commercial transactions (i.e. social interactions and/or browsing in stores without purchase) was higher in Tamworth. In Tamworth, 45% of tracked shoppers were only involved in commercial transactions (excepting walks between destinations, of course); in Cessnock 64%. At the other end of the spectrum, 16% of tracked shoppers in Tamworth were only involved in browsing and social activities; in Cessnock 21%. Falling between these two categories was a third group whose trips involved both purchases and social encounters and/or browsing, accounting for 39% of tracked shoppers in Tamworth and 15% in Cessnock. In other words, the high proportion of purposeful or instrumental, single-destination shopping in Cessnock appears to have come largely at the expense of comparison shopping, or shopping which involves an underlying purpose whilst being open to other opportunities.

These observations are reflected in results for most frequented trip destinations, particularly those pertaining to Main Street. For trips originating from Main Street car parking in Cessnock, 34% of all tracked shoppers only visited a bank or ATM (Figure 6); the equivalent figure in Tamworth was 3%. While banks were by far the most frequented land use in Cessnock, clothing stores were the most visited in Tamworth’s Main Street, accounting for 18% of total store visits.

**Land use and built form**

We turn now to consider what associations, if any, might be made between the preceding observations and patterns of land use and built form in the case studies. With

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**Figure 6.** Movement trajectories for pedestrians tracked from on-street car parking in Cessnock who only visited a bank or ATM, about a third of all shoppers tracked from on-street car parking (base map: Land and Property Management Authority, Panorama Avenue, Bathurst, NSW, 2795, www.lpma.nsw.gov.au).
respect to pedestrian densities, trip distances and trip durations, it is worth noting that in Tamworth all major anchors (i.e. supermarkets and discount department stores) are clustered within a 200 metre walk of the post office; the PSC car parks are well within 200 metres of Main Street. In Cessnock, major anchors are quite dispersed: on average, the three PSCs are separated from one another by 150 metres, and set apart from Main Street by a similar distance; the Aldi supermarket and Big W discount department store are further away again (330 metres and 430 metres, respectively, straight-line distance from Main Street). It is perhaps no coincidence that the Tamworth PSCs were the only PSCs/supermarkets where tracked shoppers ventured on to Main Street.

Patterns of land use distribution differed substantially between Tamworth and the other cases. In Tamworth, retail land uses tended to predominate in ground-floor premises within Main Street; as a general, albeit not hard-and-fast, rule, non-retail uses were located in upstairs premises or in peripheral locations within the town centre (Figure 7). By contrast, ground-floor premises in Cessnock Main Street included a high proportion of non-retail uses. Part of the reason this is significant is that non-retail

Figure 7. Retail and non-retail uses in (a) Tamworth and (b) Cessnock (base maps: Land and Property Management Authority, Panorama Avenue, Bathurst, NSW, 2795, www.lpma.nsw.gov.au; Tamworth data: Wood et al., 2012).
uses – including quaternary services, medical services and the like – tend not to be strongly geared to passing trade. They have no pressing need to display wares to the streets or, more generally, to present visually interesting shop fronts to passers-by; glazing is often rendered opaque or semi-opaque through tinting, blinds or signage to enable front rooms to function as offices, waiting rooms or similar. Even where these frontages are not ‘blank’, the interior scene is typically banal since, in the language of Hillier and Hanson (1984), the most important activities are occurring in syntactically ‘deeper’ spaces, away from the public gaze. A visit to a lawyer’s chambers or a doctor’s surgery, for example, is generally mediated by a counter and waiting room.

With this in mind, Figure 8 supplements Figure 7, mapping uses that are typically geared to passing trade (e.g. bakeries, cafes, clothing stores, florists, newsagencies) and not typically geared to passing trade (e.g. quaternary services, medical services, banks).

Figure 8. Land uses geared to passing and non-passing trade in (a) Tamworth and (b) Cessnock (base maps: Land and Property Management Authority, Panorama Avenue, Bathurst, NSW, 2795, www.lpma.nsw.gov.au; Tamworth data: Wood et al., 2012).
These two Figures may help to explain key differences between Tamworth and the Cessnock in their movement patterns, in particular, the comparatively high proportion of single-destination shoppers in Cessnock, and the comparatively low proportion of shoppers engaged in combination purchasing/browsing/leisure activities. Where a purchase is made in Cessnock, it is unlikely there will be much in the surrounding built-environment that might catch the eye of consumers, prompting them to explore further, to linger longer. Moreover, there is a sense in which built form and land use factors are at loggerheads with one another in Cessnock. Concentrations of small lots on the respective Main Streets promote diversity and visual interest by ensuring that pedestrians pass a different shop front every four or five steps; the land uses occupying these lots undermine diversity and visual interest by all too often presenting bland or blank fronts to the street.

Much of the preceding is reinforced by the distribution of vacancies in the three centres. In Tamworth vacancy rates for the CBD and Main Street were 11.5% and 6%, respectively. This distribution of vacancies is more or less consistent with the standard dynamic to be expected in healthy town centres, where longer term vacancies migrate ‘up or out’: when centrally located, ground-floor premises are vacant for a length of time, it is likely that rents will be reduced, making them a more attractive prospect for businesses previously located in second-floor premises or more peripheral locations. This dynamic is less apparent in Cessnock, suggesting the presence of deeper structural problems. In Cessnock, vacancy rates for the whole of the centre and for the busiest parts of Main Street are 12% and 10%, respectively. Moreover, Cessnock contains an unusually high number of uses that function as indicators of low viability, namely, $2 shops, opportunity shops, MP offices and sex shops. Importantly, as is clear in Figures 7 and 8, the raw vacancy figures report only a part of the story concerning the relative levels of viability and vitality in Tamworth and Cessnock.

Discussion

We conclude by briefly considering key arguments of competition lobby groups in light of the preceding findings. The two cases suggest, at least in broad terms, that economic arguments in favour of deregulated centres may be difficult to sustain on their own terms. The alleged nexus between more relaxed centres policies (on the one hand) and increased competition and efficiency (on the other) is hard to find in the case studies. In Cessnock, the relaxed approach to the location of retail uses has laid waste to the Main Street as a viable retailing precinct, ensuring the dominance of the PSCs and their associated supermarkets, chain stores and franchises. This might be construed as an ‘externality’; it might also be construed as an inefficient outcome: Main Street has been reduplicated, only to be rendered moribund and close to redundant as a retailing precinct. In effect, the nation-scale economic duopoly of the two major supermarket chains has been reinforced by a ‘spatial duopoly’ at the local scale: prime retail space is now concentrated in two privately owned and operated PSCs where the two supermarkets reside, respectively, front and centre stage. By virtue of the denuded viability and vitality of Main Street, the ability to choose to shop in spaces not dominated by the supermarkets has been reduced. In tandem, the capacity to open viable independent – non-franchised, non-chain – retailing premises, outside the (typically stringent) dictates of PSC landlords, has also been reduced.

By contrast, state intervention and regulation to shore up Tamworth’s retail hierarchy has functioned to increase competition in that area: where not so long ago there was a declining town centre and the looming prospect of a dominant and dominating out-of centre PSC, there now exists a comparatively healthy town centre incorporating two
PSCs and a vital and viable Main Street, and the out-of-centre Tamworth Shopping World. Assuming reasonable levels of mobility, Tamworth residents can choose to shop at the out-of-centre PSC, at the in-centre PSCs, or along Main Street; premises in each precinct must compete with one another to attract customers. In their haste to decry all or most things spatial planning, competition advocates overlook how the maintenance of retail hierarchies functions, *inter alia*, to militate against ‘spatial monopolies’ and the like. It helps to nurture a more or less even playing field for competition, precisely consistent with the ACCC’s remit.

The preceding observations have implications for Fels et al.’s (2008) critique of the NSW Land and Environment Court’s understanding of ways in which planning policy should engage with issues of ‘competition’. This interpretation, set out in *Kentucky Fried Chicken Pty Ltd v. Gantidis* (1979) 140 CLR 675, states that:

> the mere threat of competition to existing businesses, if not accompanied by a prospect of a resultant overall adverse effect upon the extent and adequacy of facilities available to the local community if the development be proceeded with, will not be a relevant town planning consideration.

This idea has functioned as a central plank of NSW retail planning policy for decades; thus, the suggestion by Fels et al. that it is ‘flawed’ and ‘immediately problematic’ warrants serious attention. Fels et al. set out three objections, addressed in turn, below:

Firstly, the test can only be interpreted as an economic welfare (or efficiency) test insofar as the number of facilities is a proxy for welfare. However, it is not clear why the number of facilities would make a good proxy for welfare. The number of facilities could diminish but welfare increase: for example, if in the absence of zoning or format restrictions the facilities ultimately emerging offer higher levels of customer service and competition or lower prices. This can occur, for example, when larger formats provide returns to scope and scale. (Fels et al., 2008, p. 11)

This objection rests on two debatable premises. In the first place, references to ‘format restrictions’ and ‘larger formats’ indicate that ‘number of facilities’ is here being interpreted as ‘number of supermarkets’. Yet the case studies illustrate the dangers of considering supermarkets in abstraction from other retail ‘facilities’ in Main Street. In keeping with the ‘developer’s first law of shopping behavior’ (Goss, 1993, p. 33; see also Garreau, 1991), confirmed by empirical studies (Baker, 2006; Gärling & Gärling, 1988), consumers, on average, appear unwilling to walk more than around 200 metres from their point of origin in a town centre. To the extent that most Australian town centre consumers set out on foot from (the typically large) car parking areas associated with supermarkets, discount department stores and PSCs, the location of these land uses exerts a critical influence on town centre viability and vitality. Retail premises located more than 200 metres from these spatial lynchpins are likely to fall outside the shopping activity space of many consumers. Only two of the five supermarket/PSC car parks examined in this study appeared to be a significant source of Main Street shoppers, namely, those which were within 200 metres of Main Street. Here it is worth recalling that around one-third of the consumers tracked from these two supermarket/shopping centre car parks made their way on to Main Street and these consumers clocked up twice as many store visits and twice as much distance as consumers tracked from on-street parking.
The second premise involves a reduction of ‘welfare’ to economic welfare, as the authors make clear elsewhere: ‘Economic, or community, welfare encompasses all aspects of the collective welfare of all parties in the community’ (Fels et al., 2008, p. 11). On this view, town centres are implicitly occupied by Homo economicus, rational and instrumental individuals, dutifully calculating their self-interest, travelling purposefully from home to site of consumption and back again. Homo reciprocans, the individual who might be motivated by cooperative or communal endeavours, such as an improved public realm, is disregarded, as are empirical studies of town centre constituencies. In a longitudinal, survey-based study of numerous NSW centres, Baker (2006) found that in the average town centre around 50% of people are engaged in highly purposeful, single-destination purchasing activities; 30% are engaged in combined purchasing/browsing/socialising activities; and 20% are exclusively browsing and/or socialising, simply ‘hanging out’. (It may be noted that this split is in the ballpark of the breakdown of observed activities in Tamworth, but quite unlike the breakdown in Cessnock.) In other words, on average, the perspective of Homo economicus fails to account for the needs and desires of around half the users of a town centre at any given time.

If pursued rigorously, these two premises have the hallmarks of a self-fulfilling prophecy (along with a vicious circle), as is illustrated in Cessnock: the location of the PSCs/supermarkets indicates that little concern was provided for the integration of PSCs/supermarkets and Main Street; their associated car parks are too remote to feed substantial numbers of pedestrians to Main Street, causing the latter’s vitality to be undermined; as the vitality of Main Street wanes, the viability of premises which are dependent on passing trade diminishes; as more of these businesses close or are replaced by non-retailing functions, the attractiveness of Main Street to pedestrians decreases further, along with the vitality of Main Street; and so on. In the end, Main Street is being increasingly dominated by Homo economicus. Issues of social equity and inclusiveness, alluded to above, are intrinsic to this process. The key demographic groups responsible for the decline of Main Streets when a new out-of-centre PSC opens are households with high incomes, and high car ownership rates (Baker, 2006). These ‘time poor’ but highly mobile households shift their comparatively high expenditure on retailing to PSCs, taking advantage of the latter’s longer trading hours.

Fels et al. continue:

Secondly, the test does not take into consideration the alternate [sic] uses of land or property that may evolve in the event that current services do leave the market in response to increased competition. It is unlikely to be the case that a current centre is going to face complete abandonment and more likely, service provision in the area will evolve and adapt to the ultimate benefit of residents and consumers. Therefore, the test overstates the economic costs that would fall on the area, by taking into consideration only the first round effects of any proposed development, without accounting for new sources of benefits that may be established as adjustment proceeds. (Fels et al., 2008, p. 11)

While it may be the case that a current centre is unlikely to face complete abandonment, the latter is not required to generate an impoverished streetscape (Figure 9). Vacancy rates of 10–15%, as exist in Cessnock, suffice to ensure that more than one in every 10 shops is empty and/or boarded up; a vacancy rate of 20%, still far removed from ‘complete abandonment’, entails that one in every five shops is empty and/or boarded up. It may also be the case that service provision will ‘evolve and adapt to the ultimate benefit of residents and consumers’; it is possible to imagine circumstances where opportunities are opened up for more marginal uses that might counteract Jacobs’ (1961, pp. 241–256)
famed ‘self-destruction of diversity’. However, the more ‘likely’ scenario, repeated in numerous centres across NSW, is found in Cessnock, one where vacancy rates climb and street-front premises are increasingly occupied by uses that have no need to contribute to an enticing and visually interesting streetscape. A cynic might suggest that the key ‘ultimate benefit’ to have been secured by Cessnock residents is that they no longer need to climb stairs to reach their accountant. If Cessnock is merely experiencing ‘first-round effects’, the second round seems to be a long time coming: its Main Street has had recorded vacancy rates in excess of 10% for more than a decade. Moreover, the extent to which structural problems persist is seriously masked by the high proportion of non-retailing uses along Main Street. In short, there is no outstanding mystery concerning the way in which town centres ‘evolve’ when their viability and vitality are decimated. As is now well established in the literature, the evolutionary traits include shifts from: retail to vacant; service to vacant; retail to charity store (or similar); retail to service; and vacant to vacant (Thomas & Bromley, 2002, p. 800).

Finally, Fels et al. suggest that:

the requirement for projection and forecasts of future impacts on the number of facilities appears to place a high burden on decision-makers and potentially opens the debate as to what constitutes a reduction in facilities in contrast to a readjustment in facilities. The error rate from the application of this flawed test could be very high (that is, some developments that would have improved community welfare would be disallowed), imposing economic costs, including the curtailment of competition. (Fels et al., 2008, p. 11)

Aside from a seeming attempt to lower the stakes (decision-makers are being unnecessarily bureaucratic when entertaining issues of Main Street viability and vitality), this objection alludes to a ‘burden of proof’ argument, posed elsewhere by Fels et al.:
Is it the responsibility of applicant developers to show that it is in the community’s interest to have the development proceed, or is it the responsibility of the prevailing authority to demonstrate that the planning instrument blocking the proposal is in the broader interests of the community? (Fels et al., 2008, p. 10)

Again, the argument is peculiarly circular; again the premises generate a self-fulfilling prophecy. If decision-makers relieve themselves of the burden of analysing likely future impacts of retail developments then, of course, the burden of proof will reside with the decision-maker; presumably ‘the planning instrument blocking the proposal’ would be more or less arbitrary, without evidential basis. But this then raises the question of what ‘proof’ decision-makers might proffer if they follow the recommendation to abandon projections, forecasts and other analyses of future impacts. One option might be to take on board lessons from empirical case studies; with very few exceptions, they have found that issues of the kind identified in Cessnock arise whenever supermarkets and PSCs are poorly integrated with Main Street (see, for example, Baker, 2006). That said, such an approach would likely see the burden of proof remaining firmly on the side of property developers.

There is no suggestion here that competition issues should not be a legitimate concern for retail planning policy. Rather, the concern is more in keeping with Nigel Rees’ whimsical query, ‘Why is there only one Monopolies Commission?’ Inevitably, dangers arise whenever the partial perspective of competition lobby groups masquerades as the total view. It is essential that their economic reasoning be complemented by thoroughgoing understandings of ‘space’ and ‘place’, of the kind engendered by geography, planning and design. As the UK Department for Communities and Local Government observes:

local shops are important for more than what they sell. They are a place where people meet, get to know each other, talk about the issues that matter to them. It’s no coincidence that the Roman Forum was the centre of civic as well as commercial life. (Department for Communities and Local Government, UK, 2008, p. 1)

The issues considered in this paper do not represent the first foray of neo-liberal ideology into aspects of spatial planning (e.g. Gleeson & Low, 2000; McGuirk, 2005); presumably they will not be the last. Unfortunately, these excursions or incursions have all too often resulted in spectacular policy failings – the introduction of ‘competition’ into the market for public transport being a case in point (Mees, 2000, 2010). Of particular concern here is the tendency for neo-liberal approaches to planning to fail to realise their own objectives (e.g. Mees, 2005). No less concerning is the tendency to scapegoat spatial planning for broader systemic failings. Even as the ACCC demands ‘competition’ in spatial planning contexts, it has been accused of being ‘less effective than a toothless chihuahua’ (Richards et al., 2012, p. 251) in promoting market competition in the Australian supermarket industry; the planning focus is perhaps a distraction from a larger failing of the ACCC and Australian competition policy as it relates to retailing.

At the same time, key weaknesses associated with the application of neo-liberal ideology to planning are not difficult to pinpoint. The first of these is the emphasis on rationalism as distinct from empiricism, including the promotion of ideas, principles and approaches that frequently run counter to empirical findings. The second arises from certain tensions in underlying principles. While neo-liberalism might be ideologically opposed to notions of ‘the regulatory state’, the creation of bodies such as the ACCC
amounts to a tacit admission that the unfettered market is not an effective adjudicator of competition. The end result is a muddled perspective: state interventions are to be discouraged unless the intervention comes from the ACCC or similar; some form of planning is required to create conditions ripe for competition, just not spatial planning. And finally, neo-liberal approaches to planning are typically highly abstract and reductive, relying upon an audaciously small number of economic principles to guide decision- and policy-making processes. The innate dangers here are compounded by the tendency for economic principles to be distorted when they interact, inevitably, with spatial practices. Much as water refracts light, so too does space frequently cause a kind of climatic swerving for economic principles, bending them in unintended directions.

As something of a final thought, it is worth noting that, each year, the Tamworth Country Music Festival attracts in excess of 60,000 visitors to the area, injecting an estimated $50 million into the local economy, with Main Street functioning as centre stage. Were it not for regulatory intervention, what economic damage might have resulted from a decimation of this street in the name of ‘competition’? Cessnock, meanwhile, functions as the gateway to the Hunter Valley vineyards, one of the most important tourism areas in NSW. Unfortunately, one can only speculate about ways in which touristic appeal of the area might have been promoted further through a less flexible approach to retail planning, one which prioritised Main Street viability and vitality.

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