Concentration vs dispersal of a late night trading economy

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Concentration vs. Dispersal of a Late-Night Economy

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Abstract: In Sydney, Australia, the emergence of a late-night economy (LNE) has been a response to its role as a global financial centre, a world city, and a tourist destination. The City of Sydney Council considers itself at the vanguard of promoting and managing a vibrant, diverse, and sustainable LNE. The council works to improve business diversity, encourage growth in commercial centres that can accommodate it, and cap growth in centres that are thought to have reached capacity. However, it is difficult to inform future policy directions through the experiences of other areas of Sydney or even other Australian cities as there is no detailed evidence on which to base policies, nor is there a uniform 'best practice' in current policy directions. This is a significant problem for the city, one that will become increasingly important for other Australian cities and international locales as their LNEs also expand. This paper aims to improve the understanding of the merits of clustered and dispersed LNEs. The discussion is expanded by a brief examination of evidence from other world cities outlined through a review of existing literature which focuses on the current socio-cultural, economic, and political concerns that surround a LNE. The project's scholarly significance lies primarily in its triangulation of three fields of literature: the extensive economic literature about developing industry clusters to promote growth and innovation, the growing role of the LNE in the broader economic growth of the city, and the social and environmental impacts of the LNE, particularly the role of business clustering in generating social and environmental impacts.

Keywords: Night-Time Economy, Clustering vs. Dispersed, Sydney, Planning

Introduction

The late-night economy (LNE)[1] is both an important and contentious aspect of inner-city renewal. After a period decrying the lack of culture and activity in many major downtown neighbourhoods, city leaders considered the growth of entertainment-led rejuvenation and reinvestment in the local economy as a viable and desirable addition to the landscape. More recently, though, there has emerged a growing chorus of dissenters who lament the monocultural, alcohol-fuelled carnival that has engulfed these same parts of inner-city neighbourhoods.

At the centre of the policy response to both these trends—promoting the growth of the LNE and then managing its impacts—has been a debate about the relative merits of clustering such activities together. Economic orthodoxy was at the heart of early policy responses that sought to foster entertainment 'precincts' by clustering complementary businesses. More recently, health-related evidence suggests such clusters should be avoided, as they are linked to an oversupply of alcohol and, consequently, a number of adverse impacts (Hadfield 2009). The clustering or dispersal of specific land uses is primarily a spatial planning policy: a policy arena that is often expected to both foster economic growth and mitigate environmental impacts.

[1] Many overlapping, and at times interchangeable, terms are used in different contexts: 24-hour economy; night-time economy; evening economy. Some (City of Sydney 2011, 5) propose a taxonomy of different terms for different periods outside traditional business hours, and others (Heath 1997) suggest they reflect the different emphases in different jurisdictions: some promote an evening economy that ends before midnight, while others promote a 24-hour economy that goes right through the night. Outside academic literature, the term adopted in practice tends to reflect the palatability to the audience: 'night-time economy' might mean the same things as 'late-night economy', but is less confronting and so increases acceptance for a broader community. To be clear that we are interested in an extended night-time economy – specifically one that goes beyond midnight – authors use late night economy (LNE).

This article reviews existing literature about the LNE. It first outlines the rationale for fostering a LNE, and presents the arguments, largely as they have been made by governments and proponents, for clustering and for dispersal. A case study of Sydney is then outlined to demonstrate how related policies have materialised in one particular context. The article concludes by exploring the extent to which competing spatial planning policies toward clustering and dispersal of the LNE restrict the efficacy of each other and then reflects on a potentially more cohesive and effective spatial planning policy for the LNE.

Post-Industrial Renewal, Entrepreneurial Governance and the LNE

While it varied from city to city, the rationale for expanding the LNE in the early 1990s often originated as a response to the decline of traditional, heavy industry in cities in advanced economies during the 1970s and 1980s (Lovatt and O'Connor 1995). This decline affected older, typically poorer, inner-city neighbourhoods, where waning industries had been more concentrated and polluting, and where the middle classes had long since left for higher amenity suburbia. During this period of decline, these neighbourhoods had a reputation within the middle classes as being unhygienic, unsavoury, and unsafe (Jayne, Holloway, and Valentine 2006). Middle-class recreational patterns, supported by technological shifts like television, similarly suburbanised to erode any market for entertainment outside the home. The imperative for a productive workforce, at times combined with temperance movements, further marred the reputation of traditional entertainment destinations of the inner city that centred on drinking, gambling, and raucous behaviour; labelling them iniquitous, sinful, and verboten (Thomas and Bromley 2000).

By the early 1990s, however, there was an increasing push for policy to support the development of a LNE (Bianchini 1995). This push was partly tied to residential gentrification of thitherto poor, inner-city neighbourhoods and ‘brownfield’ residential developments on obsolete industrial land. The middle-class population attracted to these neighbourhoods disregarded the negative reputation of the inner city, and espoused lifestyle aspirations more akin to historical inner-city middle classes than their suburban contemporaries. Where it had developed—or, in some cases, survived—inner-city culture had rekindled clusters of restaurant and retail trade in downtowns, inner-city high streets, and neighbourhood centres. Policy intervention, it was thought, could promote such changes at a wider scale.

Emerging from this push was the concept of the ‘24-hour city’, within which a LNE—driven by retail and entertainment—could achieve multiple aims:

- Activated—and so safer—commercial precincts at night, enabling the inner city to be ‘reclaimed’ by those excluded by perceptions of compromised safety (Bromley, Thomas, and Millie 2000)
- a longer retail trading period, stimulating diversity in the economy and precipitating much-needed growth and investment (Lovatt and O'Connor 1995)
- an attractive and desirable inner city, attracting the creative workforce deemed essential to the post-industrial economy (Landry and Bianchini 1995)

In the United Kingdom (UK) in particular, the expected outcome was nothing short of a cultural about-face. Middle classes that had for generations shunned the inner city were expected to follow the lead of the gentrifying vanguard and take up the commercial offerings of the inner city. Here the expectation was set not only by some halcyon historic period of the UK cities themselves, but also by their contemporary continental European counterparts, which had retained active downtowns that appealed to the broad spectrum of the population, sustaining an evening, if not late-night, inner-city economy (Heath 1997).

The Economics of Clustering in the LNE

Before describing how the LNE manifested over the last decade, it is worth outlining the primarily economic rationale for clustering businesses more generally. At a macro-economic scale, industrial clustering has long been a feature of urban economies; Motown and Silicon Valley are well-known examples. While there are some obvious economies of scale for such clustering—for instance, the cheaper provision of raw materials—economists (see, for example, Romer 1986) and geographers (see, for example, Hall 1966) have both long considered the benefits of clustering to be one of competition and the subsequent need and potential for innovation.

Glaeser et al. (1991) explore some of the variations on the 'innovation through proximity' thesis, and conclude that two of the most important features are having numerous small businesses to foster unprecedented specialisation and having a diverse group of industries to enable cross-fertilisation. Following the Jacobs (1970) and, more recently, Porter (2000) arguments, this highlights the need for business-scale—rather than industrial-scale—interactions. How this manifests on the landscape will depend on the specifics of the industries involved and the need for co-location of suppliers, clients, and other peripherals. Importantly, though, the emergence of the creative economy thesis (Landry 2000; Florida 2004) highlighted that even at a scale as small as a neighbourhood, there is need for clustering of businesses that can feed off each other to let 'creative juices' flow. This suggests clustering has both cultural and economic advantages.

Landry and Bianchini (1995) highlighted the role of retail and entertainment outlets as significant contributors to the creative economy; others, such as Clark et al. (2002) have suggested that entertainment and the service economy play a vital role in attracting the creative classes. Additionally, retail and entertainment clusters also have greater cumulative pulling power for visitors and tourists on both a day-to-day basis—as customer spill over and exposure to passers-by enable new businesses to get traction—and on a broader scale which speaks to the entrepreneurial city model where such clusters align with boosterist strategies built around city marketing and attracting investment and tourism (Harvey 1989; Hall and Hubbard 1996). Contributing to the tourism sector are creative spaces or art spaces—also often clustered into cultural quarters and argued to be sites 'for exchange, social reproduction, and commodification, but no longer confined to a local community and trade' (Evans 2009, 33). Grodach (2010) also highlights the economic contributions that the arts can bring to a local economy and argues that governments can capitalise on this sector's ability to attract other creative industries.

In light of this economic orthodoxy, it was not surprising that supporting the growth of the LNE in recent years have been policies that promote clustering. The LNE has emerged in two main typologies: demarcated entertainment precincts and the growth and renewal of historic high streets and neighbourhood centres. The demarcated entertainment precincts are often conceived as the jewel in the crown of major inner-city redevelopments, often the waterfront variety (Lovatt and O'Connor 1995). They are purpose built, attract comparatively corporate tenants, and straddle the built forms and operating models of shopping malls, casinos, and theme parks, in many instances incorporating elements of each. They are often supported by specific development plans, tax breaks or other subsidies, or stream-lined approval processes that reduce holding costs (Eisinger 2000).

The second typology of LNE cluster is the conversion of established but, in many cases, declining inner-city neighbourhood high streets. This form of LNE cluster often grew incrementally out of existing restaurant and café 'eat streets'—long featured in neighbourhood centres and downtowns. There are, however, some distinguishing features of the bars, clubs, and pubs in contemporary LNE clusters: they trade later, potentially throughout the night; they target a geographically (although not always demographically) broader clientele; and they offer a more culturally unique recreational diversion. In short, although some smaller precincts that have

emerged exist 'in the shadows of more prominent downtown development projects' (Campo and Ryan 2008, 292), the renewed LNE of neighbourhood centres is intended to be a major destination for visitors and tourists, much like the purpose-built and demarcated precincts.

These two typologies are not dichotomous and in many ways overlap. Indeed, higher profile high-street renewals have been driven by corporate venues or *pubcos*, where there is as much a financial imperative for the growth of the precinct as there is a cultural one (Hollands and Chatterton 2003). Both typologies operate around the clock and seek to appeal to as large a market as possible, although not always at the same time, for example, workers in the early evening, younger people at night, and families on the weekend. Hollands and Chatterton (2003) are critical of the overarching corporate business model of many LNE precincts, arguing its concentration of ownership and subsequent branding has led to a lack of real consumer choice and the marginalisation of alternative, local, creative development. Other criticisms are that the precincts have failed to realise the expected economic gains, and that government policy to attract tourists is at the expense of policy supporting existing and potential residents (Eisinger 2000).

As noted, both typologies of the LNE are, in some way, connected to the residential gentrification of renewal projects and the residential reclamation of the inner city by the middle classes. The precincts have emerged in converted industrial sites that also include middle-class housing, or in traditional working-class neighbourhoods with growing middle-class populations. This hints at the potential for significant land-use conflict between the LNE and the residential population that is similarly growing in size, in socio-economic status, and in political weight (Beer 2011). Hae (2011, 566) points out that governments face challenges when trying to balance a LNE with 'public well-being' and 'quality of life'. Additionally, gentrification and entrepreneurial governance are not confined to formerly industrial cities, therefore the promotion of a LNE is found in more and more cities of developed economies (Hannigan 1998; Hollands and Chatterton 2003; Campo and Ryan 2008).

Hannigan (1998, 2) collectively dubs the clusters 'urban entertainment destinations' and considers them 'indicative of a new urban economy which has its roots in tourism, sports, culture, and entertainment'. Indeed, while government support for purpose-built clusters is perhaps more overt, the emergence of both typologies is connected to the broader entrepreneurial governance model in which such clusters are supported through imagery and promotion of the city's branding (Jessop 1998).

Bromley, Thomas, and Millie (2000) call such clusters 'entertainment enclaves', precincts that are distinct and demarcated from the surrounding land uses and community. The clusters often take on a fantasy or 'liminal' identity (Hannigan 1998; Hobbs et al. 2005), where behaviour that is considered unacceptable elsewhere may be tolerated or even accepted. This is achieved partly by divorcing the precinct from historical and geographic associations or, in the case of some historic high streets, identifying with some romanticised historical character of debauchery and illicitness. This demarcation from the surrounding areas, as well as the exclusion of other uses that belie the marketed precinct identity, increases the strength of the 'destination' quality of the precinct for visitors and tourists from across a metro area and beyond. It also, however, constrains the potential diversity within that precinct. As outlined in the next section, in such precincts, 'leisure' and 'entertainment', whatever their broader cultural significance, are often reduced to the sale of alcohol.

Saturation Point: 'No Go' Zones and Dispersing the LNE

Over the decade following the introduction of these policies, things had not worked out as planned. Early proponents of the LNE even conceded that what materialised is not what was envisioned (compare, for example, John Montgomery's comments in a 1995 editorial [Montgomery 1995] and in a 2005 interview [Roberts and Turner 2005, 190]). There is an

increasing perception that any economic success of the emerging LNE has been tempered by a growing social and environmental cost. The desired cultural 'about face' that was thought would attract a wider population to participate in the LNE has not, at least to date, materialised. Instead, the LNE has attracted a limited demographic: specifically a young, disproportionately male clientele (Bromley, Thomas, and Millie 2000). While early advocates of the LNE did acknowledge that the more mobile youth have been better catered for in early commercial offerings (Heath 1997), it was thought that policy intervention would foster an everyday LNE that was integrated with, and more reflective of, wider society.

Instead, the supply and demand of the market has largely been left to resolve itself, with support for the nascent LNE being in the form of deregulation on trading hours, liquor licensing, and other impediments to entertainment-oriented businesses (Shaw 2010). This neoliberal policy approach is synonymous with the entrepreneurial city governance model (Harvey 1989). Economically, reducing barriers for new entrants could be expected to enable the specialisation and diversification into a wider market (that is, getting families and older adults to partake in the LNE). In practice, however, a liberalised regulatory environment has fostered business models that increasingly undercut nearby competition by extracting greater participation out of the existing market (that is, getting young people, mostly males, to partake *more* in the LNE) (Thomas and Bromley 2000). This 'race to the bottom' has led to a monocultural or anaemic LNE, as the resulting focus on a limited clientele further discourages wider participation (Hadfield 2011; Oc and Tiesdell 1997). While there are economic limits to clusters of businesses that fail to diversify, evidence suggests that in the case of the LNE, environmental limits are reached first.

A number of studies have demonstrated the impacts of the LNE, ranging from noise and nuisance to violence and crime (Tiesdell and Slater 2006; Roberts and Turner 2005). Some have noted that clustering the LNE enables its impacts to be contained, making management and policing more efficient (Heath 1997). In line with this it has even been suggested that more prescriptive land-use zones and overlays could more effectively contain the LNE to specific precincts (Bromley, Thomas, and Millie 2000). Others, however, note that impacts will still need to be managed within those precincts (Roberts 2006), and if financial and government resources were provided to enable such management, the land uses may not need to be fenced off at all.

There is also a consistent body of evidence showing that 'venue density'—the number of licenced venues in a given area—has a correlative link with acute impacts like violence and antisocial behaviour (Hadfield 2011). As noted above, clusters foster growth in the LNE by attracting more patrons from a larger catchment—the very intent of the economic policies that enabled them. In essence, measuring impacts against 'venues per area' might ignore the fact that those venues are attracting greater participation. In other words, part of the increase in impacts is related to the fact that successful precincts attract larger crowds.

Chikritzhs (2009) cites studies specifically examining impacts against dollars spent, which can better control for the size of the LNE. Livingston, Chikritzhs, and Room (2007) also suggest that of two LNEs of comparable capacity, a clustered one (or 'bunched', as they call it) leads to greater adverse impacts. However, most literature is content to draw on the traditional venue-density measure. This is partially because it is difficult to tease out a specific correlation of the many other factors that affect alcohol consumption and impacts, like incidences of assault, which include the socio-economics and demographics of the patrons as well as the policing and management of the venues (Hadfield 2011).

Irrespective of the participation factor, there are numerous explanations as to why more venues in a given location increase the extent of adverse impacts. Gruenewald, Remer, and Treno (2009) summarise these:

- Availability theories: more venues make it easier to get alcohol, leading to overconsumption and problem behaviour

- Social disorganisation theories: more venues make it harder for wider society to establish social conventions that discourage problem behaviour
- Routine activities and drinking contexts theories: more venues create environments where problem behaviour is more likely to occur and where it is harder to police
- Niche theories: more venues enable segregation of populations into separate venues, including specific venues that attract alcohol consumers susceptible to problem behaviour

The authors suggest there are limitations to each theory and conclude that different factors will be at play in different contexts and often it will be a combination of factors. The conclusion of the sum of literature published in public health and crime analysis, though, is that areas of high venue density are generally best avoided.

Another limitation, created by the complexity of factors, is evidence of a *nonlinear* relationship between venue density and adverse impacts. If two venues have four impacts (however measured) and four venues have eight impacts, it is difficult to explain acceptance of two venues through the benefits that offset those impacts, but not the four venues that similarly have proportionately higher benefits. Livingston (2008) has provided some initial evidence of this nonlinear relationship, supporting the argument that a given 'saturation point' exists, beyond which point clustering generates disproportionately higher impacts.

Although, to play the devil's advocate and deliberately quote Livingston, Chikritzhs, and Room (2007, 562) out of context, clustering beyond this saturation point could also have *nonlinear* benefits consistent with the economic rationale for clustering, because "at a certain point (a cluster of venues) becomes fixed in people's mental maps as an entertainment district, and thus starts attracting crowds above and beyond what would be attracted by the same number of outlets on their own".

Even if an intrinsic nonlinear relationship between venue density and adverse impacts is not accepted, there is support for the saturation point argument. It has been noted that many of the impacts related to residential amenity—noise, traffic, litter—are realised at a very local scale. Roberts and Turner (2005) suggest that the cumulative impacts of venues in a given location quickly exceed a tolerable level of nuisance. In other words, while the impacts might be growing in proportion with the benefits, it is an absolute ceiling of impacts, rather than a proportional one, that dictates the saturation point. Tiesdell and Slater (2006) also discuss this absolute level of acceptance of impacts, suggesting it leads to policy objectives to disperse venues and to keep their adverse externalities to a tolerable level at any given location. The question remains, and is discussed below, whether this dispersal reduces the economic benefits of a LNE as well as reducing the environmental impacts. First, though, the policy response of one case study is examined.

Case Study: Policy Context of Sydney, Australia

Sydney, Australia, fits the mould of the typical narrative described above. Economically, it has a strong industrial history as a centre for production and commercial shipping, and a contemporary focus on finance and business management supported by a consumer and tourism sector (Forster 2006). Many of its inner-city neighbourhoods are historically working class (as middle classes spread into suburbia) but have been significantly gentrified over the last twenty or so years (Kendig 1984; Rofe 2003; Shaw 2005).

Sydney has also sought, in line with its reputation as a tourist destination, to promote a vibrant LNE. Government support has been given to various demarcated entertainment

precincts—notably Darling Harbour and the Moore Park 'Entertainment Quarter'[2]. In parallel, a number of historical inner-city neighbourhood high streets expanded their local LNEs—notably Oxford Street, Darlinghurst, and (confusingly) Darlinghurst Road, Potts Point.

Darlinghurst Road—better known, along with surrounding streets, as Kings Cross—has a long history of bohemian culture, adult entertainment industry, and risqué night-life, which was at least partly attributable to its proximity to a naval base that was used by various Allied forces during World War II. It subsequently became associated with organised crime, illegal gambling, and prostitution, and was considered a no-go zone for 'respectable' Sydneysiders (Murphy and Moore 2012). More recently, though, its capacity as a night-time destination has grown as the surrounding area gentrified and its reputation for crime and safety improved.

This growth was supported by government policy, notably a legislative amendment that enabled 24-hour trading in the precinct introduced to coincide with the visitor influx during the 2000 Olympics (see s.25 (2A) of Liquor Act 1982 (NSW Government 1982)). The local council, too, recognised its potential to the local economy, introducing local spatial-planning policies that entrenched its status as a 24-hour trading precinct (City of Sydney 2008).

More recently, Kings Cross has regained some notoriety for its overrepresentation on many crime statistics associated with the LNE in general and with the heavy consumption of alcohol (Nicholls 2012b; Morri 2012). The city council and state government have undertaken a number of studies exploring the impacts of the LNE, particularly to nearby residents who have increasingly mobilised to oppose further growth in what remains their local high street (Burgess and Moffatt 2011; Parsons Brinckerhoff 2011; Urbis 2006, 2008). In 2009, the government and local council introduced a temporary, one-year ban on future planning consent and liquor licences in Kings Cross and other centres of the LNE (see div.1A of Liquor Act 2007 [NSW Government 2007]); this temporary ban has remained in place ever since, and in August 2012, it was extended to the end of 2015 (Premier of NSW 2012).

Kings Cross and, more generally, Sydney suffer from the usual array of mismatching policy arenas. Extended public transit operating hours, also temporarily introduced during the Olympics, were subsequently wound back, meaning Kings Cross has no trains and few buses after 1.30 am, despite venues continuing to wind-down much later (NSW Hansard 2012). Police are stretched, and maintain an opposition to more late-trading venues (Nicholls 2012a). Taxi drivers almost uniformly change shifts (and so are unavailable) between 2.00 am and 3.00 am, when demand is high (Tovey 2012).

Beyond this mismatch *between* policy arenas is also a mismatch *within* spatial-planning policy. The Lord Mayor, Clover Moore, was instrumental in removing barriers to live music restrictions on venues and also contributed to the overhaul of licensing legislation, making licences for smaller venues significantly cheaper[3]. The acknowledged aim was to promote Sydney's night-life and make the inner city (the area of the Lord Mayor's remit[4]) more attractive to both its changing residential base and a growing number of visitors.

> "The idea was to have small-scale owner-operators turning neglected spaces and places into quirky, individualistic places where people could meet, have a drink and some nibbles, even read a book, if they wanted!" (Moore 2012b)

[2] In terms of planning controls and approvals, Darling Harbour was developed through a government development agency created for the purpose, established by specific legislation (NSW Government 1984). The Entertainment Quarter was supported by special planning controls that superseded regular planning approval processes (NSW Government 1995).

[3] Both of these required state legislative changes, but Clover Moore, in a separate capacity, was also an independent member of the New South Wales parliament until September 2012.

[4] The City of Sydney, the Lord Mayor's council area, covers 26.7km^2 and has a population of 169,505 (ABS 2012b). The broader metropolitan area of Sydney, the catchment for the city's central business district and entertainment precincts, covers 123,676.7km^2 and has a population of 4,391,697 (ABS 2012a).

The same Lord Mayor also oversaw the introduction of the primary local planning control that sought to cluster the LNE in specific areas by varying permissible trading hours in different parts of the inner city (City of Sydney 2008).

On the other hand, Councillor Moore has vocally sought to introduce 'cumulative impacts' as a consideration of future applications for new developments of late-trading venues and has lobbied for the temporary freeze on development that was introduced to Kings Cross and other parts of the city in 2009. She has indicated a preference for dispersing the LNE and questioned why other commercial centres, outside the inner city, are not also increasing the amount of late trading to take the pressure off neighbourhoods like Kings Cross that seem to serve the whole of greater Sydney's late-night needs.

> "we really need … to address the problem of the saturation of large, late-trading licensed premises. There are simply too many venues, selling too much alcohol, for too many hours in Kings Cross." (Moore 2012a)

Hard and Soft Approaches to Limiting Over-Concentration in the LNE

The dilemma is the desire to reduce impacts of the LNE caused by over-concentration in a particular location, whilst still fostering—or, at least, not stymying—the growth of that LNE. As noted, intervention into the spatial distribution of particular land uses, including late-trading commercial venues, is a result of the planning framework. Late-trading venues are also bound by additional regulation, typically governing liquor sales and operating hours (Tiesdell and Slater 2006). However, these interventions regulate the operation of such venues, not their location. In principle, at least, they respond to a distinct flavour of externality. Regulation of operation can limit externalities arising from poor venue management. Regulation of location can limit (or at least should be used to limit) inevitable externalities, which arise irrespective of venue management. In the first instance, then, optimal operational regulation could reduce adverse impacts without resorting to dispersing the LNE. But then, accepting the limitations of ongoing enforcement of operational regulations and, therefore, assuming an inevitable level of adverse impacts, regulating the location of the LNE should be considered.

Mechanisms to regulate the location of the LNE can perhaps be split into hard and soft approaches. Hard approaches, like the 'temporary' freeze of liquor licence and development and planning approvals, work by explicitly limiting the concentration of a particular land use in a particular location. It assumes that the demand for that land use will then be met elsewhere. However, based on the economic argument presented earlier, preventing clustering is likely to affect the size of the LNE, not just its distribution. Also, zoning and other similar land-use overlays typically only apply to new developments; existing businesses have grandfather clauses or have 'existing use rights', as it is called in the state of New South Wales. In an area where the existing business mix is considered problematic, any mechanism that prohibits that land use (either explicitly or implicitly through anti-clustering mechanisms), removes the imperative for innovation among the existing businesses. In other words, as an intervention, it does nothing to fix the problematic business mix in a given location, and it could even entrench it.

Roberts (2006) notes that there is a distinct mismatch between the advocated business mix of creative clusters led by a rejuvenated LNE and the no-go zones that have emerged. The former is typified by a diversity of businesses, the latter notable for the very opposite: an absence of business diversity. This suggests there is as much an economic argument for intervening in the business mix of a neighbourhood centre dominated by pubs, bars, and clubs, as there is an environmental one. As discussed, however, approaches that are limited to creating business-friendly environments have not created the diverse market that would precipitate diverse businesses in a precinct. As such, there is a role for governments to create that market, appealing

to a wider demography through events and cultural offerings that can lead to the desired broad participation in the LNE.

These are the soft approaches, which effectively dilute an over-representation of one type of venue by pumping in alternatives, rather than restricting the established, natural but undesired growth. To its credit, the City of Sydney does have such policies, including a busy night-time events calendar and grants for unique businesses (City of Sydney 2010). As well as expanding the demographic base, there is perhaps an argument for appealing, at least initially, to a smaller geography. Provided the local community is suitably diverse, a local approach to growth will also yield more diverse business offerings. This can reduce the anaemic nature of any LNE that lacks diversity and integrate the precinct into the host neighbourhood—necessary to enable a greater 'buy in' from the local population. In short, it can take such a feature of the landscape and economy from fantastic to prosaic. This is also the 'continental' European model that Heath (1997), among others, advocated for in the resurgence of British high streets and downtowns.

While this soft approach suggests less of a role for spatial and land-use planning—as planning controls typically will not distinguish a tapas bar from a sports bar—there remains a number of important roles. For example, spatial planning controls can level the playing field, particularly where venues with the longest trading hours (i.e. those that target the youth market) can outbid other land uses and, counter to their own longevity, saturate the market. The City of Sydney's Late-Night Trading Premises policy achieves this by giving time-limited consent for extended hours (City of Sydney 2008), making it difficult for a venue to secure financing if its business model relies heavily on such long trading hours.

More broadly, government policy can encourage later trading of day-trading shops and cafes, like a calendar of evening events, festivals or night markets. This can lure a more diverse market out at night, which such businesses need. It can also demonstrate such a market exists and take some of the risk away from such businesses that are reluctant to venture into later trading hours. Perhaps most importantly, however, governments can best support diverse businesses by having a consistent approach, rather than conflicting strategies that promote the LNE on one hand and restrict it on the other.

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