

Populist fads keep Victoria in the shade

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High court judgments increasingly leave state governments as service managers and providers rather than policy makers on industry development, labour laws, welfare and the like.

Even so, mismanagement can drive Victoria towards bankruptcy in the 21st century just as it did in the Cain/Kirner days.

Indeed, Victoria is even more vulnerable. As the unfortunate former employees at Ajax Fasteners discovered, neither union muscle nor government assistance are substitutes for competitive supply.

Unlike in Western Australia, Victoria's industries compete with rather than feed the emerging powerhouse of China. This means Victoria has little slack for bad government decisions.

In the first two Bracks administrations the Premier and Treasurer John Brumby were not always successful in staving off new green-inspired regulatory and spending proposals.

Adopting too many of these populist fads transforms the 'place to be' into the 'place to escape from'.

Such self indulgences can destroy governments as well as hospitalise the state. So how does the third Bracks administration position Victoria to capitalise on opportunities and combat the threats to prosperity?

Basically, it has to remove blockages that prevent Victorian businesses from thriving and providing jobs and wealth.

Even before the election, the government made a start with some fairly rigorous proposals for reducing regulatory red tape.

It needs to build on these approaches.

One important area of activity concerns the state's transportation arteries.

These must be kept open.

Deepening Melbourne's port is essential and should not be thwarted by trumped up fantasies that this endangers some "unique ecological communities".

Ensuring adequate road capacity is an associated need. Over recent years we have seen the priority skewed towards public transport which provides only 8 per cent of trips.

A competitive and prosperous economy needs a modern road system both for car owners and freight.

The appointment of Bracks trustee Tim Pallas in the road and ports job is a promising sign.

Lynne Kosky heading public transport will also be helpful if she can regain her reputation for ensuring value from public expenditures.

We also need a new dam if water is not to be astronomically priced and regulated.

Can John Thwaites change his spots on this?

Affordable housing is essential. The key to this is allowing more land to be supplied by loosening the restraints on urban land development.

No Australian state has shone in this respect, though Victoria has done better than the others. Planning Minister Justin Madden has a vital role in combating the anti-development lobby.

Victoria also needs to lift its ban on modern, safe GM food technologies.

This threatens our agricultural competitiveness.

In addition it harms other sectors. It means higher costs for our food processing industries and undermines the government's hi-tech industry strategy.

Other necessary measures include ceasing to pander to green wind farm lobbies. We cannot afford empty gestures that raise power bills and reduce industry costs.

Ministers have to recognise that the present globalised world is an unforgiving place. It mercilessly punishes jurisdictions which follow bad economic management policies.

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