

It's easy to forget the basic drivers of our economic and social development

By [Stephen Anthony](#)

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With all the noise these days about potential productivity drivers (for example, artificial intelligence, modernising infrastructure, renewable energy investment etc) it is easy to forget the basic drivers of economic and social development which are fundamental.



■ Watch: The former prime minister says the ACT's move is outrageous, and encouraging Australians to try to stop it.

There are those certain rights that make a free and fair society function.

These include the freedom of religion, freedom of expression, freedom of contract, the rule of law, and very importantly, secure property rights.

These freedoms underpin our democratic system and free market economy.

Without these freedoms people are less self-reliant, creative, productive, risk-taking, or likely to make long-term fixed investments in country.

Our freedoms certainly help to explain our prosperity relative to so many nations where scant regard is paid to fundamental freedoms. In these nations, tribal or party allegiances predominate. Governments are extractive and often act more like bandits. Life is cheap. People living in such places are little better than slaves.

Sadly, two recent policy developments at the subnational (state and territory government) level in Australia demonstrate fundamental hostility to our rights framework.

The first case is the takeover of the Calvary Hospital by the Barr government in the ACT. It is a teaching hospital affiliated with the Australian Catholic University, Australian National University and University of Canberra, and has been owned and operated for almost 45 years by the Little Company of Mary Health Care.



📷 Archbishop Christopher Prowse outside Calvary Hospital before it was acquired by the ACT government. Picture by Gary Ramage

The ACT government's public argument is efficiency; however, faith and values seem to lurk underneath in the public discussion. What is ironic is the fact that Calvary has always been measured to be the far more efficient and effective operation based on Australian Institute of Health and Welfare data. How could one expect efficiency improvement by subsuming a better-performing system into a larger poorer-performing system?

If a brazen government can steal a large asset from the Church/community of all people, what stops it repeating the dose on an industrial scale?

Here we move to the second case connected to the totally discredited Victorian Suburban Rail Loop (SRL) - a train-tunnelling, infrastructure project by the Andrews/Allen government.

Just before Christmas we learned that an area 24 times the size of Melbourne's Docklands will be put under the planning control of the SRL Authority, a public corporation. It represents a huge 45 square kilometre land grab by government.

The authority has near complete control. It is not directly accountable to state ministers. It bypasses local councils. Name another public charter or corporation like the former State Electricity Commission, Melbourne Water or the Victorian Rail Track Corporation that had such powers?

Thousands of private owners of residential and commercial property will now face compulsory acquisition of property or be prevented from using their private property in the way they had intended at purchase with no practical legal redress. This is theft on an industrial scale.

Given that the SRL project is so derided by independent economists and planning experts - who say it will erode living standards - we ask the reasonable question, who really benefits?

The project was Belt and Road inspired, driven by property development and originated within the now disgraced PWC, outside normal public planning processes, constraints, and accountability. The effect of the project is an intergenerational redistribution of property rights and wealth benefitting those private owners of high-density buildings near major train stations.

In a state where the outgoing ombudsmen says grey corruption is endemic, let's hope none of the beneficiaries of SRL turn out to have benefitted from inside information, nor are big political donors, nor connected to the Belt and Road, nor project contractors. Is there a shade darker than grey?

We note that governments in Australia hold acquisition (or resumption) powers that allow them to compulsorily acquire/purchase private property for public infrastructure. Such powers have historically been used very sparingly. Application requires extreme caution, subject to demonstrable public benefit.

It is quite telling that in both the cases we have cited, the existing acquisition powers were not used. The [ACT government enacted special legislation](#) for the [acquisition of Calvary Hospital](#). The Victorian government has vested acquisition powers in the SRL Corporation. In both the cases, public benefit has not been demonstrated with any degree of rigour, for example through a cost-benefit analysis.

Certainly, the bar must be set very high where governments interfere with property rights. Ministers must be held accountable for all decision making. Black and white standards must apply here. All actions must be taken only in the public interest.

Decision makers and key officials must avoid conflicts of interests, especially the perception that they are positioning themselves for future roles or lucre as executives, consultants or via boards in agencies benefitting from their policy initiatives.

Our governments must respect basics like freedom of religion, freedom of expression, freedom of contract and the rule of law. All this whilst promoting a stable tax burden, fostering market competition, and promoting voluntary contractual exchanges. Put simply it is the difference between 3 per cent long-term annual growth (ie life after Adam Smith) and/or feudal poverty (ie life after Mao Tse Tung).

History teaches that societies decay or flourish according to the degree to which human freedoms coalesce with provenance to improve the common good of the whole.

Rebellion by politicians and their handpicked bureaucrats against basic rights will lead predictably to tyranny and oppression for the whole.

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