

Melbourne's worthy claim

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Questions come in only two varieties. There are settled questions and open questions.

A good example of a settled question is that Lara Bingle should change her agent. An open question is whether Michael Clark would make a good test captain for Australia.

For well over a century, one of Australia's great open questions concerned the identity of its de-facto capital: Sydney or Melbourne. Everyone knew that Canberra was the official capital, but nobody cared.

Each metropolis had its claims, and pushed them with all the zeal of a travelling insurance salesman on a low commission.

Sydney was older. Indeed, it was the first city of the "founding" colony. It was more central. Its climate was – at least then – warmer. Its fast lane was faster and funkier and increasingly it attracted the financial end of town.

Melbourne struck back. In Australia, "older" is simply a euphemism for "penal". Worse, if the crooked lanes of Sydney reflected its convict past, Melbourne's boulevards revealed its continuing ambitions as the imperial capital of the South Pacific. If Sydney attracted entrepreneurs, Melbourne bred bankers and ballet dancers.

Melbourne got an early head-start when it was named as temporary federal capital until Canberra could be completed. But after World War II, Sydney consistently out-paced her in terms of population, chutzpah and – gradually – business.

Yet the controversy raged on, until Melbourne finally received a blow from which it was inconceivable it could ever recover. This particular killer punch was known as "the nineties". Even mentioning the decade sends the average Melburnian over thirty in search of tissues and strong sedatives.

Exactly what happened to Victoria in those early years of the last decade of the twentieth century is still disputed. The simplest version seems to be that the combination of a John Cain Labor Government with a decidedly adventurous approach to financial management, and a serious economic down turn produced the sort of implosion usually only witnessed in connection with the creation of Black Holes.

The results were spectacular. Credit ratings tottered. The State Bank was surrendered to the Commonwealth. Landing at Tullamarine was like flying into a morgue. "Shopping" was the pastime of counting the number of empty shops on your local strip.

Sydney reacted with characteristic empathy. What Victorian can forget the immortal witticism: "What's the capital of Victoria?" 'About two bucks on a good day.'

But at least one issue had been resolved. The question of Australia's real capital was finally closed. Sydney had won and the south would never rise again.

This was the position when the new Premier, Jeff Kennett, set about reconstructing the State. With the privatising instincts of a Caribbean pirate he set a frenetic pace as he patched together the Victorian economy with what seemed to bits of string, used chewing gum and sheer bravado.

There was lots of good stuff, as well as plenty of pain. Inefficient public assets were sold for top prices. Much was made of sport and culture, and even education. Every effort was made to stem the flooding jugular of Victorian business. But no-one could ever have imagined in 1992 that Melbourne would rival Sydney again.

So what on earth has happened? Almost twenty years after Kennett came to office, Sydney is the limping gelding of the Australian capitals, Melbourne the strutting stallion.

The contrast is so total that even Sydneysiders are comparing their city unfavourably to Melbourne, which is like Parisians praising bratwurst.

Melbourne's housing market is booming, Sydney's getting unsteadily to its feet. Melbourne never met the global financial crisis, Sydney was on a first name basis. Melbourne's centre is filled with buoyant coffee shops, Sydney's with nothing in particular. Melbourne has something like a public transport system, Sydney has a half-assembled meccano set.

So what is it that has made the difference to Australia's two great cities? Interestingly, in a world besotted by commerce, the answer seems to be government.

Victoria has now had almost twenty of years of continuous, high quality administration in what effectively has been the Kennett-Bracks-Brumby government. True, the parties, faces and details have changed, but the emphasis on infrastructure and investment has remained.

In Sydney, by way of contrast, a Labor Government of almost equal longevity has squandered its chances. Premiers like Bob Carr and Morris Iemma, who were at least prepared to contemplate the hard decisions around privatisation, either left or were knifed. Sydney remains a work less in progress, than in therapy.

Meanwhile, implausibly, the question of Australia's real capital is just slightly open once again.

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