VFT

THE CANBERRA TIMES CANBERRA MEANS BUSINESS SEMINAR-DEVELOPMENT

By Dr A J Nicolson

Private sector involvement is the most important single factor in the continuing development of the VFT Project. Without it VFT would have been just another CSIRO idea or concept consigned to the scrap-heap by certain sections of the Canberra bureaucracy.

What is VFT? How did it originate? What was the reaction of the bureaucrats and Government? How did private enterprise become involved? What has happened since? What will it mean to south eastern Australia? What will it mean for Canberra in particular? Where is it headed from here?

Answers to these questions are relevant to development of business and tourism not only in Canberra, but in Australia.

VFT stands for Very Fast Train and is the registered name of a joint venture consortium comprising Elders IXL, Kumagai Gumi, and TNT Australia. The consortium is investigating a proposal to build and operate a new double tracked, standard gauge electrified railway from Sydney to Melbourne via Canberra. Trains on the railway would operate at up to 350 km per hour and transit times for express services would be: Canberra to Sydney - one hour, Canberra to Melbourne - two hours, and Sydney to Melbourne - three hours. Stopping trains would serve centres such as Campbelltown, Bowral, Goulburn, Cooma (and the snow fields), Bombala and the south coast of NSW, Orbost (and East Gippsland), Bairnsdale (and the Gippsland Lakes), the Latrobe Valley, and Dandenong.

The concept originated in 1983 when Dr J P Wild, the Chairman of CSIRO, questioned the poor performance, by overseas standards, of the newly introduced XPT service between Canberra and Sydney. A small group within CSIRO established by Dr Wild in April of 1984 included Drs John Brotchie and John Nicolson. This group largely working part time reviewed overseas developments such as the British Intercity HSTs (210 km per hour) the Japanese Shinkansens (or bullet trains) (210 - 240 km per hour) and the then recently introduced French TGV trains (270 km per hour - with the world record of 380 km per hour). It soon became aware of developments in Germany which have now led to the ICE or Intercity Experimental currently undergoing tests at up to 350 km per hour and of plans by the French and Japanese to place trains in service at 300 km per hour. The possibility of using the more exotic magnetic levitation railway was also examined and, although this option has been rejected, developments are being watched.

By June of 1984 when news leaked out that the group was working on a secret railway project the basic concept had been developed and a notional route had been chosen. The first draft report had

been prepared from first hand knowledge, from a review of railway literature, the use of 1:100,000 National maps to determine a possible route and an examination of available data on passenger flows in the corridor.

Assistance was received from one railway and one aeronautical engineer in two branches of the federal bureaucracy and it is significant that while both were enthusiastic neither was prepared to let the VFT group acknowledge their help. This surely says something about the dead-hand of the bureaucracy. A great deal of help in checking quantity and cost estimates was received from BHP Engineering.

Before reports of the work were made public it was presented to the appropriate Federal Minister and his Department. To say that the immediate reaction was negative would be an understatement - yet another indictment of bureaucratic attitudes.

The report was presented to the Government through the 'Westminster Channels' as an act of good faith. Had it not been for the facts that CSIRO is an independent statutory authority and that the Chairman was personally interested in it the concept would have been killed stone dead there and then. This was in spite of the fact that it was merely a proposal for further investigation. However, there was to be no government money whatsoever to be invested in the project.

Having failed to interest the Government widespread publicity about the project and subsequent debate in parliament generated more public interest than any other project in CSIRO. Letters of support poured in and the group was approached by banks, both Australian and overseas, and most importantly by Australian industry. Among the early approaches the most important was from Sir Peter Abeles of TNT. Over the next twelve months his encouragement persuaded CSIRO to further develop the concept. Other companies such as Skitube, and particularly Comeng, provided support. The results of the further studies culminated in the "selling of the project" early in 1986 to the consortium which agreed to spend $600,00 on the Pre-feasibility Study. This has just been completed. During this study the project has been managed by CSIRO, but has been totally funded by private enterprise. Many consultants, particularly Australian companies, were so excited about the project and its possibilities that they donated some or all of their time spent on the study.

The results of the Pre-feasibility Study encouraged the Joint Venture Partners to proceed to the first stage of full Feasibility Study. This will concentrate on the most detailed examination ever undertaken of the passenger market in the Sydney - Canberra - Melbourne corridor. It will involve Australian and overseas consulting companies.

Accurate estimates of the size of the passenger market are most important since it will be the most important source of revenue. It will drive the system financially.

Positive results will lead to further engineering and route optimisation studies backed up by a major effort to ensure that the project meets environmental requirements.

Provided progress remains on schedule the first section of track to be completed would be for testing purposes and would link Goulburn and Canberra by 1991-92. Canberra to Sydney would open in 1994 and the whole line in 1995.

The estimated cost of the project is $4 billion in 1986 values. It would be 90-95 percent Australian in content and even if the money to finance it was to be borrowed overseas it would be spent in this country.

Employment for at least 25,000 people would be provided directly and indirectly during the five year construction period. Earthworks which form a major part of the construction work would all be carried out within the corridor. Implications for Australian industry would spread beyond the corridor. For example, copper from Mt Isa, processed in Townsville and finished locally might be used in the power-supply and overhead equipment. Two hundred and seventeen thousand tonnes of steel rails would be the equivalent of one year's full time rolling at Whyalla without producing anything else. Masts for catenary support would be made in Australia, prestressed concrete sleepers and pre-cast concrete structural components would be produced at centres along the track from locally mined and processed raw materials.

Trains employing the latest overseas technology, but specifically designed for Australian service would be built locally. Computerised traffic control, signalling and communications systems would also have a local content and would be installed by Australians. Stations, control centres, and maintenance facilities would all be locally designed and constructed by local companies.

Finally, when the system begins operating it will draw power from the brown coal deposits of Victoria's Latrobe Valley and the black coal deposits of the Hunter Valley of NSW, making the system independent of interruptions to international oil supplies while conserving some of Australia's own liquid fuel reserves for use in other corridors.

It is predicted that at least 2,000 people will be directly employed by the VFT once traffic builds up. They will be involved in maintenance, train control, crewing, catering, sales and management. Multiplier effects on employment will be felt in all areas influenced by the system.

Beyond the system itself influences will be profound. Some will become apparent immediately, others will be more gradual. Within twenty years of opening it will have changed the pattern of transport, living, cultural and business links, and recreation within south eastern Australia.

The effect on Canberra will be most profound. Market studies to date suggest that with a median fare of $35 one way to Sydney and $70 one way to Melbourne (economy, off-peak and packages will be cheaper - business and first class will be dearer) with at least 26 trains a day in each direction at least one million passengers a year would board or alight at Canberra station. This is a conservative estimate and will grow at three percent per annum from 1995.

The recent improvement in access to travel offered by cheap frequent, modern bus services has provided a taste of things to come. The XPT has demonstrated that comfortable modern trains are most acceptable to the public, but its service frequency and the supporting rail services are not.

The rapid transit time at an affordable price is the most important product which VFT can sell to the public. Coupled with comfortable seating, good on-board catering and refreshment services, good business and communications facilities, the VFT will be a tough competitor in the transport market. More people will travel, others will travel more frequently. Developments at stations along the route and nearby centres will change the pattern of living and cultural links, and in turn generate more trips. Since the original Shinkansen route was opened in Japan between Tokyo and Osaka 23 years ago the populations of centres served by stations have grown 60 percent faster than the national average. Centres along the Shinkansen line, but without stations, have grown about 10 percent faster than the national average.

While the population of Canberra is already growing faster than the national average in Australia a 50 percent boost in its growth rate would certainly stimulate business and construction activity in the region.

Although the VFT will primarily be a passenger railway provision for the transport of high value freight in dedicated cars is envisaged. This should stimulate the development of Canberra as a specialised manufacturing centre since ready-access to the two major markets of Sydney and Melbourne for products or components demanded by 'Just-in-Time' sales and manufacturing processes would be available.

The tourism industry would be a major beneficiary of VFT. Canberra is already a major tourist destination and while air and road access from Sydney is good road access from Melbourne is poor and will remain so by virtue of distance even the when the bicentennial road program is complete. VFT will make possible a usable weekend in Canberra from Melbourne and will save at least four hours possibly more for people travelling from Sydney. Packages incorporating overnight stays will be possible at prices more affordable than now where air transport is a must. Flexibility in ticketing will allow travellers to break their journey on VFT and will encourage tourism to all centres along the route, but one would expect Canberra to be the first choice for overnight stops.

Exhibitions such as the Courtauld Collection of Impressionist paintings by the National Gallery will be more accessible to the people of Sydney and Melbourne by VFT and one could expect an upsurge in visits.

In the next stage of studies an attempt will be made to predict more precisely changes in travel and tourism to destinations such as Canberra as a result of VFT. Provided they have usable time people coming here to see a particular attraction will want to stay longer to see others. VFT will enable them to do so at a more attractive price than air travel can offer and at a time saving over coach or car travel.

Packages with local coach and tour operators would stimulate this sector of local activities possibly trebling business within a few years of opening.

VFT originated in Canberra, it has developed in Canberra and has its headquarters in Canberra. A good working relationship is being developed with both the NSW and Victorian Governments and their departments. A good working relationship is also being developed with those Federal Government departments concerned with the development of Canberra. It has followed widespread public support for the concept from municipalities, communities and towns along the route, particularly from groups such as CARD.

Since most of the route lies in the States of NSW and Victoria it is good for the headquarters to be located on neutral ground and for the project to be seen to be one of private enterprise.

Canberra would be an ideal location for the company headquarters, for the main control centre and for the location of a turn around servicing facility (possibly in NSW near Queanbeyan). As such VFT would bring to Canberra not only more passengers both business and tourist, and the possibility of new manufacturing enterprises, but also the headquarters of a major company operating the Worlds fastest train.

Finally, on a note of caution, the project is being examined in finer detail to ensure that it will be financially viable. Only if it is shown beyond doubt to be so will it attract private investment. It will be the largest private enterprise infrastructure project in Australia's history and the largest land based project since the Snowy Mountains scheme. It will require the support of the community, business, industry and the trade unions, and particularly, the goodwill of Governments to remove bureaucratic obstacles.

Given these factors it can succeed and will serve Australia well as it enters the twenty first century.