

# VFT

## FOCUS FOR THE FUTURE



**A PROGRESS REPORT  
OCTOBER 1989**

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# **VFT**

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## 1

## INTRODUCTION

The VFT is a proposal based on and around the provision of a new high-speed rail system between Sydney, Canberra and Melbourne. First, the proposal involves the provision of the rail system with associated passenger-servicing businesses. Second, it involves planning for and possible participation in the development which the VFT Joint Venture believes will follow in the corridor.

The high-speed rail system was conceived within CSIRO and first announced in 1984. Since that time the project has progressed to its current phase: a two year feasibility study funded by a joint venture of BHP, Elders IXL, Kumagai and TNT to a budget of \$18.9 million. Details of the four companies are given in Appendix A.

The VFT proposal is for a fast and frequent service between the three cities. Non-stop travel times are envisaged of one hour between Sydney and Canberra and two hours between Canberra and Melbourne, giving an overall time of three hours between the two state capitals. The system would be electrically powered and would use steel wheels on steel rails, similar to the technology employed on existing and planned high-speed railways in overseas countries but utilising higher speeds. The operating speed of 350 km/h planned for the VFT would make it faster than any other train currently operating in the world.

The VFT project is planned to be funded, built and operated by private enterprise. Its cost of approximately \$5.0 billion makes it among the largest projects in Australia at present. Assuming a positive outcome of the feasibility study, a decision on construction could be made in 1991, and the system could be in operation by late 1996.

Although the VFT project will be financially independent of the public sector, government co-operation is needed for it to proceed. Its environmental impacts would in any event be subject to scrutiny, but the project is so large that other issues including economic, social and industrial impacts are of interest to governments and the community. Although no financial support is sought, specific government action to assist the project is required in the facilitation of acquisition of both public and private land for the route. The VFT Joint Venture has also proposed co-operative action with governments to ensure the orderly planning of development along the route and to permit such development to contribute to VFT financing.

Unlike many projects on which a decision must be made whether or not to proceed, the VFT will meet a demand which already exists and is growing. Without the VFT, people will continue to travel between Sydney, Canberra and Melbourne, and this travel will increase. Without the VFT, their travelling will be undertaken in ways that are less energy-efficient, less safe and more polluting. Moreover, this travel will

place continued and growing demands on governments for the provision of roads and airports, and will increase Australia's dependence on petroleum fuels.

As an early activity in the feasibility study, the VFT Joint Venture prepared a Concept Report, which was issued at the end of 1988. Its purpose was to address issues of interest to governments concerning the project, and it was submitted to the New South Wales, Victorian, ACT and Commonwealth Governments.

In May 1989, the Victorian Government announced its intention to hold a public inquiry into the VFT Project, and this was followed in July by the Commonwealth Government's decision to refer the VFT proposal to the Senate Standing Committee on Transport, Communications and Infrastructure. Subsequently the ACT Administration decided to establish an Advisory Committee to provide independent advice on the impact of the VFT on the ACT and surrounding region.

This report has been prepared to provide an input from the VFT Joint Venture to the Victorian and Senate inquiries and the ACT Advisory Committee. It will also be of interest to the broad community, and will make a major contribution to public consultation on the project. It is derived from the Concept Report, but includes additional information drawn from the activities of the VFT feasibility study. It provides additional information in response to the specific requirements of both the Victorian and Commonwealth inquiries, and also contains information on aspects specific to New South Wales, to enable consideration of issues relevant to the whole project.

As indicated above, the VFT Joint Venture believes that planning for development along the route, and its contribution to financing, are integral to the project. Consideration of these aspects is at a very early stage and accordingly this report is focused primarily on the VFT as a high-speed rail system. Proposals for corridor development will be prepared by the Joint Venture as an important activity in the feasibility study, and the structures and processes by which they can be implemented will be intensively discussed with Federal, State, Regional and Local governments.

It is emphasised that this document does not attempt to resolve every VFT issue relevant to governments, the Victorian and Commonwealth inquiries, the ACT Advisory Committee or others with an interest in the project. It is not an environmental impact or environmental effects statement, nor is it a report on the feasibility study. It is intended to identify and expose issues, provide relevant information and indicate how issues will be addressed during the remainder of the project, either in the feasibility study or during the construction and operating phases.

The Joint Venture Partners believe that the VFT will be a sufficiently profitable business to justify the risk and large investment involved, and that it will be financible. This is the hypothesis that the \$18.9 million feasibility study will test. All endeavours will be made to improve and adjust the business during the feasibility study in order to justify the investment. If it cannot be made adequately profitable, the VFT will not go ahead. Either way, it will not be a burden on tax-payers.