



Australian Citizens Party

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MEDIA RELEASE

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Australia the land of lost opportunities ... and slow trains

Australia continually loses innovations overseas because they can't get investment backing here, from neither the banks nor the government. If we are not to be condemned to unemployment, in the Treasurer's recent analogy, going "up in the elevator but down by the stairs", we must turbo-charge the productive sector with a national investment bank that can unleash the nation's enormous economic potential. All Australians should rally behind the bill Bob Katter MP is preparing to introduce in Parliament, to expand the nation's only existing public investment institution, the Clean Energy Finance Corporation (CEFC), so that, as well as investing in clean energy technology, it can become an emergency national investment bank that invests in general industry and infrastructure.

[The 8 May episode of the *Citizens Report*](#) features examples of Australian innovation and technology that couldn't get local support. Citizens Party leader Craig Isherwood recounted his firsthand experience in the 1980s of developing successful soil technology that transformed barren sand into productive agricultural land. This breakthrough coincided with the neoliberal takeover of Australia, however. Newly deregulated banks were more interested in speculation than production, while economic rationalists had taken over governments with the view that only private capital should invest in industry. Their inability to get support concerned Craig and his collaborators as to the economic direction of the country, leading them to establish the Citizens Party.

Another example of lost innovation is the Turbocor® compressor, whose efficient oil-free technology was developed by inventor Ron Conry in Melbourne in the 1990s, but is now owned by Danish engineering giant Danfoss and manufactured in Tallahassee in Florida in the USA, and in Shanghai in China. In 2017 Danfoss Turbocor added 120 people to its Tallahassee workforce on an average annual salary of US\$90,000. Yet another example is Memtec, a filtration membrane technology developed by the University of New South Wales to purify large volumes of water to the same standard of water purification in hospitals. When it went commercial, Memtec was unable to get support in Australia, and it was taken over by the biggest waste water company in the United States.

The VFT

One of the most ironically depressing examples of lost opportunities is the saga of the Very Fast Train (VFT), which also ran afoul of the 1980s hijacking of Australia by economic rationalists. Australians of a certain age will remember the on-again, off-again discussion of the VFT, perhaps through the prism of the media cynicism about the project. But what they likely won't appreciate is the depth of work that went into developing the concept as a commercially viable project.

[Dr Paul Wild was the head of the CSIRO in 1983 when he took the train from Canberra to Sydney .](#)

Despite being called the XPT ("express passenger train"), the trip was very slow, slower than express trains in England in the 1840s! Being in charge of Australia's scientific and industrial brains trust, Paul Wild set out to develop a cutting-edge fast rail service between Sydney, Canberra and Melbourne, with eventual extensions to Brisbane and Adelaide. The proposal was made public in 1984, but the Hawke-Keating government—busy sacrificing the Australian dollar to international speculators and opening Australia up to foreign banks—rubbished the idea. Transport Minister Peter Morris insisted Dr Wild organise it as an entirely privately-funded project. Dr Wild wasn't then seeking public funding for the project, just for a study, and he shot back: "In many areas Australia needed desperately to dig itself out of the stagnation of 19th-century thought."

By 1985 Paul Wild had pulled together a joint venture involving Sir Peter Abeles' TNT, Japanese construction firm Kumagai Gumi, and Elders IXL; BHP, then a steel company, joined in 1987. The VFT Pre-Feasibility Study completed in 1987 found that the project was technically feasible and financially viable. (This was at a time when, despite Australia's low population density, the Sydney-Melbourne flight route was the fourth busiest in the world; today it is the second busiest in the world, and the populations of Sydney and Melbourne have more than doubled.)

Over the next few years the relevant federal and state governments examined the proposal. The original plan was for a coastal route through Cooma, Orbost and Gippsland to Melbourne, which included the potential of regional development. In 1990 this was compared with an inland route essentially down the Hume Highway, which the Joint Venture then announced as its preferred option,

purely on cost. Dr Wild was disappointed that governments were not interested in the development benefits of the project for south-eastern Australia. In October 1990 an Access Economics study showed the project would have a net benefit to the nation of \$9.9 billion, but the federal and state governments would not move on the tax treatment the project needed. After the Keating government gave the project a flat “no” in 1991, the joint venture ceased work on the project. In a bitter irony for Dr Wild and his colleagues, not long afterwards the Commonwealth government introduced infrastructure bonds, which would have solved the VFT Joint Venture’s financial issues.

Dr Wild was criticised for aiming for a speed of 360 km/h, or 100 metres per second, at a time when the fastest train in the world, France’s TGV, only reached 270 km/h, but now much greater speeds are commonplace—Australia could have been a world-leader in high-speed rail technology. While he was working on the VFT, Dr Wild also did some work on a proposal for a high-speed train from Beijing to Shanghai. China went on to build a fast train from Beijing to Shanghai, which it completed in 2008, and has since built [more than 35,000 kilometres of high-speed rail](#), using Australian iron ore, while Australia has not laid a single metre of track.

Australia needs a vision for economic development to revive the economy. It is great that Labor leader Anthony Albanese is pushing the high-speed train as a national project to revive the economy, and to his credit Albanese is committed to genuinely high-speed technology, but how would Labor fund it? The Katter bill to turn the CEFC into an emergency national investment bank would provide the investment that takes the ideological brake off Australian industry and economic development.

Parliament is in session this week—call all MPs in Canberra to tell them they must support Bob Katter’s bill! [Click here for instructions on how to help fight for the CEFC emergency national investment bank!](#)