



Regionalisation Urbanisation and High Speed Rail for Regional Cities

#2 High speed rail is essential for regional development

REGIONALISATION IS A MOONSHOT OBJECTIVE TO RECOVER FROM THE RECESSION

- 1 Regionalisation drives higher economic growth
- 2 China: High Speed Rail is essential for regional growth
- 3 A national high speed network in Australia
- 4 Under federal government leadership and funding
- 5 Regional cities must manage their development
- 6 The Rail Industry must step up to improve its services

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REGIONALISATION DRIVES HIGHER ECONOMIC GROWTH

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Regionalisation drives higher economic growth

Victoria should rebalance its population growth into regional cities

Increases Victoria's economic growth

Pays for investment in faster rail connections

The question is what connectivity do regions need?

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Regional cities must manage their development

6

The Rail Industry must step up to improve its services

CHINA SHOWS HIGH SPEED RAIL IS ESSENTIAL FOR REGIONAL ECONOMIC GROWTH

China sets the benchmark for economic growth

- China has had two decades of dramatic economic growth
- High Speed Rail has been a core economic policy for regional economic growth since 2008
- World Bank supports HSR for economic development
- Studies prove HSR has driven China's economic growth

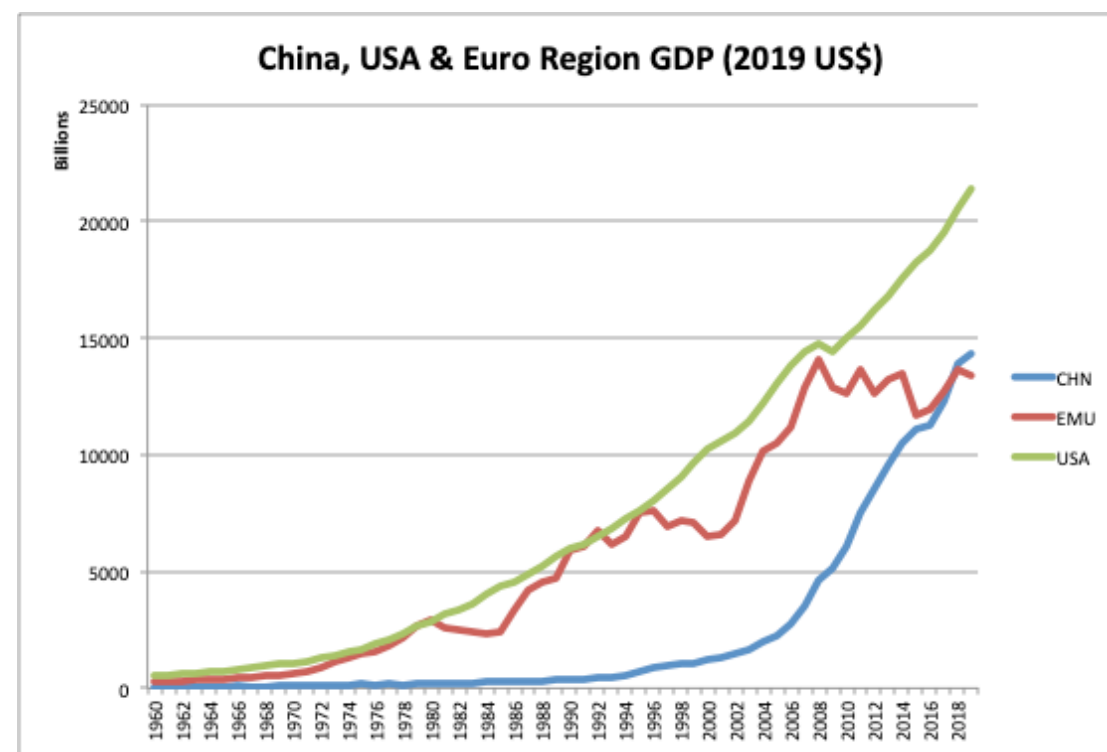
China has achieved dramatic economic growth

- Initially in a few 'special economic zones' and widened to many zones on the coast and rivers
- Since 2004 China has 'urbanised' regional cities and connected them by high speed rail

2014 Provincial Share of GDP Growth



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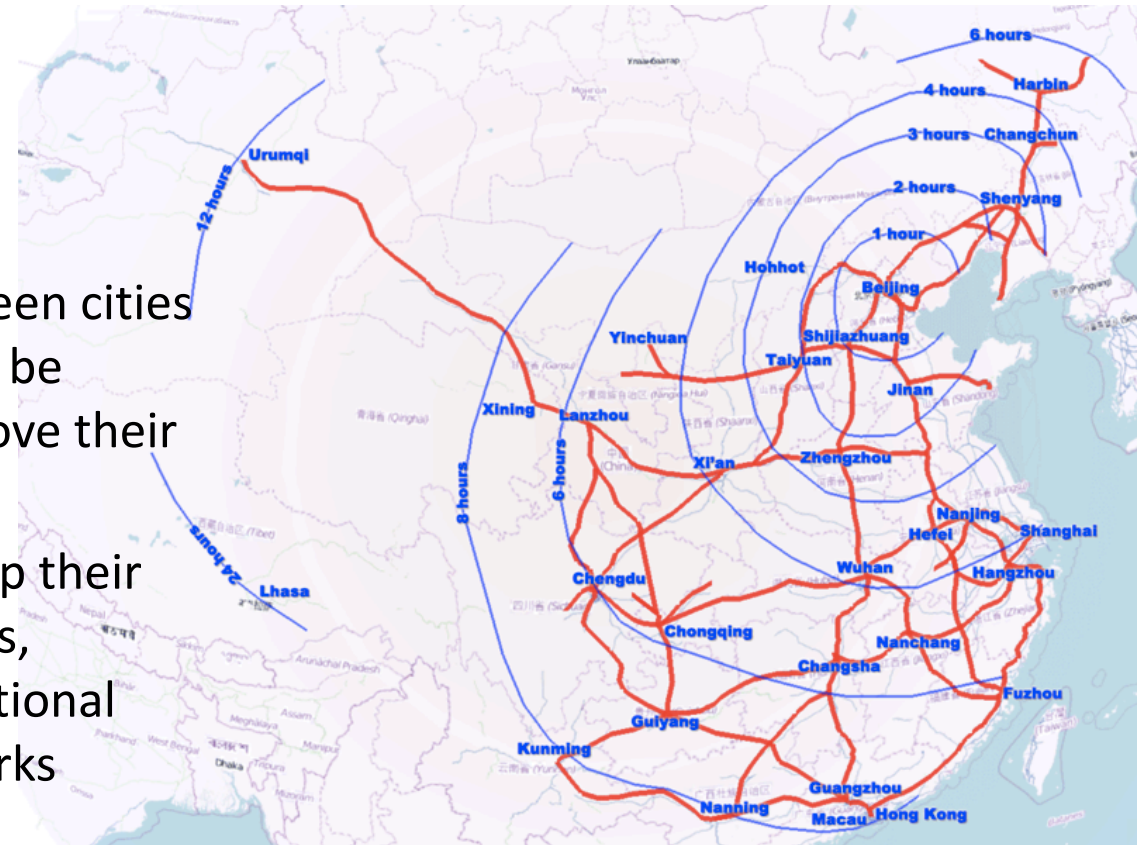
*Source: World Bank

High Speed Rail (HSR) has been a core lever of economic policy since 2008

HSR links the economic activities of all regions into a whole, so developed regions can drive the development of economically backward regions*

HSR provides the transport backbone*

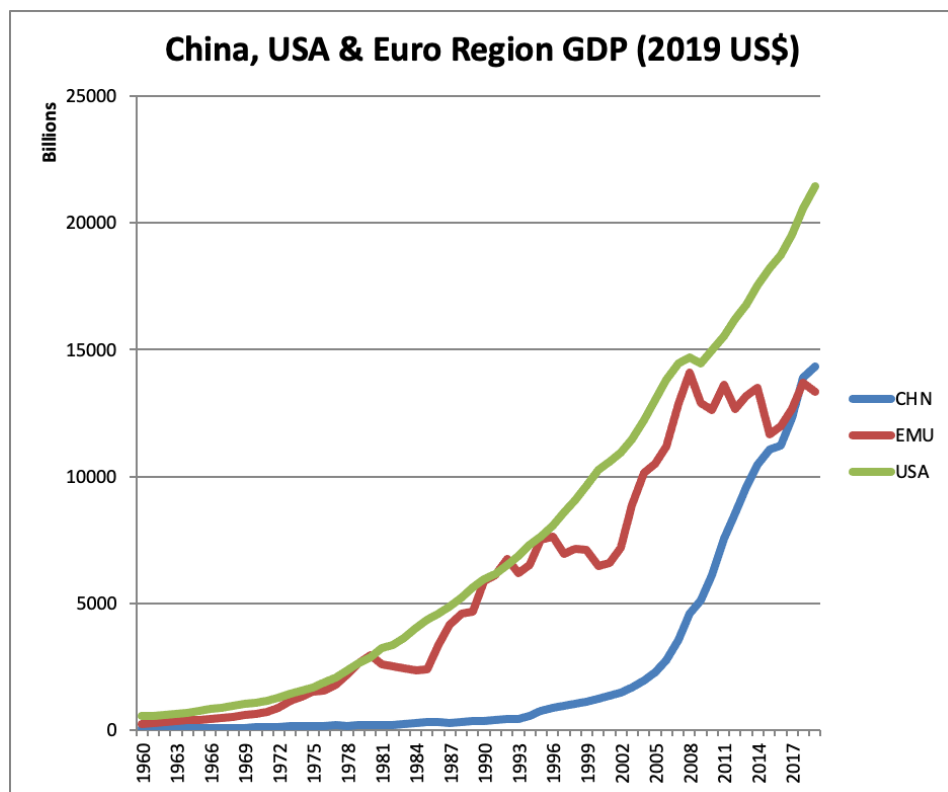
- To stimulate complementarity between cities that allows talent and technology to be devolved to smaller centres to improve their overall competitiveness
- To enable secondary cities to develop their manufacturing and service industries, connected into national and international supply chains and innovation networks



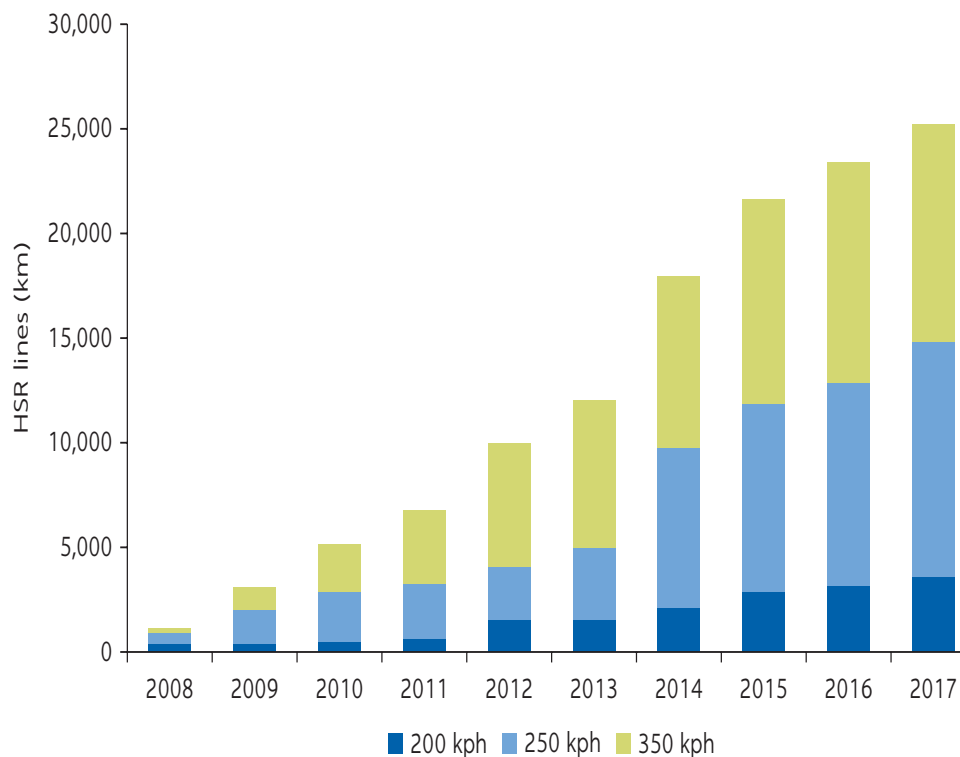
*Source: [Yaohua2000](#)

High speed rail has been key to China's regional economic development

The original objective was capacity for an overloaded network. Now it is about improving connectivity to support economic development and urbanisation*



Length of China's high-speed rail network, 2008-17



*Source: World Bank (2019), China's High-Speed Rail Development

2008



2009



2010



2011



2012



2013



2014



2015



2016



2017



The World Bank supports HSR as a lever for economic development

All provinces now want HSR to grow regional cities, distribute economic growth, promote tourism, and connect regions into an integrated economy*

Planned high-speed rail corridors



World Bank observations after 6 years HSR rollout:

- Triggers substantial agglomeration benefits for second- and third-tier cities on HSR lines
- Made a significant impact on jobs as shown by substantially more business-related travellers than on conventional rail
 - Expected to increase as service industries adapt to the significantly raised accessibility
- Created a rapid transformation of the tourism industry, with tourist trips increasing rapidly at major attraction sites on the HSR lines

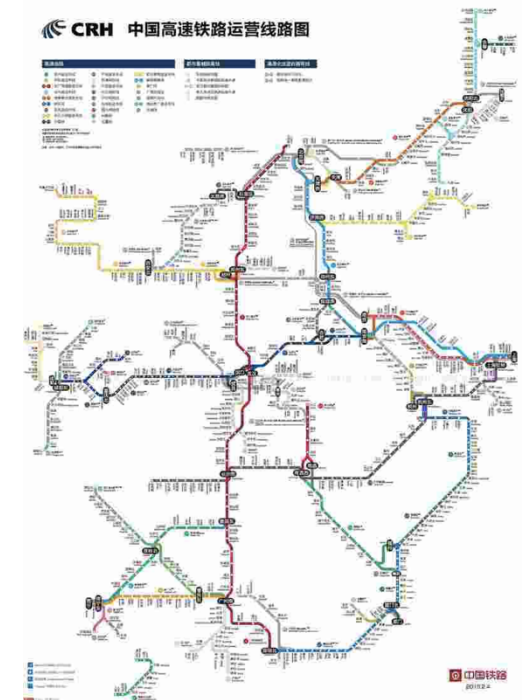
*Source: World Bank (2014), Regional Economic Impact Analysis of High Speed Rail in China

Studies prove HSR has driven regional economic growth in China

HSR links the economic activities of all regions into a whole, so that developed regions can drive the development of under-developed regions

Recent studies* show:

- Economic growth in cities with operational high-speed rail lines was significantly higher than those without high-speed rail
- Rail infrastructure investment stimulates more substantial economic growth in relatively under-developed regions
- The high speed railway (HSR) network in China is regenerating and redistributing economic activities by encouraging population mobility



*Sources: Feng Li (2020), Sustainability, The Impact of High-Speed Rail Opening on City Economics along the Silk Road Economic Belt
Zhenhua Chen (2019), European Planning Studies, Measuring the regional economic impacts of high-speed rail using a dynamic SCGE model: the case of China
Xijing Li (2016), Journal of Transport Geography, Exploring the impact of high speed railways on the spatial redistribution of economic activities

SUMMARY

CHINA SHOWS HIGH SPEED RAIL IS ESSENTIAL FOR REGIONAL ECONOMIC GROWTH

- Regional cities grow faster on high speed rail lines
 - Businesses relocate for lower costs or specialised services
 - People relocate for better jobs and lifestyle
 - Tourists go to regional cities because they are accessible
- Connected cities complement each other to increase their combined productivity

Our long term vision MUST be a national high speed rail network

LESSONS FOR AUSTRALIA

A NATIONAL HIGH SPEED RAIL NETWORK

- If we want our regional cities to grow, then high speed rail is essential to provide the connectivity for population and economic growth
As they are more than 150 kms from a capital city
- If a high speed rail line is built, then the regional cities on it will grow faster, and make an overall positive contribution to the Australian economy
Justifying the investment in high speed rail

The question is how do we implement it?

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