



Fastrack
Australia

Regionalisation Urbanisation and High Speed Rail for Regional Cities

#4 Under Federal Government leadership and funding

REGIONALISATION IS A MOONSHOT OBJECTIVE TO RECOVER FROM THE RECESSION

- 1 Regionalisation drives higher economic growth
- 2 High speed rail is essential for regional development
- 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

3

A NATIONAL HIGH SPEED RAIL NETWORK IN AUSTRALIA

Australia should build a high speed rail network in stages that prove its benefits and reduce its risks

Leadership is required from the Australian Government

1

Regionalisation drives higher economic growth

5

Regional cities must manage their development

6

The Rail Industry must step up to improve its services

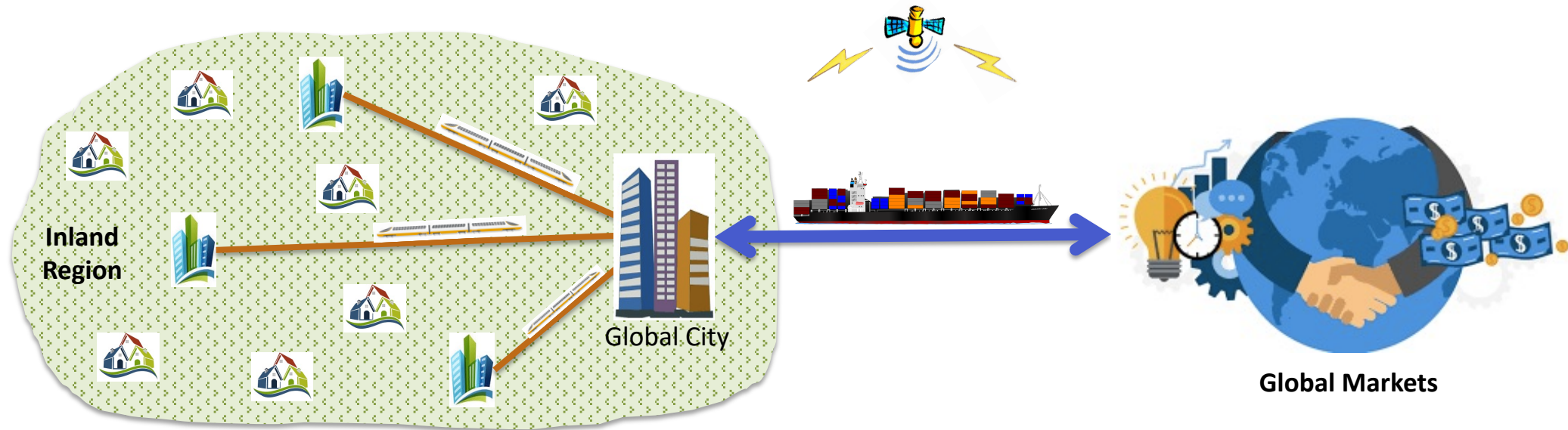
UNDER THE LEADERSHIP AND FUNDING OF THE FEDERAL GOVERNMENT

The Australian Government must take the lead

- High speed rail is a policy lever for economic growth
- Regional benefits justify expenditure for HSR network
- A Government-owned national network infrastructure
- Separated operations for commercial competition
- Long-term planning, safety and standards

High speed rail is a policy lever for the economic growth of inland regions

The objective is to grow Australia's economy by re-balancing population growth into regional cities



1. Global cities have a virtuous cycle of growth based on trading goods and services with global markets
2. Secondary cities contribute to a city's trade, as long as they have efficient supply/value chains
3. When global cities grow too large, they create urban sprawl that drags on economic growth
4. The optimum outcome is to balance growth between a global city and its hinterland secondary cities

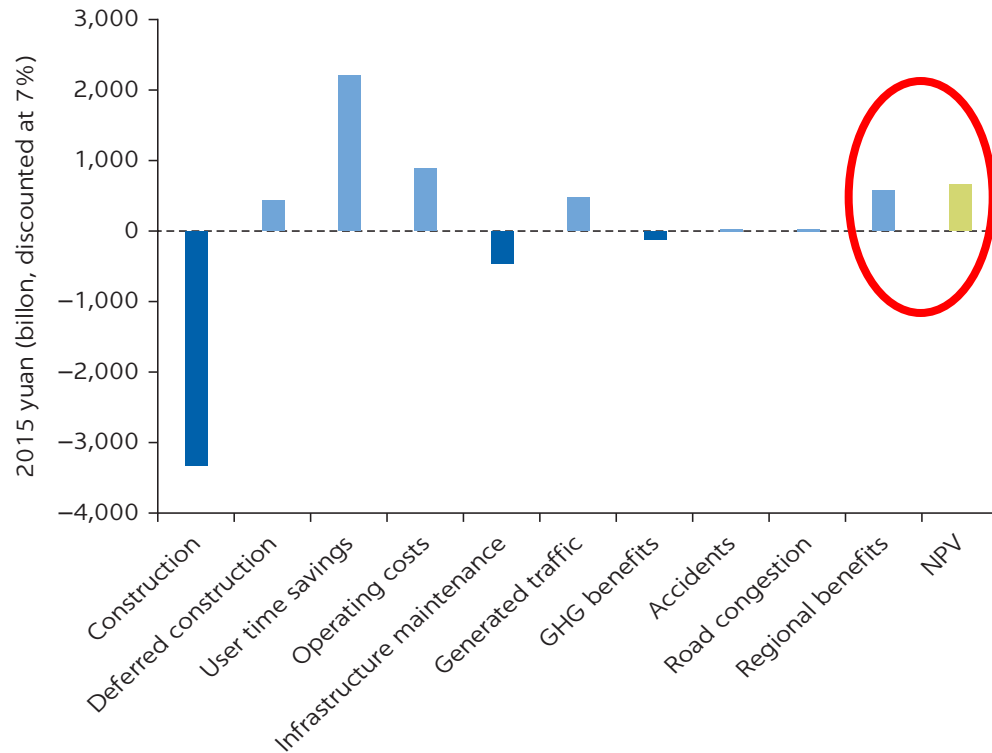
Regional benefits justify the expenditure on a high speed rail network

Regional benefits justify China's HSR program

Study shows similar results for a faster regional rail network in Victoria

FIGURE 7.2

Economic costs and benefits of high-speed rail



Note: GHG = greenhouse gas; NPV = net present value.

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

China's HSR program^

- The economic internal rate of return is about 8% for the overall network
- Regional benefits account for almost all of the net present value of the HSR network in China

A faster regional rail network in Victoria*

- NIEIR estimates a faster rail project would have an internal rate of return of 10%
- Productivity in the rail corridors increases by 15%, and by 5% for the whole of Victoria

*Source: National Institute of Economic and Industry Research (2020): STRONGER, TOGETHER - An independent state-wide macroeconomic assessment of fast regional commuter rail network impacts on Victorian settlement patterns, economic growth, fairness and opportunity

An Australian Government-owned national network infrastructure

A government-owned national rail network will support the adoption of common practices and standards

AECOM recommendation for HSR in 2012*

- *As the rail network would be predominantly publicly funded, the Australian and relevant state governments would be the owners of the system.*
- *Governments would assume the key role in the specification and procurement of network infrastructure, the allocation of its capacity for transport services and the specification of minimum service requirements.*
- *Control of the movement of trains and maintenance of infrastructure would also be the role of the private sector, under competitively tendered concession arrangements.*

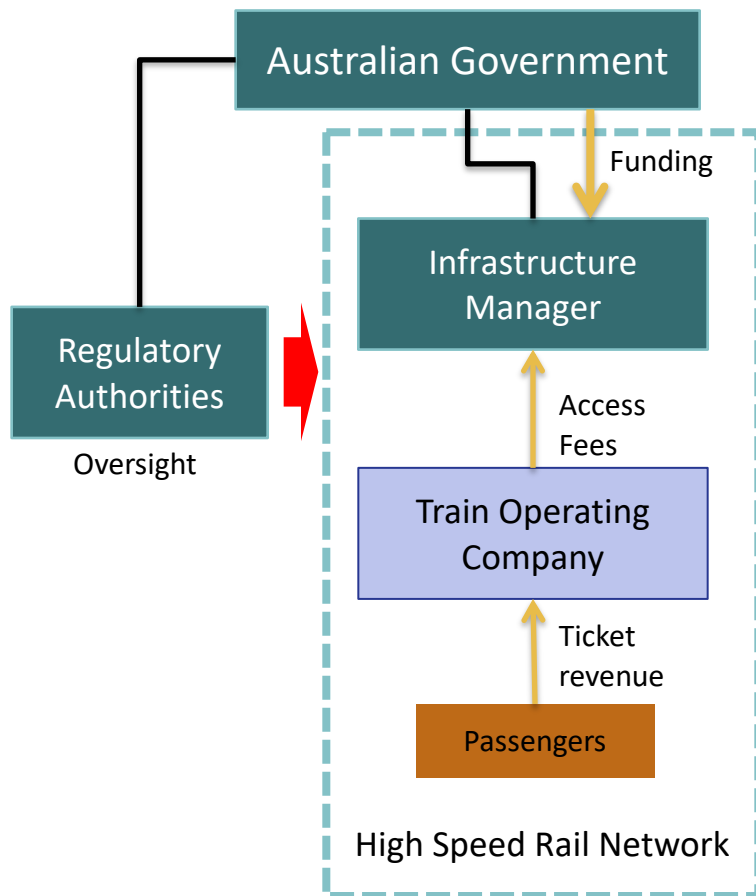
Recommendations for a national network:

- “Below rail” fixed infrastructure should be in public hands, and train operations in private hands or some form of Public Private Partnership
- The rail infrastructure manager should set a national approach to procurement and the operation of the network
- Operators should work with the infrastructure manager to improve the efficiency and productivity of the system
- Regulatory bodies set the rules and provide oversight to ensure competition and safety

*Source: AECOM (2012), High Speed Rail Study Phase 2 Report, 2012

Separated from operations to facilitate commercial competition

Proposed model based on British Rail, which separates government-owned infrastructure from train operations delivered by private operators



A new national “below rail” network owned by the Australian Government

- A new network built to high speed rail standards for passenger and freight services
- Leaves existing conventional regional rail and metro services in state government hands

Rolling stock and operations in private hands or Public Private Partnerships

- Open access agreements for operators to deliver passenger or freight services
- Franchise agreements for state governments to subsidise public transport passenger travel

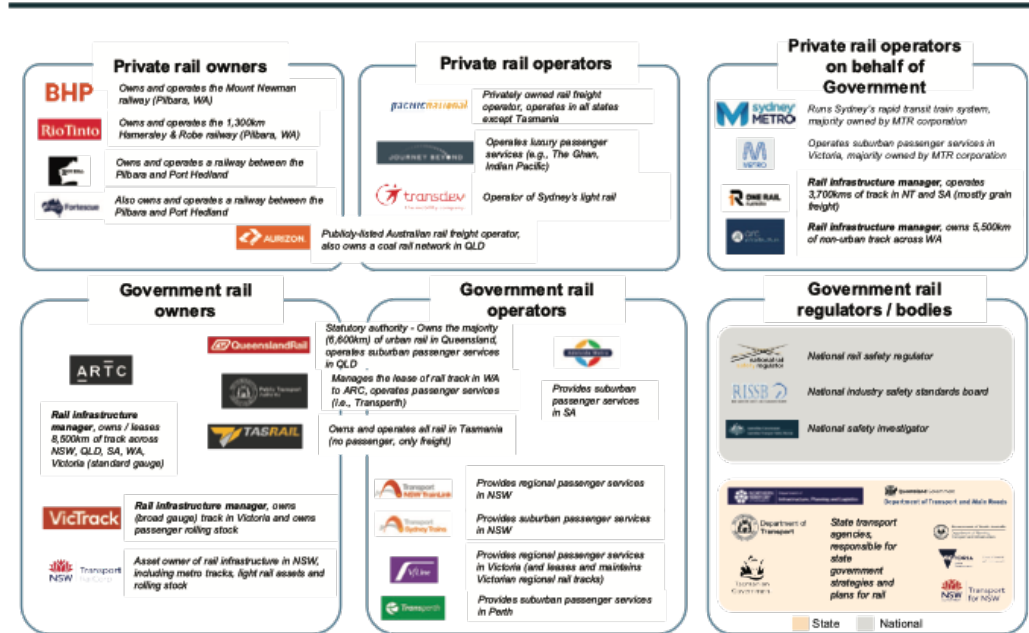
Regulatory authorities for long-term planning, safety and standards

The rail industry is calling for national rules and a single playing field

The Australian Government has to provide strategic direction to

- specify services to be delivered
- balance investment across the states
- ensure transport is safe, secure and sustainable
- promote a transport system that is efficient and productive

Figure 16: Illustration of fragmentation in the rail market



“Australia should set a priority of moving towards a single set of national standards where feasible, supported by common type approval processes that address unnecessary regulatory fragmentation and which will streamline the path to market for new technology.”

Source: Australasian Rail Association (2020), Finding the fast track for innovation in the Australasian rail industry

SUMMARY

UNDER THE LEADERSHIP AND FUNDING OF THE FEDERAL GOVERNMENT

The Australian Government must take the lead

- To use high speed rail as a lever for economic growth
- To provide a national 'below rail' infrastructure
- To establish national plans, safety and standards

Regional governments must manage their own growth

LET US KNOW WHAT YOU
THINK



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