

BRIEFING PAPER

GETTING HIGH SPEED RAIL RIGHT

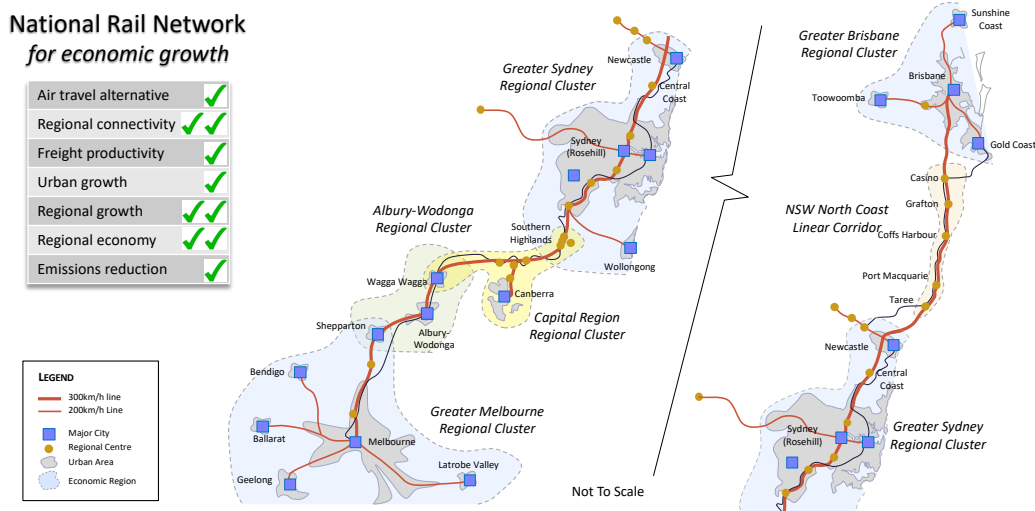
Done in the right way, an integrated high speed rail network across the south east of Australia will open regional areas for sustainable growth and stimulate Australia's economy, with better liveability and increased prosperity for most Australians.

A more decentralised Australia

Australia's greatest challenge for the foreseeable future will be to accommodate sustainable population growth without adding to social inequity based on where people live. Following the reopening of international borders post-COVID, Australia experienced record population growth of 2.52% annually to reach 26.8m people in 2023, largely driven by immigration. Net Overseas Migration hit 145,000 and Natural Increases were 27,000 in that year, compared with Net Overseas Migration of 75,000 and Natural Increases of 36,000 before COVID¹. This has led to increased congestion and shortages of affordable housing in capital cities, primarily Sydney, Melbourne and Brisbane. These cities have been expanded by adding new suburbs on the urban fringe, while jobs growth has been concentrated in central city precincts.

This dynamic cannot be maintained. Investment in new housing and infrastructure has not kept pace with population growth over several decades. Increased densification of our cities is contentious, and unlikely to meet the demand for new housing anyway. There is a better alternative – and that is to distribute growth into our regional areas. But we have to make them more attractive places to live. And the key thing to get right is connectivity. Cars are the current standard, but there are faster ways to travel longer distances.

The Australian government is investigating the development of a high speed rail network connecting Sydney, Melbourne and Brisbane. If implemented, high speed rail would also open up access to regional areas, offering more choices for families to live and for businesses to grow. It would enable high-amenity regional cities to share in Australia's future growth with easy access to specialist services and employment opportunities concentrated in our capital cities.



But this can only be achieved if Australia's high speed rail network in the right way.

¹ <https://www.abs.gov.au/statistics/people/population/national-state-and-territory-population/latest-release>

#1: Focus on shifting growth from capital to regional cities

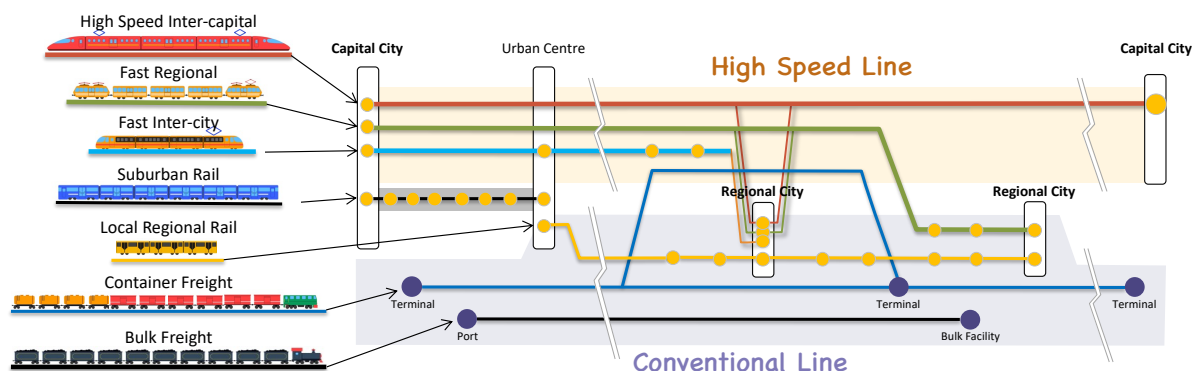
Countries around the world are investing in high speed rail to shift growth into regional areas and boost regional and national economies. Regional cities connected to capital cities by high speed rail experience greater population growth, increased economic activity and higher income levels than cities without such connections. Major urban centres also benefit by having greater access to skilled employees and lower cost housing options for key workers. The creation of regional economic clusters and the integration of urban and regional economies along supply chain corridors are now the major drivers of new high speed rail networks around the world.

The redistribution of future population growth into regional cities made possible by high speed rail will improve the liveability and increase the productivity of regional areas. High speed rail will enable regional cities to offer the same quality of jobs, services and lifestyle as capital cities, but at lower cost – with good connectivity to capital cities when needed. This will lead to higher well-being and increased prosperity for regional residents.

And residents in capital cities will also benefit from reduced demand for housing and services, and reduced congestion on the roads. It will reduce demand for high cost infrastructure such as freeways and airports in capital cities, which will lead to higher economic productivity for the state.

#2: Optimise the flow of people and goods in key corridors

The key to decentralise growth in Australia is to establish fast and efficient flow of people and goods between regional cities and their nearest capital city. This means an integrated rail network should be created that strings regional cities together to connect them to their nearest capital city.



Treating the high speed line as a duplication of the existing line allows services to use either line as needed. This approach was originally used for the TGV in France, and is widely used to allow high speed trains to extend services to cities off the high speed line, such as in Japan and the UK. In Australia, it will allow the introduction of more frequent regional commuter trains (e.g. to the Southern Highlands), and faster long distance regional trains to cities off the high speed line (e.g. Griffith). Allowing container freight services to use the line, particularly at night, will also increase the utilisation of the high speed line and strengthen its business case.

#3: Maximise growth and development opportunities

The opening of a high speed rail line activates regional growth by increasing travel, stimulating urban development and encouraging economic development. European countries in particular have recognised this effect and developed partnerships with local government and industry to implement complementary interventions as a catalyst to maximise the economic impact of the new rail line.

Complementary interventions in trade fair and conference activities, research and development, specialist education, various commercial sectors, tourism and leisure, and logistics have been found to provide the most value. Examples of specific investments include new conference halls, new or expanded technology parks, new office development, urban regeneration, grade-separated pedestrian networks around stations, and promotion of local tourist attractions.

Similar opportunities should be identified to promote growth and development in each regional city as it is connected to the network. Particular consideration should be given to projects that will attract new residents who would have otherwise settled in a capital city.

#4: Minimise the cost to future generations

Arguably the reason why Australia has not invested in high speed rail to date is the high capital costs that end up being passed on to future generations. State governments have policies in place that require proponents of major transport projects to investigate and implement land value capture and other forms of beneficiary pays funding. These arrangements are intended to provide a more equitable means of distributing the costs and sharing the benefits of publicly funded infrastructure. They are designed to capture the windfall gains from land rezonings from their unintended beneficiaries.

Value sharing (also known as land value capture) can provide a significant source for funds for major transport projects, as well as complementary projects associated with the transport project. Modelling in NSW has found that value sharing could contribute up to 12% to a project, based on 30% of the land value uplift being attributed to the project. Used effectively, value sharing arrangements for major transport projects can provide processes and planning frameworks for developing high speed rail station precincts in collaboration with local and state agencies.

Implementation

The objective of encouraging greater growth and economic development in regional areas means we need a national rail network that ultimately connects all regional cities in the southeast of Australia. High speed rail should form a central backbone for the network and be connected with the existing rail network to create an integrated national rail system.

Achieving this objective requires state and federal governments to work together to implement a national rail network under Australia's federal system of government. Both levels of government have a role in the planning, funding, implementation and operation of rail lines. In particular, it requires the Commonwealth Government to provide leadership in planning the national network, in funding the implementation of rail infrastructure, and in developing the market for intercity passenger rail services. State Governments have to provide the land for the corridor, funding from value sharing, and the urban planning for stations and precincts associated with the network.

About Us

Fastrack Australia

Fastrack Australia is a not-for-profit advocacy to promote the development of high-speed rail in the southeast of Australia. It will address the impact of urban growth in our capital cities, such as congestion and unaffordable housing, by enabling a more balanced pattern of population and economic growth. Fastrack has published a range of reports to address and provide solutions into specific aspects of high speed rail in Australia. They are original work by the Fastrack authors based on extensive research along with assistance from experts in the fields of engineering, planning, economics and transport systems.

<https://www.fastrackaustralia.net/>