



Mildura Rural City Council

SUPPLEMENTARY AGENDA

Ordinary Meeting of Council

5:30pm Thursday 23 June 2022

VENUE:

**Committee & Council Room
76 Deakin Ave, Mildura**

NEXT ORDINARY MEETING OF COUNCIL

5:30pm Thursday 28 July 2022

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MARTIN HAWSON

CHIEF EXECUTIVE OFFICER

14 MANAGEMENT REPORTS

14.8 MURRAY BASIN RAIL PROJECT

File Number: 15/08/02
Officer: General Manager Corporate

1. Summary

The purpose of this report is to provide an update on the current situation regarding the Murray Basin Rail Project (MBRP) and detail the positions of the advocacy bodies the Murray River Group of Councils and Rail Freight Alliance (RFA).

This report will also outline recommended options for seeking further action from the state government on addressing the freight task for our region.

2. Recommendation

That Council:

- (i) write to the Victorian state political parties with regard to their commitment to the completion of the Murray Basin Rail Project (MBRP) to ensure there is a significant increase in the amount of rail freight, which will increase the economic viability of our region; and
- (ii) request the Victorian state political parties detail their commitment to increasing the efficiency and effectiveness of the rail freight system from the Mildura local government area into the Port of Melbourne over the next five years.

3. Background

The Andrew's Government announced its commitment to the MBRP and development of a fully costed and scoped business case to achieve 80 km/h and 21 train axle load (TAL) across the network on 17 February 2015.

The Victorian Government submitted its project to the Commonwealth Government and was granted \$220 million to fund 50 per cent of the project in April 2016.

Key objectives of the MBRP

- The MBRP was to:
 - standardise 1,130 kilometres of the Western Victorian Rail Network
 - increase speeds to 80 km/h
 - increase train axle loading to 21 ton
 - increase efficiency by 15 per cent
 - increase the volume of grain transported by rail by up to 500,000 tonnes per annum.

- The MBRP was to drive economic growth, create jobs and provide a major boost to the transport industry, agricultural sector and regional communities.
- The project was heralded as supporting freight mode shift from road to rail, removing around 20,000 truck trips from our roads to the ports and improving safety for Victorian communities.
- The MBRP was to be completed by the end of 2018.

Project Action Summary

MBRP stages

Stage 1	Sleeper replacement (Complete)
Stage 2	Convert to standard gauge and upgrade works: Mildura to Dunolly; Murrayville to Ouyen; Maryborough to Ararat (Incomplete)
Stage 3	Maryborough Ballarat (Not commenced)
Stage 4	Ballarat Geelong (Not commenced)
Stage 5	Convert to standard gauge; Sea Lake/Manangatang (Not commenced)

Current status:

- Currently, Stage 2 of the project is incomplete with automated signalling on the Ararat interchange yet to be commissioned.
- Freight trains from Merbein are travelling an extra 130km via Ararat to get to Geelong/Melbourne.
- Some sections of the completed works only allow trains to run at 25 km/h and 40km/h.
- Ararat to Maryborough had new ballast and concrete sleepers installed but re-railed with light-weight rail from the 1900s.
- In February 2020, the Victorian Auditor-General (VAGO) completed an investigation into the MBRP. A copy of the report can be accessed here: <https://www.audit.vic.gov.au/report/freight-outcomes-regional-rail-upgrades>.
- The conclusion from VAGO was:
 - The regional rail upgrades reviewed were not yet improving rural freight outcomes in a timely and cost-efficient way.
 - Governance arrangements for the MBRP were suboptimal, with different agencies responsible for different elements of the project over time, which led to patchy corporate memory for the planning and delivery of the project
 - The MBRP and Freight Passenger Rail Separation Project (FRSP) had not met scope, time, cost or quality expectations. These projects were late and would require a considerable injection of new funds if their intended outcomes were to be fully realised.
 - As a result, the MBRP and FPRSP rail upgrades had not yet realised the expected freight-focused benefits.

In February 2021, the Federal Government committed a further \$195.2 million and offered \$5 million for planning for full standardisation (to be matched by Victoria). The Victorian contribution to the project is \$48.8 million.

Works Identified:

- rerail Maryborough to Ararat
- reinstate sidings removed during Stage 2
- sleeper maintenance within the MBRP catchment
- replace some passing loops removed some years ago.

In the Rail Freight Alliance (RFA) background paper, the following table is detailed and the abovementioned works referenced as actually reducing transit times from Mildura to Melbourne by 30 minutes.

Travel times

Location	Trucks	Pre MBRP-Trains	Current Trains
Manangatang to Geelong and on to Melbourne	4 hours and 30 minutes	10 hours	13 hours 30 minutes
Sea Lake to Geelong and on to Melbourne	3 hours and 50 minutes	9 hours and 30 minutes	12 hours
Merbein (Near Mildura) to Geelong	6 hours and 15 minutes	11 hours and 10 minutes	15 hours
Merbein to Appleton Dock (Port of Melbourne)	6 hours	12 hours and 30 minutes	17 hours and 25 minutes

The advocacy of the Ouyen Community through Ouyen Inc on the establishment of an intermodal facility was to leverage off the MBRP. There has been significant interest in the facility from industry based on achieving additional rail services per week and more timely access to the Port of Melbourne. This would not occur under the revised MBRP, and in particular the reduced use of the route through Ballarat – the Ballarat Freight corridor that enables more timely access to the port.

The existing intermodal facility in our region at Merbein and its operator Seaway are satisfied with the revised scope of works, which includes a 600m siding extension to their facility. Seaway has met with Ministers Allan and Horne and written directly to outline their concerns with rail freight in Victoria as a whole, having previously served on the Rail Freight Working Group advising on the MBRP's revised case. They believe their needs to be an overall improved rail freight infrastructure plan, including feeder roads, which should be progressed to increase the amount of freight being transferred by rail.

4. Consultation Proposed/Undertaken

The Victorian Government, through the Minister for Ports, was asked to provide their full program of works under the revised MBRP.

5. Discussion

Despite numerous letters from Mildura Rural City Council to Premier Andrews, Ministers Allan, Symes and Horne, the plight of producers from our region asking for more effective freight movement has yet to be adequately responded to. Advocacy groups such as the Murray River Group of Councils and RFA, as well as state bodies such as the Mallee Regional Partnership, have all highlighted the importance of rail in more timely access to the Port of Melbourne for freight from the region. This will have benefits in terms of the local economy and road safety, as well as reducing the carbon footprint that is escalating due to increased truck kilometres for freight movement.

The RFA has written and recommended that councils impacted by the decisions regarding the MBRP (**see attachment**), in the lead up to the state election could:

- implement a campaign utilising the logo provided by RFA, via:
 - placing on Council website and social media
 - providing to local business to place on their website and social media and utilise in the creation of posters for displayed in local businesses
 - providing to local community groups
 - providing to community members to create signs for their front fences.
- ensure availability of RFA MBRP Information Papers and background documents to Councillors and the community:
 - MBRP Briefing Paper
 - VAGO Report:
<https://www.audit.vic.gov.au/report/freight-outcomes-regional-rail-upgrades>
 - RFA MBRP Position Paper
- draft a Council motion in support of completing the MBRP
- draft media releases relating to the need for full completion of the MBRP
- draft letters to local members and relevant politicians regarding the issue
- create a petition of community members in support of completing the project.

The solution that the RFA has provided in its briefing paper is as follows:

- complete the MBRP to the Andrews Government's original scope. (This will include some remediation of completed works.)
- standardise the Maryborough to Ballarat Line (Stage 3) and run a dedicated standardised passenger service
- reinstate stabling areas
- reinstate crossing loops
- upgrade the Maroona to Portland Line to 23 TAL
- install a 1,300m crossing loop between Maryborough to Ararat to allow longer trains to cross.

The RFA also outline that the following are also some of the proposed actions by the Victorian Government that are being suggested that will not fix the MBRP:

➤ **Stage 3 (Proposed Dual Gauging)**

If dual gauging is to occur, it will be a substandard result for both freight and passenger rail, as speeds will be reduced to no more than 80km/h. It is also more expensive to build and maintain.

Dual gauging creates an opportunity of stopping the project at this stage, which could allow the government to walk away from the MBRP, resulting in a diminished and more expensive rail freight network to operate, which doesn't achieve the original MBRP commitments.

➤ **Leaving some stages as broad gauge**

All stages of the project must be converted to standard gauge. If some sections are not standardised, this would create areas being isolated within the catchment. As the current broad-gauge rolling stock is aging and operators would be reluctant to upgrade in a smaller market, users of this system would need to pay a premium for a lessor service or move to road transport.

➤ **Australian Rail Track Corporation leasing the MBRP Network**

The RFA believes that the Victorian Government must retain ownership and control of the State Rail Freight Network. State ownership will ensure the Victorian Government will be able to manage its freight task effectively, efficiently and responsively. History has shown when the track is leased, the question of who will pay for the upgrade and maintenance of the lines remains debated between both governments of the day. The Victorian example is the Maroona to Portland section:

- The Maroona to Portland section of line is an important part of the Victorian Rail Freight Network as Portland is the best deep-sea Port in Victoria.
- The Port of Portland is now able to connect to part of the MBRP. However, it is not efficiently supported with a 19 TAL.
- In 1999, the Victorian Government leased the Maroona to Portland Line to the Australian Rail Track Corporation (ARTC).
- In 2009, the line was negotiated from a 15-year lease to a 60-year as part of the lease of the interstate network. The ARTC has shown no interest in developing business on it.
- This section of line was not included in the original MBRP scope by GHD due to it not being in the Victorian Government's control.
- The RFA has continued to advocate for an increased TAL to both the Victorian and Federal governments.
- This section of line is the example of why the Victorian Government must own and control state rail freight lines.
- The question of who will pay for the upgrade of this line remains debated between both governments to this day.

The support recently provided to the Ouyen community in its desire to establish an intermodal facility is a clear alignment with the need to achieve better rail freight outcomes from the region. The Sunraysia Mallee Port Link project requires the completion of the MBRP to deliver its desired outcomes, particularly around reinstating the Ballarat freight corridor use. This avoids the additional kilometres of train travel currently required via Ararat for freight trains and increased services to Melbourne.

In April 2020 a MBRP Business Case Review (**see attachment**) was undertaken by the state government. The conclusion of the report states:

"This Review demonstrates that the MBRP is critically important to Victoria and will deliver investment, jobs and improved supply-chain productivity to one of the state's most important export regions. The proposed future investment will deliver long-awaited certainty on the configuration, condition and standard of the rail network in the Murray Basin and paves the way for industry decision-making, investment and growth."

There is a clear need for consideration by the Department of Transport on how the freight task from our region is to be addressed now and into the future. While there has been some transition from road to rail due to rising fuel costs and insufficient truck driver numbers, urgent consideration needs to be given to how we can remove barriers and increase freight on rail beyond the revised MBRP plan.

6. Time Frame

Council requests a response from the state government, as per the recommendation, as quickly as possible.

7. Strategic Plan Links

This report relates to the Council Plan 2021-2025 in the Strategic Direction:

Economy

Outcome to be achieved:

- Resilient local businesses that are supported to thrive, contributing to the viability and character of our region.

Place

Outcomes to be achieved:

- Improved transport services for our region; and
- A transport network that is fit-for-purpose.

8. Asset Management Policy/Plan Alignment

There are no Asset Management Policy implications for this report.

9. Implications

Policy

This work forms part of Council's advocacy.

Legal/Statutory

There are no legal implications for this report.

Financial

Financial implications include staff time associated with the preparation of the required materials.

Environmental

There are no environmental impacts for this report.

Social

There are no social impacts for this report.

Economic

Improvements to the railway network will provide more effective and timely freight movement for a regional economic benefit.

10. Risk Assessment

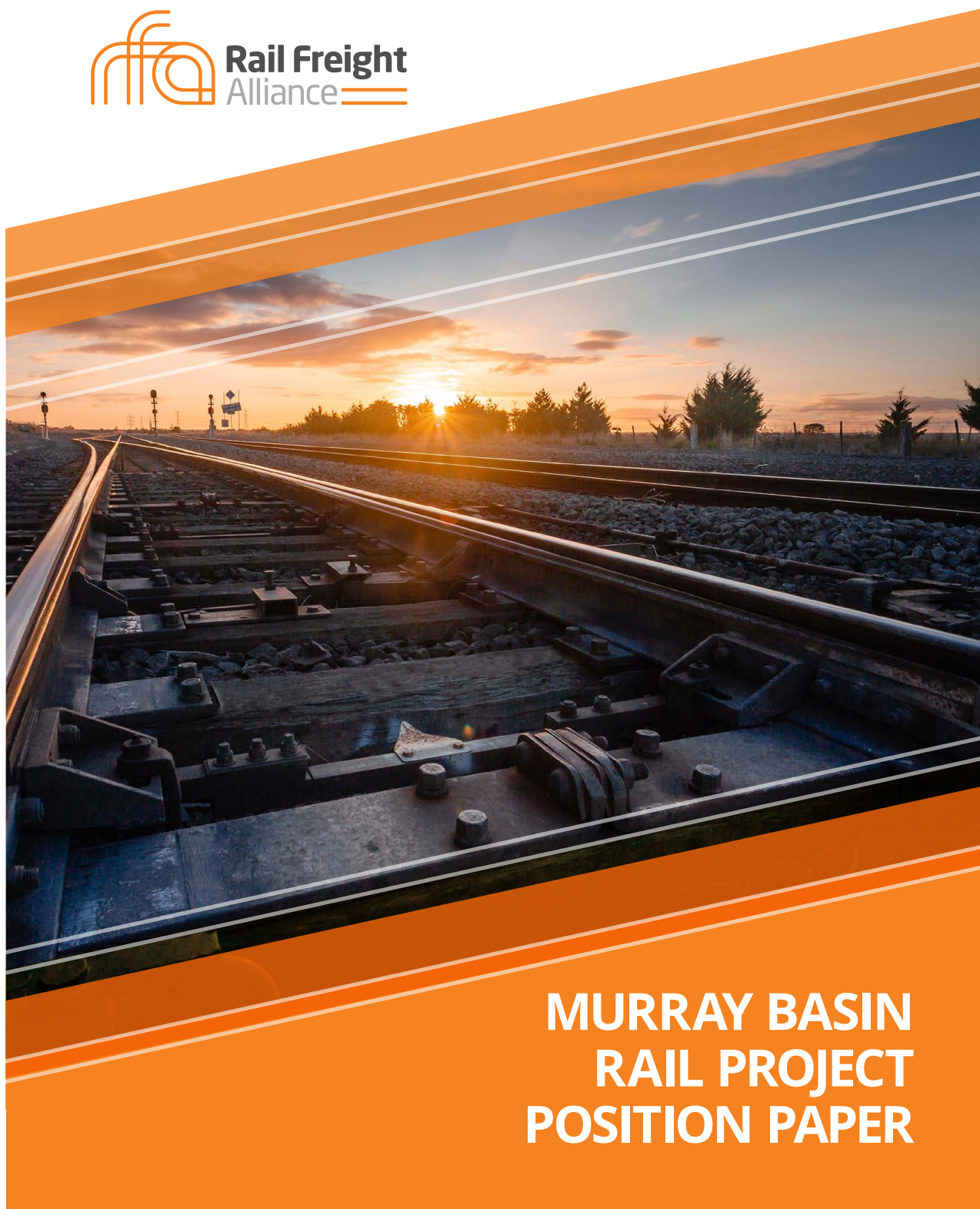
By adopting the recommendation, Council will not be exposed to any significant risk.

11. Conflicts of Interest

No conflicts of interest were declared during the preparation of this report.

Attachments

- 1 [!\[\]\(31b03e46ee8a80a1f1467b8c03bd76e8_img.jpg\)](#) Attachments - Agenda - Council Forum Meeting - 09 June 2022 - Murray Basin Rail Project Position Paper
- 2 [!\[\]\(7d9665ff04f9d2270c38081c6215a724_img.jpg\)](#) Murray Basin Rail Project Business Case Review - April 2020



MURRAY BASIN RAIL PROJECT POSITION PAPER



MURRAY BASIN RAIL PROJECT

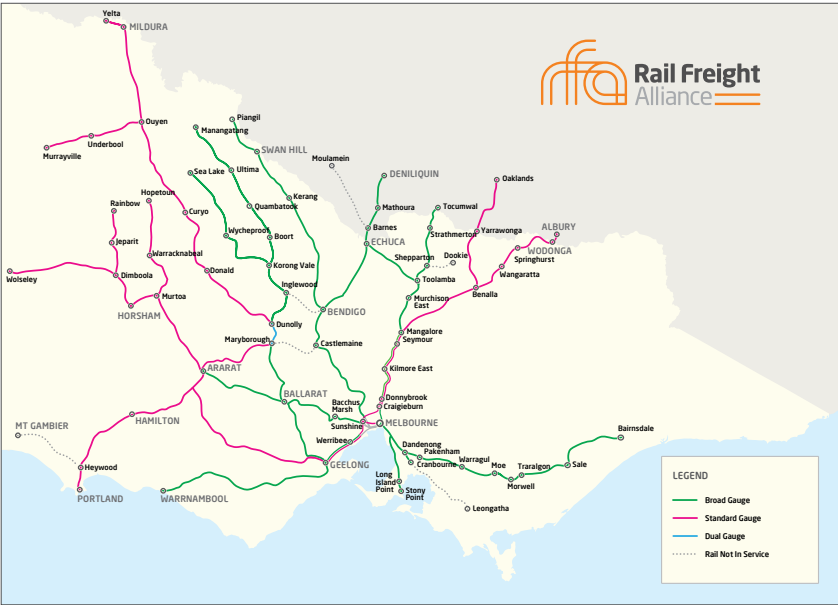
The Rail Freight Alliance (RFA) is focused on increased rail mode share, providing improved rail connectivity within Victoria (and into neighbouring states) and working to ensure increased investment in Victoria's rail freight system in the future to support the efficient movement of freight across Australia. The Rail Freight Alliance is made up of Victorian rural, and regional and metropolitan Local Government Councils. The Rail Freight Alliance represents the Local Government Sector in Victoria and adjoining States in freight logistics interests connecting Victoria nationally and internationally. The Alliance was first formed in 1997 due to growing frustration with the lack of rail connectivity both within Victoria and with the neighbouring States and the lack of investment in Victoria's antiquated 19th century rail freight system.

The Alliance's mission is to advocate for:

- Rail standardisation of all key rail lines in Victoria.
- Upgrading and connecting to a National Rail Freight Network.
- Competitive, Independent, and Open access rail freight system.
- Seamless freight logistics that will facilitate efficient rail freight movement.



CURRENT VICTORIA RAIL NETWORK



RECOMMENDED COMPLETED MURRAY BASIN RAIL PROJECT



MURRAY BASIN RAIL PROJECT

The Rail Freight Alliance (RFA) considers there are two clear objectives to ensure the success of the Murray Basin Rail Project (MBRP) and future freight movements in Victoria.

1. Ensure the completion of the Murray Basin Rail Project to deliver the Andrews Government's commitments.
2. Ensure the Victoria Rail Freight Network remain in State ownership and control.

BACKGROUND

The Andrews' Government announced their commitment to the Murray Basin Rail Project and development of a fully costed and scoped business case to achieve 80 kph & 21 TAL across the Network on the 17th of February 2015.

The MBRP was to

- standardise 1,130 kilometres of the Western Victorian Rail Network;
- increase speeds to 80 kph;
- increase Train Axle Loading (TAL) to 21 tonne;
- increase efficiency by 15%; and
- increase the volume of grain transported by up to 500,000 tonnes per annum.

The initial key pillars of the MBRP were to drive economic growth, create jobs and provide a major boost to the transport industry, agricultural sector and regional communities.

The project was heralded as supporting freight mode shift from road to rail, removing around 20,000 truck trips from our roads to the ports annually and improving safety for Victorian communities.

The Victorian Government submitted their project to the Commonwealth Government in April 2016 and was granted \$220 million to fund 50% of the project.

The MBRP was to be completed by the end of 2018.

In February 2020, the Victorian Auditor General completed an investigation into the MBRP; a copy of the report can be accessed here:

www.audit.vic.gov.au/report/freight-outcomes-regional-rail-upgrades

In February 2021 the Federal Government committed a further \$195.2 million and offered \$5 million for planning for full standardisation (to be matched by Victoria). The Victorian contribution to the project is \$48.8 million. Works Identified:

- Re-rail Maryborough to Ararat
- Reinstate sidings removed during Stage 2
- Sleeper maintenance within the MBRP catchment
- Replace select passing loops removed some years ago

In March 2021 Minister Allan stated that any further works on this project will be a matter for another government.

PROJECT

MBRP STAGES

- Stage 1** Sleeper replacement on the Hopeton and Mildura Lines (Complete).
- Stage 2** Standardise the Mildura to Dunolly & Murrayville to Ouyen Lines, including upgrade works.
Recommission the Maryborough to Ararat Line (Incomplete).
- Stage 3** Dual Gauge the Maryborough to Ballarat Line (Not commenced).
- Stage 4** Standardise the Ballarat to Geelong Line (Not commenced).
- Stage 5** Standardise the Sea Lake & Manangatang Lines (Not commenced).

CURRENT STATUS

- Stage 2 of the project is incomplete with 21 TAL and 80 kph capability not achieved..
- Freight Trains from Merbein are travelling an additional 130 km via Ararat to get to Geelong/Melbourne.
- In June 2019, Minister Allan announced that the MBRP was out of funds and that she would negotiate further funding with the Federal Government.
- As part of these negotiations, it is rumoured that the standard gauge freight network in Victoria could be leased to the Federal Government.
- Some sections of Stage 2 line upgrade only allow trains to run at 25 kph and 40 kph.
- Ararat to Maryborough have been re-railed with substandard track from the 1900s, resulting in track speed and 21 TAL not able to be achieved.

TRAVEL TIMES

Location	Trucks	Pre MBRP-Trains	Current Trains
Manangatang to Geelong and on to Melbourne	6 Hours and 30 minutes	10 Hours	15 Hours
Sea Lake to Geelong and on to Melbourne	5 hours and 50 minutes	9 Hours and 30 minutes	12 Hours and 30 minutes
Merbein (near Mildura) to Geelong	7 Hours and 30 minutes	11 hours and 10 minutes	15 Hours
Merbein to Appleton Dock (Port of Melbourne)	8 Hours and 30 minutes	12 Hours and 30 minutes	16 Hours and 30 minutes

CONTRIBUTING FACTORS TO TRAIN TRAVEL TIMES

- Travel times on the Manangatang Line can vary greatly due to two freight operators and the lack of passing loops and staging areas.
- Many Temporary Speed Restrictions (TSR), some sections as slow as 10 kph, are in place on several lines, severely impacting on travel times.
- Crewing a freight train is now becoming increasingly difficult as a crew can “time out” due to line speed and lack of passing loops and staging.

SOLUTION

WHAT IS NEEDED TO FIX THE MBRP

- Complete the MBRP as per the Andrews' Government commitments (by necessity this will include some remediation of completed works).
- Standardise the Maryborough to Ballarat Line (Stage 3) and run a dedicated standardised passenger service.
- Reinstate stabling areas.
- Reinstate crossing loops.
- Upgrade the Maroona to Portland Line to 23 TAL.
- Install a 1,300m crossing loop between Maryborough to Ararat to allow longer trains to cross.
- Dual Gauge and standardise small sections of track near the Ballarat Station.

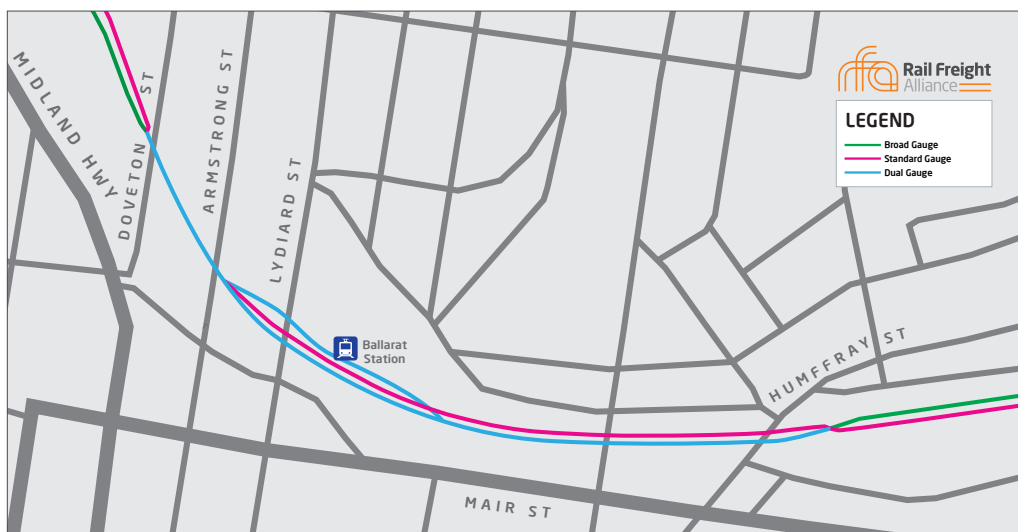
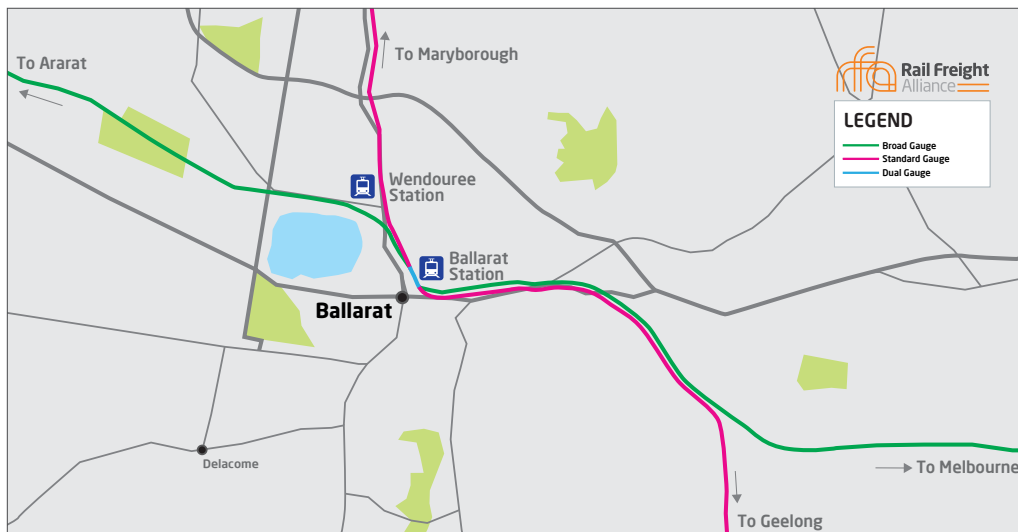
MAROONA TO PORTLAND

The Maroona to Portland section of line, whilst not part of the MBRP, is a crucial component of the Victorian Rail Freight Network linking Portland as a critical deep-sea Port in Victoria.

The Port of Portland is now able to connect to part of the MBRP, however is not efficiently supported with its current 19 TAL.

To achieve the original project outcomes, some parts of the completed works will need to be remedied.

ACCESS THROUGH BALLARAT



Convert the Broad-Gauge line to standard gauge from Armstrong Street through the centre of the Ballarat Station through to Gheringhap.

- Dual Gauge the sections of line, servicing the two platforms, from Doveton Street to Humphrey Street.
- Modify platforms at the Ballarat Station to service Standard and Broad-Gauge trains.

WHAT WILL NOT FIX THE MBRP

DUAL GAUGING STAGE 3 MARYBOROUGH TO BALLARAT

- Dual gauging is a substandard result for both freight and passenger rail, as speeds will be reduced to less than 80 kph.
- Dual gauging is more expensive to build and maintain.

LEAVING SOME STAGES AS BROAD GAUGE

Sections not standardised will create locations isolated within the catchment.

The current broad-gauge rolling stock is aging, and operators are reluctant to upgrade in a smaller market. The result is freight moving from rail to road and users of this system paying a premium for a lesser service.

AUSTRALIAN RAIL TRACK CORPORATION (ARTC) LEASING THE MBRP NETWORK

The RFA believes that the Victorian Government must retain ownership and control of the State Rail Freight Network. State ownership will ensure the Victorian Government will be able to effectively, efficiently and responsively manage its freight task.

The RFA believes that the ARTC play an important role on interstate lines, however rail lines within Victoria must remain in State ownership. Rail Freight will play a greater role as Victoria's freight task continues to grow and will be a vital part of an integrated Victorian Freight Network.

ISSUES

Currently the MBRP project has decreased freight capacity from this region. Our RFA Industry forum continually informs us more of the freight task is being delivered by road and that freight costs from the region are increasing due to the current state of the MBRP.

The Federal Government commitment of a further \$195.2 million to undertake works requested by the Victorian Government (to remedy earlier works undertaken at the start of this project) will only improve transit times from Mildura to Melbourne by 30 minutes. The RFA is confident these funds would be better utilised completing the original objectives of the project.

RECOMMENDATIONS

- Upgrade all sections of line to achieve speeds of 80 kph and 21 TAL.
- Standardise the Maryborough to Ballarat Line.
- Convert sections of the line within the Ballarat Precinct to dual gauge.
- Standardise the Sea Lake & Manangatang lines.
- Standardise the Ballarat to Geelong line.
- Upgrade the Maroona to Portland line.

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RAIL FREIGHT ALLIANCE



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 **Rail Freight**
Alliance

Murray Basin Rail Project Business Case Review

April 2020



Department
of Transport

Executive Summary

Introduction

In 2015, The Victorian Government committed to delivering the Murray Basin Rail Project (MBRP). The MBRP sought to upgrade the entire Murray Basin freight rail network (Network) by converting it from broad to standard gauge and increasing train axle load (TAL) capacity from 19 to 21 tonnes.

The justification for the MBRP was set out in a detailed Business Case (Original Business Case) prepared by the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) in 2014/15.

In June 2019, the Minister for Transport Infrastructure paused further delivery of MBRP due to significant challenges during its delivery. The Department of Transport (DoT) was subsequently tasked with undertaking a review of the Original Business Case and providing recommendations on the scope, cost and timeframes of any further investment in the MBRP.

This document sets out the findings of the review of the Original Business Case (the Review) and provides justification for further investment in the MBRP.

Background

The Murray Basin region covers the North West of Victoria, extending into New South Wales and South Australia. The Victorian portion of the region is bounded by Mildura in the north, Horsham in the South, Murrayville in the west and Swan Hill in the east.

The Murray Basin region is a nationally important producer of grain, mineral sands, fruit, vegetables and wine. Much of this product is exported via the Victorian ports of Portland, Geelong and Melbourne and is transported to port via the region's road and rail networks.

The Murray Basin freight rail network, is part of the Victoria's intrastate freight network and comprises:

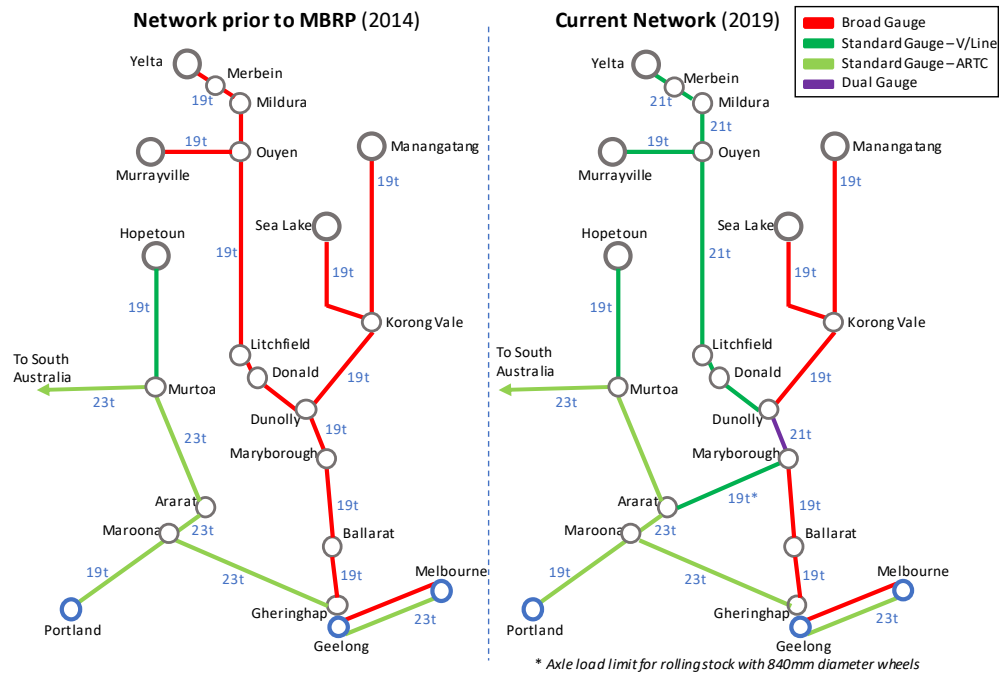
- **Yelta Line:** 406km of single-track mainline from Yelta to Maryborough;
- **Murrayville to Ouyen branch line:** 109km of single track connecting Murrayville to Ouyen on the Yelta Line;
- **Maryborough to Ararat line:** 87km of single track connecting the Yelta Line at Maryborough to the ARTC Interstate network at Ararat;
- **Sea Lake line:** 140km of single track connecting Sea Lake to Korong Vale and then a further 72km to Dunolly, which is located on the Yelta Line;
- **Manangatang line:** 175km of single-track connecting Manangatang to Korong Vale (and then a further 72km to Dunolly); and
- **Maryborough to Gheringhap:** 140km of single-track connecting Maryborough to the ARTC interstate network at Gheringhap to access the ports of Geelong and Melbourne.

The MBRP sought to upgrade the entire Murray Basin Network by converting it from broad to standard gauge and increasing train axle load capacity from 19 to 21 tonnes. The MBRP was expected to be completed by 2019 for an investment of \$440m.

By 31 December 2019, Stage 1 of the MBRP had been fully delivered and most of the Stage 2 had been delivered. The project has faced significant challenges during its delivery, leading to additional scope and increased costs that have put significant pressure on the \$440m budget. Stages 3 and 4 have not commenced and have been paused subject to the findings of this Review and Government approval to proceed.

Figure 1 illustrates the Network prior to commencement of the MBRP and at the end of 2019 following the delivery of Stages 1 and 2.

Figure 1: Murray Basin freight rail network before and after Stages 1 & 2 of the MBRP



Investment need

The Original Business Case identified three problems that were to be addressed by the MBRP:

- Problem 1: Restricted Access to Victorian Ports is undermining international competitiveness
- Problem 2: poor performance of the rail network is increasing costs to business
- Problem 3: Growing road freight movements are reducing community amenity

Delivery of Stage 2 of the MBRP ensures that the Network now provides a standard gauge connection from Yelta to the Port of Portland (via ARTC's network). This has allowed Murray Basin (on the newly standardised Yelta line) freight access to the Port of Portland for the first time, to potentially cater for the increased volumes of mineral sands expected over next 15 years. Additionally, the current broad-gauge lines to Sea Lake and Manangatang transport mostly grain and prefer to send this to Geelong and Melbourne because of superior grain handling facilities at these sites.

Performance issues remain with the current Network. A number of these issues remain due to the decision to pause further work on the MBRP, leaving the Network in a configuration state that was not intended to be permanent. These issues are resulting in reduced capacity, increased journey times and increased costs for operators and producers.

The mode share of freight transported from the Murray Basin has continued to shift from rail to road over the past 5 years. Some of this mode shift may have been driven by the disruption caused by the delivery of the MBRP. This shift from rail to road has continued to have a detrimental impact on the condition of roads and the safety and amenity of regional communities.

Table 1 identifies the updated problems that need to be addressed by any future investment in the MBRP.

Table 1: Summary of the rationale for revising the MBRP problems and ILM

Original ILM Problem	Revised ILM Problem
Restricted access to Victorian ports is undermining international competitiveness of bulk products	No longer a driver.
Poor performance of the Network is increasing costs to business	Unresolved performance issues on the Murray Basin Network results in suboptimal and costly industry operations reliant on rail.
Growing road freight movements are reducing community amenity	Growing conflict between road and freight movements and local communities contribute to unsafe and unappealing urban environments

Benefits that further investment would bring

DoT have undertaken a formal process to review and revise the Investment Logic Map and Benefits Management Plan that supported the Original Business Case. The purpose of this review was to ensure that the ILM reflected current Government policy and the insights gained from delivery of Stages 1 & 2 of the MBRP.

The benefits identified in the Original Business Case were as follows:

1. Reduced costs for industry and reduced burden for Government [REDACTED]
2. Increased private investment [REDACTED]; and
3. Improved efficiency and safety of the road network [REDACTED]

Following the outcomes of the ILM review, the expected benefits from future investment in the Network have been revised as follows:

1. A more competitive Victorian freight industry [REDACTED]
2. A safer, more efficient road network [REDACTED]
3. Protection of public and environmental health [REDACTED]

Recommended strategic response to the problems

The Original Business Case identified and assessed four high-level strategic options:

1. **Strategic Option A: Producer Focus** - boosting producer output and efficiency, by investing in technology and systems research that can lead to improved productivity.
2. **Strategic Option B: Maintenance Focus** - improving the condition of the Network through remediation and maintenance so that it functions to required operating standards
3. **Strategic Option C: Network Infrastructure Focus** - improving freight network connections and enabling more efficient access to Victoria's ports through complete rail standardisation of the Network.
4. **Strategic Option D: Existing Infrastructure Focus** - optimising the capacity and performance of the current 2019 Network, particularly the Yelta Line, but without converting the remaining broad-gauge lines to standard gauge

The Original Business Case recommended that Strategic Option C was most likely to deliver the benefits sought from the MBRP.

As part of this Review, the strategic options have been re-evaluated to consider the revised problems, benefits and project challenges. The key conclusions of this re-evaluation are that:

- **The relative percentage of full benefit to be delivered by Options C & D is closer:** because Option D is now an enhanced version of the Original Business Case option, with upgraded axle

load capacity and connection to the port of Portland and the capacity to deliver 49 paths per week (subject to further investment).

- **The capital investment required for Option C** [REDACTED]: due to cost escalation and the need to manage conflicts through the Ballarat corridor. This dramatically reduces the benefit cost ratio of Option C.
- **Time required for the delivery of benefits from Option C has increased:** due to a greater understanding of the timeframes required to deliver the significant capital works.
- **The risks of benefit delivery for Option D have been downgraded:** because it is an enhanced version of the Original Business Case option and due to the insights gained from delivery of Stages 1 & 2 of the MBRP.
- **The disbenefits of Option C have increased:** due to the increased potential for conflict with current and future passenger services on the Gheringhap to Ballarat section and through the Ballarat Corridor.

Accordingly, it is recommended that future investment in the MBRP should be based on Option D, Existing Infrastructure Focus. The key element of this recommendation is that no further standardisation of the Network can be justified because:

1. the costs of further standardisation are significantly greater than forecast in the Original Business Case; and
2. the anticipated benefits from standardisation can largely be achieved by enhancing the existing standard and broad-gauge Network.

This recommendation forms the basis for identifying, developing and addressing the Project Options.

While the review finds that at this stage it is not cost effective to standardise the Manangatang and Sea Lake lines and to deliver the Freight Passenger Rail Separation Project, the Department of Transport will continue to assess the need for these works into the future as part of its ongoing network planning processes.

Preferred project scope

The key elements of the Existing Infrastructure Focus recommendation are:

- Further standardisation of the Network cannot be justified on a value for money basis;
- Existing train routing, via Ararat for standard gauge services and Ballarat for broad-gauge services, should be maintained; and
- Future investment should deliver improvements to the performance and reliability of the current Network and where possible achieve the capacity outcomes originally promised to Industry.

To determine the recommended scope to close-out the MBRP a three-stage assessment approach was undertaken consisting of a rapid assessment, detailed assessment and a final assessment. As part of the initial Rapid Assessment, 21 potential scope items were identified. Each scope item was identified because it had the potential to improve the performance, resilience and capacity of the current Network. Four scope items were set aside as result of the Detailed Review stage. The Final Assessment consisted of an evaluation of each of remaining 17 scope items against three primary criteria: (1) Alignment with Project Benefits, (2) Project outcomes, (3) Project impacts.

An economic appraisal of the Final Assessment scope items was undertaken consistent with Australian Transport Assessment and Planning (ATAP) Guidelines. To facilitate this process the scope items were grouped into four Options (A, B, C and D) and compared with a Base Case. Scope items were grouped to facilitate a meaningful comparison of costs and benefits and to align with the proposed delivery packages. A Minimum Scope option was also identified and assessed. This minimum scope was a subset of Option A, that was deliverable with the available project funding allocation. Each progressive Option requires the previous tranche to be fully funded and completed for benefits to be maximised.

Using the multi criteria analysis the project options were prioritised as set out in Table 2

Table 2: Prioritised scope items

Priority		Scope	Cuml Costs (\$M)
Minimum Scope	1	Minimum Scope	
		Business Case development and sleeper storage costs	
		Ararat Junction: complete signalling works	
Option A	2	Complete outstanding MBRP Stage 2 works and provide speed and loading benefits	
		Maryborough Yard: complete signalling works	
Option B	3	Provide the capacity expected from MBRP	
		Passing loops to enable:	
		• 1200m passing opportunities on SG	
		• Passing opportunities on BG	
Option C	4	Provide capacity for horticulture export growth	
		Merbein siding extension	
		Reinstate Road 2 at Donald Yard	
		Development of DTPOS	
Option D	5	Improve operations (capital)	
		Dunolly junction - Replace gauge splitters with turnouts and re-signal	
		Re-signal Ouyen yard	
	6	Remove speed restrictions on BG Network	
		Re-sleeper sections of Dunolly to Sea Lake & Manangatang to maintain line speed.	
	7	Reduce journey times	
		Re-sleeper sections of Yelta Line with existing concrete sleepers	
Option E	8	Reduce freight operating costs	
		Ouyen to Murrayville -Re-sleeper & rail adjustment (109km)	
Option F	9	Enable heavier locos	
		Donald Yard - mobile refuelling point with capture and treatment of spills	
Total			

¹ Contingent on the delivery of Electronic Train Orders for the Bendigo corridor

² This includes an assessment of re-railing Merbein to Mildura to replace 80 lb legacy rail identified as item (2) in Table 17.

The recommendation is to progress the Minimum Scope immediately to alleviate the current bottleneck on the network surrounding the Ararat to Maryborough corridor. This minimum scope package will provide speed benefits on the Maryborough-Ararat corridor and extend 21 TAL loading benefits for 840mm wheels to the entire Yelta line.

Readiness for delivery

DOT has been accountable for the development of this Business Case Review and will be responsible for ensuring the revised benefits are fully realised upon completion of the project, including monitoring during the procurement and delivery phase.

Rail Projects Victoria (RPV) has been identified as the accountable delivery agency for all future works to be delivered as part of the MBRP. RPV has been involved in supporting this business case review by providing technical expertise to DOT in the definition of scope, costs and benefits.

RPV's existing systems and processes for procuring and delivering works of this type are well established and capable of integrating the MBRP works for rapid transition into delivery.

The MBRP is has a high level of readiness for delivery with:

- the allocated delivery agency, RPV, having been involved in the development of scope and costs for this Business Case Review;
- [REDACTED] previously allocated funding available to enable commencement of delivery; and
- detailed scoping and cost estimating having been undertaken for the recommended solution.

Conclusion

This Review demonstrates that the MBRP is critically important to Victoria and will deliver investment, jobs and improved supply-chain productivity to one of the state's most important export regions. The proposed future investment will deliver long-awaited certainty on the configuration, condition and standard of the rail network in the Murray Basin and paves the way for industry decision-making, investment and growth.