

Submission to The Department of Infrastructure, Transport, Regional Development, Communications and the Arts' 2023 Review of the National Freight and Supply Chain Strategy (NFSC Strategy)

Mildura Regional Development (MRD)

- is the peak economic organisation for the Mildura region. It works collaboratively to build on its region's strengths and opportunities in the tourism, agribusiness and related education and technology spaces.
- Key industries include dryland farming, irrigated horticulture, tourism, food and beverage manufacturing, transport and logistics. Industries in the broader region include critical mineral sands.
- Mildura Rural City Council is the nation's largest agricultural Local Government Area (ABARES 2021 Ag Census), which forms part of the vast Murray Basin Freight Rail Network region.

Executive Summary

Australia's largest food bowl and area of internationally significant critical mineral sand and rare earth reserves does not have an efficient and effective rail system.

The Murray Basin Freight Rail Network region will, over the ten years to 2035, produce 39.2 million tonnes of freight that is suited to rail. 73% of it will go by road, requiring 542.8 million truck kms* that will emit 2.6 million tonnes of carbon and need an equivalent of 25,600,000 trees planted as an offset. *refer Annexure 1.

Transport & Agriculture are the third and fourth highest carbon emitters in Australia, and as it stands, our farmers, cannot afford the transition to net zero emissions. 'Paddock to port freight costs are relatively highest for grains and fruit/vegetables, which represent 27.5% and 21% of Gross Value of Farm Production' (Deloitte AE 2019). These are the crop types in the MBFRN region.

The Murray Basin Rail Project (MBRP) is listed in the 2019 NFSC Strategy National Action Plan as '*infrastructure needed to connect regions and remote areas to markets*'. The scope of that project was revised in 2020 resulting in the abandonment of 3 of the projects 5 stages. Reasons for rescoping the MBRP, including the potential for freight trains to disrupt passenger trains in Ballarat, have been since resolved. But the initial project remains incomplete. Trains on one half of the MBFRN are stranded on an antiquated rail gauge not used by other states and trains on the other half can no longer travel direct to port but are instead detoured an extra 260 km per round trip. And, while it is argued by some that the longer route provides more train paths, that advice is akin to saying trains along the Indian Pacific corridor would be better served going via Melbourne. The repercussions are significant; there are supply chain resilience, drought resilience & regional development issues, widespread road damage, ESG concerns, road safety, reduced competition, high paddock & pit to port costs, and suspension of \$100+ million in rail related projects such as the Sunraysia Mallee Port Link and Graincorp's Project Regeneration.

MRD seeks the following for inclusion in the 2024 NFSC Strategy National Action Plan;

- Murray Basin Rail Project Mark II; convert the Ballarat corridor, Sea Lake and Manangatang lines to standard gauge, separate freight and passenger trains, extend 10 passing loops and undertake remedial works. Estimate \$412 million.
- Sunraysia Mallee Port Link intermodal rail facility construction. Estimate \$46 million

Contents;

- A. What is the Murray Basin Freight Rail Network (MBFRN) region and why it is of national significance.**
- B. 'Evaluation of the performance' of the Murray Basin Rail Project listed in 2019 National Action Plan and subsequently revised in 2020 (here after called MBRP Mark I)**
- C. Relevant goals of the 2019 Strategy as well as an outline of new goals for inclusion in the 2024 Strategy, in relation to the Murray Basin Freight Rail Network.**
- D. A new Murray Basin Rail Project Mark II for inclusion in the 2024 National Action Plan.**

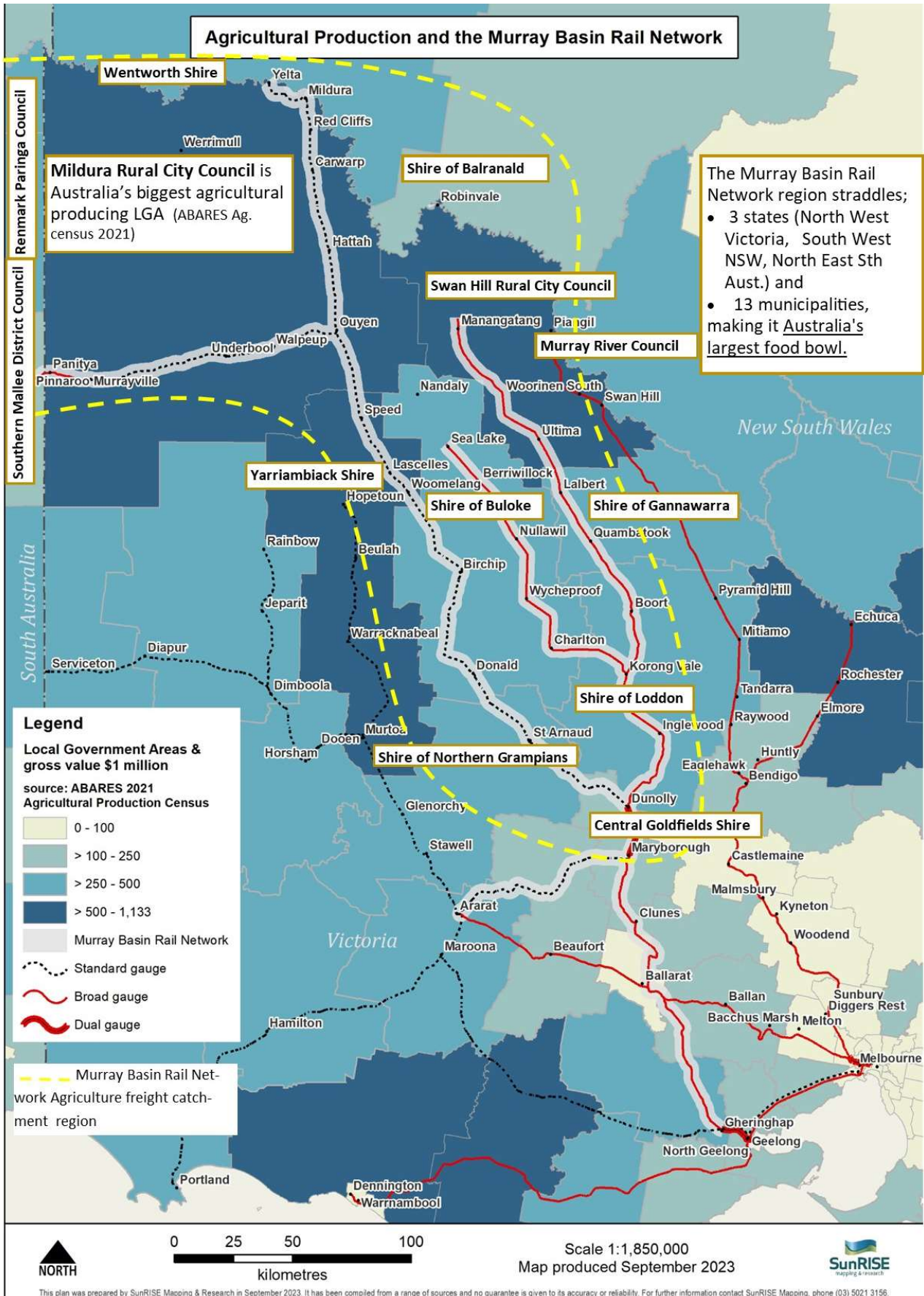
Annexure 1. Murray Basin Freight Rail Network (MBFRN) region freight forecast for 2026 - 2035.

Annexure 2. Solution to Reinstating the Ballarat Freight Rail Corridor & Separating Passenger Trains

Annexure 3. Sunraysia Mallee Port Link

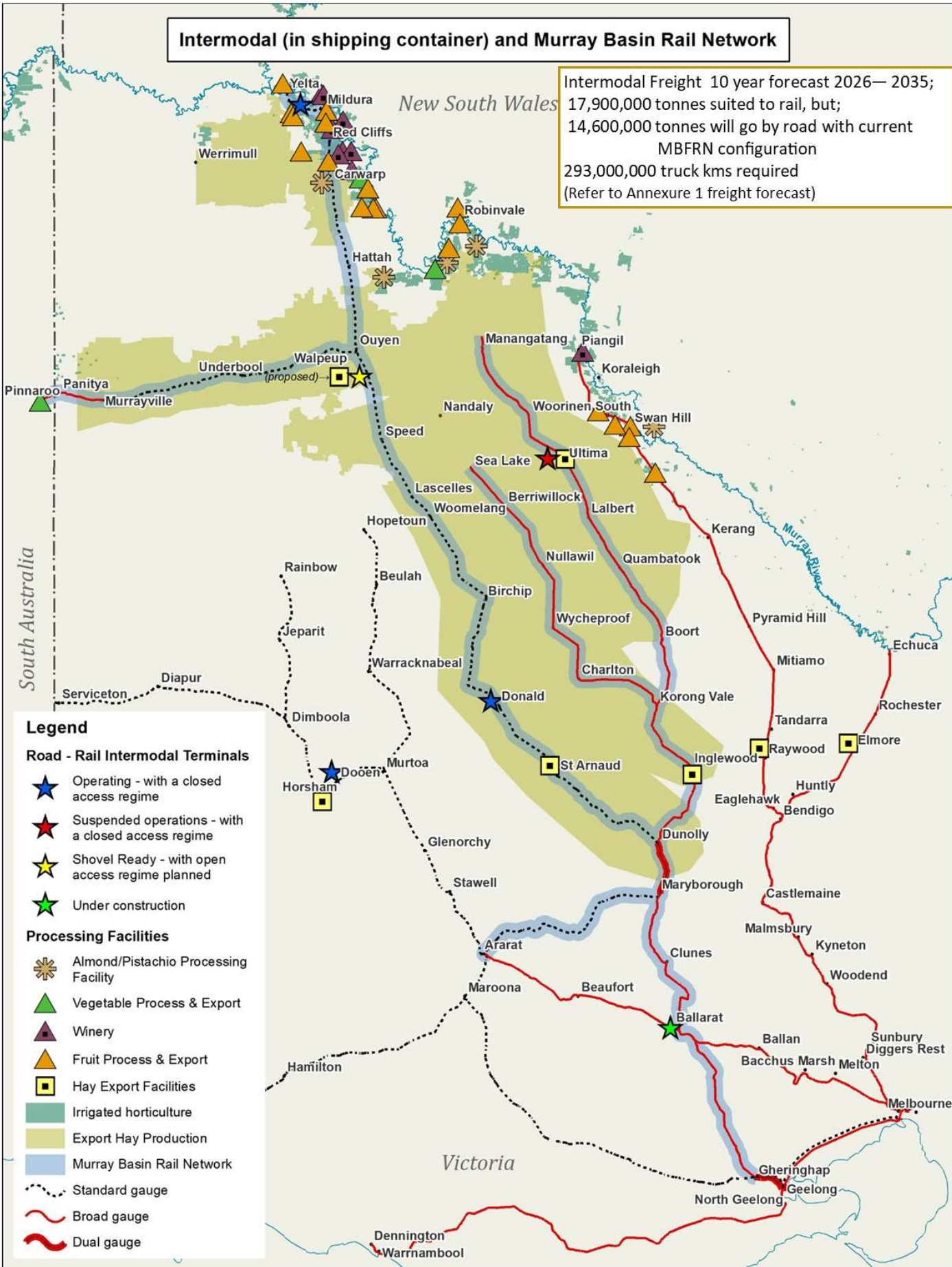
A. The Murray Basin Freight Rail Network (MBFRN) region is of national and international significance.

- It includes **Australia’s largest food bowl** and an agriculture export ‘powerhouse’ (see map below and pages 3 & 4)
- includes **internationally significant critical mineral sands deposits** including those needed for **renewable energy** (refer map page 5).
- **In the ten years to 2035 the region will produce in excess of 39.2 million tonnes of freight suitable for rail transport, but 73% will be transported on road.** (refer to Annexure 1)



Intermodal (in shipping container) and Murray Basin Rail Network

Intermodal Freight 10 year forecast 2026— 2035;
 17,900,000 tonnes suited to rail, but;
 14,600,000 tonnes will go by road with current
 MBFRN configuration
 293,000,000 truck kms required
 (Refer to Annexure 1 freight forecast)



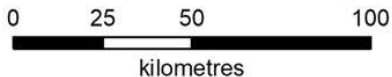
Legend

Road - Rail Intermodal Terminals

- ★ Operating - with a closed access regime
- ★ Suspended operations - with a closed access regime
- ★ Shovel Ready - with open access regime planned
- ★ Under construction

Processing Facilities

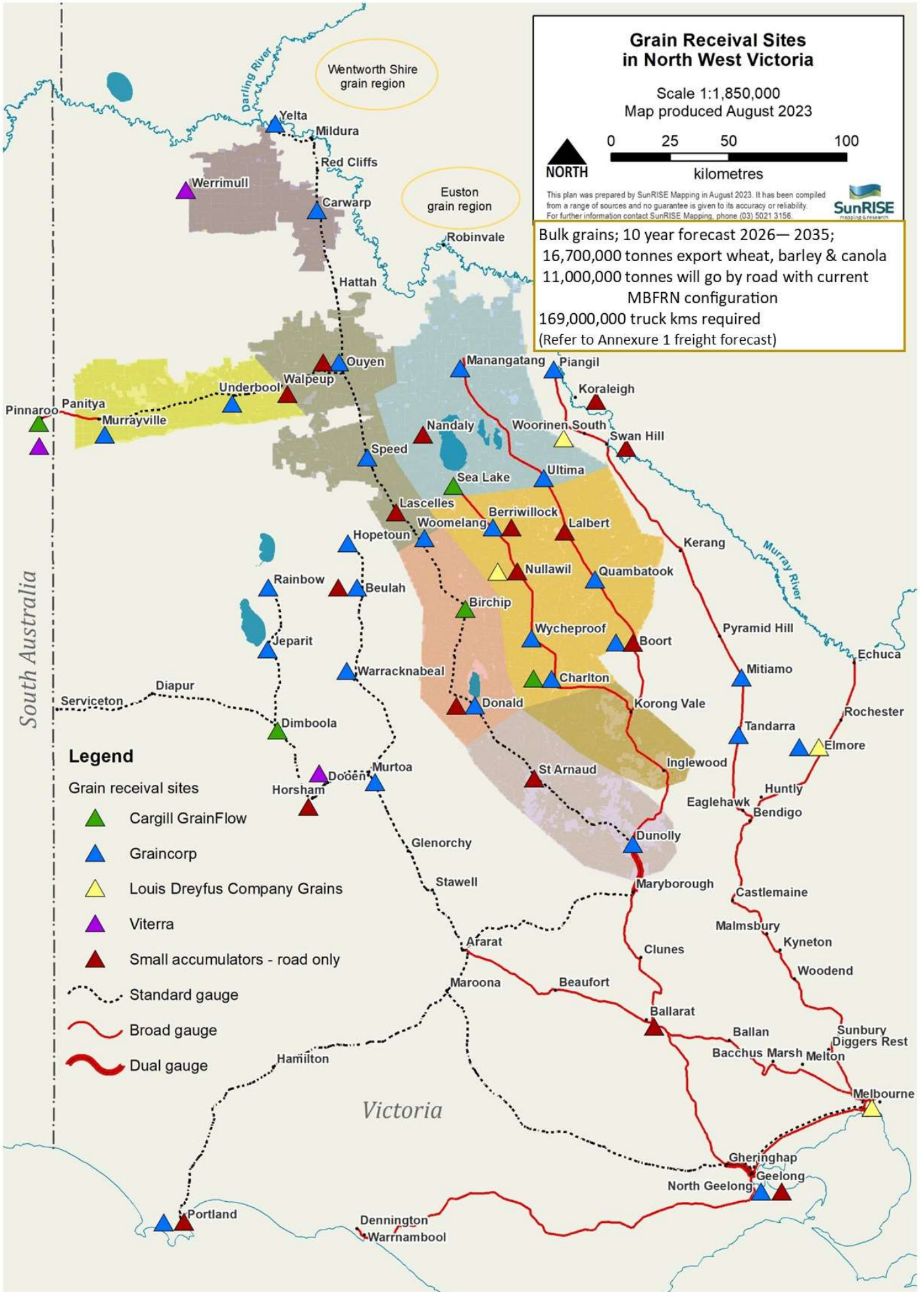
- ✱ Almond/Pistachio Processing Facility
- ▲ Vegetable Process & Export
- ▲ Winery
- ▲ Fruit Process & Export
- Hay Export Facilities
- Irrigated horticulture
- Export Hay Production
- Murray Basin Rail Network
- Standard gauge
- Broad gauge
- Dual gauge



Scale 1:1,850,000
 Map produced September 2023



This plan was prepared by SunRISE Mapping & Research in September 2023. It has been compiled from a range of sources and no guarantee is given to its accuracy or reliability. For further information contact SunRISE Mapping, phone (03) 5021 3156.



Mining and the Murray Basin Rail Network

Mining; 10 year forecast 2026— 2035;
 4,600,000 tonnes critical mineral sands
 3,200,000 tonnes will go by road with
 current MBFRN configuration
 80,700,000 truck kms required
 (Refer to Annexure 1 freight forecast)

In addition to the inferred and proven reserves shown on this map, there are many new exploration licences occurring e.g. there has been six licences within 50 km of Ouyen in the last three years

The above numbers only include mines with Definitive Feasibility Studies (DFS);

- Iluka Resources -Balranald South West NSW, starting 2025
- VHM Resources Goschen Mine—Lalbert, NW Vic.; starting 2025

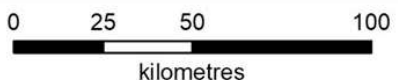
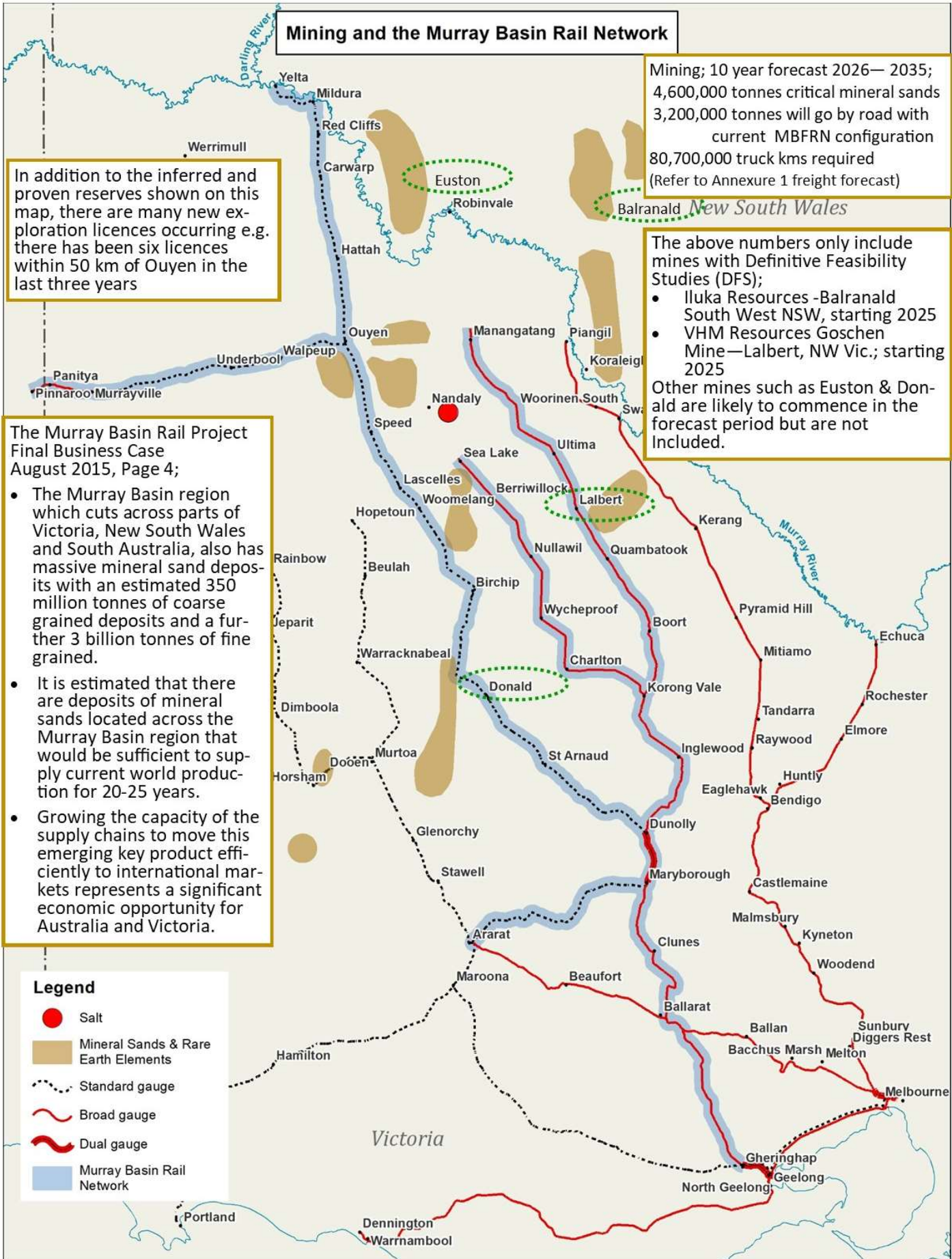
Other mines such as Euston & Donald are likely to commence in the forecast period but are not included.

The Murray Basin Rail Project Final Business Case August 2015, Page 4;

- The Murray Basin region which cuts across parts of Victoria, New South Wales and South Australia, also has massive mineral sand deposits with an estimated 350 million tonnes of coarse grained deposits and a further 3 billion tonnes of fine grained.
- It is estimated that there are deposits of mineral sands located across the Murray Basin region that would be sufficient to supply current world production for 20-25 years.
- Growing the capacity of the supply chains to move this emerging key product efficiently to international markets represents a significant economic opportunity for Australia and Victoria.

Legend

- Salt
- Mineral Sands & Rare Earth Elements
- - - Standard gauge
- ~ Broad gauge
- ~ Dual gauge
- Murray Basin Rail Network



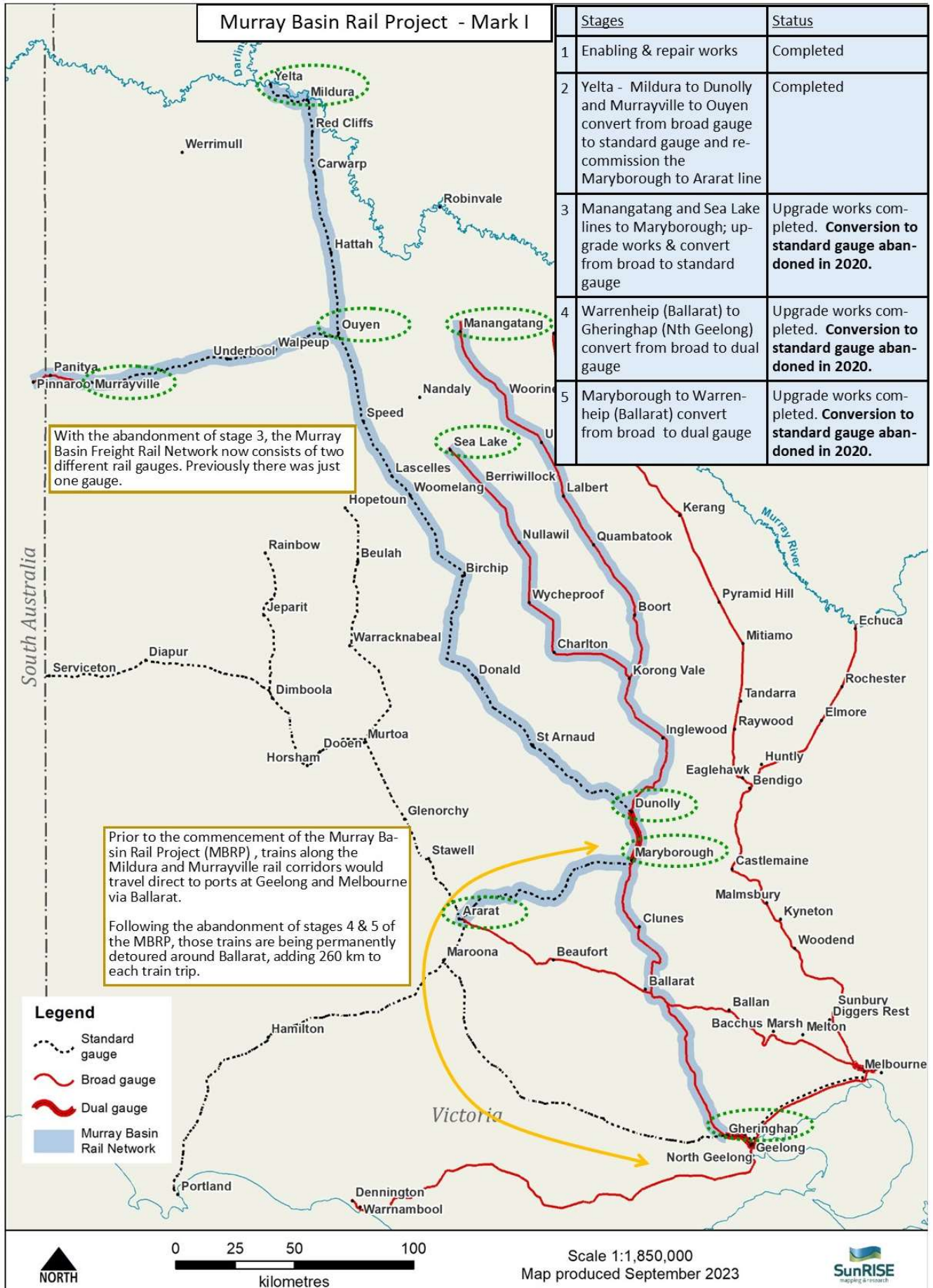
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B. 'Evaluation of the performance' of the Murray Basin Rail Project listed in the 2019 National Action Plan

The Murray Basin Rail Project (MBRP) is listed on page 8 of the 2019 National Freight and Supply Chain Strategy National Action Plan under; b) Provide infrastructure to connect regions and remote areas to markets. The project was funded by State and Federal Government with the later providing the larger portion. In 2020, the scope of the MBRP was revised, and three of the five stages were abandoned.



While the revised Murray Basin Rail Project resulted in increased tonne axle loadings and improved track reliability, the new network configuration;

- has gone from having one rail gauge to having two,
- has created access and interoperability issues within the network and to ports as well as the national network. No other state or territory uses broad gauge for freight.
- has resulted in disrupted train cycle times which severely impact the sustainability of services, and
- has diminished supply chain resilience.

The repercussions, of the 2020 revised MBRP and the subsequent network configuration, are far reaching:
(refer map and details on page 9 of this submission)

Mildura and Murrayville to Dunolly corridors.;

- 130 km detour around Ballarat, adding 260 km to each train trip, as Maryborough to Gheringhap is yet to be converted to standard gauge. While it provides more trains paths, the extra operating costs & disruption to train cycle times, has made rail less sustainable.
- The ‘shovel ready’ Sunraysia Mallee Port Link (SMPL) project is suspended due to the disruption to train cycle times caused by the long detour around Ballarat. The detour adds extra costs and ‘cripples’ a train to only three services per week when five or six are needed. Reinstatement of the direct rail route to port through Ballarat would see a mode shift of 400k to 550,000 tonne intermodal freight p.a. from road to rail. (Refer to Annexure 3)
- Grain on rail at Murrayville is now almost 2.5 times further distance to the nearest port compared to road, making rail far less viable. (note; it is estimated that \$30 -\$40 million was invested in converting this line to standard gauge as part of the Murray Basin Rail Project Mark I and question are now being asked as to why)
- Graincorp rail Project Regeneration has been suspended at three sites on the Mildura & Murrayville rail corridors while waiting for the reinstatement of direct rail route to port via Ballarat.
- Disruption to train cycle times, caused by the detour adding 260 km to each train trip, adds a significant cost to rail; e.g., Cargill Grainflow at Birchip no longer travel to Geelong & back in a day; an extra train set is needed to complete the same freight task, so more grain is going by road.
- During times of train service disruptions, (maintenance, accidents, track failure etc.) there is no contingency route, which is a critical issue, particularly with fresh produce etc. Not converting Maryborough to Ballarat to Gheringhap (Nth Geelong) to standard gauge has compromised supply chain resilience.
- Establishment of \$15 million hay export facility and creation of 50 jobs is suspended at Sunraysia Mallee Port Link is suspended.
- CHS Broadbent Grain at Ballarat is not able to access the Port of Portland, Inland Rail or its other grain sites located in NSW & Queensland as they are on standard gauge. Again, this effects rail interoperability and drought resilience.

Trains along the Mildura & Murrayville rail corridors now must take a very long detour to port via Ararat & Maroona, so as to go around Ballarat. In summary;

- some people have argued that it provides more train paths. But that advice is akin to saying trains along the Indian Pacific corridor would be better served if they were rerouted via Melbourne.
- what seems to be misunderstood is, in addition to the extra operating costs, there is the huge added cost stemming from the disruption to train cycle times making these trains far less efficient. e.g., the Cargill Grainflow trains at Birchip can no longer travel to Geelong & back in 24 hours, instead they now require a 36 hour train cycle, making them 50% less efficient.

Graincorp; “Project Regeneration is suspended on the Victorian network, pending the completion of the full Murray Basin Rail Project to the initial scope (all 5 stages). Without the long-term certainty of the standard gauge route through Ballarat and Gheringhap, it’s fair to say the confidence in ability to achieve a return on investment is low.”

There is a concern that grain on rail in Northwest Victoria will slowly ‘die’ from attrition.

Not converting the Maryborough to Ballarat to Gheringhap (Nth Geelong) line to standard gauge has severely compromised supply chain resilience. During times of train service disruptions, (maintenance, accidents, track failure, flooding etc.) there is no contingency route, which is a critical issue, particularly with JIT delivery of fresh produce, tighter shipping schedules and limited storage capacity at the wharf.

Sea Lake and Manangatang to Inglewood rail corridors.

- Sea Lake and Manangatang rail corridors were not converted to standard gauge. No other state or territory in Australia uses broad gauge for freight resulting in a very small number of operators and diminished opportunity for competition and lowering of freight costs to port etc.
- Grain along Sea Lake & Manangatang rail corridors cannot access the standard gauge Portland & national network: this reduces port competition and compromises supply chain & drought resilience.
- Grain companies now have grain sites spread across two different rail gauges & now two lots of rolling stock is needed, making rail expensive. e.g., Cargill Grainflow at Birchip (standard gauge) & Sea Lake (broad gauge)
- Graincorp rail Project Regeneration has been suspended at four sites on the Sea Lake and Manangatang rail corridors while waiting for its conversion to standard gauge.
- The volume of grain exported from the respective ‘wheat belt regions’ across eastern Australia fluctuates significantly, year to year. While one region may have a low production season and reduced demand for standard gauge rolling stock, that equipment could be redeployed to another region experiencing high export demand, provided its rail network is standard gauge. However, moving rolling stock to where it is needed is not possible with broad gauge as no other state or territory in Australia uses broad gauge for freight. Consequently, there is a limited amount of broad gauge rolling stock in high export years and underutilised stock in lean years.
- Ultima Intermodal rail terminal; Qube Logistics has scaled back its train services due to broad gauge freight trains not being profitable.
- Broad gauge freight is potentially unsustainable in the medium term when a major locomotive overhaul is required and most likely unviable in the long term when a full conversion to a renewable energy power source is required. There is a very low incentive to achieve zero carbon emissions with broad gauge locomotives.
- Mineral Sand & Rare Earth mining at Balranald by Iluka Resources is set to start in 2025. Iluka is part way through a leased wharf facility at the Port of Portland (Victoria’s naturally deepest port) and the rail line to Portland is standard gauge. The nearest suitable rail terminal to the Balranald mine site is Manangatang, but that line has remained a broad gauge line (it’s conversion to standard gauge was stage 3 of the initial scope of the MBRP that was abandoned in 2020) Instead of using rail, the Definitive Feasibility Study for the upcoming mining is showing 400,000 + tonnes of ore p.a. being road freighted approximately 530 km from North Balranald to Geelong.

Grain companies now have grain sites spread across two different rail gauges and now two lots of rolling stock are needed, making rail inefficient and expensive. Moving freight rolling stock to where it is needed along the eastern states is not possible with broad gauge as no other state or territory in Australia uses it. There is a very small number of operators and diminished opportunity for competition and lowering of freight costs. It cannot access all ports, which again reduces competition. There is a very low incentive to achieve zero carbon emissions with broad gauge locomotives. It is unsustainable.

Murray Basin Rail Project - Mark I

The list of repercussions, stemming from completing only two of the five stages of the initial MBRP, is extensive. While there has been increased tonne axle loadings and number of train paths as well as improved track reliability, the network has;

- gone from having one rail gauge to having two, making it inefficient
- access and interoperability issues within the network and to ports as well as the national network. No other state or territory uses broad gauge for freight
- disrupted train cycle times which severely impacts the sustainability of services
- diminished supply chain resilience

The four project objectives of the 2015 Murray Basin Rail Project - Final Business Case (page 4) are not achievable under MBRP Mark I. 73% of freight suitable to rail will go by road needing 25.6 million trees to offset the carbon emissions

Grain on rail is now almost 2.5 times further distance to the nearest port compared to road, making rail far less viable

Graincorp rail regeneration projects suspended; await reinstatement of direct rail route to port through Ballarat

Establishment of hay export facility at SMPL is suspended

Mineral Sand & Rare Earth mining Balranald: nearest rail terminal; Manangatang line is still broad gauge when Portland line is standard gauge Definitive Feasibility Study; 400k + tonnes of ore p.a. from Balranald to Geelong by road

Sunraysia Mallee Port Link (SMPL) project suspended; await reinstatement of direct rail route to port through Ballarat (400k to 550k tonne intermodal freight p.a. now on road)

Graincorp rail regeneration project suspended; await conversion to standard gauge

Ultima Intermodal - Qube has scaled back its train services: broad gauge not profitable

Mining of mineral sands & rare earth less economical while SMPL is suspended

VHM Ltd Goschen mine cannot rail to Portland

Grain companies now have grain sites on two different rail gauges & now need two lots of rolling stock making rail expensive. e.g. Cargill Grainflow at Birchip & Sea Lake

Graincorp rail regeneration projects suspended; await conversion to standard gauge

Grain along Sea Lake & Manangatang rail corridors cannot access the standard gauge Portland & national network: this reduces port competition and compromises supply chain & drought resilience

Disruption to train cycle times, caused by the detour adding 260 km to each train trip, adds a significant cost to rail; e.g. Cargill Grainflow: no longer travel to Geelong & back in a day; an extra train set is needed to complete the same freight task, so more grain is going by road

Prevent planned intermodal from future access to Inland Rail & national network; needed for manufacturing & defence industries

130 km detour around Ballarat, adding 260 km to each train trip, as Maryborough to Gheringhap is yet to be converted to standard gauge. While it provides more train paths, the extra operating costs & disruption to train cycle times, has made rail less sustainable.

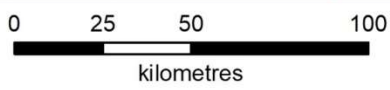
CHS Broadbent Grain is not able to access Portland or Inland Rail & its other grain sites in NSW & Qld on standard gauge

Ballarat's new flour mill adjacent to broad gauge rail: not accessible by standard gauge Mildura, Murrayville etc & interstate rail lines

During times of train service disruptions, (maintenance, accidents, track failure etc.) there is no contingency route, which is a critical issue, particularly with fresh produce etc. Not converting Maryborough to Gheringhap to standard gauge has compromised supply chain resilience.

Legend

- Standard gauge
- Broad gauge
- Dual gauge
- Murray Basin Rail Network



Scale 1:1,850,000
Map produced September 2023



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The following table provides an evaluation of the achievement of the four project objectives listed on page 4 of the 2015 Murray Basin Rail Project Final Business Case;

	<u>Project Objective</u>	<u>Achieved?</u>	<u>Details</u>
1.	Enhance competition between the ports of Portland, Geelong and Melbourne for Victorian exports	✘	Half of the Murray Basin Freight Rail Network region cannot access Portland or the national rail network and the other half of the trains on the MBFRN are detoured an extra 130 km each way enroute to Geelong and Melbourne
2.	Improve transport efficiency through gauge standardisation and axle load upgrade	✘	Any gains made, including axle loading upgrades have been fully negated by only half of the MBFRN being converted to standard gauge (and leaving the network with two different rail gauges) and the long detour around Ballarat adding to running costs and severely disrupting train cycles times
3.	Unlock private investment in the region's supply chains	✘	Graincorp has suspended its rail Project Regeneration at approximately seven sites across the MBFRN. It has advised; 'without the long-term certainty of the standard gauge route through Ballarat and Gheringhap, it's fair to say the confidence in ability to achieve a return on investment is low'. Sunraysia Mallee Port Link intermodal project on the Mildura line has been suspended due to the disruption to train cycle times caused by the extra 130 km long detour (refer to Annexure 3)
4.	Minimise conflict between passenger and freight related services	✘	One of the key reasons provided for rescoping the MBRP in 2020, was the potential for freight trains to disrupt an increasing number of passenger trains in Ballarat. That issue has been since resolved. Refer to Annexure 2

The Murray Basin Freight Rail Network (MBFRN) region will, over the ten years to 2035, see;

- **39.2 million tonnes of freight produced that is suited to rail,**
- **73% of the freight suited to rail, will go by road,**
- **542.8 million truck kms will be required to freight the produce that is suited to rail.**
- **2.6 million tonnes of carbon will be emitted, needing an equivalent of 25,600,000 trees as an offset.** (refer to Annexure 1)

One of the key reasons provided for rescoping the Murray Basin Rail Project in 2020, was the potential for freight trains to disrupt an increasing number of passenger trains in Ballarat.

A solution has since been provided that would see a 1.2 km long freight train pass through the Ballarat passenger – freight train overlap section in under 5 minutes at 40 km/per hr.
(refer to Annexure 2)

For the purposes of this submission, it is proposed that;

- the 2020 rescoped rail project be referred to as Murray Basin Rail Project Mark I and
- a new project be considered for inclusion in the 2024 National freight Strategy Action Plan and referred to as **Murray Basin Rail Project Mark II**

C. Relevant goals of the 2019 Strategy as well as an outline of new goals for inclusion in the 2024 Strategy, in relation to the Murray Basin Freight Rail Network.

Goals of the 2019 National Freight and Supply Chain Strategy that continue to be relevant to the Murray Basin Freight Rail Network (MBFRN)

- Improved efficiency and international competitiveness
 - Despite completion of the Murray Basin Rail Project Mark I, the international competitiveness of agriculture production in the MBFRN region is being compromised by an inefficient and unsustainable rail system.
 - Deloitte Access Economics 2019 report; The Impact of Freight Costs on Australian Farms mentions; 'A key determinant in ensuring that Australian agriculture can reach its full export potential is maintaining efficient and competitive transport of food and fibre from paddock to port. At present, this cost is one of the largest single cost items in the production of many agricultural commodities, and it has the potential to impact the global competitiveness of Australian agriculture and its export performance into the future', and
 - 'In Australia, freight costs are relatively highest for grains and fruit/vegetables, which represent 27.5% and 21% of GVAP (Gross Value of Farm Production)'
 - Agriculture production in the MBFRN region consists predominantly of grains, fruit and vegetables and these are the most effected agricultural commodities as mentioned above.
- Safe, secure and sustainable operations
 - Per the 2019 National Freight and Supply Chain Strategy, one of the goals for freight infrastructure and operations is to minimise impacts on the environment, ensure they are resilient and sustainable and take into account the Sustainable Development Goals.
 - The current 'over reliance' on road transport in the MBFRN region, to freight produce suitable to rail, from the top of the state to the south, including the western suburbs of Melbourne, is not achieving the goal of safe, secure and sustainable operations.
- An informed understanding and acceptance of freight operation
 - It is assumed that road transport may have been the focus of this goal in the 2019 National Freight and Supply Chain Strategy.
 - In relation to the MBFRN, Mildura Regional Development consider a need for 'informed understanding and acceptance of a higher number of freight trains operating through urbanised areas, in particular, Ballarat' is a must. While freight trains have the potential to cause short term delays to local traffic at a small number of level crossings in Ballarat and potentially disrupt the increasing number of passenger trains in Ballarat (which has been resolved), the current alternative of being 'over reliant' on road transport from the top of the state to the south, including the western suburbs of Melbourne, has a far greater weighting of repercussions.
- A fit for purpose regulatory environment.
 - Mildura Regional Development would like to see the infrastructure decision making process adopt a more 'wholistic approach' in the rail investment appraisal processes. For example; significant widespread road damage is occurring at a far greater rate, due to the increased frequency of high rainfall events and the reliance on road transport to move freight that is suited to rail.

If the goal of 'An informed understanding and acceptance of freight operations' relates to a growing freight task and use of road transport, surely this goal needs to be extended to include freight trains operating in urbanised areas such as Ballarat.

Significant widespread road damage is occurring at a far greater rate, due to the increased frequency of high rainfall events and an increasing reliance on road transport to move freight that is suited to rail.

Other goals to be incorporated in the 2024 National Freight and Supply Chain Strategy that are relevant to the Murray Basin Freight Rail Network (MBFRN)

- Decarbonisation
 - Per the Review of the National Freight and Supply Chain Strategy Discussion Paper August 2023; Australia's transport sector is the third largest source of greenhouse gas emissions in Australia, amounting to 19 per cent of Australia's direct greenhouse gas emissions. In 2019, freight transport (rail, articulated trucks, rigid trucks and domestic marine) accounted for 26 per cent of total transport emissions (Australia's emissions projections 2022 [dceew.gov.au](https://www.dceew.gov.au))
 - Australia's agriculture sector is the fourth largest source of greenhouse gas emissions in Australia. 'The agriculture sector contributes to our national emissions profile by both sequestering carbon in soils and vegetation and the emission of greenhouse gases from farming practices such as livestock production, cropping practices, the use of fertilisers and the burning of savanna grasslands. Combined, agriculture accounts for about 13 per cent of Australia's National Greenhouse Gas Inventory.' More than 75% of Australian agriculture produce is exported, and that as a trade-exposed sector we must remain competitive within international markets; (NFF Climate Change Policy)
 - Gina Rinehart's keynote speech at the August 2023 Bush Summit in WA stated that farmers will not be able to afford the transition to net zero. In her speech she went through the long list of fossil fuel machinery that are, in general, used by farmers.
 - It will be far less burdensome to convert a small fleet train locomotives to carbon neutral fuel than to replace hundreds of truck diesel engines.
 - There are concerns by farmers across the MBFRN region that the current inefficient and unsustainable rail network will be 'made to work', by Government placing financial imposts (directly & indirectly) on road transport. This added cost will be viewed as counterproductive in the transition to net zero emissions.

Former Managing Director of ASX listed Select Harvests Ltd, Paul Thompson, said in 2021 at a stakeholder meeting with then deputy PM, Michael McCormack, regarding the suspended Sunraysia Mallee Port Link and the Revised Murray Basin Rail Project; "Select Harvests exports its almonds all over the world, and regions, such as the European Union, are looking at our carbon emissions and our food miles. We need to be using rail."

- The transport and agriculture sectors are the third and fourth largest sources of greenhouse gas emissions in Australia.
- Being far from port, farmers across Australia's largest food bowl and agriculture export 'powerhouse region' face an uphill battle to remain competitive in world markets and achieve imminent carbon reduction targets while tackling climate change risks

Carbon emissions from rail trains is 16 times less than that of road transport (ARA)

- Supply Chain Resilience
 - Mildura Regional Development concurs with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts' inclusion of 'Australia's freight and supply chains need to build resilience to meet emerging issues associated with natural disasters and climate risk, and to mitigate the impact of climate disruptions on supply chain productivity' in its Review NFSC Strategy Discussion Paper August 2023;
 - Greater supply chain resilience needs to be factored into the Murray Basin Freight Rail Network (MBFRN) including;
 - A need for rail contingency routes strengthens supply chain resilience. Currently there is no contingent rail route within the network. This is a critical issue, particularly with fresh produce, tightening shipping schedules, lack of spare storage capacity at the wharf requiring JIT deliveries, increased frequency of events such as heat waves affecting line performance, temporary line closure for maintenance and unplanned line closure; e.g., vehicle accident, flood and bushfire etc. Converting the Maryborough to Gheringhap rail line to standard gauge per the initial scope of the Murray Bason Rail Project combined with the route via Ararat will provide the necessary contingency rail route.
 - Drought resilience. One half of the MBRN is not able to access the national rail network preventing it from efficiently moving large volumes of grain to and from other farm regions across Australia, during times of drought. Under the 2020 rescope MBRP, the Sea Lake and Manangatang rail corridors were not converted from board to standard gauge, making them inoperable with the national network and the Port of Portland. In addition, CHS Broadbent Grain at Ballarat is not able to access Portland or the Inland Rail and its other grain sites in NSW and Queensland as they are on standard gauge. During the 2017 – 2019 drought they moved grain between their sites, but large volumes of Ballarat grain had to go by road.

Converting the Maryborough to Gheringhap rail line to standard gauge per the initial scope of the Murray Bason Rail Project is vital as there is currently no contingent rail route within the network. This is a critical issue, particularly with fresh produce, tightening shipping schedules, lack of spare storage capacity at the wharf requiring JIT deliveries, increased frequency of events such as heat waves affecting line performance, temporary line closure for maintenance and unplanned line closure; e.g., vehicle accident, flood and bushfire.

It is of absolute importance that the 2024 National Freight and Supply Chain Action Plan addresses the shortcomings of the Murray Basin Rail Project Mark I

D. A new Murray Basin Rail Project Mark II for inclusion in the 2024 National Action Plan.

MBRP Mark II – what Government funded infrastructure is required? Consultant acting for Mildura Regional Development has calculated the following;

- Convert the 388 km long Sea Lake and Manangatang to Dunolly rail corridors to standard gauge per the Murray Basin Rail Project Final Business Case 2015. Plus replace numerous non gauge convertible concrete sleepers e.g., approximately 22 km on the northern end of the Sea Lake line. Estimate; \$192 million.
- Convert the 140 km long Ballarat rail corridor (Maryborough to Ballarat to Gheringhap/ Nth Geelong) to standard gauge. Undertake the Ballarat Freight – Passenger Train separation works, including 1 level crossing removal, upgrade interlocking and general signalling & cabling and provide access for standard gauge equipment to maintenance and housing facilities at Ballarat and Geelong, plus replace the non-gauge convertible concrete sleepers at the Tourello passing loop between Ballarat and Maryborough. Estimate; \$169 million[^]
- Extend 10+ passing loops across the network to accommodate 1.2 km long freight trains Estimate; \$29 million.
- Undertake some remedial works on the Mildura line, including that required in the vicinity of Donald and Birchip; Estimate \$22 million
- **Subtotal of the above; Estimate; \$412 million**
- **Sunraysia Mallee Port Link intermodal terminal (shovel ready). Estimated cost \$46 million***

[^] includes the Victorian Parliamentary Budget Office Costing of \$115 million for the conversion of the rail corridor to standard gauge, a level crossing removal and freight – passenger separation in Ballarat. The total estimated cost will be significantly higher if the Ballarat rail corridor were converted to dual gauge per the initial project scope outlined in the Murray Basin Rail Project Final Business Case 2015)

** per 2021 Sunraysia Mallee Port Link business case + inflation. It is proposed that the project funding mix from Local, State & Federal Government be like that used to construct the Wimmera Intermodal Freight Terminal at Dooen/Horsham (owned by Horsham Rural City Council)*

MBRP Mark II – what private investment will it incentivise?

- Graincorp has indicated that it would resume its rail Project Regeneration at approximately seven sites across the MBFRN (\$60 million over thirteen sites in 2015) equates to a very broad estimate of \$50 million.
- Hay export facility at the Sunraysia Mallee Port Link; \$15 million
- Shipping container handling equipment and other related equipment at the Sunraysia Mallee Port Link
- Mineral Sand and Rare Earth Elements exploration, mining and processing equipment; difficult to estimate.
- New standard gauge rail rolling stock, namely increased fuel efficiency and reduced carbon fuels.
- Relocation of shipping container packing facilities away from metropolitan regions, including western suburbs of Melbourne to point of origin. e.g. there is an ASX listed table grape and citrus business looking to relocate its export pack house from Tottenham – Melbourne to the Sunraysia region

Murray Basin Rail Project Mark II – what will it achieve?

- Over a ten year period to 2035 alone, it is forecasted to;
 - Shift 15.1 to 19.5 million tonnes of freight from road to rail (approx. split; 32% export wheat, barley and canola, 47% intermodal freight & 21% critical mineral sands where DFS is in place)
 - Reduce truck movement on roads by 257 to 367 million kilometres.
 - Cut carbon emissions by 1.2 to 1.6 million tonnes.
 - Save the need for an equivalent to 11.4 to 16.3 million carbon absorbing trees
- **Resolve all of the issues outlined on pages 7,8 and 9.**
- make roads safer (including inner western suburbs of Melbourne) and reduce road maintenance costs.
- introduce investment in the Sunraysia Mallee Port Link, new manufacturing and create 90 jobs (primary)
- incentivise new crop types such as export hay production. The Mallee is Victoria's premium oaten hay growing region and its production cycle will assist farmers in dealing with varying rainfall patterns. Export hay is ideal to fill some of the 120,000 empty containers leaving the Port of Melbourne each year (after being used for imports)
- move existing jobs from Melbourne western suburbs into the regions where they belong e.g., Currently millions of cases of export table grapes and tens of thousands of tonnes of export almonds and grain are stored, monitored, inspected and packed into shipping containers in places such as Tottenham and Derrimut when ideally the producers, for quality assurance purposes (minimise handling & attain consistent climate control etc.) want these functions completed at the point of origin.
- see mineral sand mining resume in northwest Victoria sooner. Iluka Resources has many mineral sand deposits near the proposed Sunraysia Mallee Port Link and in their letter of support they mention: *'the existence of and access to a rail loading facility at Ouyen would certainly be an important consideration in Iluka's assessment of the economic viability of developing these deposits'*.
- incentivise other possibilities such as the production and export of hydrogen.
- put more containerised freight on rail to the Port of Melbourne and reduce congestion and carbon emission from the top of the State to the south, including in the inner western suburbs of Melbourne.
- reduce paddock to port costs which are high compared to our international competitors. They are highest for grains at 27.5 per cent of gross income, and fruit and vegetables at 21pc, of GVAP' (Deloitte Access Economics '19).
- convert the Sea Lake and Manangatang rail corridors to standard gauge and:
 - increase port competition by allowing trains from these corridors to access the Port of Portland.(on standard gauge) Portland has the capacity to handle up to a further 1 million tonnes of grain p.a.
 - increase train competition and sustainability by using a gauge that is widely used throughout the rest of Australia. (no other state uses broad gauge for freight)
 - put 2025 mineral sand mining (and rare earth two years later) in SW NSW onto rail closer to the mine site.
 - assist with drought management.by enabling grain to be railed to and from other states. (And if ever the 26 km of rail from Murrayville Vic to Pinnaroo SA is converted to standard gauge it too could provide a more direct rail route for grain to travel to and from other states)
- allow Ballarat (proposed) and Ultima intermodals (currently broad gauge) to access to the proposed Western Interstate Freight Terminal
- have the whole network capable of accessing the Port of Portland and compliment the Inland Rail Project and the Port of Melbourne Rail Transformation Project
- reverse the volume of grain going to port on road,
- assist our exporters with their escalating ESG requirements / obligations. e.g., a large almond exporter has stated that their European customers are scrutinising food mile carbon emissions. We need to use rail to cut emissions. 80% of 1 million tonnes of intermodal freight in 2023 from Sunraysia & Mildura Rural City Council LGA on road to port is not acceptable. And that figure is set to increase.