



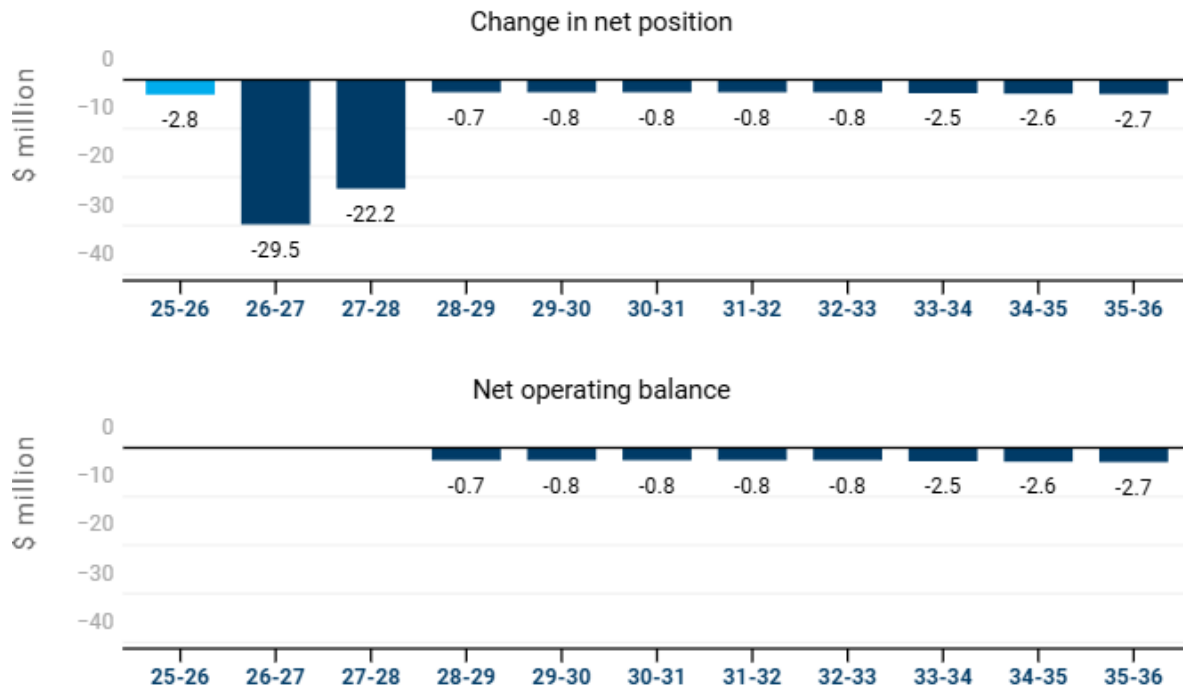
Policy costing

Upfield line: build a turnback at Gowrie

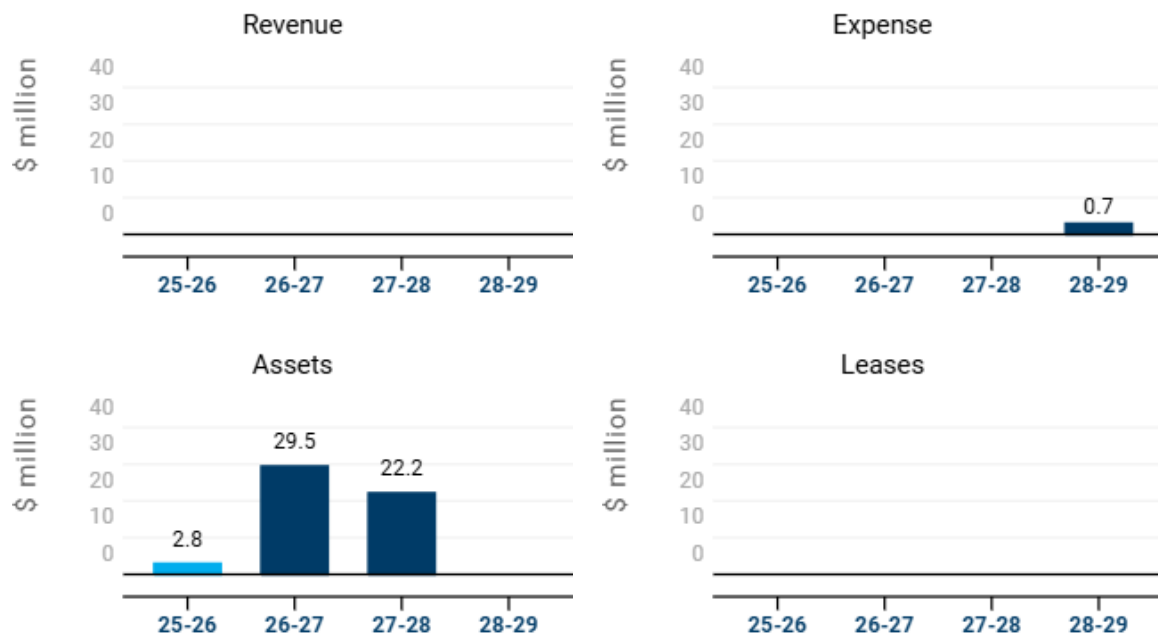
Political party	The Australian Greens - Victoria
Requestor	Ms Ellen Sandell MP
Request date	28 May 2025
Response date	25 June 2025
Policy commencement	1 July 2025
Policy conclusion	Ongoing
Policy summary	This policy would build a train turnback facility at Gowrie railway station.
Budget baseline	May 2025 budget
Expiry date of this response	At the release date of the next Victorian Government budget or budget update.

Our response

Budget impact



Costing components



Source: Parliamentary Budget Office.

Context

Currently, most of the Upfield railway line is double track. However, there is a single-track section between Gowrie and Upfield stations which limits the number of services that can operate on the line. Building a train turnback facility at Gowrie Station would allow train services to start and terminate at that railway station.

Costing overview

We expect this policy to decrease the state's budgeted net position by:

- \$55.2 million across 2025–26 to 2028–29, this reflects:
 - an increase in assets of \$54.5 million due to upgrading rail infrastructure
 - an increase in operating expenses of \$0.7 million due to ongoing asset maintenance
- \$66.3 million across 2025–26 to 2035–36, this reflects:
 - an increase in assets of \$54.5 million due to upgrading rail infrastructure
 - an increase in operating expenses of \$11.8 million due to ongoing asset maintenance.

The total estimated investment (TEI) reflects the amount of expenditure needed to undertake the asset works, but excludes the associated operating, maintenance expenses and finance lease costs. We expect this policy to have a TEI of \$54.5 million from the commencement of asset works in 2025–26 to completion in 2027–28.

This cost estimate is sensitive to:

- the final design of the train turnback facility
- changes in cost escalation rates.

Our approach

Assumptions

When costing this policy, we made the following assumptions:

1. The Gowrie Station precinct does not contain contaminated land or material that would require removal.
2. No acquisition of properties or land adjacent to the station would be necessary.
3. Construction profiles would be consistent with similar rail infrastructure upgrade projects.

Method

When costing this policy, we:

- investigated the configuration and infrastructure of the Upfield rail line
- estimated the cost of building the train turnback facility at Gowrie Station based on similar projects
- estimated the cost of maintaining the upgraded rail infrastructure.

Data sources

- AECOM. 2021. IV 118 Transport Cost Estimate to support Cost Benefit Analysis. [ONLINE] Available at: <https://www.infrastructurevictoria.com.au/project/30-year-strategy/> [Accessed 10 June 2025]
- Google. 2025. Google Maps. [ONLINE] Available at: <https://www.google.com/maps/> [Accessed 10 June 2025]
- Infrastructure Victoria. 2021. Major transport program capital cost report. [ONLINE] Available at: <https://www.infrastructurevictoria.com.au/project/30-year-strategy/> [Accessed 10 June 2025]
- Vicsig. 2025. Gowrie. [ONLINE] Available at: <https://vicsig.net/infrastructure/location/Gowrie> [Accessed 10 June 2025]
- Vicsig. 2025. Upfield Line. [ONLINE] Available at: <https://vicsig.net/infrastructure/line/upfield> [Accessed 10 June 2025]

Attachment A– Detailed budget impacts

Year-on-year impacts

(\$ million)	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	0.7	0.8	0.8	0.8	0.8	2.5	2.6	2.7
Net operating balance	-	-	-	-0.7	-0.8	-0.8	-0.8	-0.8	-2.5	-2.6	-2.7
Assets	2.8	29.5	22.2	-	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.8	-29.5	-22.2	-0.7	-0.8	-0.8	-0.8	-0.8	-2.5	-2.6	-2.7

Cumulative impacts

(\$ million)	2025–26	2026–27	2027–28	2028–29	2029–30	2030–31	2031–32	2032–33	2033–34	2034–35	2035–36
Revenue	-	-	-	-	-	-	-	-	-	-	-
Expense	-	-	-	0.7	1.5	2.3	3.1	3.9	6.5	9.1	11.8
Net operating balance	-	-	-	-0.7	-1.5	-2.3	-3.1	-3.9	-6.5	-9.1	-11.8
Assets	2.8	32.3	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5	54.5
Leases	-	-	-	-	-	-	-	-	-	-	-
Change in net position	-2.8	-32.3	-54.5	-55.2	-56.0	-56.8	-57.6	-58.4	-60.9	-63.6	-66.3

Notes: Figures may not sum due to rounding. Consistent with Victorian Budget Paper No.3 – Service Delivery, we do not consider changes to interest, depreciation expense nor non-cash adjustments. The net operating balance measures the gap between government revenue and expenses, and is an indicator of the policy's impact on operating sustainability. A positive change indicates that this policy would improve the net operating balance of the state budget. The net position measures the gap between government revenue and expenses, and movements in financial and non-financial assets. It is an indicator of the policy's impact on the state budget, and is more appropriate for comparing policy costings. A positive change indicates that this policy would improve the net position of the state budget.

Source: Parliamentary Budget Office.