

Media Release

Hon Jacinta Allan MP
Premier



Thursday, 18 December 2025

DELIVERING THE SUBURBAN RAIL LOOP

The Suburban Rail Loop (SRL) – Australia’s largest housing and transport project – will slash travel times and cut congestion for families, while building 70,000 homes around six new stations within walking distance of jobs, healthcare, green open spaces and our largest universities.

Premier Jacinta Allan, Treasurer Jaclyn Symes and Minister for the Suburban Rail Loop Harriet Shing today visited the SRL’s train stabling site in Heatherton – where the first tunnel boring machine is arriving – to announce how the SRL will be funded and delivered.

Funding the Suburban Rail Loop

The Allan Labor Government is building the Suburban Rail Loop in partnership with the Albanese Labor Government. As outlined in the SRL Business and Investment Case, the project will be funded equally through three streams: Victorian Government funding, Commonwealth Government funding and value capture

The SRL precincts will become highly attractive locations for people to live and work in. Value capture means those who will financially benefit from the SRL – such as those developing property or whose land value has increased through rezoning decisions – will help to proportionately contribute to the cost of the project.

There will be five value capture mechanisms and none will apply to the family home. These are: existing land and windfall gains tax in the local area, infrastructure contributions, a car parking levy from 2035 on car park owners, and state-initiated development.

Land tax and windfall tax settings will not change. There is no increase. The revenue will stay local. Land tax and windfall gains tax in SRL East precincts will fund SRL East construction.

From 1 January 2027, the SRL Infrastructure Contributions Plan levy will apply to new property developments in the six SRL precincts. The levy will be a one-off payment that will be applied in phases as construction progresses and the SRL begins to operate.

Initially, the rate paid in the SRL Structure Plan areas will be the same as that being introduced around more than 50 train stations across Melbourne. It is paid by a developer or landowner when they increase the number of dwellings on a site – for example, if a single home is turned into a block of apartments.

From 2035 when the SRL is complete, a car parking levy – which already applies to off-street car parks in inner Melbourne – will be introduced. This levy applies to car park owners, not motorists who pay to use a car park. It will not apply to residential parking and there will be exemptions for businesses offering free visitor parking.

State-initiated development is where the state generates revenue by developing land that it owns for residential or commercial investments. Victoria will explore potential projects once SRL Structure Plans are finalised next year.

Value capture isn’t new. It has been successfully used in Australia and around the globe.

Projects such as London CrossRail, Grand Paris Express, Gold Coast Light Rail, our own City Loop and even the Sydney Harbour Bridge have used value capture to deliver transport people rely on every day.

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The Suburban Rail Loop: backing Victorian jobs and building new Victorian trains

The Labor Government is backing Victorian jobs, awarding the largest SRL contract to build the state's first-ever fleet of automated trains in Dandenong – helping to slash travel times across Melbourne's suburbs.

Global consortium TransitLinX has been selected to deliver the \$6.7 billion Linewide package and build 13 four carriage automated trains in Dandenong – marking the first time these trains have been manufactured in Australia.

TransitLinX – to be known as the Linewide Alliance – brings together industry leaders John Holland, RATP Dev, Alstom, KBR and WSP. They have global and local experience on world-class projects including Paris Metro, Melbourne's Metro Tunnel and Sydney Metro Northwest.

The new automated trains will be accessible, and the carriages will have seating along the walls to create more space for passengers in peak periods. They will also have the capacity to be fitted with luggage storage so that future passengers can easily travel with luggage when SRL connects to Melbourne Airport.

Using a world-class communication-based train control system, the high-tech trains will be able to 'talk' to each other and the operational control centre, removing the need for traditional railway signals.

The Linewide Alliance will build the systems needed to operate the SRL, including signalling, platform screen doors and passenger information displays. All infrastructure and stations will be powered by 100 per cent renewable energy – with energy regenerated during train braking used to power other trains across the SRL network.

The contract will create more than 500 jobs during construction, support more than 300 small-to-medium sized businesses across the supply chain, and generate hundreds more jobs once the SRL opens – covering construction of the stabling yard and operations centre in Heatherton, along with a 15-year term to operate the network.

Construction on the SRL powers ahead, with the 78-tonne TBM cutterhead on site in Heatherton, the first of eight TBMs that will carve 26km of twin tunnels from Cheltenham to Box Hill – with tunnelling starting next year.

The Linewide package is the fourth major contract to be awarded, with work well underway on both tunneling packages, the SRL remains on time and on budget.

More than 3,000 Victorians are working across all station sites as major construction ramps up ahead of tunnel boring machines launching next year, with trains taking passengers in 2035.

Jess Wilson's Liberals want to cancel the SRL. It means sacking 4,000 workers, blocking 70,000 homes within walking distance of public transport, schools, healthcare and jobs – while making hundreds of thousands of Victorians spend more time in traffic. Like the Metro Tunnel, only Labor will deliver the SRL.

Quotes attributable to Premier Jacinta Allan

"The Suburban Rail Loop will slash travel times and cut congestion for busy families – while delivering 70,000 more homes within walking distance to jobs, healthcare and our world-class universities."

"As we get on with delivering the Suburban Rail Loop – we're backing Victorian jobs. Thousands are already onsite building this massive project while hundreds will soon start building the trains in Dandenong."

Quote attributable to Treasurer Jaclyn Symes

"This is a carefully considered, sensible and fair plan to build a project that will deliver more homes, cut congestion and keep Victorians moving."

Quote attributable to Minister for Suburban Rail Loop Harriet Shing

"Building high-tech automated SRL trains right here in Melbourne will create a pipeline of Victorian jobs and skills for decades to come."