



Suburban Rail Loop – not proceeding	
Party:	The Coalition
Summary of proposal: The proposal would cancel federal funding for the Suburban Rail Loop (SRL) East. The proposal would start on 1 July 2025.	

## Costing overview

The proposal would be expected to increase the fiscal and underlying cash balances by around \$2.2 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a decrease in administered expenses.

The Department of Infrastructure, Transport, Regional Development, Communication and the Arts (DITRDC) advised that no Australian Government payments for the SRL have been made to date. In accordance with the Notes on Administration (outlining the funds would be administered) the announcement of funding to a particular project and its subsequent inclusion in the National Partnership Agreement Schedules reflects the Australian Government's commitment to the outcomes of the project but is not a guarantee of funding. As such, the cancellation of the SRL East project would result in the Australian Government's \$2.2 billion funding being returned to the budget.

The proposal would not be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: Suburban Rail Loop – not proceeding – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	800.0	800.0	600.0	-	2,200.0
Underlying cash balance	800.0	800.0	600.0	-	2,200.0

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

## Methodology

The funding profile as at 2025-26 Budget for the Australian Government's commitment to the SRL East project was reversed.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Data sources

Commonwealth of Australia (2025), [Victoria Federation Funding Agreement Schedule on Land Transport Infrastructure Projects \(FFAS\): 2025-26 Budget Funding Table](#), Federal Financial Relations. Accessed on 13 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

## Attachment A – Suburban Rail Loop – not proceeding – Financial implications

**Table A1: Suburban Rail Loop – not proceeding – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Administered Expenses</b>													
<i>Suburban Rail Loop East</i>	800.0	800.0	600.0	-	-	-	-	-	-	-	-	2,200.0	2,200.0
<b>Total – expenses</b>	<b>800.0</b>	<b>800.0</b>	<b>600.0</b>	-	-	-	-	-	-	-	-	<b>2,200.0</b>	<b>2,200.0</b>
<b>Total (excluding PDI)</b>	<b>800.0</b>	<b>800.0</b>	<b>600.0</b>	-	-	-	-	-	-	-	-	<b>2,200.0</b>	<b>2,200.0</b>

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

**Table A2: Suburban Rail Loop – not proceeding – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	18.0	54.0	87.0	104.0	109.0	114.0	119.0	124.0	130.0	136.0	143.0	263.0	1,138.0
<b>Underlying cash balance</b>	13.0	45.0	79.0	100.0	108.0	113.0	118.0	123.0	129.0	135.0	141.0	237.0	1,104.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)