



SUBURBAN  
RAIL LOOP

# Business and Investment Case Key Findings

August 2021



SUBURBAN  
RAIL LOOP  
AUTHORITY

VICTORIA'S  
BIG BUILD

VICTORIA  
State  
Government

**Victoria is expected to grow to 11.2 million people by 2056 and Greater Melbourne will reach around 9 million people – a similar size to London today.**









**Suburban Rail Loop  
is a once-in-a-generation  
opportunity to shape  
the future liveability,  
productivity and  
connectivity of Melbourne.**

# The case for Suburban Rail Loop

**It's not just about the infrastructure you build – it's about the change it makes.**

**Victoria is expected to grow to 11.2 million people by 2056 and Greater Melbourne will reach around nine million people – a similar size to London today.**

Suburban Rail Loop (SRL) is a multi-generational investment that will transform Victoria's public transport system and deliver enormous social benefits for all Victorians.

SRL will change how people move around Melbourne and Victoria. It will deliver a 90-kilometre orbital rail line that will provide a direct link to Melbourne Airport, relieve pressure on roads and transport networks and connect people to key destinations across our city – major job centres, health services and education institutions.

But SRL is much more than a transport project. Beyond the transport infrastructure and improved connectivity, it will transform Melbourne into a 'city of centres' – supporting vibrant precincts outside the central business district (CBD) that will provide more high quality jobs, greater housing options, and green and open space in attractive, well-connected neighbourhoods.

SRL is a once-in-a-generation opportunity to get ahead of the curve – recalibrating where and how our city will grow in the decades ahead. For years, high population growth on Greater Melbourne's expanding urban fringe has been driving many households further from employment centres, leading to longer commutes, increased congestion and more crowded public transport. This pattern of growth risks entrenching disadvantage, with inequitable access to good jobs, services, affordable housing, amenities, and cultural and recreational opportunities.

## **The power of city-shaping infrastructure**

Strategic or 'city-shaping' transport infrastructure has the power to change a city's development patterns and growth. It influences where a business chooses to locate and where a person chooses to live. It can make locations more attractive, catalysing urban renewal in some areas, while easing pressure on others.

When new areas become more attractive because of city-shaping infrastructure, this redirects the property market and intensifies urban development, leading to a shift in urban form. Melbourne's City Loop, the West Gate Bridge, the Western Ring Road and CityLink all helped to re-balance Melbourne's lopsided growth from the south east to the north west and west. It is impossible to think of Melbourne today without the long-term contribution of these key investments, despite the short-term disruption that accompanies construction.

SRL addresses these challenges and will slow the unsustainable growth of our urban fringe.

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**Up to 23,900 local  
jobs supported  
across the Victorian  
economy during  
construction.**

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**Cross suburb public transport will  
transform how we move around  
Melbourne, connecting people  
to places, jobs and each other  
like never before.**

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# What Suburban Rail Loop delivers

Suburban Rail Loop is the biggest infrastructure investment ever undertaken in Victoria and the most essential if we are to ensure that future generations can enjoy the high standard of living Melbourne is renowned for.

**While it will take time to deliver, its economic, social and environmental benefits will be transformative and long lasting.**

## **Suburban Rail Loop will deliver:**

- A ‘turn up and go’ metro-style rail service with convenient interchanges between the new orbital line and every major radial line between Frankston and Werribee
- Direct rail connections to Melbourne Airport and significant travel time savings for commuters across Victoria
- Important transport connections to thousands of jobs across the middle of Melbourne, health services, education, and retail, which will be critical as Melbourne grows
- Two new transport super hubs at Clayton and Broadmeadows and will tap into the already established Sunshine Station super hub. These major interchanges will connect regional passengers to the loop, providing faster and more convenient journeys to destinations and employment across Melbourne

- A long pipeline of jobs, supporting up to 23,900 jobs across the economy and helping to train the next generation of skilled Victorian workers. This will include opportunities for trainees, cadets and apprentices under the Victorian Government’s Major Projects Skills Guarantee.
- Opportunities in SRL Precincts (the 1600 metre radius around SRL stations) through new planning settings, new and upgraded community facilities, improved walking and cycling links, and investment to attract drawcard businesses to set up in these precincts
- Exciting prospects by creating development spaces over the underground stations or adjacent to the stations, that can deliver new housing and civic infrastructure such as retail areas, plazas and recreation spaces
- Huge growth in the economic and employment potential of Melbourne’s National Employment and Innovation Clusters (NEICs) at Monash, La Trobe, Sunshine and Werribee and, Metropolitan Activity Centres (MACs) such as Box Hill and Broadmeadows, Health and/or Education Precincts (HEPs) at Clayton and Heidelberg, and Major Activity Centres such as Cheltenham, Glen Waverley and Reservoir

# The Business and Investment Case approach: **SRL East and SRL North**

The SRL Business and Investment Case articulates the strategic rationale for SRL and focuses on outlining the scope and establishing the case for investment in SRL East (Cheltenham to Box Hill) and SRL North (Box Hill to Melbourne Airport).

## **Business and Investment Case Recommendation**

The Business and Investment Case finds that delivering SRL East (Cheltenham to Box Hill) and SRL North (Box Hill – Melbourne Airport) as an integrated program comprising rail and precinct development initiatives has strong economic credentials and will deliver a wide range of benefits to Victorians.

The economic appraisal considers a broad range of costs and benefits and a delivery date of 2053. The assessment finds SRL East and SRL North has a net present value (NPV) ranging between \$3.0 billion and a \$22.9 billion and a positive benefit-cost ratio (BCR) between 1.1 and 1.7.

Building SRL East and SRL North will deliver a substantial return on investment to the Victorian and Australian economies and will boost the number of jobs in SRL Precincts by 165,000. It is expected to directly contribute up to \$58.7 billion in economic, social and environmental benefits to Victoria.

## **SRL comprises three sections**

The focus of the SRL Business and Investment Case is 'SRL East' from Cheltenham to Box Hill and 'SRL North' from Box Hill – Melbourne Airport. Construction of SRL East will start in 2022 and this section will be operating by 2035. The third section from Melbourne Airport to Werribee is 'SRL West', which is in the early stages of planning. All projects underway in Melbourne's West, including Metro Tunnel, Melbourne Airport Rail, Geelong Fast Rail and the Western Rail Plan will make provision for SRL West to allow for the earliest possible delivery of SRL around to Werribee.



## Better transport and services in the west

The Metro Tunnel, Melbourne Airport Rail, Geelong Fast Rail and Sunbury Line Upgrade will transform train travel, making getting to work, school and health services quicker and easier. These projects will reduce congestion, cut travel times and provide more trains more often on every train line in the western suburbs.

An upgraded Sunshine Station super hub will have a dedicated rail connection to the airport as part of Melbourne Airport Rail, and will provide a connection for passengers using Geelong, Ballarat and Bendigo services. Citybound trains will run every two to three minutes from Sunshine in the peak, providing direct access to the Metro Tunnel, Southern Cross and Flinders Street.

SRL West will have a key interface with these projects and the Sunshine Station super hub and will be developed in parallel to deliver convenient cross suburb travel and even better transport outcomes for the west.

# Challenges facing Melbourne

## How we grow matters

As Melbourne's urban footprint expands, more people are forced by housing affordability to live further away from current employment opportunities – making it harder to secure and maintain employment. Longer work commutes add to road and public transport congestion and reduce workforce productivity, as well as impacting people's quality of life.

Melbourne's urban form is focused on the central city. Benefits from businesses being clustered together and good accessibility make the central city an attractive location for businesses and residents. But as Melbourne transitions to a city of nine million by 2056, this monocentric urban form will constrain economic growth.

Unless we plan for and invest in strategic infrastructure, there is a risk that one of two scenarios may eventuate:

- Population growth does not occur as projected and we miss other opportunities to stimulate Victoria's economic activity, leading to a decline in quality of life
- Population growth does occur as projected but leads to reduced liveability because Melbourne's urban form struggles to adapt to a city of nine million people, exacerbating congestion and crowding.

### Suburban Rail Loop and the impact of Covid-19

Migration has been the primary driver of Australia's growth for decades. COVID-19 has forced the closure of international borders and slowed migration, but these impacts will be temporary. Population growth will be delayed by two to four years but is still forecast to reach similar levels in the longer term.

Changes to community behaviour driven by COVID-19 may present several opportunities for Melbourne which SRL is well placed to support. For example, the preference for more local travel and shorter commutes may encourage some businesses to locate outside of the central city, closer to where people live. SRL can capitalise on these trends by attracting businesses and investment to SRL Precincts, while supporting more people to 'live locally'.



# SRL will deliver broad and far-reaching benefits

Around **71,000** daily trips on SRL East in **2036**, including 47 per cent shifting from private vehicles

Significant travel time savings  
- the greatest saving up to **82 minutes** in the peak from **Monash to Bundoora**



More than  
**430,000**  
**passengers**  
using SRL East and  
SRL North every  
day by **2056**

**606,000** fewer  
car journeys on  
**Melbourne's roads**  
every day

**47,500** new households  
in the vibrant and  
well-connected SRL  
Precincts easing pressure  
on Melbourne's urban sprawl

# Changing how we move around Melbourne

As Victoria's population grows, the transport system will need to cope with an additional **11.8 million trips per day** by 2050.

**The share of public transport and active transport (cycling, walking etc) trips across the city must increase if Melbourne is to remain a sustainable and liveable city in the decades ahead.**

SRL will radically change how people travel across Melbourne, reducing traffic congestion and crowding on the existing network.

The new orbital line will carry more than 430,000 passengers between Cheltenham and Melbourne Airport daily by 2056, taking more than 2.2 million vehicle kilometres off the road network each day.

SRL will provide direct, fast and reliable access to Melbourne Airport – by 2056 the network will be taking around 31,000 passengers per day to and from the Airport.

## Getting to destinations sooner

SRL will provide significant public transport travel time savings – slashing travel times across the network. The average one-way journey between SRL Precincts will be 40 minutes faster than a public transport journey today.

The estimated travel time between most SRL stations is estimated to be around 3-4 minutes. This translates to a total travel time of approximately 22 minutes for the SRL East route from Cheltenham to Box Hill, and an overall journey of up to 55 minutes from Cheltenham to Melbourne Airport.

From 2035, public transport users in Melbourne's south east will experience much faster journeys on the underground SRL East line, saving up to an hour on a one way trip and up to two hours on return journeys between precincts.

From Cheltenham for example, commuters will save between 40 minutes to an hour when travelling to either Monash, Glen Waverley or Burwood.

It won't only be SRL passengers experiencing faster journeys. The improved efficiency of the city's broader transport network will enhance the speed and quality of journeys for commuters across the board. Overall, more than 80 per cent of Melburnians will experience more efficient transport during peak periods.



### Greater connectivity

- SRL East and North will result in more than 230,000 extra public transport trips per day across Greater Melbourne by 2056
- Of the more than 430,000 daily passengers in 2056, almost half will be travelling outside peak periods – meaning the line will be well utilised throughout the day
- People travelling on public transport between Monash and Bundoora will save the most time – around 170 minutes on a return journey in 2056.

# A turn-up-and-go train network connecting our suburbs

From 2035 trains will run **every six minutes** in the peak between Cheltenham and Box Hill. Train frequency will increase to meet demand as future stages are delivered, with an ultimate service frequency of a train about **every two minutes**.

As a standalone line, SRL can use state-of-the-art systems without having to retrofit technology into the existing network, saving time and money during design, delivery and operations. The network can also adopt new high-tech trains that are purpose-built to provide a 'turn up and go' service.

Passengers will be able to easily transfer between SRL and existing rail lines via interchange stations, with the same ticketing system servicing both networks.



## A dedicated fleet of next generation trains

The rail line will operate independent of other metropolitan rail networks, with a new dedicated fleet of automated trains – which will enable a higher frequency and more efficient, modern network. The four-car medium capacity rolling stock will incorporate modern features such as easy access, passenger comfort, low internal and external noise emissions, high security, quality passenger information systems and comfortable and ergonomically designed seating. Carriages will have dedicated spaces for wheelchairs and passengers with special needs, as well as flexible use spaces for prams, assistance animals and other uses.

With SRL North connecting to Melbourne Airport, the train interior will be configured for flexibility and ease of movement, and with capacity for future fit-out of convenient luggage storage.

**SRL East and SRL North will generate between \$24.9 billion to \$32.1 billion in benefits in present value terms by providing public transport passengers and road users benefits such as reduced crowding, less congestion and faster travel.**



# Levelling the playing field

Not only will Suburban Rail Loop transform the public transport network, it will open up a host of new social and economic opportunities for hundreds of thousands of Victorians by creating greater access to jobs, health services, education and affordable housing.

**Around two thirds of our city's jobs are spread out across Melbourne's middle and outer suburbs. Concentrating a third of the jobs in the CBD and inner suburbs is constraining Melbourne's economic growth, creating inequitable access to jobs and services and entrenching disadvantage.**

More employment opportunities closer to home means less commuting time and more time spent with family and friends. The city of multiple job centres that will be created by Suburban Rail Loop will improve accessibility to employment for 70 per cent of Melbourne's middle suburbs and for 72 per cent of Melbourne's outer corridor.

And the creation of '20-minute neighbourhoods' (as envisaged in *Plan Melbourne*) in SRL Precincts means many more Victorians with recreational and open space, schools, shops and cafes, health facilities and transport options within easy walking distance.

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**Delivering Suburban Rail Loop will see around 47,500 new households built in SRL East and SRL North Precincts, including social and affordable housing. It will reduce Greater Melbourne's urban footprint by about the same size as Shepparton today – Victoria's fifth largest regional city.**

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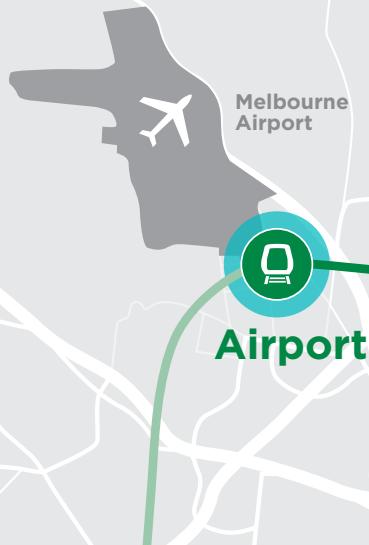
**SRL will be used by people who need it most – 65% of workers who will use the network will be in low income categories.**

**As Victoria's biggest ever transport investment, SRL will be a flagship vehicle for Government to deliver on ambitious targets for local jobs, including through training, re-skilling and industry development opportunities such as the Major Victorian Skills Guarantee, and for Aboriginal employment.**

**It will provide opportunities to increase social housing and set new benchmarks in sustainability, including the use of recycled materials and the reduction of greenhouse gas emissions.**

# New stations in strategic locations

## SRL Precincts



### Broadmeadows

- Transport super hub and interchange station, serving as the gateway to Melbourne for the northern metropolitan and Hume regions
- Broadmeadows's proximity to the Airport will help it evolve as a commercial and services hub for the northern region
- Precinct opportunities include supporting health and education facilities and diverse housing options for residents

### Fawkner

- Interchange station
- Fawkner will be a thriving mixed-use and residential activity centre
- Connected to the station and Sydney Road with further potential for quality public space

### Reservoir

- Interchange station
- Reservoir will be a liveable and well-connected precinct, with potential initiatives to help support a vibrant main street

### Bundoora

- New station
- Important travel connection to LaTrobe University.
- Opportunity for the precinct to support a vibrant town centre, with a flourishing residential, student and working community

### Heidelberg

- Interchange Station
- A significant medical precinct that will maximise employment opportunities in health and supporting industries
- Potential for higher visitation to cultural heritage sites and Yarra River destinations

### Doncaster

- New station
- Suburban Rail Loop will deliver long awaited rail to Doncaster and support its growth as a thriving Major Activity Centre
- The Westfield Shopping Centre and Manningham Civic Centre will help to attract a broad range of businesses and employment, and a vibrant night-time economy

### Box Hill

- Interchange station
- Box Hill will become one of the busiest interchange stations in Melbourne.
- Precinct will see growth in health and public sector jobs, anchored by Eastern Health, Box Hill Institute and government offices

### Burwood

- New Station
- Burwood will be a major education precinct, centred around Deakin University.
- Opportunities include potential for further residential and retail activation, and enhancing Gardiners Creek, while maintaining the area's green and open space

### Glen Waverley

- Interchange station
- Glen Waverley will be a growing activity centre of business, retail and entertainment, with connectivity across the eastern metropolitan region
- Precinct opportunities include a focus on delivering better walking and cycling access

### Monash

- New station
- Suburban Rail Loop East will bring rail to Monash for the first time – connecting the Monash University and the biggest employment centre outside Melbourne's CBD to the transport network
- The precinct will continue to build on its strengths in Science, Technology, Engineering and Mathematics (STEM) to attract and retain leading global firms and will be supported with opportunities for new walking, cycling and hospitality offerings

### Clayton

- Transport super hub and interchange station
- Clayton will become one of the busiest interchange stations in Melbourne – serving as the gateway to Melbourne for the southern metropolitan and Gippsland regions
- The precinct will be home to world standard healthcare and a centre of research, development and technology innovation

### Cheltenham

- Interchange station
- Cheltenham is the beginning of the Suburban Rail Loop line
- The precinct is a Major Activity Centre and retail destination for Melbourne's south east, with further potential to support a thriving community and entertainment hub for workers and residents



Regional connections



SRL Precincts are defined as the 1600 metre area around an SRL station.

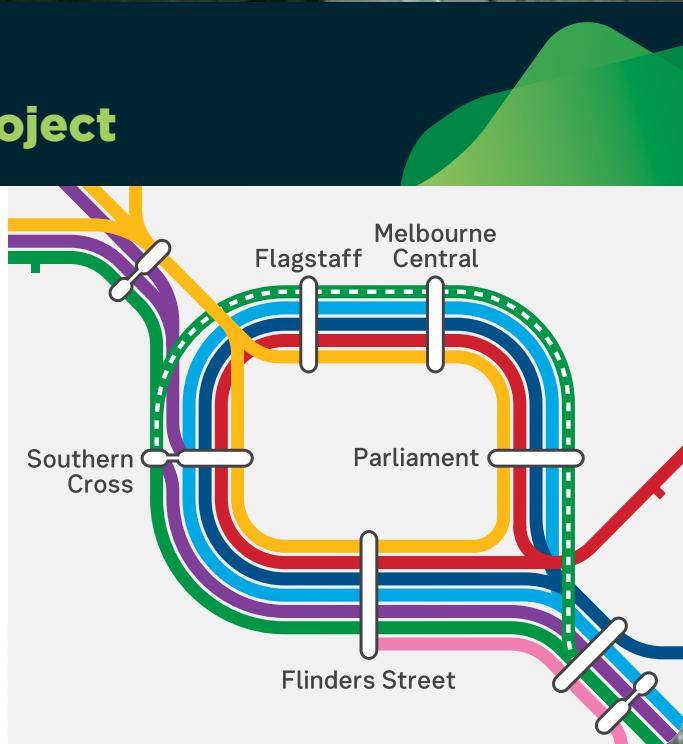


## CASE STUDY

### Not just a transport project

Melbourne's City Loop was a rail infrastructure project that transformed the central city and laid the foundation for the vibrant CBD now enjoyed by residents, workers and visitors. With its associated strategic land use initiatives, the City Loop catalysed a broad range of city-shaping changes. Development in the CBD was redistributed as the City Loop opened up access to northern parts of the CBD.

*Image: Melbourne Underground Rail Loop Authority: Museum Station – acoustic treatment along the Burnley platform, 1980. Supplied by Public Records Office Victoria.*



# How the City Loop reshaped Melbourne

The City Loop played a critical role in making our CBD the thriving economic and cultural heart it is today.

**Comprising a new underground rail line, four new stations and a new viaduct – the project was the biggest rail infrastructure investment of its time and vastly increased the capacity of the network and patronage.**

But the City Loop did much more than just revolutionise the transport network. Together with targeted land use policies and initiatives such as 'Postcode 3000' (a policy that provided incentives to live in the CBD), the City Loop played a critical role in transforming the city.

The relocation of the rail stabling yards away from the centre of the CBD, the above-ground redevelopment of Melbourne Central and the development of the St Kilda Road and Southbank precincts helped to encourage higher-value residential and commercial development and attract more businesses and jobs.

The impact of the City Loop's construction continued long after it was built. In 1996, the estimated population of the central city was around 40,000 people; today, it is close to 180,000.

Melbourne simply would not be the city it is today without the City Loop.

## An innovative funding strategy

Value capture principles were embedded in the City Loop project. As well as traditional sources of funding, the City Loop was funded by:

- A levy on passenger tickets
- A city-wide levy collected by the Melbourne Metropolitan Board of Works – originally aimed at funding 25 per cent of project costs
- A special council rates levy collected by the City of Melbourne – originally aimed at funding 25 per cent of project costs.

The city-wide and council rates levies acknowledged that many different groups in the community would benefit – not simply public transport passengers. Local commercial and residential property owners would benefit from the revitalisation of the CBD, which would be accompanied by increasing property prices – the special council rates levy ensured this cohort contributed to project costs in exchange for the uplift.



# Suburban Rail Loop – more than a rail line

SRL offers a once-in-a-generation opportunity to plan and build for Melbourne's current and predicted growth projections, while safeguarding what we love about our city for future generations.

Delivering SRL as an integrated transport and precinct development solution enables Melbourne to grow strategically along the rail corridor, with a focus on creating and sustaining vibrant, attractive and well-serviced communities.

## Creating opportunities in great places

The Victorian Government's ambition for SRL Precincts aligns with Plan Melbourne's vision to create a more diverse and resilient, polycentric city structure.

SRL will stimulate investment, creating value and a better way of 'living locally' – thriving, safe and connected neighbourhoods where everything people need is close by. SRL will consider opportunities for more diverse and quality housing, and features such as green open spaces, station plazas, new retail and civic squares, in consultation with key local stakeholders and the communities.

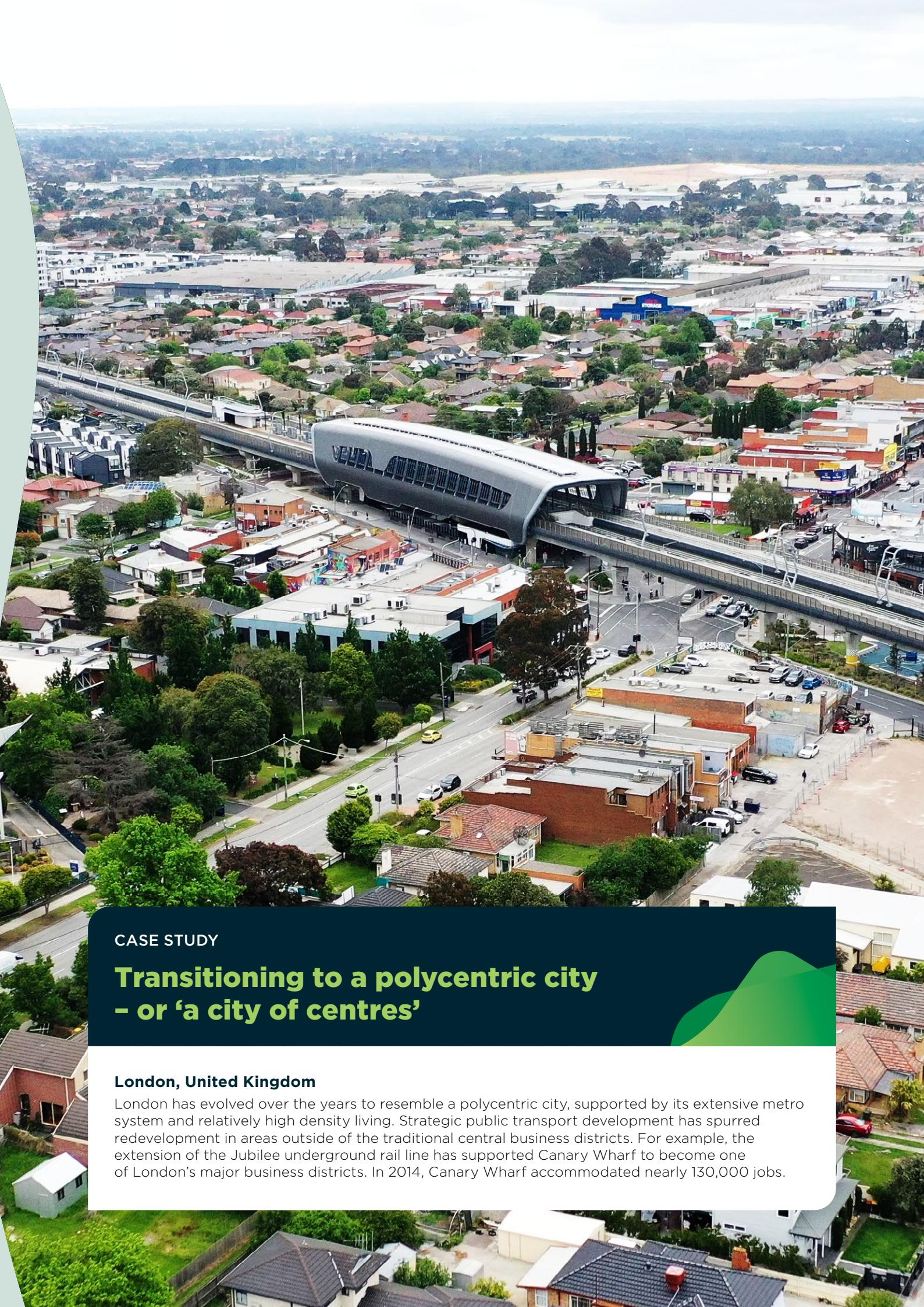
SRL will encourage population growth away from the urban fringe attracting people to areas with good public transport access, jobs, vibrant public spaces and services. SRL East and SRL North Precincts are expected to accommodate an estimated 47,500 new households by 2056.

## Promoting active transport

SRL will promote active transport by integrating station design with local neighbourhoods. Drawing on international best practice, SRL will trigger opportunities for active transport connections such as pedestrian crossings and cycle paths to provide a convenient journey between the stations and destinations.

A quality cycle network and a cycle parking facility at each SRL station will set a new benchmark in Australia.





#### CASE STUDY

## Transitioning to a polycentric city – or ‘a city of centres’

### London, United Kingdom

London has evolved over the years to resemble a polycentric city, supported by its extensive metro system and relatively high density living. Strategic public transport development has spurred redevelopment in areas outside of the traditional central business districts. For example, the extension of the Jubilee underground rail line has supported Canary Wharf to become one of London's major business districts. In 2014, Canary Wharf accommodated nearly 130,000 jobs.

# More jobs closer to home

Suburban Rail Loop will deliver transport infrastructure that will shift the economic geography of Melbourne and transform it into **a city of multiple employment centres.**

The enhanced transport connectivity, strategic land planning and urban renewal will attract businesses to station precincts, increasing jobs closer to where people want to live.

An integral part of SRL is the undertaking of property developments over and adjacent to stations. New opportunities for businesses in the SRL Precincts will be delivered through changes to planning and land use controls, supporting new mixed-use developments and leveraging new and existing key commercial tenants.

By 2056, the number of jobs in SRL Precincts will be roughly equivalent to the number of jobs in the central city today. These jobs will be, at most, a 20-minute walk from an SRL Station, making them easy to access for a broader pool of workers. SRL will improve accessibility to employment for 70 per cent of Melbourne's middle corridor and for 72 per cent of Melbourne's outer corridor.

**SRL East and North will grow the number of jobs in SRL Precincts from about 192,000 in 2018 to around 545,000 by 2056. 165,000 will only be achieved with SRL.**



Precinct	Jobs 2018	Jobs 2056 With SRL
Cheltenham	16,500	36,500
Clayton	21,000	57,500
Monash	36,500	162,000
Glen Waverley	11,500	25,000
Burwood	11,500	24,000
Box Hill	23,500	48,500
Doncaster	12,000	24,500
Heidelberg	18,500	50,000
Bundoora	8,500	41,500
Fawkner	4,500	11,500
Reservoir	4,500	9,000
Broadmeadows	9,000	26,000
Melbourne Airport	14,500	29,000

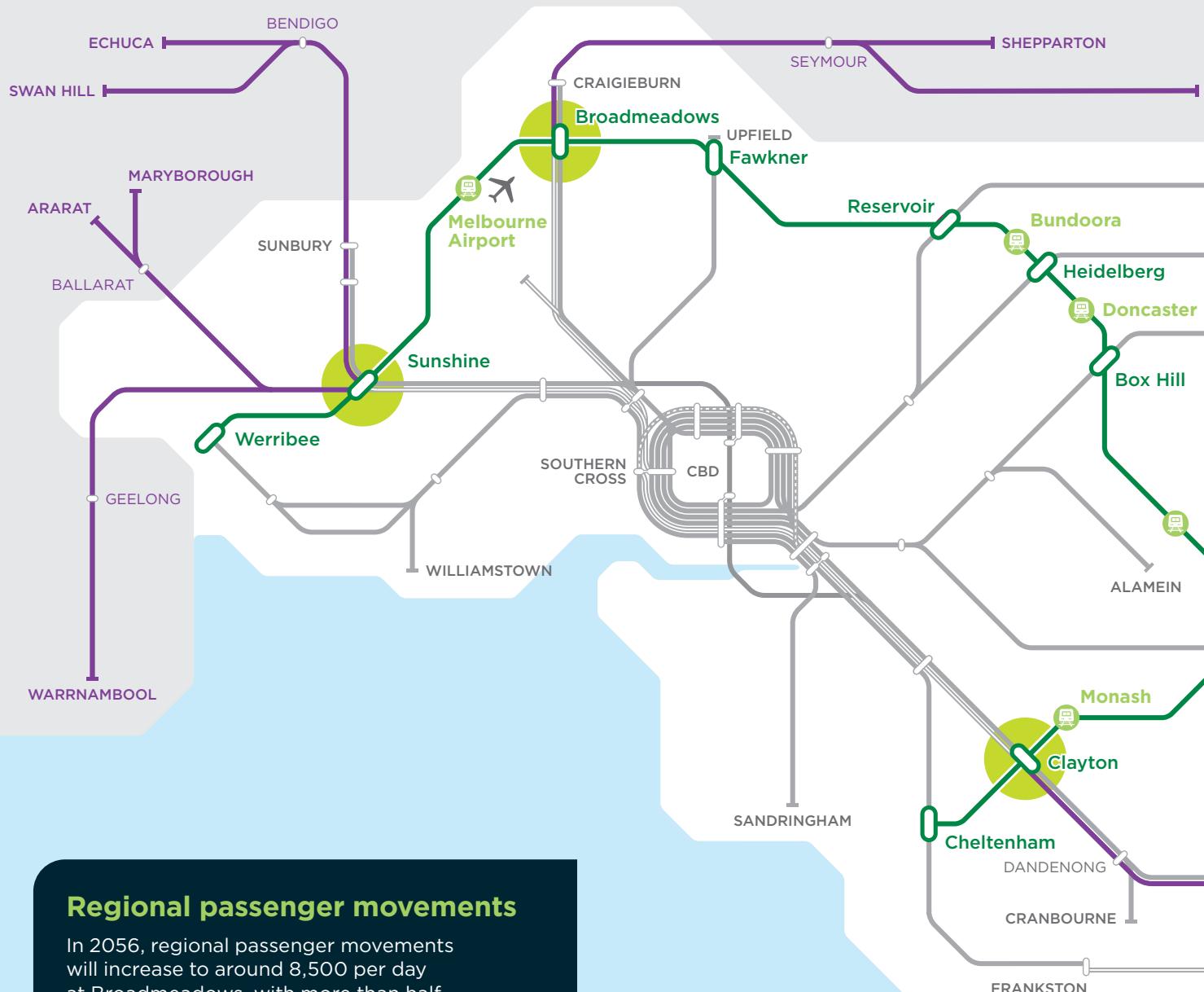
A close-up photograph of a woman with dark hair, wearing clear safety glasses and a blue jacket over a floral shirt. She is looking down and to her right with a thoughtful expression.

**Up to 13,100 direct jobs  
created during construction,  
supporting up to 23,900  
across the economy**



**165,000  
additional jobs  
in station precincts**

**Jobs in Monash –**  
Melbourne's second biggest  
employment centre – to  
**boom by almost  
350% with SRL**



## Regional passenger movements

In 2056, regional passenger movements will increase to around 8,500 per day at Broadmeadows, with more than half of all passengers on regional services approaching Melbourne from the Hume corridor alighting at Broadmeadows. At Clayton, regional passenger movements will triple to around 7,000 per day with SRL East and SRL North. More than 40 per cent of regional passengers approaching Melbourne from the Gippsland corridor will alight at Clayton.

# Benefits for all Victorians

## Improving connections and opportunities for regional Victorians

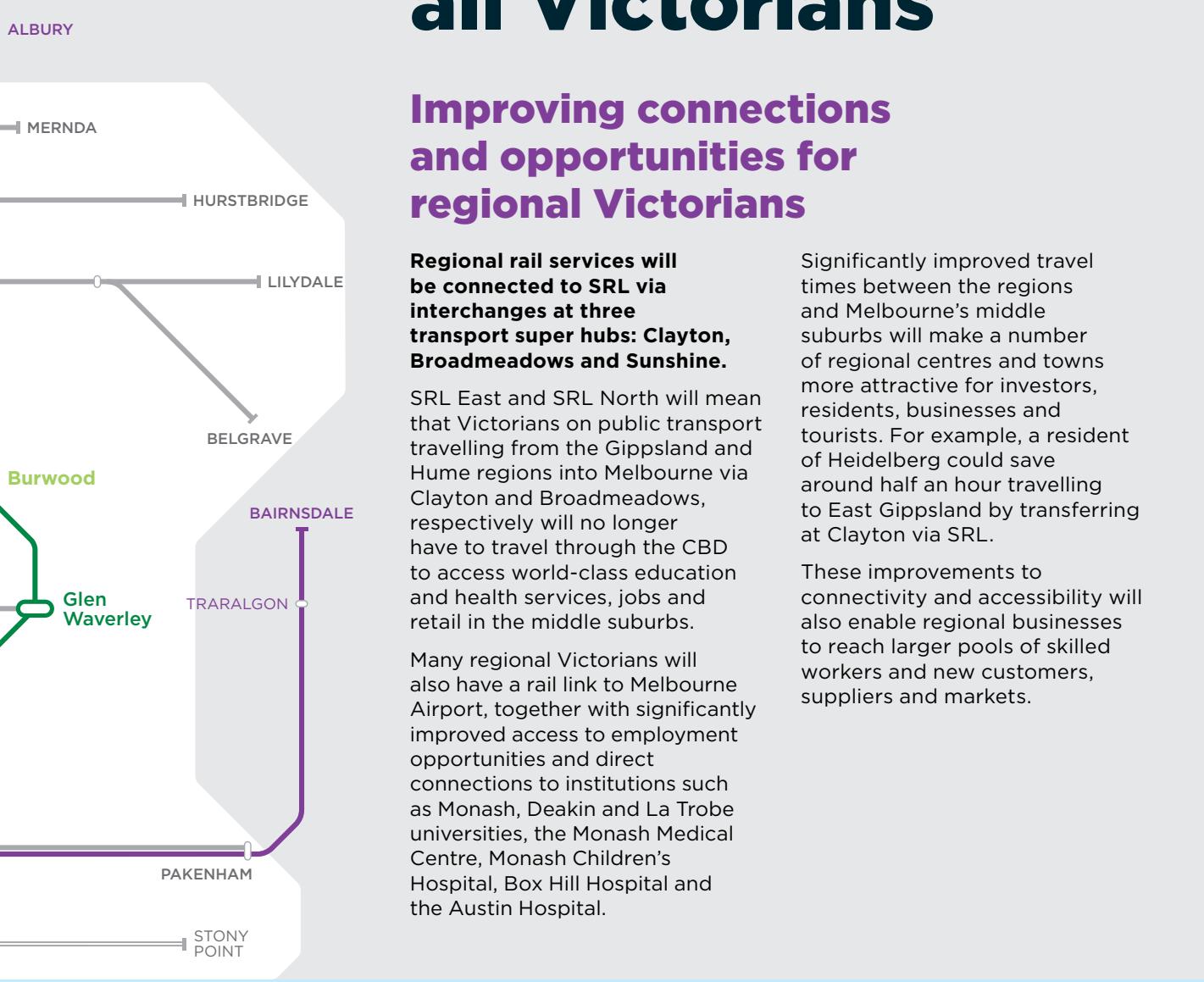
**Regional rail services will be connected to SRL via interchanges at three transport super hubs: Clayton, Broadmeadows and Sunshine.**

SRL East and SRL North will mean that Victorians on public transport travelling from the Gippsland and Hume regions into Melbourne via Clayton and Broadmeadows, respectively will no longer have to travel through the CBD to access world-class education and health services, jobs and retail in the middle suburbs.

Many regional Victorians will also have a rail link to Melbourne Airport, together with significantly improved access to employment opportunities and direct connections to institutions such as Monash, Deakin and La Trobe universities, the Monash Medical Centre, Monash Children's Hospital, Box Hill Hospital and the Austin Hospital.

Significantly improved travel times between the regions and Melbourne's middle suburbs will make a number of regional centres and towns more attractive for investors, residents, businesses and tourists. For example, a resident of Heidelberg could save around half an hour travelling to East Gippsland by transferring at Clayton via SRL.

These improvements to connectivity and accessibility will also enable regional businesses to reach larger pools of skilled workers and new customers, suppliers and markets.



### Legend

- Suburban Rail Loop
- Proposed new stations
- Proposed new interchange stations
- Regional lines
- Transport super hub

- Existing interchange station and customer service hub
- Metropolitan area
- Regional area

*For illustrative purposes, subject to further detailed technical investigations and consultations*

# Greater regional connectivity

More **convenient access** to an increased range of jobs. For instance, people travelling from Moe will have access to **twice the number of jobs** in Melbourne's middle suburbs within a **120-minute journey**

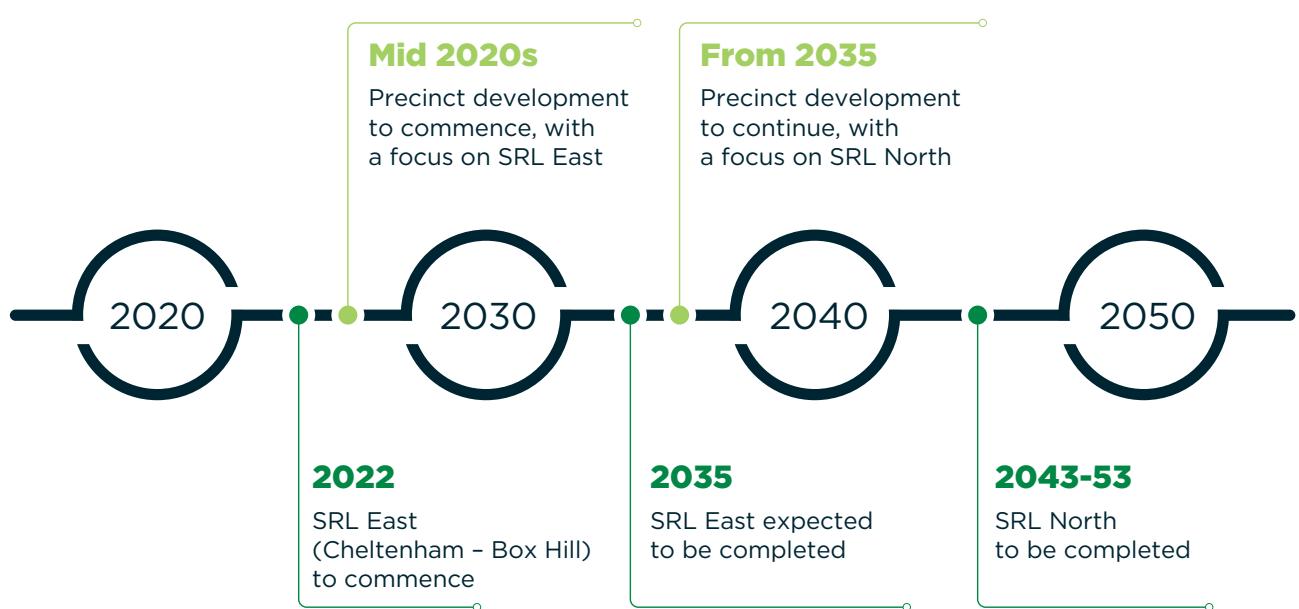


**Regional passengers  
will increase  
by around **20%** on the  
Hume corridor and  
**10%** on the Gippsland  
corridor**

Substantial travel time savings. A passenger from Wallan will travel to Deakin University with SRL in 73 minutes, **saving around 45 minutes**

# Timeline

High-level delivery program timeline for SRL East and SRL North



# Economic Benefits Assessment

The economic appraisal assessed a range of costs and benefits of both the SRL East and SRL North sections being delivered by 2053 at a four per cent discount rate. The assessment case demonstrates SRL East and SRL North are economically viable and will deliver a substantial return on the investment, with a benefit cost ratio (BCR) ranging between 1.1 and 1.7.

SRL is a long-term, productivity enhancing investment. Economic analysis finds SRL East and SRL North will enable employment and economic growth opportunities at both state and national levels, generating substantial benefits to both economies. The Victorian economy will be better off by more than five times the investment cost and the Australian economy will be better off by more than two times the investment cost.

Beyond the approximately 13,000 direct jobs that will be created during construction and delivery of SRL East and North, across Victoria, this level of investment will create 3,900 net additional jobs(FTE) at the peak of construction. The impact of precinct-specific land use changes and productivity enhancements will lead to an increase in employment across the state, with 4,000 net additional jobs (FTE) created at the peak of the operation phase. SRL East and SRL North will support up to 23,900 jobs across the economy.

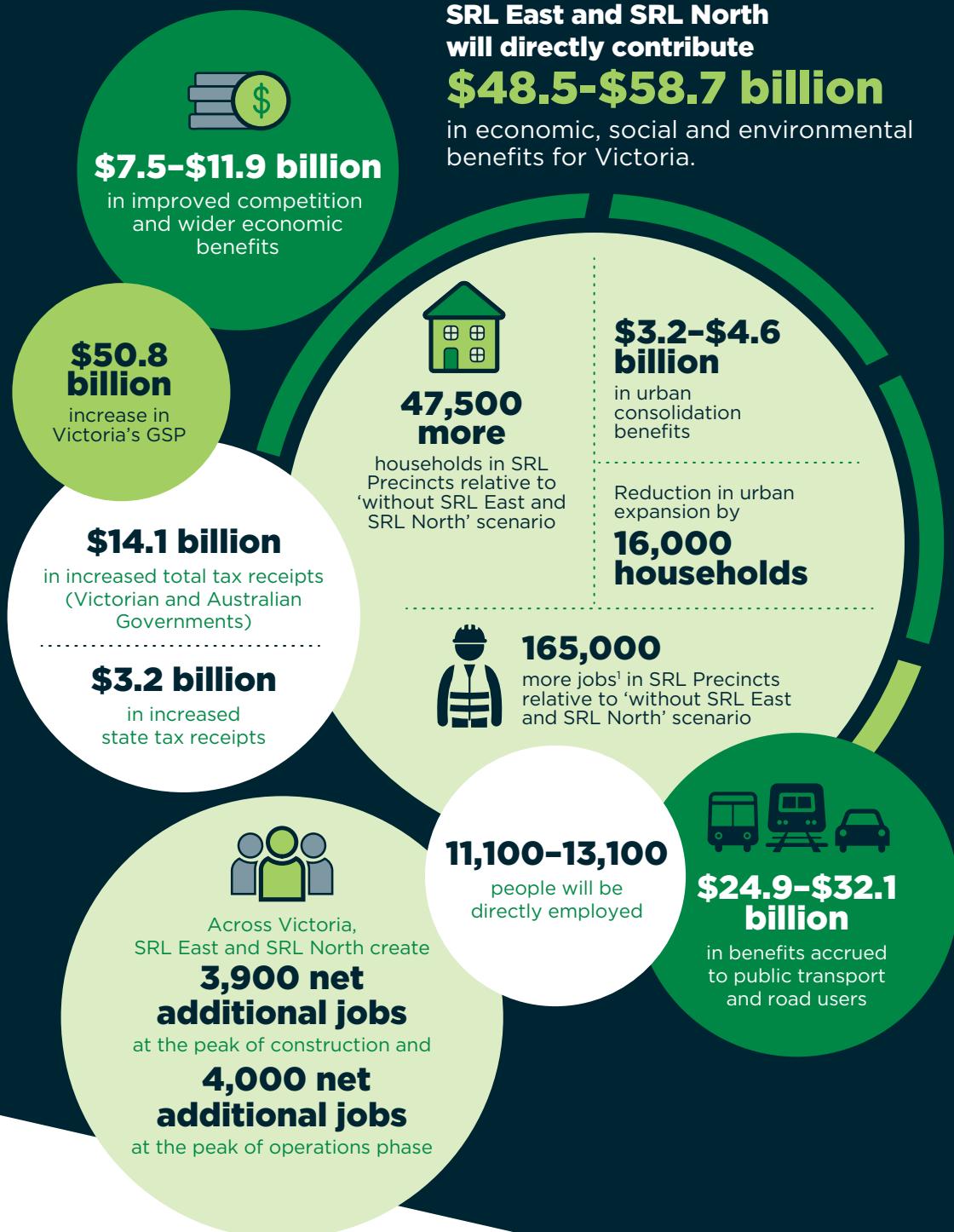
## Immediate benefits delivered by SRL East rail infrastructure

The delivery of SRL East between Cheltenham and Box Hill will deliver faster and better public transport, as well as greater access to jobs, health and education in the middle corridor of Melbourne.

In 2036, it's expected SRL East will be used by approximately 71,000 passengers every day. Nearly half of passengers will shift to SRL from their cars, about a third will shift from other public transport modes, and around 20 per cent will come from other transport modes and new trips.

**SRL East and North will see a total 545,000 jobs and 47,500 additional households located in SRL Precincts by 2056. The construction and delivery will support up to 23,900 jobs.**

# Benefits by the numbers



# Economic Analysis

The economic assessment of SRL East and SRL North considers both the rail infrastructure and precinct initiatives, including an indicative package of works to derive value from the transport investment, including planning settings, station development, catalyst projects and broader infrastructure – with a timeframe of delivery by 2053.

## Economy wide impact using a 4 per cent discount rate

	Region	Construction phase	Operational phase	Total
Output (GDP or GSP in \$bn, present value 4 per cent discount rate)	Victoria	\$23.6 bn	\$27.2 bn	\$50.8 bn
	Australia	\$22.7 bn	\$26.6 bn	\$49.3 bn
Net additional jobs (FTE), in peak year	Victoria	3,900	4,000	n/a
	Australia	4,100	3,400	n/a
Net additional jobs (FTE), average per year	Victoria	2,400	3,400	n/a
	Australia	2,000	3,000	n/a

## 4 per cent Discount Rate

The discount rate is the percentage rate at which future values are reduced to bring them into line with today's values. This is done to compare the costs and benefits of a project over time.

The economic assessment has been undertaken using a discount rate (real) of 4 per cent. This best reflects the intended outcomes of SRL which will have far-reaching benefits over many decades and is consistent with global and local practice for appraising multi-generational, transformative projects. A 4 per cent discount rate was used to evaluate the Inland Rail project, and is widely adopted for assessing the economic benefits of city-shaping infrastructure in Australia and around the world.



**SRL will deliver  
a long pipeline of  
construction activity  
and local jobs. It will  
help train the next  
generation of skilled  
Victorian workers.**



# Delivering Suburban Rail Loop

Suburban Rail Loop will create a long-term pipeline of work, generate thousands of local job opportunities and will help train the next generation of skilled Victorian workers.

**SRL is part of a sustainable pipeline of infrastructure projects in Victoria and will employ and up-skill a broad range of workers from construction, environmental science, engineering, commerce and administration.**

Delivering SRL requires a whole-of-government approach given the size, complexity and timeframe of the program of works. SRLA will be responsible for delivering scope elements identified as 'Core' and some 'Enabling' under the Scope Framework identified in the Business and Investment Case. 'Critically Interdependent' and 'Complementary' elements will be delivered by other parties and generally funded by other parts of government or precinct stakeholders (such as local governments and institutional and private sector bodies), with some Enabling works also to be delivered by program partners (or jointly delivered by SRLA and program partners).

Planning and stakeholder consultation for SRL East Precincts is well underway, and a number of initiatives and investments will be undertaken in parallel with construction of the SRL East rail line.

Construction will start in 2022, with the twin tunnel line and six new underground stations to be operational by 2035.

SRL East is expected to cost between \$30.0 and \$34.5 billion across 14 years. An infrastructure investment of national significance, it will be funded through a range of funding streams, including State Government contributions, Commonwealth Government contributions and a mix of value capture opportunities.

Subject to further detailed technical design and market capacity, construction can commence on SRL North while SRL East is already under construction, and expected to be completed by 2053.

SRL East is the immediate focus and priority, however early planning continues for SRL North and SRL West. A significant infrastructure program of work is underway in Melbourne's west, including the Metro Tunnel, Sunbury Line Upgrade, Melbourne Airport Rail, Geelong Fast Rail and the Western Rail plan, which will be co-ordinated to ensure provision is made to deliver SRL to Werribee as quickly as possible.

## Packaging and Procurement

Key considerations for packaging and procurement include market conditions, and in particular, the impact of the infrastructure project pipeline on market capacity and constraints. This is particularly relevant for SRL East, with Victoria currently in the midst of an infrastructure boom.

SRLA will work closely with the development market, key precinct stakeholders and other program partners to develop tailored packaging and procurement strategies that facilitate the successful delivery of the SRL Precincts.

# Sustainability and environment

**Positive environmental, social and economic outcomes are at the core of Suburban Rail Loop's design, delivery and operation.**

**The reduction in car use will result in a reduction in greenhouse gas emissions, as well as other environmental benefits (such as noise, air and water pollution), saving the Victorian economy approximately \$0.5 billion in present value terms.**

SRL will support people to make healthier and more sustainable travel choices. Melburnians are expected to take around 2.4 million more trips each day by walking or cycling in 2056 compared to 2018.

For rail infrastructure, key sustainability objectives include:

- Reducing demand on resources such as energy, water and materials through efficient design, recovery and innovative technologies
- Supporting Victoria's shift to a circular economy, considering whole-of-life impacts
- Providing opportunities to improve and enhance each station's surrounding environment, focusing on culture, ecology and biodiversity
- Improving liveability, mobility, health and wellbeing.

SRL wide sustainability targets will be progressively updated in line with advancements in technology, and will be embedded in contract documents to drive continuous improvements and innovation during delivery.





SUBURBAN  
RAIL LOOP

Have your say

# The feedback loop

## Community Engagement

**Meaningful and constructive stakeholder and community engagement has been a priority in the planning and development of Suburban Rail Loop, since 2019.**

Opportunities for feedback have included canvassing what people value and what they'd like to see happen in the neighbourhoods associated with new SRL East stations, as well as the importance they place on design and construction considerations.

A diverse range of stakeholders will continue to be engaged throughout the program, including residents, businesses, community and interest groups, local government, institutions, utility providers, government departments, commercial landholders and developers.

Key objectives for stakeholder engagement and communications include raising awareness and informing the community, understanding community interests, concerns and preferred outcomes, and supporting planning approvals, scoping and development of the transport and precinct components.

### SRL East: Communications and stakeholder engagement approach

<b>Phase One</b>	Raise awareness.	Mid-2019 to late-2019
<b>Phase Two</b>	Build understanding and seek early input.	Late-2019 to mid-2020
<b>Phase Three</b>	Support SRL development and rail design and planning.	Mid-2020 to mid-2021
<b>Phase Four</b>	Support statutory planning process for rail infrastructure.	Mid-2021 to early-2022
<b>Phase Five</b>	Support rail infrastructure procurement, Initial and Early Works delivery, and SRL Structure Planning and precinct development.	2021 to 2024
<b>Phase Six</b>	Support rail infrastructure main works delivery and SRL Structure Plan implementation.	2024 onwards

# Next steps

Following consideration of the Business and Investment Case, the next phase includes the progressing of planning approvals and the procurement process for the SRL East main works.

**Approvals processes include an Environment Effects Statement (EES) for the rail and infrastructure components and SRL Structure Planning for changes in the broader precincts.**

Supported by a range of technical investigations and studies, the EES will carefully consider the impacts of Early and Main Works for the transport project between Cheltenham and Box Hill. This includes environmental, traffic and transport, business, social and land use impacts. It will also identify requirements that may be recommended to avoid, mitigate or manage adverse effects of these impacts on people and the environment.

The framework and structure planning of the six SRL East Precincts will include development of Precinct Framework Plans and more detailed SRL East Structure Plans.

In addition to ongoing engagement with the community and stakeholders, there will be opportunities for people to provide input as part of the formal assessment processes for both the transport infrastructure and precinct planning.

The Victorian Government provided \$300 million in the Victorian Budget 2019-20 for planning and development of SRL and \$2.2 billion in the Victorian Budget 2020-21 for Initial and Early Works from Cheltenham to Box Hill. These works will start in 2022, delivering up to 800 direct early jobs and preparing the SRL East rail corridor for major works, including the preparation of three launch sites for tunnel boring machines.

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**SRL East is  
expected to be  
fully operational  
by 2035**

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