SUBURBAN RAIL LOOP AUTHORITY



TBM Launch Site, Burwood

Suburban Rail Loop Authority

Annual Report 2025–26

Australian Government
BUILDING AUSTRALIA

More Homes For Victorians

VICTORIA State Government



'Remembering Country'

Bitja (Dixon Patten Jnr)
Baylia Creative

Gunnai, Yorta Yorta, Gunditjmara, Dhudhuroa / Jaithmathang, Wiradjuri, Djab Wurrung, Wemba Wemba, Wadi Wadi, Barapa Barapa, Monero, Wadawurrung, Yuin, Dharawal (Gweagal).

Acknowledgement of Traditional Owners

Suburban Rail Loop Authority acknowledges the Traditional Owners of the land, sky and waters across Victoria and pays respect to their Elders past and present. We proudly recognise the strength and enduring connection to Country as the world's longest living culture and the profound wisdom, resilience, and contributions of First Peoples and their communities. We are committed to the ongoing journey of reconciliation by embedding self-determined Aboriginal ways of knowing and doing across the lifespan of the SRL project.

Language used in this report

The Suburban Rail Loop Authority recognises the diversity of Aboriginal and Torres Strait Islander peoples, their communities and cultures. References to 'First Peoples' in this Report are inclusive of all Aboriginal and Torres Strait Islander peoples in Victoria. The language reflects the plurality and diversity of Aboriginal communities.

Authorised and published by the Victorian Government

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Accessibility

An accessible version of this document is available on the Suburban Rail Loop Authority's section of the Big Build website.

You can also contact the SRLA call centre by phone (1800 105 105) or email (contact@srla.vic.gov.au) to request the document in an accessible format.

Contents

Board Chair foreword	1
Chief Executive Officer foreword	2
Overview	**3**
The Suburban Rail Loop: More homes, more opportunities	4
The Suburban Rail Loop Authority	6
Key achievements	8
Governance	14
People and workplace	18
Health and safety	25
Disclosures	**27**
Local Jobs First	28
Social procurement	29
Disclosure of consultancy expenditure	29
Disclosure of major contracts	30
Emergency procurement	30
Disclosure of procurement complaints	30
Government advertising expenditure	30
Disclosure of grants and transfer payments	30
Review and study expenses	31
Information and communication technology expenditure	32
Environmental performance	32
Performance against output performance measures	34
Freedom of Information	35
Compliance with the *Building Act 1993*	35
Competitive Neutrality Policy	36
Compliance with the *Public Interest Disclosure Act 2012*	36
Compliance with the *Carers Recognition Act 2012* and *Disability Act 2006*	36
Additional information available on request	37
Attestation for financial management compliance	37
Financial Statements (see dedicated contents at the start of this section)	**38**
Disclosure index	**83**

Board Chair foreword

The Suburban Rail Loop (SRL) is an important project that will strengthen connectivity, productivity and liveability by transforming the way people live and move across Melbourne and Victoria.

As Melbourne's first orbital rail line through our middle suburbs, the SRL will build the wheel to our 'hub and spoke' network. SRL East trains will be taking passengers in 2035, reducing road congestion and travel times for families, workers and students, while providing convenient access to employment hubs, health precincts, major activity centres and two of Australia's largest universities.

The SRL is part of a masterplan for a growing city, supporting jobs and homes across middle Melbourne through orbital connectivity, transforming journeys and shaping great places.

The new rail line will stimulate investment and development in the areas around the new stations, unlocking opportunities to build a range of housing options in neighbourhoods where people want to live.

An integrated transport and housing project, the SRL is optimising more than a decade of investments in new and upgraded road and rail infrastructure, including Level Crossing Removal Project, Melbourne Metro Tunnel and West Gate Tunnel, alongside planning reform and housing initiatives.

2025-2026 has been a defining year for the project with major achievements in procurement and significant construction progress, with tunnelling now underway. After months of preparations, tunnel boring machines have now launched from Burwood, with more to launch soon from Clarinda, while work has started on the new stations at Glen Waverley, Monash and Clayton, and the tunnel entrances at the train stabling facility at Heatherton nearing completion. Following a competitive process, procurement for two packages of stations works is well progressed.

After several years of consultation and thousands of conversations with local residents, traders and stakeholders, the structure planning process reached a critical milestone with the independent hearings in late 2025, culminating in the gazettal of the structure plans and planning scheme amendments in 2026. This will streamline planning approvals, enabling more homes to be built and jobs to be created in the SRL East precincts over the next 15 years.

The Federal Government's commitment of an additional $3.8 billion is an acknowledgement of the SRL's value and benefits and the clear need to deliver the project without delay, with the SRL also recognised by Infrastructure Australia's assessment this year as an immediate national priority for delivery.

As an Authority, we are always striving to deliver SRL East efficiently for Victorians, and as the Victorian Government has announced, around $1 billion in immediate savings has been identified through changes to project scope, with an independent review now underway to target a further $1 billion in savings.

With our contractor partners, we are delivering the SRL with discipline, transparency and focus on the long-term public value that will shape our quality of life for generations to come.

Responsible Body's declaration

In accordance with *the Financial Management Act 1994*, I am pleased to present the Suburban Rail Loop Authority's Annual Report for the period 1 July 2025 to 30 June 2026.



The Honourable James Merlino
Board Chair
The Suburban Rail Loop Authority

Chief Executive Officer foreword

For the Suburban Rail Loop Authority and project partners, 2025-2026 has been a critical year, with the start of tunnelling on Suburban Rail Loop (SRL) East, and a sharp focus on driving efficiency for Victorians.

More than 4,300 people are now working on building the SRL, with more than 18 million hours worked on the project so far.

Project delivery teams completed initial and early works on time and on budget. The mobilisation of construction crews is gathering pace across all station sites, with major works also underway at the train stabling and emergency support facilities.

The Linewide Alliance contract to build the trains, fit out the tunnels, and operate and maintain the network was awarded at the end of 2025 to a consortium of industry leaders.

The contract includes building the fleet of high-tech, automated trains, building the train stabling facility in Heatherton, the operational control centre, the power, tracks and signalling.

There is also a separate 15-year agreement to operate and maintain the network.

Place Alliance is the preferred bidder to build the underground stations at Glen Waverley, Burwood and Box Hilland the Stations South procurement process is also progressing.

The finalisation this year of the planning scheme amendments and structure plans for the neighbourhoods around the stations will help deliver the full benefits of SRL East – by enabling thousands more homes to be built within walking distance of the new rail line.

We are always mindful of the need to deliver the SRL in a way that represents the best value to Victorians and I'm pleased to say we have been working closely with the Victorian Government to identify ways to build SRL East more efficiently.

This Annual Report reflects the scope and progress of work undertaken this year in partnership with our contractors, the community, industry, local government and stakeholders in delivering the SRL safely, efficiently and with impact.



Kevin Devlin
Chief Executive Officer
The Suburban Rail Loop Authority



Monash construction site

SECTION 1

Overview

The Suburban Rail Loop: More homes, more opportunities

The Suburban Rail Loop will transform transport in Melbourne – bringing people closer to the things that matter.

Melbourne's continued growth is increasing demand for integrated transport connections. The SRL is being delivered to make journeys across Melbourne easier and support the city's long-term growth.

A 90-kilometre orbital rail line connecting to all major train lines from East to West via the North, the Suburban Rail Loop will create thriving, vibrant places to live, work and visit.

Thousands more homes will be built within walking distance of the new stations. And nearby, there'll be more jobs, more services like schools and health care, entertainment districts and more parks.

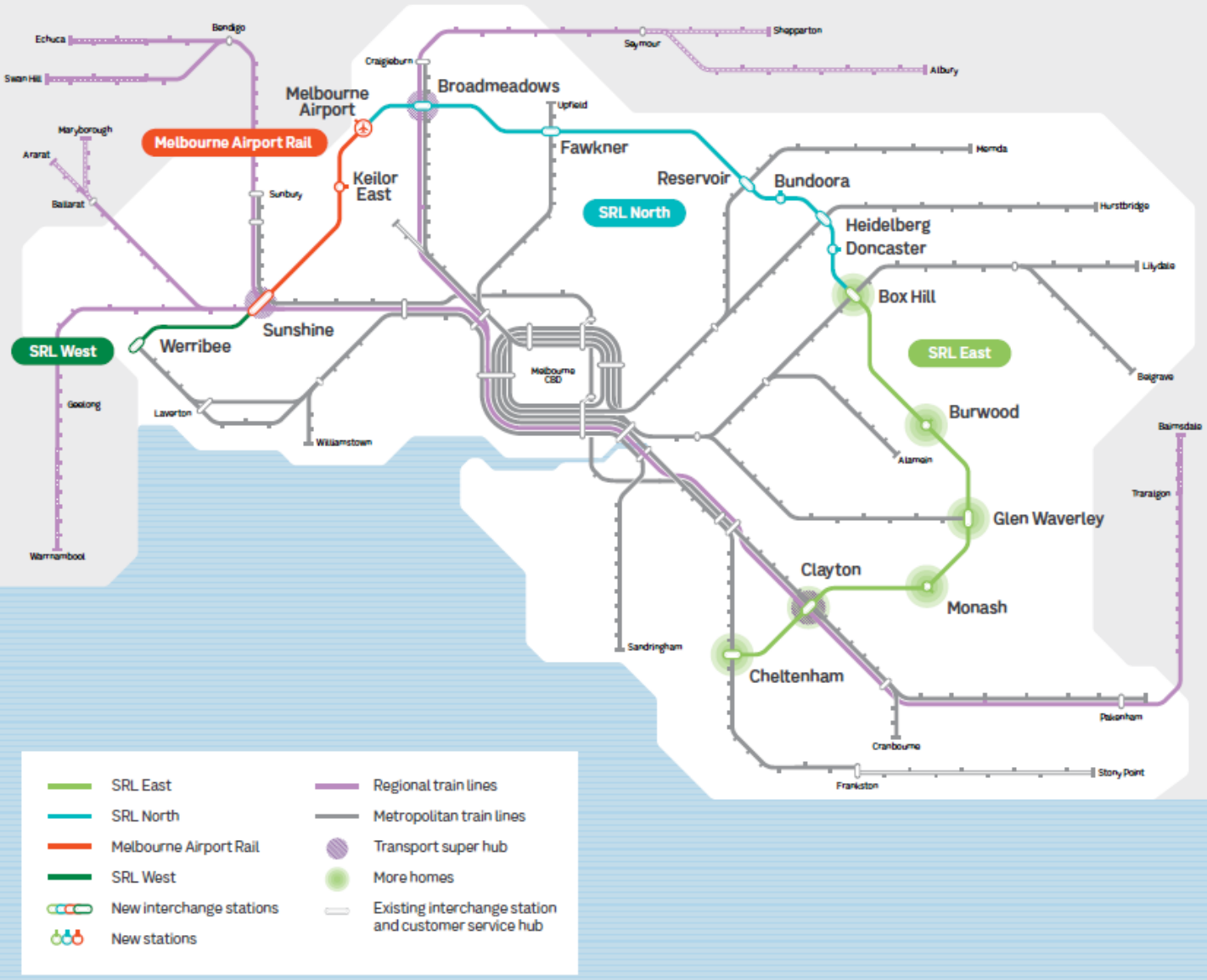
The Suburban Rail Loop will reduce travel times and ease congestion on our roads, with people able to take the train instead of the car. And it will make it easier than ever before to get where you need to go because you won't need to go into the city to change trains.

The new line will include transport super hubs at Clayton, Broadmeadows and Sunshine, making it easier for regional Victorians to access Melbourne's suburbs.

The Suburban Rail Loop will help reshape the city, changing the way we move and the way we grow, so we can all get to work, uni and loved ones more easily, and helping our children and grandchildren find a home close to great transport, jobs and services.

Construction of the first stage – SRL East – is underway, creating thousands of jobs, with tunnelling starting in 2026 and trains running in 2035. Structure plans have also been finalised and planning scheme amendments approved for the areas around SRL East stations to guide future precinct development.

SRL – an orbital rail line for Melbourne



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

The Suburban Rail Loop Authority

The SRLA is established under the *Suburban Rail Loop Act 2021* (SRL Act). The SRL Act outlines the functions, powers and governance arrangements of the authority.

The primary objective of the SRLA is to plan and deliver the Suburban Rail Loop program. The SRLA is governed by a board of directors that sets the authority's strategic direction and priorities.

While an independent statutory authority, the SRLA contributes to the Victorian Government's Department of Transport and Planning (DTP), including through information sharing, coordination and collaboration that supports DTP's responsibilities under the *Public Administration Act 2004* and *Transport Integration Act 2010*. The SRLA contributes to DTP's initiatives and its vision: 'We create thriving places and connected communities.' The SRLA also contributes to the Victorian Government's transport portfolio mission of 'Ensuring Victoria's transport network and land use is safe, sustainable and integrated.'

The SRLA's vision, purpose and objectives

SRLA vision

A thriving global city, ready for the future.

SRLA purpose

We connect people and communities to enhance liveability and create opportunity.

The SRLA's vision and purpose guide the SRL program. They are based on the sentiment that it is not only about program delivery, but ensuring the SRL plays an active role in shaping and connecting communities and contributing to Victoria's long-term future liveability.

Underpinning the vision and purpose statements are three benefits the SRL will realise:

- Increasing **productivity** by facilitating greater employment, activity and investment in strategic areas within and around SRL precincts and outside the inner Melbourne city.
- Improving transport **connectivity** between key employment, health, education and retail destinations across Melbourne's middle suburbs and providing better access to opportunities for regional Victorians.
- Improving **liveability** through better connectivity in SRL precincts.

The SRLA's four-year focus

The SRLA's objectives centre on four strategic pillars:

- **Community** is at the heart of how we plan and deliver exceptional transport and precinct outcomes.
- **Partners:** Driving a program of collaboration for delivery.
- **Culture and Capability:** A team committed to the future, where people learn through doing and lead by actions.
- **Create:** An innovative organisation focussed on transformational legacies and sustainable outcomes.

Key activities over the coming period include:

- Finalising procurement of the two stations contracts, concluding procurement of key SRL East Main Works packages.
- Advancing major construction across the SRL East corridor, including tunnelling, station excavation and construction, and works at the stabling and emergency support facilities.
- Strengthening integration across SRL East works packages, including the Linewide Alliance, and with the Victorian transport network, including key interfaces with the metropolitan rail network, to support delivery of the trains, systems, tunnel fit-out, operations, maintenance and network assurance needed for a safe, operable and integrated railway.
- Implementing SRL East structure plans and planning scheme amendments, including progressing short-term implementation actions, infrastructure contribution planning and continued engagement with communities, councils and stakeholders to support more homes, jobs and services around the new stations.

SRLA's legislative objectives

The SRLA's objectives, as defined under the SRL Act, include:

- undertaking development consistent with the *Transport Integration Act 2010* and planning objectives of the *Planning and Environment Act 1987*

- integrating a new orbital rail line with existing and planned public transport and road networks in the State
- facilitating sustainable population growth, urban renewal and improved liveability
- encouraging land development and the facilitation of timely and coordinated delivery of non-transport infrastructure, transport infrastructure, services, and residential and commercial development
- improving connectivity throughout Melbourne by enhancing orbital public transport movements in relation to the new orbital rail loop
- increasing productivity by facilitating greater employment, activity and investment throughout Victoria
- enhancing regional Victorians' access to Melbourne suburban health, education and employment centres by connecting regional rail lines to the new orbital rail loop at major interchange stations
- enhancing opportunities for the Victorian community, Victorian businesses and the state to capture value created by the development of precincts, non-transport infrastructure, transport infrastructure and other investments in relation to the SRL.

VPS values and SRLA cultural pillars

SRLA staff uphold the seven Victorian Public Sector values:



In addition, the SRLA is committed to four cultural pillars:



These pillars guide how SRLA staff work with one another, the community and other stakeholders to deliver the program.

Key achievements

In 2025-26, the SRLA with our project partners hit major milestones and made significant progress on SRL East, with large-scale construction activities scaling up to prepare for the start of tunnelling. The completion of initial and early works enabled major works to progress across SRL East sites, with crews building tunnel boring machine (TBM) launch sites, tunnel entrances and acoustic sheds; preparing for station excavation; and assembling TBMs on-site in preparation for launch from sites in the north and south.

The SRL's first precinct planning program was completed, paving the way for the neighbourhoods surrounding SRL East stations to accommodate thousands more homes in Melbourne's middle suburbs. Following years of consultation and conversations with residents, traders, local councils, institutions and stakeholders, structure plans for the 800 metre radius around the new stations were finalised, and planning scheme amendments approved and gazetted.

More than 19 million hours have been worked on the project so far and more than 4,000 people are currently working on the project. The Commonwealth Government's budget commitment to provide a further $3.8 billion, taking the total federal contribution to $6 billion, reflects the national significance of the SRL.

Our key priority is the efficient delivery of SRL East, to help realise the full transport, housing and community benefits of the project. As SRL East moves into major construction, the way we work with contractors is evolving to ensure all parties work together and SRL East is delivered as one integrated program. We are moving to an integrated alliance model and refining our organisational structure to increase efficiency and coordination through the delivery of this project for Victorians.

Major construction powering ahead

The 2025-26 year saw the transformation of all SRL East work sites, as major works shifted up a gear. The extensive program of initial and early works construction, led by Laing O'Rourke, began in 2022 and wound up at the beginning of 2026 – on time and on budget. Our north and south tunnelling partners, Terra Verde and Suburban Connect, forged ahead: tunnel boring machines started to arrive on site and to be assembled, ready for tunnelling to start.

At the southern tunnelling sites, excavation of the TBM launch site at Clarinda has progressed significantly, with the eastern section nearing completion. In Heatherton, the eastern tunnel entrance at the site of the future train stabling facility was completed, while the western tunnel entrance is taking shape with excavation underway.

Crews in Cheltenham completed demolition works to prepare for major construction, with underground services being moved to make way for the new station and twin tunnels.

In Clayton, crews completed a significant program of building underground concrete support walls (diaphragm walls, or d-walls) for the future SRL station box, ahead of excavation of the new underground station. These were also installed for the underground passenger connection linking the SRL station with the existing Clayton station.

The Monash site has been completely transformed. Site establishment activities have included demolition, ground investigations, road modifications, and the installation of underground concrete support walls for the future station and tunnel entrance.

In Glen Waverley, crews undertook piling works, carried out site investigations, and moved and tested underground services to prepare for construction of the new station. A new car park has been established for use during construction of SRL East.

Acoustic sheds are being installed across multiple sites to reduce noise, dust and other construction impacts for local residents and businesses. Network and power support facilities were built in Burwood, Heatherton, Monash and Clarinda, as well as the emergency support facility in Mount Waverley, to support SRL East's safe and reliable operations.

The focus in Burwood has been preparing for tunnelling, with TBMs arriving and being assembled on-site and crews building support infrastructure including a conveyor system to move excavated soil out of the tunnels. Construction of a second tunnel boring machine launch site is underway in preparation for tunnelling from Burwood to Box Hill, along with

foundational piling works where the new station will be built.

In Box Hill, construction of two new parks in Box Hill commenced, with feedback from the local community incorporated into the designs. Underground services are also being moved to prepare for the new underground station.

Following the contract award of the Linewide package in December 2025 – to deliver the train stabling facility, the tunnel fit-out, signalling, operational systems, trains, system integration and operations – the Linewide Alliance teams commenced site investigations and earthworks at the train stabling facility in Heatherton.

Works undertaken by project partners are being carried out in accordance with a suite of Environmental Performance Requirements (EPRs) as part of the project's Environmental Management Framework. An Independent Environmental Auditor assesses the compliance of contractors' activities with their endorsed management plans and the overall requirements of the EPRs.

By May 2026, the SRLA obtained possession of 310 acquired properties to support delivery of SRL East. We have worked closely with impacted residents and businesses and have provided tailored relocation support while meeting delivery programs. Most of these properties have now been handed over to contractors to enable construction activities.

The Stations Alliance North and South procurement processes have also progressed. Place Alliance is the preferred respondent to build the Glen Waverley, Burwood and Box Hill stations. Two shortlisted bidders are competing for the second contract to build the stations at Cheltenham, Clayton and Monash. The award of these contracts will conclude the procurement of all key main works package contracts for the SRL East.

Planning for future SRL East neighbourhoods

Following several years of extensive community consultation, final structure plans and planning scheme amendments were approved for Cheltenham, Clayton, Monash, Glen Waverley, Burwood and Box Hill.

The new rules will ensure the areas around the stations remain vibrant, thriving neighbourhoods for generations to come, while enabling more people to live close to world-class transport, jobs and services.

More than 10,000 responses and submissions were received over several years of consultation throughout the planning process, followed by three months of public hearings into the draft structure plans by an independent Standing Advisory Committee in 2025, which prepared a report for the Minister for Planning.

The new rules will streamline planning applications and give developers and the community certainty about the scale and type of future development expected in local areas.

Health and safety performance

Health and safety remains a key focus for the SRLA across all sites.

The SRLA's focus and efforts through early intervention, lowering risks and improving the management of hazards and incidents has resulted in a reduction of Workers Compensation premium of approximately 50 per cent for 2025-26.

As a new, standalone rail line, SRL East requires an accredited operator, responsible for managing rail safety through design and initial and early works. In 2024, SRLA was accredited to step into the rail transport operator role during the early delivery phase. Since the Linewide Alliance contract was awarded, the complex process of transferring accreditation to TransitLinX has been completed, underpinned by robust safety and engineering systems, a demonstration of skills, capability and governance and ongoing engagement with the national safety regulator.

Sustainability and circular economy principles through delivery

The scale and long-term nature of the SRL provides an important opportunity to deliver climate-positive, resilient transport infrastructure and ensure communities remain liveable in the future.

SRLA and our contractors are on track to deliver key sustainability objectives and targets across carbon emissions, energy, water, waste and materials. We are committed to the Victorian Government's Recycled First Policy, which ensures that as much recycled and reused material as possible is used on the project.

Our Tunnels South delivery partners have used more than 300,000 tonnes of recycled aggregates to date. Project teams are making progress towards meeting the target of diverting more than 95 per cent of construction and demolition waste from landfill. By the end of 2025, initial and early works had diverted 99 per cent of clean spoil and 96 per cent of non-hazardous waste from landfill, and reused topsoil and fill where possible.

Through innovative design and the application of lower carbon materials, our tunnelling contractors are reducing the use of carbon-intensive Portland cement and lowering overall embodied carbon emissions. Electric vehicles, plant and equipment have saved 60,000 litres of fuel across the pre-tunnelling works and renewable electricity is being generated on-site with solar-powered eco-caravans and hybrid-powered lighting towers.

All fixed construction plant equipment is powered by 100 per cent renewable electricity, as will the TBMs and SRL trains. With strong commitments to reduce water use, project partners have used biodegradable polymer dust suppressants to stabilise soil, reducing the need for water carts through heavy construction.

In demonstrating the project's commitment to local biodiversity, the Buzzing Burbs program saw native plants planted in reserves along the SRL East alignment. In partnership with councils, a biodiversity baseline is being established for all the precincts. And in an Australian first, our Tunnels South contractor partnered with the SRLA to trial a 'living' hoarding at the train stabling facility at Heatherton, seeded with native pollinator plants that bloom and attract pollinators, such as bees, moths and butterflies.

Creating value for communities

The SRLA continues to deliver value to communities during the extended construction phase. More than 100 community groups, schools and not-for-profit organisations along the SRL East rail corridor were awarded local project grants as part of the SRL's Community Projects Fund (CPF). The second round of the CPF will help sporting clubs, school, kindergartens, universities, multicultural and First Nations' organisations to deliver projects close to the six new stations and other SRL facilities, providing immediate benefits for communities during construction.

People and career pathways

As a multi-decade project, the SRL has the opportunity to create foundational change that will encourage greater diversity, expand the talent pool and boost productivity across the construction and infrastructure sectors.

With 4,000 people currently working on the project and thousands more jobs in the pipeline, the SRL is creating an enduring legacy of skilled workers who can deliver the infrastructure for the next generation.

The SRLA continues to attract and bring together experienced experts and emerging talent committed to the project. Our workforce strategies are evolving to reflect the project's progress further into the major delivery phase.

The SRLA Graduate Program is a unique initiative with four six-month rotations through different disciplinary areas of the SRLA from engineering to engagement. The 2026 intake comprises 14 new recruits from diverse backgrounds, drawn from a record 1,728 applications.

And 42 per cent of the recruits from the 2024 group moved into permanent roles at SRLA, with the remaining graduates moving into positions in the Victorian public service, the Victorian Infrastructure Delivery Authority or the private sector.

Driving coordination and efficiency through integration

As major construction expands across SRL East, the SRLA is strengthening collaboration, accountability and decision-making arrangements with its delivery partners.

With the Linewide Alliance mobilising and the commercial negotiations for Stations Alliance South and North nearing completion, SRLA is moving to ensure the teams' strategic goals are aligned and consolidated.

Joint management structures operating across three alliances, will help to align and streamline design and delivery approach, while enabling shared accountability across the SRLA and our delivery partners.

The structure will also provide channels for clear communications, well-timed stakeholder engagement to build confidence, effective decision making and risk management. This alliance approach will be further enhanced

through colocation with delivery partners, which will create greater opportunities to build capability, collaboration and knowledge-sharing.

Embracing innovation through planning, design and delivery

The SRLA's Innovation Strategy supports a culture of innovation that enables our people and our contractors to deliver better outcomes during main works construction activities, while also improving our internal capability, efficiency, productivity and impact.

Regular cross-program collaboration is helping to drive transformation and identify opportunities to share innovation more broadly across other major projects, including through engagement with VIDA's hive innovation hub.

SRLA continues to proactively investigate and adopt innovations across our rail and infrastructure delivery program, including an Australian-first trial of geopolymer concrete within tunnel segments reducing carbon by more than 60 per cent.

The ongoing development and application of automated processes is boosting productivity, reducing time delays and costs, while improving the quality of information to support efficient and effective decision-making.

SRL Major Milestones

Subject to SRL East program ongoing review and government decisions.

2018-2021

AUGUST 2018
SRL announced; **Strategic Assessment** released

MAY 2019
$300 million for Business Case, site investigations, concept design

Ground investigations, **technical studies** commence

SEPTEMBER 2019
Suburban Rail Loop Authority (SRLA) established (under DoT)

NOVEMBER 2020
$2.2 billion for Initial and Early Works (I&EW), SRL East station locations confirmed

AUGUST 2021
Business and Investment Case released

NOVEMBER – DECEMBER 2021
I&EW contract awarded to Laing O'Rourke

33,000 page digital **Environment Effects Statement (EES)** on exhibition

SRL Act becomes law; SRLA now a statutory authority

$9.3 billion for SRL East main works

2022-2023

MARCH 2022
SRL East **tunnelling packages EOI** released

JUNE 2022
SRL East **construction commences**

AUGUST 2022
EES finalised

SEPTEMBER 2022
Formal planning approvals granted

MAY 2023
Works underway at Box Hill, Burwood, Glen Waverley and the stabling facility at Heatherton

AUGUST 2023
Tunnel South preferred bidder: Suburban Connect

SRL Precincts Discussion Paper released, community and stakeholder consultation underway

DECEMBER 2023
Tunnels South contract awarded: Suburban Connect

Shortlisted bidders for **Linewide package Alliance + RFP for Tunnels North**

Draft Precinct Visions released, ongoing community and stakeholder consultation

2024

JANUARY
Linewide package RFP released

FEBRUARY
Works underway at all six station sites and the stabling facility in Heatherton

APRIL
Key Directions for SRL East precincts released for consultation

SEPTEMBER
Tunnel boring machines ordered for Tunnels South

850+ applicants for world first all-women TBM crew

NOVEMBER
SRL East stations packages shortlisted bidders announced

Tunnels North contract awarded: Terra Verde

DECEMBER
Final Precinct Visions released

SUBURBAN RAIL LOOP

2025

FEBRUARY
$2.2 billion released by Federal Government for SRL East

MARCH
Draft structure plans and supporting documents released for public review

APRIL
Public exhibition of draft structure plans and draft planning scheme amendments: 800+ submissions received

MAY
Major construction works underway ahead of tunnelling in 2026

Linewide preferred bidder: TransitLinX

AUGUST – DECEMBER
SRL East Standing Advisory Committee panel hearings

SEPTEMBER
Tunnel boring machines ordered for Tunnels North

OCTOBER
Stations North preferred bidder: Place Alliance

DECEMBER
Linewide Alliance contract awarded: TransitLinX

Value capture funding mechanisms announced by Victorian Government

Arrival of TBM cutterhead for Tunnels South

2026

JANUARY
I&EW completed at all station sites and stabling facility

Arrival and assembly of further TBMs

FEBRUARY
Main construction works underway at Glen Waverley, and progressing at western tunnel entrance at Heatherton

MARCH – APRIL
Construction of acoustic sheds at TBM sites in Burwood and Clarinda, and emergency support facility in Mount Waverley

MAY
$3.8 billion in additional funding by the Federal Government for SRL East

Major construction underway at Monash

JUNE
Final structure plans and planning scheme amendments approved

Governance

Minister

The Hon. Nick Staikos MP, Minister for the Suburban Rail Loop.

SRLA Board

The SRLA's governing Board is responsible for the management and affairs of the SRLA, in particular:

- setting the SRLA's strategic direction and priorities within the context of the SRL Act and government policy
- ensuring the SRLA fulfils its objectives and functions effectively
- ensuring the SRLA complies with the SRL Act and the regulatory framework within which it operates.

As at 30 June 2026, the SRLA Board comprised six Directors:

1. The Hon. James Merlino (Chair)
2. Ms Christine Wyatt (Deputy Chair)
3. Ms Sally Freeman
4. Mr Paul Younis
5. Mr Evan Tattersall
6. The Hon. Gordon Rich-Phillips.

The Board ensures the Victorian Government is informed of all significant matters regarding the SRLA. The Chief Executive Officer (CEO) is invited to attend each Board meeting.

The SRLA Board held 17 meetings between 1 July 2025 and 30 June 2026, with attendance as follows:

Board Director	Eligible to attend	Attended
James Merlino	17	17
Christine Wyatt	17	17
Sally Freeman	17	17
Paul Younis	6	5
Evan Tattersall	6	4
Gordon Rich-Phillips	6	6
Paul Barker (directorship concluded 28 February 2026)	11	11

Information about Directors' remuneration is disclosed in the financial statements.

Board committees

Three committees operated during the reporting year. Current membership of each committee is below:

Audit and Finance Committee
Sally Freeman (Chair)
The Hon. James Merlino
Evan Tattersall

Remuneration and People Committee
Christine Wyatt (Chair)
The Hon. James Merlino
The Hon. Gordon Rich-Phillips
Paul Younis

Risk and Integrity Committee
Paul Younis (Chair)
The Hon. James Merlino
The Hon. Gordon Rich-Phillips
Christine Wyatt
Sally Freeman
Evan Tattersall

Information provided to the Minister and Treasurer

Reports provided to the Minister and Treasurer include information on:

- the SRLA's financial and delivery performance
- the exercise of the SRLA's functions, to support the Minister to meet Parliamentary responsibilities
- the SRLA's risk management activities in accordance with the *Public Administration Act 2004*.

Each annual report is provided to the Minister in accordance with the SRL Act and Part 7 of the *Financial Management Act 1994*.

DTP's Secretary is also responsible, under the *Public Administration Act 2004*, for advising the Minister on matters relating to the SRLA.

SRLA Leadership Team and divisional structure

The Board is supported by the Executive Committee (ExCo), led by the CEO, who manages the SRLA in line with Board-approved policies, strategic direction and priorities.

The CEO is also the SRLA's Accountable Officer under the *Financial Management Act 1994*.

ExCo members lead the SRLA divisions deliver strategic and project outcomes. As at 30 June 2026, the SRLA had the following divisions:

Rail and Infrastructure Delivery

Delivers design and delivery solutions to achieve the SRLA's program objectives and maximise SRL East benefits.

Key activities include:

- ensuring all work aligns with the SRLA's management system standards
- providing expertise in design, structural and mechanical engineering, digital systems and information management
- preparing sites through activities such as utilities relocation, setting up contractor facilities, and conducting demolition works
- managing twin tunnel construction, including the installation and operation of TBMs
- delivering six SRL East station developments
- overseeing signalling, operational fit-outs, network assurance, transport network integration, maintenance contracts, and future operational transition planning, including asset handover and transfer to operators
- coordinating and managing work across multiple project packages
- monitoring and reporting on costs, schedules, risks, and administering changes
- establishing requirements for rail operations and managing day-to-day operations of assets contracted to Rail Train Operators
- supporting inclusive workforce participation and procurement aligned with government policies, including connecting diverse workers and suppliers to project opportunities
- driving Over Station and Adjacent to Station property development opportunities to unlock value and foster economic growth.

Land, Planning, Environment and Sustainability

Leads planning and environmental approvals; precinct planning, land access and transactions, while supporting delivery of SRL Business and Investment Case benefits and sustainability outcomes.

Key activities include:

- land investigations, approvals and assembly
- precinct planning, including delivery of structure plans, infrastructure contributions plans and planning scheme amendments (PSAs) for the six SRL East precincts
- planning approvals, strategy and support for Rail and Infrastructure Delivery
- embedding quality urban design outcomes in infrastructure design and precincts
- environment and sustainability policy, procedures and management
- supporting SRLA's delivery partners to manage the impact on communities and the environment during construction and operation
- integrated transport planning
- spatial analysis and technical solutions
- coordinating SRLA's functions as a referral authority for applications under the Specific Control Overlay Schedule 15 to protect project infrastructure
- coordinating SRLA's functions as a planning authority
- supporting innovation that enables our people and our contractors to deliver better outcomes for works packages and improve productivity, efficiency, sustainability and reduce risk
- delivering economic strategies to realise the productivity and liveability outcomes identified in the SRL Business and Investment Case, including:
    - economic strategies centred on precinct job creation and investment
    - implementing an evidence-based cohesive approach to economic development across SRL East.

Communications, Engagement and Community

Builds awareness of the SRL, engages communities and stakeholders, supports positive social impact, and ensures stakeholder insights inform construction delivery and precinct planning.

Commercial and Project Legal

Provides commercial and project legal leadership for SRL East, supporting effective procurement and delivery across the project lifecycle.

The division shapes commercial strategies, contracting models and legal frameworks, enables effective market engagement, and provides advice on contracting, risk, probity, governance and delivery matters. It safeguards value for money, manages commercial and contractual risk and contractor performance, and ensures commercial and legal considerations are embedded in key project decisions.

Health, Safety & Quality

Leads the SRLA's health, safety and quality commitment, supporting legislative compliance and safe, sustainable, high-quality outcomes.

The division strengthens Health, Safety & Quality (HSQ) practices through an integrated management system, training, resources and strategic advice.

Across HSQ Strategy & Health, HSQ Operations, and HSQ Delivery, the division drives strategy, governance, risk management, assurance and health initiatives to support a strong HSQ culture.

Chief Operating Officer Division

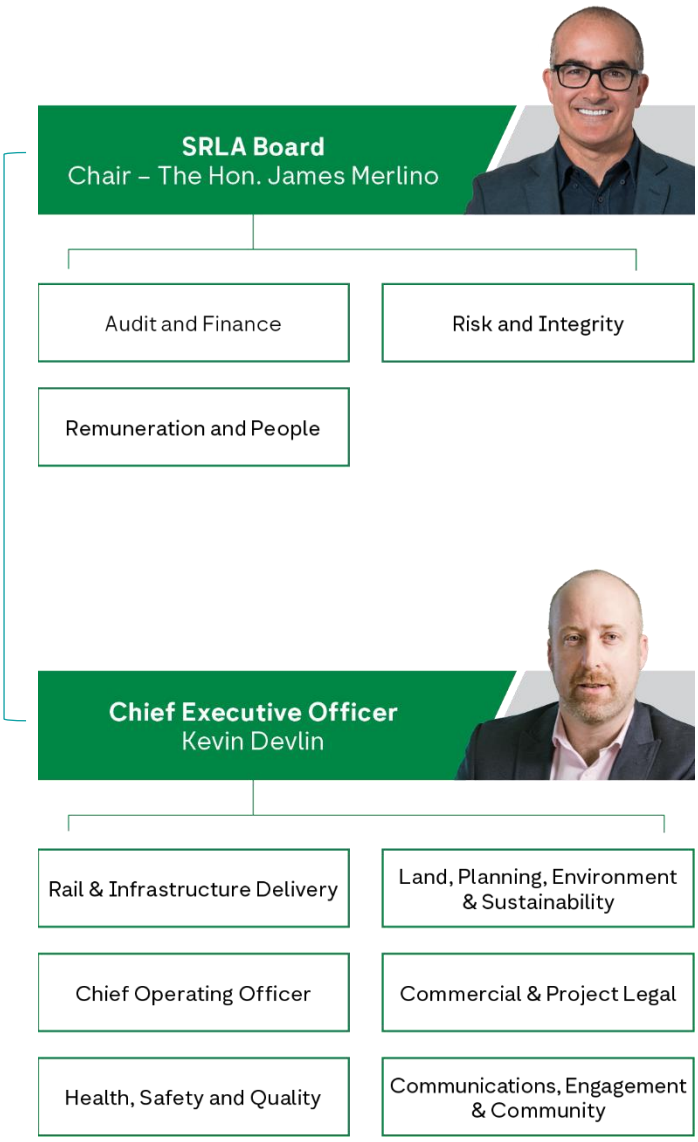
Provides corporate services that support decision-making and project delivery.

Key activities include:

- supports the SRLA's people, managing related policies and procedures and helping ensure the SRLA has the capability and capacity for effective project delivery
- supports key decisions and approvals, coordinating and preparing materials for SRLA /SRL governance, and briefing and correspondence for the SRLA's CEO, Minister and DTP
- provides business services, including facilities, fleet and asset management
- delivers fit for purpose technology across information and cyber security, data and analytics, and provides technology operational support
- undertakes budget and financial management, planning, monitoring and reporting
- provides the Executive and Board with objective evaluations of SRLA's risk, control and governance frameworks through effective internal audit
- advises on corporate legal matters, freedom of information and privacy, and provides governance oversight
- manages SRLA's approach to integrity, probity, assurance and compliance
- provides guidance and support for all goods and services procurements, including contract management support
- leads on enterprise and corporate risk management
- delivers the SRLA's annual corporate plan, including tracking progress, and annual report
- builds the SRLA's capacity to establish and maintain mutually respectful partnerships with Traditional Owners.

SRLA structure

As at 30 June 2026.



People and workplace

In 2025-26, the SRLA continued its transition from planning and procurement into an intensive delivery phase for SRL East. The SRLA focused on developing and enabling its people to support project delivery, while continuing to foster a diverse and inclusive workplace. The SRLA also reviewed its future workforce needs to ensure the organisation remains well placed to meet the demands of this major delivery phase. This included organisational realignment of both the Rail and Infrastructure Delivery and Communications, Engagement and Community divisions. Further proposed organisational realignment of the Rail and Infrastructure Delivery division was announced on 25 June 2026, along with the Commercial and Project Legal and Chief Operating Officer divisions.

Public sector values and employment principles

The SRLA continues to set high standards of integrity and conduct – aligned to the public sector values and principles set out in the *Public Administration Act 2004*. Our leader capability and wider people initiatives support employees to maintain a workplace where respect, trust and collaboration are demonstrated.

People Strategy

The SRLA undertook a refresh of its People Strategy in 2025-26. The new strategy will focus on building a high-performance culture and include priorities to ensure the SRLA can attract, develop and retain the people and skills required to deliver SRL East.

Employment programs

The scale, scope and duration of the SRL program create a wide range of career and development opportunities.

The SRLA supports early-career pathways through internships and its established Graduate Program. These programs give graduates the chance to contribute to a city-shaping project, gain valuable hands-on experience and industry exposure, and take the first steps towards building a career in the transport and infrastructure sector.

The SRLA also partners with Victorian Government departments, major transport infrastructure projects and delivery partners to promote the diverse career opportunities available across Victoria's transport and infrastructure pipeline. Throughout 2025-26, the SRLA participated in high school engagement programs, university careers events, job skills expos, and trade and technology fairs. These activities enabled the SRLA to connect with a diverse and emerging workforce, showcasing the broad range of career pathways available within the organisation and the wider industry.

The SRLA Graduate Program attracts a diverse range of candidates and incorporates three designated special measures roles in each intake. These roles are designed to strengthen representation across priority cohorts and support the SRLA's strategic inclusion and diversity objectives, including for people with disability and First Nations candidates. The 2026 cohort reflects strong diversity, including representation from First Nations, disability, and gender diverse candidates, within a total intake of 14 graduates.

Learning and development

As the SRLA delivers the biggest infrastructure project in Victoria's history, it is critical employees are technically proficient and have the core capabilities to deliver their roles effectively.

Induction and onboarding

The SRLA's induction and onboarding training program provides employees with the essential knowledge and resources required to commence their journey at the SRLA. The program helps foster a work environment where all staff feel informed, supported, and confident to perform their roles.

Performance development planning

The SRLA promotes a culture of high performance. Managers and team members are supported to discuss, document, and assess performance against role expectations and development goals throughout the performance development planning process.

Professional memberships

The SRLA recognises that certain professions require membership of relevant industry and

professional associations. Ongoing professional development supports employees to maintain industry accreditation and meet compliance requirements.

Graduate Program

The Graduate Program includes tailored workshops aligned to the VPS Capability Framework, designed to support participants professional growth.

In the second year of the program, each graduate has a dedicated mentor who provides guidance, support and career advice. This relationship helps graduates identify and achieve their individual development goals, aligned with their career aspirations.

A new initiative within the program is Hot Seats with the Grads, where SRLA professionals share their career journeys, offer insights, and provide advice they wish they had received earlier in their careers.

Leadership development

Leadership development at the SRLA supports leaders to remain effective in a rapidly changing environment. Evolving technologies, new ways of working and changing stakeholder expectations require leaders to continually strengthen their capability and adapt their leadership approach.

Workforce inclusion

The SRLA is committed to creating and sustaining an inclusive workplace culture, through policies and programs that support groups who have traditionally been marginalised in the workplace: women and gender diverse people, First Peoples, LGBTIQA+ people, people with disability and people from culturally and linguistically diverse (CALD) backgrounds.

The SRLA maintains processes that support the Victorian public sector *Employment principles and standards*, so that employment decisions are made within an equal opportunity framework.

The SRLA delivered training to build disability confidence in partnership with the Australian Disability Network and promoted staff engagement with broader VPS diversity and inclusion networks to strengthen connection. Inclusion events were held to mark days of significance, including International Day Against Homophobia, Biphobia, Intersex Discrimination, and Transphobia, Reconciliation Week, International Women's Day and Cultural Diversity Week. Tailored support and advice were provided to employees in priority diversity groups, their managers and teams.

First Peoples

The SRLA continued to support employment pathways for First Peoples through the Skill Builder Internship Program and Graduate Program. Our self-determination staff Advocacy Group, Balak Wartakangatj ("people together") progressed initiatives to strengthen cultural safety, self-determination and staff capability through awareness and education.

Advancing gender equality

The SRLA submitted *a Gender Equality Progress Report 2023-25* and its *Gender Equality Action Plan 2026-30* (GEAP) in April 2026 to the Commissioner for Gender Equality in the Public Sector. An Implementation Plan outlines initiatives, accountabilities and measures for delivering the GEAP over the next four years.

The SRLA supported leadership development through initiatives such as the Women in Transport Mentoring Program and the Gender Equality Ally Program for senior leaders. Women at the SRLA participated prominently in speaking opportunities and industry events to strengthen visibility, connection and collaboration. A key achievement was the completion of seven Gender Impact Assessments across major SRL East strategies and plans, embedding gender equity and accessibility into infrastructure delivery and community outcomes.

Wellbeing

Wellbeing is fundamental to how the SRLA works and cares for its people. It underpins safety, trust, performance and the SRLA's ability to respond effectively to change, ensuring SRLA people are supported to deliver while maintaining sustainable ways of working.

Employee Assistance Program

The SRLA's externally run Employee Assistance Program (EAP) provides confidential support and coaching to all SRLA employees and their immediate family members. This includes a dedicated Manager Support program. People leaders can access confidential support to help them support their teams through change, navigate challenging conversations, manage their own wellbeing, and build confidence in demanding environments.

Girraway Ganyi, an Aboriginal-owned business, provides culturally safe and inclusive employee assistance services.

Mental Health First Aid training and Mental Health First Aid Officers

The SRLA offers Mental Health First Aid (MHFA) training to employees, delivered by Girraway Ganyi. Staff who complete the training and gain accreditation can apply to become SRLA MHFA Officers. These officers provide a confidential first point of contact for colleagues experiencing work-related or personal challenges, including mental health concerns or episodes. As at 30 June 2026, 11 staff had been appointed MHFA Officers.

Peer Supporters

Peer Supporters are trained employees who act as a safe, confidential first point of contact for colleagues facing work-related or personal challenges.

Wellbeing Champion Network

The SRLA's Wellbeing Champion Network consists of Peer Supporters and Mental Health First Officers. They meet monthly where the latest updates and resources from MHFA Australia and the EAP are shared and discussed, alongside upcoming SRLA mental health and wellbeing initiatives.

Wellbeing programs and initiatives

Alongside our core wellbeing support, the SRLA delivers a range of initiatives throughout the year to build awareness, promote healthy behaviours, and strengthen connection across the organisation. These include a regular program of wellbeing webinars, providing employees with practical tools and insights to support their wellbeing.

The SRLA's Health & Wellbeing Expo 2025 provided employees with opportunities to build awareness, strengthen capability and connect with colleagues across a dedicated week of activities. The Expo included access to health and wellbeing experts, online webinars, in-person education sessions, and practical resources and self-paced activities.

The SRLA also marks key events such as RUOK? Day, creating opportunities for meaningful conversations and reinforcing a culture of care and connection.

Suburban Rail Loop Authority workforce information

SRLA workforce statistics as at June 2026

Category	All employees		Ongoing			Fixed term & casual	
	Number	FTE	Full time	Part time	FTE	Number	FTE
Gender							
Woman	261	254.6	171	18	182.7	72	71.9
Man	336	334.8	203	6	208	127	126.8
Self-described	1	1	-	-	-	1	1
Age							
15-24	10	10	-	-	-	10	10
25-34	142	141.6	94	2	95.6	46	46
35-44	231	226.3	153	15	163.4	63	62.9
45-54	157	154.8	92	5	95	60	59.8
55-64	54	53.7	31	2	32.7	21	21
65+	4	4	4	-	4	-	-
Classification							
VPS 1	-	-	-	-	-	-	-
VPS 2	-	-	-	-	-	-	-
VPS 3	22	22	3	-	3	19	19
VPS 4	85	84.1	59	3	61.1	23	23
VPS 5	107	106.2	83	2	84.4	22	21.8
VPS 6	199	195.1	147	11	154.8	41	40.3
PS	-	-	-	-	-	-	-
STS	113	111.4	82	8	87.4	23	24
Executive	72	71.6	-	-	-	72	71.6
Total employees	598	590.4	374	24	390.7	200	199.7

Notes:

- FTE means full-time equivalent.
- STS refers to Senior Technical Specialist. PS refers to Principal Scientist.
- All figures reflect employment levels during the last full pay period of the financial year.
- External contractors/consultants and temporary employees employed by employment agencies are, in line with guidance for Victorian Government annual reports, excluded from the above employment data.
- Also in line with guidance, Executive Officers are treated as ongoing employees except where employed for discrete projects.

SRLA workforce statistics as at June 2025

Category	All employees		Ongoing			Fixed term & casual	
	Number	FTE	Full time	Part time	FTE	Number	FTE
Gender							
Woman	284	277.3	161	20	176.3	103	101.0
Man	397	396.1	174	4	177.3	219	218.8
Self-described	-	-	-	-	-	-	-
Age							
15-24	20	20.0	3	-	3.0	17	17.0
25-34	152	151.0	84	2	85.4	66	65.6
35-44	288	282.2	131	20	146.7	137	135.6
45-54	161	160.3	88	1	88.6	72	71.6
55-64	54	53.9	25	1	25.9	28	28.0
65+	6	6.0	4	-	4.0	2	2.0
Classification							
VPS 1	-	-	-	-	-	-	-
VPS 2	-	-	-	-	-	-	-
VPS 3	36	36.0	5	-	5.0	31	31.0
VPS 4	78	77.1	51	5	55.1	22	22.0
VPS 5	114	113.0	78	4	81.0	32	32.0
VPS 6	228	224.2	131	12	140.0	85	84.2
PS	5	5.0	4	-	4.0	1	1.0
STS	134	132.7	66	3	68.5	65	64.3
Executive	86	85.4	-	-	-	86	85.4
Total employees	681	673.4	335	24	353.6	322	319.8

Notes:

- FTE means full-time equivalent.
- STS refers to Senior Technical Specialist. PS refers to Principal Scientist.
- All figures reflect employment levels during the last full pay period of the financial year.
- External contractors/consultants and temporary employees employed by employment agencies are, in line with guidance for Victorian Government annual reports, excluded from the above employment data.

Senior Executive Service data

An Executive Officer (EO) is defined as a person employed as an executive under Part 3 of the *Public Administration Act 2004* or a person to whom the Victorian Government's Policy on Executive Remuneration in Public Entities applies. The definition of an EO does not include a statutory office holder or an Accountable Officer.

All figures in the tables below reflect employment levels at the last full pay period in June 2026.

Total number of executives by gender

Classification	All	Man	Woman	Self-described
Chief Executive Officer	-	-	-	-
SES3	5	2	3	-
SES2	50	42	8	-
SES1	17	10	7	-
Total	**72**	**54**	**18**	**-**

Reconciliation of executive numbers

	2026	2025
Executives	93	100
Add Accountable Officer (CEO)	0	1
Less leave without pay	(1)	0
Less separations	(20)	(15)
Less other	0	0
Total executives	**72**	**86**

Notes:

- Chief Executive Officer is accounted for in the DTP Annual Report 2025-26.
- Figures do not include staff on higher duties in vacant SES positions.
- 'Other' captures executive movements to non-executive roles.

Annualised total salary for senior employees by classification

Range	Executive	STS	PS
<$160,000	-	-	-
$160,000 – $179,999	-	-	-
$180,000 – $199,999	-	6	-
$200,000 - $219,999	2	35	-
$220,000 - $239,999	3	15	-
$240,000 - $259,999	7	22	-
$260,000 - $279,999	8	35	-
$280,000 - $299,999	9	-	-
$300,000 – $319,999	11	-	-
$320,000 – $339,999	3	-	-
$340,000 – $359,999	7	-	-
$360,000 – $379,999	6	-	-
$380,000 – $399,999	3	-	-
$400,000 – $419,999	2	-	-
$420,000 – $439,999	2	-	-
$440,000 – $459,999	2	-	-
$460,000 – $479,999	1	-	-
$480,000 – $499,999	2	-	-
>$500,000	4	-	-
Total	**72**	**113**	**-**

Notes:

- The salaries reported above are the full time equivalent total remuneration less superannuation.
- There was a total of 14 senior employees employed on a part-time basis as at 30 June 2026: 5 SES and 9 STS. The part-time fractions ranged from 0.6 to 0.95 FTE.

Health and safety

Health, safety and quality culture

A top priority for the SRLA is ensuring the safe delivery of SRL. SRLA is committed to strengthening the health, safety and quality culture, capability and governance of SRLA and its delivery partners, and fostering trust in the communities in which we work.

SRLA employee health and safety performance

In 2025–26, there were two recordable injuries to SRLA employees. The Project-to-Date All Injury Frequency Rate (AIFR) for SRLA employees remained low at 1.86 injuries per million hours worked. Key H&S initiatives undertaken in 2025–26 included:

- Updating the HSQ Strategy 2025–2029 to reflect a holistic and integrated approach to managing health, safety and quality matters.
- Delivering new psychosocial e-learns for people leaders and employees to raise awareness of psychosocial hazards and risk management.
- Partnering with Deakin University to deliver a virtual Lunch and Learn session during Road Safety Week.
- 95 per cent of staff completing H&S induction training.
- Continuing to embed health and safety in project delivery through SRLA's role as an Active Client and proactive engagement with industry partners.

Industry partner health and safety performance

In 2025–26, SRLA continued to embed health and safety in project delivery through its role as an Active Client and proactive engagement with industry partners. Twenty-one recordable injuries to SRL East's industry partners' workforce were recorded, and the AIFR remained, in comparison to benchmarks, low at 10.7 injuries per million hours worked. Key H&S initiatives undertaken in 2025–26 included:

- Including Safety Lead Indicators in awarded SRL East work package contracts, aligned to SRLA's H&S strategic pillars: Safety Leadership, Culture, Risk, Governance and Capability.
- Completing independent safety audits across all work packages in delivery, with results indicating strong application of client requirements in safety management practices.
- The SRLA's assurance program included 224 'H&S site diaries' and 139 'critical risk inspections'.
- SRLA senior leaders participated in 37 senior leader walks to maintain awareness and understanding of contractors' works and activities.
- Rolled out the Finals Campaign safety initiative with Laing O'Rourke to support the safe completion of Initial and Early Works.

Health and safety metrics for SRLA employees

Indicator	2025-26	2024-25	2023-24
Assurance and governance activities[1]	572	426	363
High potential incidents	0	0	0
SRLA (employer) Regulatory Notices[2]	0	0	0
Incidence rate (VPS)[3]	1.18	3.11	1.33
Lost time injury frequency rate (LTIFR)	0	0	0
Total recordable injury frequency rate (TRIFR)[4]	1.55	0	0
Average cost per worker compensation claim[5]	$10,321	$47,774[6]	$4,995[7]

Notes:

1. 'Assurance and governance activities' is both internally and contractor-focussed, capturing health and safety assurance activities undertaken during the reporting period, including internal audit, external audit, critical risk inspections and office and site inspections. In 2024–25, 'H&S walks' were combined with 'assurance and governance' into a single 'assurance and governance activities' category.
2. 'Regulatory notices' are notices issued to SRLA by WorkSafe or ONRSR.
3. 'Incidence rate' is calculated as: (number of incidents ÷ number of FTEs) × 100 FTEs. 'Incidents' exclude COVID-19 cases, environmental incidents and 'report only' consequence types. The methodology for calculating this indicator has been revised, with FTEs now used as the denominator instead of hours worked, in line with relevant guidance. The increase in the incidence rate for 2024–25 was due to SRLA running several initiatives, such as launching an online incident notification form, raising safety awareness and fostering a more mature incident reporting culture.
4. 'Total recordable injury frequency rate' is calculated as: (number of recordable injuries ÷ number of hours worked) × 1,000,000 hours. In 2024–25, there were no recorded injuries.
5. From 2025-26, 'Average cost per worker compensation claim' is based on actual claim payments rather than estimated costs, improving the accuracy of reported claim expenditure and providing a clearer indication of the potential impact on future insurance premiums. Figures from prior years are not directly comparable due to this methodology change.
6. This was reported as $15,591 in the SRLA Annual Report 2024-25. The difference reflects an updated calculation method explained in point 5 above.
7. This was reported as $14,669 in SRLA Annual Report 2023-24. The difference reflects an updated calculation method explained in point 5 above.



Clarinda construction site

SECTION 2

Disclosures

Local Jobs First

The *Local Jobs First Act 2003* establishes the Local Jobs First scheme which is set out in the Act, the regulations and the Local Jobs First (LJF) Policy. The LJF Policy supports Victorian businesses and workers by ensuring that small and medium sized enterprises are given a full and fair opportunity to compete for both large and small government contracts. As well as helping to create job opportunities, the LJF Policy also ensures opportunities for Victorian apprentices, trainees and cadets.

The LJF Policy comprises the Victorian Industry Participation Policy (VIPP) and Major Projects Skills Guarantee (MPSG). Departments and public bodies within the meaning of the Financial Management Act 1994 must apply the LJF Policy as required to statewide or metro Melbourne projects worth at least $3 million, or other projects with a lower budget declared by the Minister as a standard or strategic project. All of the SRLA's projects are based in metropolitan Melbourne.

Local Jobs First – Strategic projects

Projects commenced

For projects valued at over $50 million, known as Strategic Projects, the VIPP requires bidders to commit to a level of local content that meets or exceeds the minimum level set by the Minister for Industry. The MPSG applies to all construction projects valued at $20 million or more.

During 2025-26, the SRLA commenced one LJF Strategic project: the Linewide Alliance.

The TransitLinX Linewide Alliance Project Alliance Agreement was awarded to TransitLinX in December 2025. Valued at approximately $6.7 billion, the project is subject to both the VIPP and the MPSG. The commitments made in the Linewide Alliance Local Industry Development Plan are:

- 93.0346 per cent local content for operations and maintenance content (minimum commitment 93 per cent)
- 62.1203 per cent local content for rolling stock and signalling content (minimum commitment 50 per cent)
- 86.25 per cent local content for non-rolling stock and signalling content (minimum commitment 84 per cent)
- 100 per cent local content for steel-related items (minimum commitment 100 per cent)
- more than 80 small to medium sized businesses engaged
- 15 per cent of total estimated labour hours (or 1,539,474 labour hours) to be performed by Victorian apprentices, trainees and cadets, representing a commitment to exceed the requirement by five percentage points.

Projects completed

During 2025-26, the SRLA finalised one LJF Strategic project: Initial and Early Works.

The Initial and Early Works contract was awarded to Laing O'Rourke in December 2021 with a Target Budget of approximately $535 million. It was therefore subject to both the VIPP and the MPSG. Practical completion was achieved during FY26, commencing the Defects Liability Period (DLP) which will conclude in FY28.

The commitments and outcomes were:

- 97.17 per cent local content for the entire scope of works (minimum commitment 95.00 per cent)
- more than 200 small to medium sized businesses engaged
- 14 per cent of total estimated labour hours (or 147,597 hours) to be performed by Victorian apprentices, trainees and cadets, exceeding the requirement by one percentage point.

Local Jobs First – Standard projects

Projects commenced

During 2025-26, the SRLA commenced one new LJF – Standard project with a contract value of $3.6 million. The commitments made were:

- Victorian jobs retained: 660 hours
- Australian and New Zealand (ANZ) jobs retained: 2,320 hours.

Projects completed

During 2025-26, the SRLA did not finalise any LJF – Standard projects.

Small and medium business engagement

Projects commenced

During 2025–26, no LJF standard projects commenced that engaged small to medium sized businesses through the supply chain.

Projects completed

During 2025–26, no LJF standard projects completed that engaged small to medium sized businesses through the supply chain.

Grants

For grants provided during 2025–26, no (zero) interaction reference numbers were required that entailed a conversation with the Industry Capability Network (Victoria) Ltd.

Social procurement

The SRLA leverages its buying power to deliver social and economic outcomes benefiting the Victorian community above and beyond the goods, services and construction works procured.

The SRLA applies the Victorian Government's Social Procurement Framework (SPF) to the procurement of goods, services and construction undertaken by or on behalf of the SRLA. The SRLA's updated 2025-28 Social Procurement Strategy prioritised the following objectives from Victoria's SPF:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with disability
- opportunities for Victorian priority jobseekers
- women's equality and safety.

The Victorian SPF's environmental sustainability and safe and fair workplace objectives are addressed separately to SRLA's Social Procurement Strategy; for example, through SRLA's Sustainability Policy, the SRL East Environmental Management Framework, and relevant major construction contracts.

During 2025–26, the SRLA continued to work closely with its works package delivery partners—Laing O'Rourke, Suburban Connect, Terra Verde and TransitLinX—to provide supplier and employment opportunities that generate social value, including:

- engaging Aboriginal-owned and managed businesses to supply civil construction works, temporary power, sustainable workwear and industrial personal protective equipment
- engaging social enterprises to provide gardening, maintenance, office cleaning, sanitary products and labour hire, while creating employment opportunities for priority jobseekers, including people with disability
- supporting the Suburban Connect and Terra Verde Community Crew through Wallara Land Management Services, a social enterprise that employs people with disability. Having completed more than 500 jobs, the crew helped ensure that people and businesses near construction sites had clean cars, houses and gardens, while creating community connections and employment
- Laing O'Rourke engaging Aboriginal business Wamarra to provide civil construction services and career pathways for young First Peoples. Wamarra was one of the first subcontractors engaged on the project and remained involved through to the completion of initial and early works
- creating career pathways for women and non-binary people through Amarapave, an asphalting business and social enterprise working on Tunnels North and South.

The SRLA's SRL East delivery partners are meeting or exceeding targets for:

- employing Victorians who have been underrepresented in the industry, with 1,412,590 hours worked by women, 222,162 hours by Aboriginal People living in Victoria, and 837,962 hours worked by Victorian Priority Jobseekers
- expenditure with Social Benefit Suppliers, with procurement from 124 different certified Victorian Social Benefit Suppliers (11 more than as at 30 June 2025), consisting of 77 Aboriginal businesses, 48 social enterprises and 13 Australian Disability Enterprises.

Disclosure of consultancy expenditure

In the context of annual reporting, a consultant is defined as a specific category of a contractor: primarily engaged to perform a discrete task to facilitate decision-making through the delivery of expert analysis and advice or the creation of written reports or other intellectual outputs.

Details of consultancy engagements in the period 1 July 2025 to 30 June 2026 valued at $10,000 (excluding GST) or higher can be found on SRLA's website at bigbuild.vic.gov.au/projects/suburban-rail-loop.

For the period 1 July 2025 to 30 June 2026, there were no consultancy engagements valued at less than $10,000 (excluding GST).

Disclosure of major contracts

In line with Victorian Government directives and guidelines, SRLA has disclosed all contracts exceeding a value of $10 million (including GST) awarded in the year ending 30 June 2026.

Details of these contracts are available at www.tenders.vic.gov.au.

Contractual details have not been disclosed where disclosure is exempt under the *Freedom of Information Act 1982* and/or government guidelines.

Emergency procurement

During 2025-26, the SRLA did not start or conclude any emergency procurements.

Disclosure of procurement complaints

Under the Victorian Government Goods and Services Procurement Policies, SRLA must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

The SRLA did not receive any formal procurement complaints in 2025-26.

Disclosure of grants and transfer payments

In 2025-26, the SRLA did not issue any new grants or transfer payments.

Government advertising expenditure

For the period 1 July 2025 to 30 June 2026:

Campaign Name	Start date	End date	Campaign summary	Expenditure Type	Planned (excl. GST)	Actual (excl. GST)
SRL Housing and Planning	25/5/2026	30/6/2026	Campaign to create a greater understanding that Victoria needs smart growth solutions for a rapidly growing Melbourne.	Advertising	$750,000 (AAP[1] submission)	$274,562
				Creative development	$500,000 (AAG[2] submission)	$576,786[3]
				Research	$100,000 (AAG[2] submission)	$77,350
				Post-campaign evaluation		$15,300

Notes:
[1] AAP is Annual Advertising Plan.
[2] AAG is Advertising Approvals Group.
[3] Actual creative development expenditure for this campaign was higher than planned due to execution requirements being more complicated than originally expected.

Review and study expenses

During 2025-26, the following pieces of work constituting a review or study were undertaken:

Name of the review	Reason for review/study	Terms of reference/ scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (incl previous years) (excl. GST)	Publicly available and URL
Lookafar Research - Output - biodiversity assessment and pollinator baseline	Tracking and reporting on the SRLA's biodiversity and nature-positive impact	A co-designed research project to demonstrate the ecological benefits of SRL East's nature positive initiatives for pollinator and flower visitor communities.	Biodiversity assessment and pollinator baseline and endline	$42,000	Ongoing	N/A
Nation Partners - SRLA Annual Sustainability Report - Independent third-party review against GRI principles	Presents SRLA's sustainability performance for 2025 across work packages contracted for more than six months, including Initial and Early Works, Tunnels South and Tunnels North	Independent review of SRLA's Sustainability Performance Report, in accordance with Infrastructure Sustainability Technical Manual v2.1, Credit Lea-1, DL3.2.	Independent report confirming SRLA compliant with GRI principles	$13,535	$13,535	This review is not publicly available. It is provided to the Infrastructure Sustainability Council as evidence of compliance.
Box Hill Impact Assessments (completed by AJM technical advisor)	To understand the impacts (environmental and social) of a potential change in construction footprint at Box Hill	Technical impact assessments to inform potential project approvals with reports to support public consultation processes.	Changes in SRL East impacts from those assessed in the Environment Effects Statement	$150,000	Ongoing	N/A
Clayton traffic study (Transport Planning, SRLA)	Review traffic impacts of closure of Caranish Road in Clayton for SRL Project.	Review of the local road network in Clayton to assess the impacts of the Carinish Road closure and changes to	Confirmation that traffic modelling work completed prior to the road closures had limited impact on the operation of the	$0 - Completed using internal resources, drawing on SRLA traffic surveys	Ongoing	To be released to Monash City Council.

Name of the review	Reason for review/study	Terms of reference/ scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (incl previous years) (excl. GST)	Publicly available and URL
		Shandeau Avenue in April 2025.	surrounding local road network.	collected over several years.		
Independent Environmental Auditor (IEA) – Audits	To audit compliance with the SRL East Environmental Management Framework (EMF)	Compliance checks of each SRL East Environmental Performance Requirement	• Consideration of compliance by contractors and SRLA with the EMF. • Identification of any non-conformances. • Identification of any areas for improvement.	$770,349[1]	Ongoing	IEA Findings Summary Reports https://bigbuild.vic.gov.au/library/suburban-rail-loop/reports/iea-findings-summary-reports

Notes:
[1] Cost for monthly and quarterly audits and six-monthly summary.

Information and communication technology expenditure

SRLA had total Information and Communication Technology (ICT) expenditure of $25.7 million for the reporting period.

Business as usual ICT expenditure ($m)	ICT expenditure related to projects to create or enhance ICT capabilities ($m)		
	Non-business as usual ICT expenditure (A+B)	Operational expenditure (A)	Capital expenditure (B)
13.9	11.8	7.4	4.4

Environmental performance

For the purposes of reporting against Financial Reporting Direction 24, SRLA is a tier 3B organisation. SRLA's office space is managed by the Department of Government Services (DGS), which provided the office-based electricity and gas usage data below. SRLA's fleet is managed by VicFleet, which provided the vehicle and petrol consumption data below. SRLA is committed to minimising its environmental footprint and works collaboratively with DGS and VicFleet to enhance environmental performance.

Electricity production and consumption

Reference	Indicator	Unit	2025-26	2024-25
EL1.1	Electricity purchased directly through an electricity retailer	Megawatt hours (MWh)	0[1]	612
EL1.2	Electricity not directly purchased	MWh	788[2]	387
EL1	Total electricity consumption (EL1.1 + EL1.2)	MWh	788[2]	1000
EL2	On-site electricity generated	MWh	0	0
EL3	On-site installed generation capacity	Megawatts (MW)	0	0
EL4	Total electricity offsets	MWh	0	0

Notes:
[1] Electricity is included in lease agreement.
[2] Indicates that the figures contain assumptions where actual data was not available.

Stationary fuel use

Reference	Indicator	Unit	2025-26	2024-25
F1	*Total fuels used in buildings and machinery*			
	Natural gas	Megajoules (MJ)	541,829[1]	845,970
F2	*Total emissions from stationary fuel consumption*			
	Natural gas	Tonnes CO_2-e	27.920	43.593

Note:
[1] Indicates that the figures contain assumptions where actual data was not available.

Transport vehicle types and emissions

Reference	Indicator	Unit	2025-26	2024-25
TI	*Total energy used in transportation within the entity*			
	Petrol – unleaded/premium	MJ	939,236	893,100
	Petrol – E10	MJ	0	0
	Diesel	MJ	265,567	331,594
T2	*Number and proportion of vehicles in the organisational boundary (number and percentage)*			
	Petrol – unleaded	Number/%	26/50%	28/70%
	Diesel	Number/%	6/11.5%	7/17.5%
	Hybrid	Number/%	8/15.5%	5/12.5%
	Battery Electric Vehicle	Number/%	12/23%	0
	Natural gas	Number/%	0	0
T3	*Total greenhouse gas emissions from vehicle fleet*			
	Petrol – unleaded (including E10, premium)	Tonnes CO_2-e	63.511	60.391
	Diesel	Tonnes CO_2-e	18.699	23.348
	Hybrid (unleaded)	Tonnes CO_2-e	0	0
	Natural gas (unleaded)	Tonnes CO_2-e	0	0

Total energy use

Reference	Indicator	Unit	2025-26	2024-25
E1	Total energy usage from fuels (F1 + T1)	MJ	1,746,632	2,065,683
E2	Total energy usage from electricity (EL1)	MJ	2,836,803	3,598,894
E3.1	Total energy usage renewable	MJ	508,071	665,076
E3.2	Total energy usage non-renewable	MJ	4,075,363	4,999,501
E3	Total energy usage (E1 + E2)	MJ	4,583,435	5,664,576
E4	Total energy usage normalised by area	MJ/m^2	483	301

Sustainable buildings and infrastructure

Reference	2025-26 output	2024-25 output
B1 and B2	SRLA does not own its office accommodation, rather it is leased and managed by DGS through the Shared Services Provider.	SRLA does not own its office accommodation, rather it is leased and managed by DGS through the Shared Services Provider.
B3	SRLA's leased office accommodation has a NABERS rating of 5.5 stars.	SRLA's leased office accommodation has a NABERS rating of 5.5 stars.
B4	This indicator relates to the environmental performance ratings of newly completed non-office buildings, infrastructure projects and/or upgrades with a value of over $1 million. It does not, at this time, apply to SRLA.	This indicator relates to the environmental performance ratings of newly completed non-office buildings, infrastructure projects and/or upgrades with a value of over $1 million. It does not, at this time, apply to SRLA.

Greenhouse gas emissions

Reference	Indicator	Unit	2025-26	2024-25
G1	Total scope one (direct) greenhouse gas emissions	Tonnes CO_2-e, CH4, N20, other and CO_2-e	110.130	126.979
G2	Total scope two (indirect electricity) greenhouse gas emissions	Tonnes CO_2-e	523.965	660.109

Performance against output performance measures

SRLA must report annually on expected and actual performance as part of DTP's Departmental Performance Statement in the State Budget papers. The table below captures SRLA's performance measure, target, actuals and result. Commentary is included where there is a variance between the target and actual of greater than five per cent (which was not the case in 2025-26).

Transport Infrastructure output group – SRLA performance measure

Performance measure	Unit	2024-25 actual	2025-26 target	2025-26 actual	Performance variation (%)	Result
Suburban Rail Loop Initial and Early Works: Milestones delivered in accordance with agreed budget and timelines	Per cent	100	100	100	0	✓

Note:

- ✓ indicates that the target was achieved; ✗ indicates that the target was not met.

As well as the above performance measure, SRLA reports on a capital project, which was captured in Budget Paper No. 4 2025-26 as follows:

Budget Paper No. 4 – Capital projects delivered by SRLA

Budget Paper 4 measures	Total estimated investment ($'000)	Est. exp to 30 Jun 2026 ($'000)	Est. exp 2026-27 ($'000)	Remaining expenditure ($'000)	Est. completion date
The Suburban Rail Loop East - Main Works (metropolitan various)	TBC	4,944,546	2,833,323	TBC	Q2 2035- 36

The Suburban Rail Loop East is expected to cost between $30.000 billion – $34.500 billion and is targeting delivery by 2035. The expected cost includes $3.610 billion (GST exclusive) for the Tunnels South contract from Cheltenham to Glen Waverley, $1.710 billion (GST exclusive) for the Tunnels North contract between Glen Waverley and Box Hill, and $6.745 billion (GST exclusive) for Linewide delivery phase activities. Contract award for the Stations works packages is expected by 2027. The TEI and remaining expenditure will be disclosed following the procurement of the remaining main works packages. The TEI includes $2.200 billion of Commonwealth Government funding for land acquisition and early works and the Commonwealth Government has committed to additional funding as part of the Federal Budget in May 2026.

Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) allows the public a right to apply for access to documents held by Victorian Government departments and agencies, including SRLA. Agencies are required to make a decision within 30 calendar days, subject to any allowable extensions under the FOI Act.

If an applicant is not satisfied by a decision made by the SRLA, under section 49A of the FOI Act they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

FOI statistics

SRLA received 28 FOI requests in the reporting period:

FOI requests from Members of Parliament	14
FOI requests from media	5
FOI requests other	9
Total	**28**

- Of the above requests received in 2025-26, one was transferred to SRLA from DTP.
- Of the 28 requests received during 2025-26, the SRLA finalised decisions / resolved 26, including transferring 4 to another department for processing. In addition, SRLA finalised decisions / resolved nine requests from 2024-25.
- The SRLA was processing two active requests as of 30 June 2026. Of the decisions finalised in the period, nine were submitted to OVIC for review.
- One FOI request received in this reporting period progressed to VCAT.
- Two VCAT matters were finalised in respect of FOI requests received in the 2021-22 and 2022-23 reporting periods.

Lodging FOI requests

FOI requests should be lodged online at: https://online.foi.vic.gov.au/

A request must be:

- made in writing and clearly identify which documents are sought
- be accompanied by the application fee of $32.70, which can be paid by credit card via the FOI Portal (or evidence supporting waiver of the application fee).

Further information about lodging an FOI request with the SRLA can be found online at: https://bigbuild.vic.gov.au/about/about-the-suburban-rail-loop-authority/srla-governance/freedom-of-information-requests. FOI enquiries can be made by email to FOI@srla.vic.gov.au.

Compliance with the Building Act 1993

The buildings occupied and controlled by the SRLA comply with the building and maintenance requirements of the *Building Act 1993*. The SRLA monitors all works undertaken in relation to those buildings (including demolition) to ensure compliance with relevant requirements. In

advance of demolition, the SRLA arranges routine inspections and maintenance while they remain occupied in order to keep the buildings in good repair and maintain building safety features in accordance with *Building Act 1993* requirements.

Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. It does not override other policy objectives of government and focuses on removing resource allocation distortions.

The Competitive Neutrality Policy did not apply to the SRLA in 2025-26 as SRLA did not provide services that compete with the private sector.

Compliance with the Public Interest Disclosure Act 2012

The *Public Interest Disclosures Act 2012* (PID Act) encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The PID Act provides protection to people who make disclosures in accordance with the PID Act and establishes a system for disclosed matters to be investigated and rectifying action to be taken.

The SRLA does not tolerate improper conduct by its employees, contractors or consultants, nor reprisals against those who come forward to disclose such conduct.

The SRLA is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The SRLA will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person or persons who are the subject of the disclosure, to the extent it is legally possible.

Reporting procedures

As an independent statutory authority, the SRLA is unable to receive or notify public interest disclosures under the PID Act. Any disclosures of improper conduct or detrimental action by the SRLA or any of its employees must be made directly to:

The Independent Broad-based Anti-corruption Commission (IBAC)
Level 3, 2 Lonsdale Street
Melbourne, VIC 3000
1800 422 284 | info@ibac.vic.gov.au
ibac.vic.gov.au

The Victorian Ombudsman
Level 2, 570 Bourke Street
Melbourne, VIC 3000
1800 806 314
www.ombudsman.vic.gov.au

Integrity Oversight Victoria *(formerly the Victorian Inspectorate)*
PO Box 617, Collins Street West
Melbourne, VIC 8007
1800 518 197
www.integrityoversight.vic.gov.au

Further information

For further information about public interest disclosures, visit the IBAC website at ibac.vic.gov.au.

Compliance with the Carers Recognition Act 2012 and Disability Act 2006

The SRLA complies with the *Carers Recognition Act 2012* and the *Disability Act 2006* by maintaining an inclusive and accessible workplace that supports employees who are carers and those with a disability. This is achieved through practical measures that promote equity, remove barriers and enable full participation.

The SRLA embeds supportive workplace practices, including flexible work arrangements and reasonable adjustments tailored to individual needs. The organisation also contributes to VPS

inclusion priorities and promotes best practice through its membership with the Australian Disability Network and engagement with VPS employee networks.

In 2025–26, the SRLA's compliance was demonstrated through:

- delivery of disability awareness training to strengthen capability and support non-discriminatory practices
- provision of reasonable adjustments and targeted support for employees who identify as living with a disability, including neurodivergence
- training and access to Mental Health First Aiders and Peer Supporters to support people with mental illness
- support for flexible working arrangements to assist employees with caring responsibilities
- facilitation of engagement with employee networks to enhance inclusion, representation and peer support
- recognition of key dates to promote awareness and inclusion
- implementation of initiatives to identify and reduce barriers, supporting an accessible and inclusive workplace culture.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by the SRLA and are available on request, subject to the provisions of the FOI Act. To request any of this additional information, please submit an FOI request.

- Statement that declarations of pecuniary interests have been duly completed by all relevant officers of the SRLA.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by the SRLA about the SRLA, and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by the SRLA.
- Details of any major external reviews carried out on the SRLA.
- Details of major research and development activities undertaken by the SRLA.
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the SRLA to develop community awareness of the SRLA and its services.
- Details of assessments and measures undertaken to improve the occupational H&S of employees [covered in this Annual Report].
- General statement on industrial relations within the entity and details of time lost through industrial accidents and disputes.
- List of major committees sponsored by the SRLA, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors.

Requests should be lodged online at: online.foi.vic.gov.au/foi/request.doj.

A request must be:

- made in writing and clearly identify which documents are sought
- be accompanied by the application fee, which can be paid by credit card via the FOI Portal (or evidence supporting waiver of the application fee).

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

SRLA is required to comply with the Standing Directions of the *Financial Management Act 1994*, which set the standard for financial management by Victorian Government agencies. SRLA undertakes an annual review of its performance against these Directions, reviewed by a formal internal audit program.

I, James Merlino, on behalf of the Responsible Body, certify that the Suburban Rail Loop Authority has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



The Hon. James Merlino
Chair, Suburban Rail Loop Authority



Heatherton living hoarding

SECTION 3

Financial Statements

Contents

Declaration in the Financial Statements			41
VAGO Audit Report			42
Financial Report			
Comprehensive operating statement			45
Balance sheet			46
Cash flow statement			47
Statement of changes in equity			48
Notes to the Financial Statements			
1	About this report		49
2	Funding delivery of our services		50
2.1	Grant income		50
2.2	Rental revenue		50
3	The cost of delivering services		51
3.1	Employee benefits		51
	3.1.1	Employee benefits in the comprehensive operating statement	51
	3.1.2	Employee benefits in the balance sheet	52
3.2	Operating expenses		53
	3.2.1	Other operating expenses	54
4	Key assets available to support service delivery		55
4.1	Property, plant and equipment (including Right of Use and Service Concession Assets)		55
	4.1.1	Non-financial assets (excluding Right of Use and Service Concession Assets)	55
	4.1.2	Service concession assets	56
	4.1.3	Other disclosures	57
	4.1.4	Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use and Service Concession Assets)	58
5	Other assets and liabilities		59
5.1	Receivables		59
5.2	Payables		60
	5.2.1	Maturity analysis of contractual payables	60
5.3	Prepayments		61
5.4	Other provisions		61
	5.4.1	Reconciliation of movement in other provisions	62
6	Financing our operations		63
6.1	Borrowings		63
6.2	Cash flow information and balances		64

	6.2.1	Reconciliation of net result for the period to net cash flows from operating activities	64
6.3		Commitments for expenditure	65
	6.3.1	Service concession arrangements	66
7 Risks, contingencies, and valuation judgements			68
7.1		Financial instruments specific disclosures	68
	7.1.1	Financial risk management objectives and policies	69
7.2		Contingent assets and contingent liabilities	70
7.3		Fair value determination	71
	7.3.1	Fair value determination: non-financial physical assets	72
8 Other disclosures			74
8.1		Ex-gratia expenses	74
8.2		Other economic flows included in net result	74
8.3		Responsible persons	75
8.4		Remuneration of executives	76
8.5		Related parties	76
8.6		Remuneration of auditors	79
8.7		Subsequent events	79
8.8		Changes in accounting policy	80
8.9		Other accounting policies	81
8.10		Australian Accounting Standards issued that are not yet effective	81
8.11		Style conventions	82

Declaration in the Financial Statements

The attached financial statements for Suburban Rail Loop Authority have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of Suburban Rail Loop Authority as at 30 June 2026.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 15 September 2026.



The Hon. James Merlino

Board Chair

Melbourne

15 September 2026



Kevin Devlin

Interim Chief Executive Officer

Melbourne

15 September 2026



Brendan Xi

Director, Finance & Administration

Melbourne

15 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Suburban Rail Loop Authority

Opinion	I have audited the financial report of Suburban Rail Loop Authority (the authority) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements. In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Key audit matters	Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. The following matter was addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Key audit matter	How I addressed the matter
Recognition and measurement of service concession arrangement assets and commitments *Refer to Note 6.3.1 for service concession arrangements, Note 4.1.2 for service concession assets and Note 8.8 for changes in accounting policy*	
Construction in progress – uncommissioned Service Concession Assets – $5.7 billion Service concession commitments: • Capital – $12.1 billion (nominal & inc GST) • Operating – $4.3 billion (nominal & inc GST) During the year, the authority, as grantor on behalf of the State of Victoria (the State), recognised a material service concession arrangement (SCA) with a consortium of private sector operators for the delivery and future operation of the Suburban Rail Loop East project. The authority is responsible for the construction of the service concession asset and recognises the construction in progress assets progressively. Due to the SCA, the authority recognised its existing construction in progress assets as a service concession asset. The authority discloses the future commitments of asset contributions as capital commitments when contracts are signed. Upon completion, the service concession asset will be made available to the operator to provide operation and maintenance services for a period of 15 years commencing in 2035. I considered the SCA to be a key audit matter because: • it is financially significant • the initial application of AASB 1059 *Service Concession Arrangements: Grantors* (AASB 1059) requires significant management judgement as the requirements are complex • the contractual arrangements and the financial models underpinning the amounts are complex • a significant degree of management judgement is required to determine the key assumptions used in measuring the assets and commitments • the required disclosures for SCAs are extensive.	My key procedures included: • reviewing contracts, supporting schedules, financial models and technical accounting papers prepared by the authority • reviewing the SCA against the requirements of AASB 1059 and assessing the reasonableness of management judgements made in the initial application of the standard • assessing whether the construction in progress assets should form part of an integrated SCA asset • engaging an auditor's expert to verify the completeness and accuracy of the operation and maintenance SCA commitments against the contract and the underlying financial model • assessing the completeness and accuracy of capital commitments against the contracts • challenging the reasonableness of asset values compared to actual costs incurred • assessing the adequacy of financial report disclosures against the requirements of applicable Australian Accounting Standards.

Board's responsibilities for the financial report

The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the authority to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. I describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



MELBOURNE
18 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2026

		($ thousand)	
	Notes	2026	2025
Revenue and income from transactions			
Grant income	2.1	132,804	110,603
Interest income		2,562	2,610
Rental revenue	2.2	1,408	4,968
Total revenue and income from transactions		**136,774**	**118,181**
Expenses from transactions			
Employee benefits	3.1.1	61,024	55,081
Supplies and services	3.2	13,866	34,990
IT and telecommunications expenses	3.2	10,839	7,975
Shared support services	3.2	4,703	1,946
Office accommodation	3.2	23,613	5,211
Grant expenses	3.2	-	149
Other operating expenses	3.2.1	22,549	12,713
Depreciation and amortisation		288	224
Total expenses from transactions		**136,882**	**118,289**
Net (loss) from transactions		**(108)**	**(108)**
Other economic flows included in net result			
Net gain on disposal of non-current assets	8.2	26	32
Net gain arising from revaluation of leave provisions	8.2	3,336	3,268
Total other economic flows included in net result		**3,362**	**3,300**
Net profit		**3,254**	**3,192**
Other economic flows - other comprehensive income			
Changes in physical asset revaluation surplus		-	13,619
Comprehensive result		**3,254**	**16,811**

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet

As at 30 June 2026

		($ thousand)	
	Notes	2026	2025
Assets			
Financial assets			
Cash and deposits	6.2	7,856	21,169
Receivables	5.1	292,566	173,018
Total financial assets		**300,422**	**194,187**
Non-financial assets			
Property, plant and equipment	4.1	714,580	615,633
Construction in progress	4.1	5,666,137	3,551,609
Prepayments	5.3	290,746	446,818
Total non-financial assets		**6,671,463**	**4,614,060**
Total assets		**6,971,885**	**4,808,247**
Liabilities			
Payables	5.2	247,600	168,517
Employee-related provisions	3.1.2	23,411	24,453
Borrowings	6.1	2,929	2,641
Other provisions	5.4	89,070	56,540
Total liabilities		**363,010**	**252,151**
Net assets		**6,608,875**	**4,556,096**
Equity			
Contributed capital from Victorian government		6,591,805	4,542,280
Physical asset revaluation surplus		13,619	13,619
Accumulated surplus		3,451	197
Total equity		**6,608,875**	**4,556,096**

The above balance sheet should be read in conjunction with the accompanying notes.

Cash flow statement

For the financial year ended 30 June 2026

	Notes	($ thousand) 2026	2025
Cash flows from operating activities			
Receipts			
Receipts from government		122,271	115,560
Interest received		2,562	2,610
Goods and Services Tax received from the ATO		185,681	165,712
Total receipts		**310,514**	**283,882**
Payments			
Payments to suppliers		(238,616)	(253,051)
Payments to employees		(52,898)	(49,658)
Interest and other costs of finance paid		(156)	(146)
Total payments		**(291,670)**	**(302,855)**
Net cash flows from/(used in) operating activities	6.2.1	**18,844**	**(18,973)**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		197	154
(Purchase) of non-financial assets		(1,978,564)	(1,990,271)
(Purchase) of plant and equipment		(701)	(671)
Net cash flows (used in) investing activities		**(1,979,068)**	**(1,990,788)**
Cash flows from financing activities			
Contributed capital from Victorian Government		1,946,623	1,875,359
Principal portion of lease liabilities		288	1,584
Net cash flows from financing activities		**1,946,911**	**1,876,943**
Net (decrease) in cash and cash equivalents		**(13,313)**	**(132,818)**
Cash and cash equivalents at the beginning of the financial year		21,169	153,987
Cash and cash equivalents at the end of the financial year	6.2	**7,856**	**21,169**

The above cash flow statement should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the financial year ended 30 June 2026

	Notes	($ thousand) Contributed capital	Physical asset revaluation surplus	Accumulated surplus / (deficit)	Total equity
Balance at 1 July 2024		2,629,149	-	(2,995)	2,626,154
Capital contributions by Victorian government		1,913,131	-	-	1,913,131
Revaluation of land and buildings		-	13,619	-	13,619
Net result for the year		-	-	3,192	3,192
Balance at 30 June 2025		**4,542,280**	**13,619**	**197**	**4,556,096**
Balance at 1 July 2025		4,542,280	13,619	197	4,556,096
Capital contributions by Victorian government		2,049,525	-	-	2,049,525
Net result for the year		-	-	3,254	3,254
Balance at 30 June 2026		**6,591,805**	**13,619**	**3,451**	**6,608,875**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. About this report

The Suburban Rail Loop Authority (SRLA) is a statutory authority of the State of Victoria, established under the *Suburban Rail Loop Act 2021* (SRL Act).

Its principal address is:

Suburban Rail Loop Authority
Level 21, 222 Exhibition Street
Melbourne VIC 3000

A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these Financial Statements.

Basis of preparation

These Financial Statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these Financial Statements, whereby assets, liabilities, equity, income, and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These Financial Statements have been prepared on a going concern basis, which assumes the continuity of normal business activities, in particular over the next 12 months from the financial statements release date. The ability of SRLA to pay its current and future contractual obligations is dependent on the Department of Transport and Planning (DTP) providing adequate cash flow. To this extent, a Letter of Support has been provided by DTP dated 15 July 2026 covering the period until 30 September 2027.

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these Financial Statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AASs) that have significant effects on the Financial Statements and estimates are disclosed in the notes.

All amounts in the Financial Statements have been rounded to the nearest $1,000 unless otherwise stated. Figures in the Financial Statements may not equate due to rounding.

Compliance information

These general-purpose Financial Statements (Tier 1) have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AASs, which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these Financial Statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. Funding delivery of our services

Introduction

The primary purpose of SRLA is to plan and deliver the Suburban Rail Loop program, in line with its objectives under the SRL Act.

Structure

2.1 Grant income

2.2 Rental revenue

2.1 Grant income

	($ thousand)	
	2026	2025
Income recognised as income of not-for-profit entities		
Current grants from Department of Transport and Planning	132,804	110,603
Total grant income	**132,804**	**110,603**

Grants recognised under AASB 1058

SRLA has made the judgement that the grant income included in the table above under AASB 1058 *Income of Not-for-Profit Entities* has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when SRLA has an unconditional right to receive cash.

Grant income included in the table above relates to SRLA's operations and are not capital in nature.

Equity contributions to support the construction of the SRL project is recognised progressively as the asset is constructed. This aligns with SRLA's obligation to construct the asset. The progressive costs incurred is used to recognise equity contributions because this most closely reflects the construction progress, as costs are incurred as the works are done. These equity contributions are capital in nature and is recognised as Contributed capital from government included in the statement of changes in equity.

2.2 Rental revenue

	($ thousand)	
	2026	2025
Rental revenue	1,408	4,968
Total rental revenue	**1,408**	**4,968**

Rental revenue recognised under AASB 15

Rental revenue is transactions that SRLA has determined to be classified as revenue from contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers*.

Revenue is measured based on the consideration specified in the contract with the customer. SRLA recognises revenue when the performance obligations are satisfied, i.e. on a straight-line basis over the period of their continued occupation agreement.

Rental revenue is related to properties that are primarily held to support the construction of the SRL project. Therefore, the leasing of parts of these properties is incidental. Accordingly, these properties are reported as Property, plant and equipment, refer to Note 4.1.

3. The cost of delivering services

Introduction

This section provides an account of the expenses incurred by SRLA in delivering services. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Employee benefits

3.2 Operating expenses

3.1 Employee benefits

3.1.1 Employee benefits in the comprehensive operating statement

		($ thousand)	
	Notes	2026	2025
Superannuation expense		5,019	4,880
Termination benefits		9,759	1,435
Salaries, wages, annual leave and long service leave		46,246	48,766
Total employee benefits		**61,024**	**55,081**

Employee benefits expenses include all costs related to employment, including wages and salaries, fringe benefit tax, leave entitlements, termination payments, superannuation and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. SRLA does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when SRLA is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

3.1.2 Employee benefits in the balance sheet

	($ thousand)	
	2026	2025
Current provisions		
Annual leave		
Unconditional and expected to be settled within 12 months	4,368	4,777
Unconditional and expected to be settled after 12 months	4,496	4,772
Long service leave		
Unconditional and expected to be settled within 12 months	577	220
Unconditional and expected to be settled after 12 months	3,601	3,307
Provisions for on-costs		
Unconditional and expected to be settled within 12 months	959	981
Unconditional and expected to be settled after 12 months	1,593	1,613
Total current provisions	**15,594**	**15,670**
Non-current provisions		
Long Service leave	6,505	7,289
On-costs	1,312	1,494
Total non-current provisions	**7,817**	**8,783**
Total provisions for employee benefits	**23,411**	**24,453**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered. All leave entitlements have been transferred for employees who have rights under continuous services from the Victorian Public Service and are reflected within the balances above.

Reconciliation of movement in provisions for on-costs

	($ thousand)	
	2026	2025
Opening balance	4,088	3,716
Additional provisions recognised	415	737
Additions due to transfer in	151	277
Unwind of discount and effect of changes in the discount rates	(666)	(557)
Reductions due to transfer out	(124)	(85)
Closing balance	**3,864**	**4,088**
Current	2,552	2,594
Non-current	1,312	1,494
Total	**3,864**	**4,088**

Wages and salaries, annual leave and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, as SRLA does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As SRLA expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as SRLA does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability even where SRLA does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if SRLA expects to wholly settle within 12 months, or
- present value – if SRLA does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flows' in the net result.

3.2 Operating expenses

		($ thousand)	
	Notes	2026	2025
Supplies and services		13,866	34,990
IT and telecommunications expenses		10,839	7,975
Shared support services		4,703	1,946
Office accommodation		23,613	5,211
Grant expenses		-	149
Other operating expenses	3.2.1	22,549	12,713
Total		**75,570**	**62,984**

Operating expenses are recognised as an expense in the reporting period in which they are incurred.

Supplies and services expenses include mainly contractual payments for professional services to support SRLA's operations and project delivery.

IT and telecommunication costs include expenditure for desktop charges, provision and maintenance of system applications.

DTP continues to provide shared support services such as financial and human resources systems, payroll support services and IT systems to SRLA.

Office accommodation expenses during the financial year comprise short-term lease payments of $4.123 million and expenses relating to onerous lease and make good provisions of $19.49 million.

Office accommodation lease arrangements are deemed as short-term leases under AASB 16 *Leases*. SRLA has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in comprehensive operating statement on a straight-line basis over the lease term.

Onerous lease and make good provisions are disclosed in Note 5.4.

The reported Grant expenses were incurred under the Community Projects Fund, supporting community projects along the SRL East corridor that enhance community connectedness, meet community needs, and enhance community cohesion.

3.2.1 Other operating expenses

	($ thousand)	
	2026	2025
IT portable and attractive assets	136	273
Training and recruitment	1,425	1,058
Legal fees	16,014	6,796
Internal audit costs	396	418
Travel and accommodation	71	224
Other communications	2,173	590
Insurance expense	368	312
Property management services	135	1,812
Vehicle and equipment	354	163
Other administrative expenses	1,477	1,067
Total	**22,549**	**12,713**

Other operating expenses are recognised as an expense in the reporting period in which they are incurred. They generally represent the day-to-day running costs incurred in normal operations.

4. Key assets available to support service delivery

Introduction

SRLA controls land, and plant, equipment and vehicles that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to SRLA for delivery of services.

Structure

4.1 Property, plant and equipment (including Right of Use and Service Concession Assets)

4.1 Property, plant and equipment (including Right of Use and Service Concession Assets)

	($ thousand)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
Land	711,090	612,525	-	-	711,090	612,525
Buildings (including right of use assets) [(a)]	2,153	1,846	(543)	(160)	1,610	1,686
Plant, equipment and vehicles (including right of use assets) [(a)]	2,879	2,169	(999)	(747)	1,880	1,422
Sub-total property, plant and equipment	**716,122**	**616,540**	**(1,542)**	**(907)**	**714,580**	**615,633**
Construction in progress – uncommissioned Service Concession Assets [(b)]	5,666,137	-	-	-	5,666,137	-
Construction in progress - other	-	3,551,609	-	-	-	3,551,609
Total property, plant and equipment	**6,382,259**	**4,168,149**	**(1,542)**	**(907)**	**6,380,717**	**4,167,242**

(a) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right of use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.8.

(b) Refer to Note 8.8 for further information on the change in accounting policy for construction in progress to Service Concession Assets.

4.1.1 Non-financial assets (excluding Right of Use and Service Concession Assets)

Initial recognition

At the initial commencement of a construction project, assets are reported as Construction in Progress - Other until the project reaches commercial acceptance and is available and ready for use. Following the signing of the Linewide Franchise Agreement, all relevant costs previously included in the Construction in Progress - Other balance have been transferred to Construction in Progress – uncommissioned Service Concession Asset during the 2026 financial year. Refer to Note 8.8 for further information.

Land assets are measured initially at cost, representing the land value assessed by the Valuer-General's at acquisition date, and are subsequently revalued at fair value.

Other non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

Subsequent measurement

Construction in Progress – Other continues to be measured at cost until the project reaches commercial acceptance and is available and ready for use, upon which they are capitalised and transferred to the appropriate asset classes. Construction in Progress - Other does not include accumulated depreciation and impairment.

Items of non-financial physical assets are subsequently measured at fair value less accumulated depreciation, except for land assets which are subsequently measured at fair value. Fair value is determined with regard to the asset's highest and best use - considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset - and is summarised below by asset category.

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales and allowing for size, topography, location and other relevant factors specific to the asset being valued. Specialised land is also valued using the market approach, adjusted for the community service obligation to reflect the specialised nature of the land being valued.

Fair value for buildings, plant and equipment is determined using the current replacement cost method.

Refer to Note 7.3.1 for additional information on fair value determination of property, plant and equipment.

Depreciation

Plant, equipment and vehicles and other non-financial physical assets that have finite useful lives are depreciated.

Depreciation is calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Actual useful lives for the different asset classes in the current and prior financial years are included in the table below.

Buildings (excluding leased assets)	10 years
Plant, equipment and vehicles (excluding leased assets)	4 to 5 years
Leased buildings	2 to 5 years
Leased plant, equipment and vehicles	3 years

Land assets are considered to have an indefinite life and are not depreciated. Depreciation is not recognised because its service potential has not, in any material sense, been consumed during the reporting period.

4.1.2 Service concession assets

A service concession asset (SCA) under AASB 1059 *Service Concession Arrangements: Grantors* is an asset other than goodwill, to which a private operator has right of access to provide public services on behalf of SRLA in a service concession arrangement.

Initial recognition

SRLA initially recognises SCA at the commencement of construction at current replacement cost in accordance with the cost approach to fair value measurement. The current replacement cost reflects the amount that would be required currently to replace the service capacity of the asset. The current replacement cost for the SCA includes the costs that are directly attributable to the design and construction of the SCA. AASB 116 *Property, Plant and Equipment* is applied, which provides guidance on the elements of costs including:

- the purchase price, and
- costs directly attributable to bringing the asset to its location or condition necessary.

Following the signing of the Linewide Franchise Agreement, all assets relating to the construction of the SRL East project is accounted for as SCA. Refer to Note 8.8 for further information.

The assets recognised at the commencement of construction are reported as assets under construction until the project reaches commercial acceptance.

Subsequent measurement

SCA are subsequently measured at fair value less accumulated depreciation and impairment. SCA are subject to revaluation as required by Financial Reporting Direction (FRD) 103 *Non-financial physical assets*. When revalued, the fair value of SCA will be determined based on current replacement cost.

4.1.3 Other disclosures

Impairment of property, plant and equipment (including Right of Use and Service Concession Assets)

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 I*mpairment of Assets* does not apply to such assets that are regularly revalued.

Classification of land and building assets

In preparing these Financial Statements, significant judgments were made in classifying building assets. During the current and prior financial years, SRLA acquired assets specifically to facilitate the construction of rail development projects, rather than for the purpose of holding property assets.

As of 30 June 2026, all building assets were assessed to determine their intended use. For compulsory acquisitions, a direct nexus was established between the buildings acquired and their deployment in approved and active rail development projects. Based on this assessment, these building assets were appropriately classified and recorded under Construction in Progress, where they contribute directly to the cost base of the asset under construction. For properties acquired under the Voluntary Purchase Scheme, building assets are recorded separately under Buildings.

All land assets acquired for these projects are recorded as their own asset category under Land.

These classification and judgments are based on a combination of professional judgment, historical experience and assumptions considered reasonable under the circumstances.

4.1.4 Reconciliation of movements in carrying amount of property, plant and equipment (including Right of Use and Service Concession Assets)

	($ thousand)					
	Land	Buildings	Plant, equipment and vehicles	Construction in progress - other	Construction in progress - SCA	Total
Year ended 30 June 2026						
Opening balance	612,525	1,686	1,422	3,551,609	-	4,167,242
Additions	98,565	306	1,004	987,808	1,126,720	2,214,403
Depreciation expense	-	(382)	(375)	-	-	(757)
Disposals	-	-	(171)	-	-	(171)
Transfer between asset classes [(a)]	-	-	-	(4,539,417)	4,539,417	-
Closing balance	**711,090**	**1,610**	**1,880**	**-**	**5,666,137**	**6,380,717**

	($ thousand)					
	Land	Buildings	Plant, equipment and vehicles	Construction in progress - other	Construction in progress - SCA	Total
Year ended 30 June 2025						
Opening balance	514,658	-	1,178	1,784,053	-	2,299,889
Additions	102,068	1,846	671	1,749,736	-	1,854,321
Depreciation expense	-	(160)	(305)	-	-	(465)
Revaluations	13,619	-	-	-	-	13,619
Disposals	-	-	(122)	-	-	(122)
Transfer between asset classes [(b)]	(17,820)	-	-	17,820	-	-
Closing balance	**612,525**	**1,686**	**1,422**	**3,551,609**	**-**	**4,167,242**

(a) All relevant costs previously included in the Construction in Progress - Other balance as at the date of signing the Linewide Franchise Agreement in December 2025 have been transferred to Construction in Progress - SCA during the 2026 financial year. Refer to Note 8.8 for additional information.

(b) All additional costs directly attributable to land acquisitions previously included in the land asset balance as at 1 July 2024 have been transferred to Construction in Progress during the 2025 financial year.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from SRLA's operations.

Structure

5.1 Receivables

5.2 Payables

5.3 Prepayments

5.4 Other provisions

5.1 Receivables

	($ thousand)	
	2026	2025
Contractual		
Receivables - Department of Transport and Planning	260,405	144,900
Other receivables	6,470	7,843
Total contractual receivables	**266,875**	**152,743**
Statutory		
GST input tax credit recoverable from the ATO	25,691	20,275
Total statutory receivables	**25,691**	**20,275**
Total receivables	**292,566**	**173,018**

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. SRLA holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. These receivables comprise amounts recoverable from taxation authorities.

All receivables are classified as current.

5.2 Payables

	($ thousand)	
	2026	2025
Contractual		
Supplies and services	15,330	7,205
Capital works	231,588	160,568
Total contractual payables	**246,918**	**167,773**
Statutory		
Fringe Benefits Tax payable	30	60
Payroll Tax payable	652	684
Total statutory payables	**682**	**744**
Total payables	**247,600**	**168,517**

Contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable represents liabilities for goods and services provided to SRLA prior to the end of the financial year that are unpaid. Payables for capital works represent liabilities for capital expenditure incurred prior to the end of the financial year that are yet to be invoiced.

Statutory payables are classified and measured similarly to contractual payables but are not classified as financial instruments or included in the category of financial liabilities at amortised cost because they do not arise from a contract. These payables comprise amounts payable to taxation authorities.

All payables are classified as current.

5.2.1 Maturity analysis of contractual payables

	($ thousand)				
			Maturity dates		
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months
2026					
Supplies and services	15,330	15,330	2,988	12,342	-
Capital works	231,588	231,588	213,889	17,675	24
Total	**246,918**	**246,918**	**216,877**	**30,017**	**24**

	($ thousand)				
			Maturity dates		
	Carrying amount	Nominal Amount	Less than 1 month	1-3 months	3-12 months
2025					
Supplies and services	7,205	7,205	6,695	510	-
Capital works	160,568	160,568	140,618	19,342	608
Total	**167,773**	**167,773**	**147,313**	**19,852**	**608**

Payables for supplies and services have an average credit period of 30 days. No interest is charged on late payments.

5.3 Prepayments

	($ thousand)	
	2026	2025
Current		
Construction insurances	30,725	16,406
Mobilisation payments	-	69,912
Other prepayments	1,079	61,583
Non-current		
Construction insurances	258,942	273,563
Mobilisation payments	-	25,323
Other prepayments	-	31
Total prepayments	**290,746**	**446,818**

Prepayments represent payments in advance of receipt of goods or services, or the payments made for services covering a term extending beyond that financial accounting period. Prepayments are amortised on a straight-line basis over the service term or when the funds are returned to SRLA.

5.4 Other provisions

	($ thousand)	
	2026	2025
Current		
Acquisition of land and buildings	38,680	26,205
Unsuccessful bidder fees	25,000	30,000
Onerous lease and make good	10,302	-
Redundancies	5,900	335
Non-current		
Onerous lease and make good	9,188	-
Total other provisions	**89,070**	**56,540**

Other provisions are recognised when SRLA has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

The property value and other additional costs are recognised as property acquisition liabilities in circumstances where SRLA has issued a notice of compulsory acquisition or has taken possession of a property for the purpose of commencing construction and final compensation amount has not been agreed at the reporting date.

Unsuccessful bidder fees relate to the maximum amount payable to the unsuccessful bidder for work package contracts once the successful bidder is announced. This is recognised as a provision as the payment is not to be paid to the bidder until their costs are audited and validated by SRLA.

The onerous lease costs relate to office leases that is still required to be paid for but will no longer be used. The make-good costs relate to works required to return leased offices to the condition required under the lease agreements.

Redundancy payments not yet paid out is recognised as a provision as the timing or the amount of the payable is uncertain as at balance date, however a present obligation has arisen as there is a restructuring plan in place and SRLA has raised a valid expectation that the plan will be implemented by informing all affected employees.

5.4.1 Reconciliation of movement in other provisions

	($ thousand)				
	Acquisition of land and buildings	Unsuccessful bidder fees	Onerous lease and make good	Redundancies	Total
Year ended 30 June 2026					
Opening balance	26,205	30,000	-	335	56,540
Additional provisions recognised	26,840	25,000	19,490	5,900	77,230
Reduction arising from payments/other sacrifices of future economic benefits	(14,365)	(30,000)	-	(335)	(44,700)
Closing balance	**38,680**	**25,000**	**19,490**	**5,900**	**89,070**

	($ thousand)				
	Acquisition of land and buildings	Unsuccessful bidder fees	Onerous lease and make good	Redundancies	Total
Year ended 30 June 2025					
Opening balance	32,362	25,000	-	77	57,439
Additional provisions recognised	26,205	30,000	-	335	56,540
Reduction arising from payments/other sacrifices of future economic benefits	(32,362)	(25,000)	-	(77)	(57,439)
Closing balance	**26,205**	**30,000**	**-**	**335**	**56,540**

6. Financing our operations

Introduction

This section provides information on the sources of finance utilised by SRLA during its operations, along with interest expenses (the cost of leases) and other information related to financing activities of SRLA.

This section includes disclosures of balances that are financial instruments (such as cash balances).

Structure

6.1 Borrowings

6.2 Cash flow information and balances

6.3 Commitments for expenditure

6.1 Borrowings

		($ thousand)	
	Notes	2026	2025
Current			
Lease liabilities		660	784
Non-current			
Lease liabilities		2,269	1,857
Total borrowings		**2,929**	**2,641**

Borrowings refer to interest bearing liabilities mainly raised from lease liabilities.

Borrowings are classified as financial instruments. The measurement basis depends on whether SRLA has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through net result, or financial liabilities at amortised cost. The classification depends on the nature and purpose of the interest-bearing liabilities. SRLA determines the classification of its interest-bearing liabilities at initial recognition.

SRLA leasing activities

SRLA leases motor vehicles through Department of Government Services for operational needs with lease term of three years or 60,000 kilometres, whichever occurs first.

SRLA also leases two parcels of land located at 275-315 Kingston Road, Clarinda and 7-125 Highbury Road, Burwood with a lease term of five years and two years, respectively, to facilitate works on the SRL project.

Leases at significantly below-market terms and conditions

SRLA has a peppercorn lease arrangement with Development Victoria for 36 Gillard Street, Burwood and 37 Cumming Street, Burwood for a term expiring on the date which is the earlier of the first day of passenger services of SRL East; the date the lease is terminated by agreement between the parties; or 31 December 2035.

The terms of the lease agreement provide for nominal payments of $1 as annual rent to the lessor upon demand.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or SRLA's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- payments arising from purchase and termination options reasonably certain to be exercised.

SRLA elected to initially measure the recognition of the Right of Use (RoU) asset arising from leases that are significantly below market terms and conditions at cost in accordance with AASB 16. Therefore, the RoU asset is not recognised in SRLA financial statements due to the significantly below market payments. The corresponding liability of the RoU arrangement is not recognised as per above.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

6.2 Cash flow information and balances

Cash and deposits comprise cash at bank.

	($ thousand)	
	2026	2025
Total cash and deposits disclosed in the balance sheet	7,856	21,169
Balance as per Cash Flow Statement	**7,856**	**21,169**

6.2.1 Reconciliation of net result for the period to net cash flows from operating activities

For the purpose of the Cash Flow Statement, cash includes cash at bank. Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	($ thousand)	
	2026	2025
Net profit for the period	3,254	3,192
Non-cash movements		
Depreciation and amortisation of non-current assets	288	224

	($ thousand)	
	2026	2025
(Gain) on sale or disposal of non-current assets	(26)	(32)
Other non-cash movements	(3,336)	(3,268)
Movements in assets and liabilities		
(Increase) in receivables	(16,646)	(15,010)
(Increase)/decrease in prepayments	(247)	73
Increase/(decrease) in payables	33,263	(8,893)
Increase in provisions	2,294	4,741
Net cash flows from/(used in) operating activities	**18,844**	**(18,973)**

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These contracts are recorded at their nominal value and are inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	($ thousand)			
Nominal amounts	Less than 1 year	1 year - 5 years	5+ years	Total
2026				
Uncommissioned SCA commitments (refer to Note 6.3.1)	2,359,204	6,926,918	7,071,707	16,357,829
Other commitments	3,378	-	-	3,378
Total commitments (inclusive of GST)	**2,362,582**	**6,926,918**	**7,071,707**	**16,361,207**
Less GST recoverable	(214,780)	(629,720)	(642,882)	(1,487,382)
Total commitments (exclusive of GST)	**2,147,802**	**6,297,198**	**6,428,825**	**14,873,825**

	($ thousand)			
Nominal amounts	Less than 1 year	1 year - 5 years	5+ years	Total
2025				
Capital expenditure commitments	1,935,378	3,538,110	-	5,473,488
Other commitments	4,747	-	-	4,747
Total commitments (inclusive of GST)	**1,940,125**	**3,538,110**	**-**	**5,478,235**
Less GST recoverable	(176,375)	(321,646)	-	(498,021)
Total commitments (exclusive of GST)	**1,763,750**	**3,216,464**	**-**	**4,980,214**

Service concession arrangement commitments include contracts mainly for capital projects relating to the SRL project. These non-cancellable contracts for commitments were signed prior to the balance date and have established a legal and binding obligation on SRLA to make future payments. Refer to Note 6.3.1.

Prior to the Linewide Franchise Agreement contract award in December 2025, these commitments have not been assessed as part of the service concession arrangement. These commitments have been presented as Capital expenditure commitments in the prior financial year.

6.3.1 Service concession arrangements

SRLA, on behalf of the State of Victoria, has entered into a service concession arrangement with a private sector operator for the delivery and future operation of elements of the Suburban Rail Loop East project. The arrangement gives the operator the right to participate in providing public services over a specified period using the SCA.

Under the arrangement, SRLA controls the public services to be provided, including the nature of the services, the standards to which they must be delivered, and the relevant assets used to provide those services. SRLA is responsible for overseeing operator performance against contractual requirements, including service quality, safety, and other specified obligations, and may intervene where necessary to protect public safety and the public interest.

At the end of the concession period, the rights granted to the operator under the arrangement cease in accordance with the contractual terms and the SCA will revert to SRLA, on behalf of the State of Victoria. Termination and renewal provisions are governed by the specific terms of the contract.

SRLA has assessed the arrangement in accordance with AASB 1059, which applies where a public sector grantor controls or regulates the services provided through the asset, controls any significant residual interest in the asset, and the operator manages at least some of the public service at its own discretion.

SRLA is responsible for the construction of the SCA, which is recognised as 'SRLA asset contributions'. Upon completion, the SCA will be made available to the operator to provide operation and maintenance services for a period of 15 years commencing in 2035.

The operator is not compensated for the construction, development, acquisition or upgrade of the SCA. Payments made under the arrangement relate solely to the provision of operation and maintenance services over the concession period. Accordingly, SRLA has not recognised a financial liability or a grant of a right to the operator (GORTO) liability in relation to the service concession arrangement. Payments for operation and maintenance services are recognised as expenses as the services are received.

The SCA is subsequently measured in accordance with SRLA's accounting policy for property, plant and equipment.

The SRL East arrangement comprises a number of integrated work packages covering planning, construction, system delivery, and the future operation and maintenance of SRL East. Key components of the arrangement are outlined below.

Initial and Early Works

The Initial and Early Works package comprises planning, enabling and preparatory activities required to support the delivery of SRL East. These activities include site investigations, utility relocations, environmental and planning approvals, land access and acquisition activities, and other enabling works necessary to facilitate the major construction packages.

Tunnels

The Tunnels work package comprises two contracts: Tunnels South and Tunnels North.

The Tunnels South contract was awarded to Suburban Connect in December 2023 and includes design and construction of two 16km tunnels between Cheltenham and Glen Waverley.

The Tunnels North contract was awarded to Terra Verde in November 2024 and includes design and construction of two 10km tunnels between Glen Waverley and Box Hill.

Both contracts include the delivery of cross passages between the tunnels, tunnel entrance support structures, access shafts, and station boxes. The Tunnels works are expected to be completed in 2035.

Linewide Project Alliance Agreement

In December 2025, SRLA entered into a Project Alliance Agreement (PAA) with TransitLinX Pty Ltd for the Linewide work package. The PAA covers the design, supply, integration, testing and commissioning of the railway systems, including tunnel fit-out, signalling, operational systems, rolling stock, systems integration and operations readiness activities. The Linewide works are expected to be completed in 2035.

Linewide Franchise Agreement

Concurrently with the Linewide PAA, SRLA entered into a Franchise Agreement (FA) with TransitLinX Pty Ltd for the operation and maintenance of the SRL East network upon commencement of passenger services.

The FA is expected to commence in 2035 and has a term of 15 years. Under the agreement, the operator is responsible for delivering specified operation and maintenance services, with payments linked to the achievement of contractual performance requirements.

The table below sets out commitments relating to uncommissioned SCAs. These commitments comprise SRLA's future capital contributions associated with the SCA that have not yet been recognised on the balance sheet, together with future operation and maintenance commitments arising under the service concession arrangement. The amounts disclosed below are inclusive of GST.

	($ thousand)		
	2026		
	SRLA asset contributions	Operation and maintenance commitments	
	Nominal Value	Present Value [a]	Nominal Value
Uncommissioned SCAs			
SRL East	12,096,178	1,990,313	4,261,651
Total commitments for SCAs	**12,096,178**	**1,990,313**	**4,261,651**

(a) SRLA has applied a discount rate of rate of 4.38% at 30 June 2026 in the present value calculation of operation and maintenance commitments.

Following the signing of the Linewide Franchise Agreement, the FA was assessed together with the PAA as part of the broader SRL East service concession arrangement. Consistent with this assessment, the remaining SRL East work packages have also been identified as components of the broader service concession arrangement, as they collectively contribute to the delivery of an integrated transport network.

Commitments relating to uncommissioned SCA are recognised from the date the Linewide contract was executed in December 2025. As the contract was executed after 30 June 2025, no service concession arrangement commitments were recognised at that date. Refer to Note 8.8 for further information on the change in accounting policy.

7. Risks, contingencies, and valuation judgements

Introduction

SRLA is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for SRLA relate mainly to fair value determination.

Structure

7.1 Financial instruments specific disclosures

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

7.1 Financial instruments specific disclosures

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of SRLA's activities, certain financial assets and financial liabilities arise under statutory obligation rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both the following criteria are met, and the assets are only designated as fair value through net result:

- the assets are held by SRLA to collect the contractual cash flows
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

SRLA recognises cash and deposits (Note 6.2) and contractual receivables (Note 5.1) in this category.

Receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

SRLA recognises contractual payables (Note 5.2) and borrowings (Note 6.1) in this category.

SRLA currently holds a range of financial instruments that are recorded in the financial statements at their carrying amounts which approximate to fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2026-2027 reporting period.

7.1.1 Financial risk management objectives and policies

SRLA does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

SRLA's principal financial instruments comprise:

- cash and deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings (including lease liabilities).

Details of material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability are disclosed throughout the notes to these financial statements.

The main purpose in holding financial instruments is to prudentially manage SRLA's financial risks within the government's policy parameters.

SRLA uses different methods to measure and manage the different risks to which it is exposed.

Financial instruments: Credit risk

Credit risk arises from the contractual financial assets of SRLA, which comprise cash and deposits and non-statutory receivables. SRLA's exposure to credit risk arises from the potential default of the counter party on their contractual obligations resulting in financial loss to SRLA. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with SRLA's contractual financial assets is minimal because the main debtor is the Victorian Government. In addition, SRLA does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the Financial Statements, net of any allowances for losses, represents SRLA's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to SRLA's credit risk profile between 1 July 2025 and 30 June 2026.

Credit quality of financial assets

	($ thousand)		
	Financial institution (AA- credit rating)	Victorian Government (AA credit rating)	Total
2026			
Financial assets			
Cash and deposits	7,856	-	7,856
Receivables (with no impairment loss recognised)	-	266,875	266,875
Total contractual financial assets	**7,856**	**266,875**	**274,731**

	($ thousand)		
	Financial institution (AA- credit rating)	Victorian Government (AA credit rating)	Total
2025			
Financial assets			
Cash and deposits	21,169	-	21,169
Receivables (with no impairment loss recognised)	-	152,743	152,743
Total contractual financial assets	**21,169**	**152,743**	**173,912**

Contractual receivables at amortised cost

SRLA applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. SRLA has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on SRLA's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, SRLA has determined that its loss allowance at the end of the financial year is nil.

Financial instruments: Liquidity risk

Liquidity risk is the risk that SRLA would be unable to meet its financial obligations as and when they fall due. SRLA operates under the government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The ability of SRLA to pay its current and future contractual obligations is dependent on DTP providing adequate cash flow. The Letter of Support provided by DTP dated 15 July 2026 covering the period until 30 September 2027 reduces SRLA's exposure to liquidity risk.

SRLA's exposure to liquidity risk is deemed insignificant based on current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the balance sheet.

Financial instruments: Interest rate risk

SRLA does not hold any interest-bearing financial instruments that are measured at fair value and therefore has no exposure to fair value interest rate risk.

Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, measured at nominal value.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

SRLA have no contingent assets as at 30 June 2026.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity
- present obligations that arise from past events but are not recognised because:
  - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
  - the amount of the obligations cannot be measured with sufficient reliability.

These are classified as either quantifiable or non-quantifiable.

Arising from SRLA's contracts with private partners for the construction of the SRL project:

- there are contractual claims made in the ordinary course of business that are currently being assessed, either in its existence or in the quantum of the claim
- there are future payments that are dependent on the private partners exceeding certain key performance indicators. A reliable estimate of any payments to be made is not known until the date of practical completion.

SRLA's potential exposure from this mechanism is unknown at the time of this report.

SRLA also has a number of compulsory property acquisition claims which have been referred for determination where the parties disagree on the total compensation payable relating to the acquisition. While these negotiations are continuing, SRLA estimates the current contingent liability for these claims to be $38.1 million.

7.3 Fair value determination

This section sets out information on how SRLA has determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- land and building assets (excluding leased assets)
- plant, equipment and vehicles (excluding leased assets).

In addition, the fair values of other assets and liabilities that are carried at amortised cost also need to be determined for disclosure purposes.

SRLA determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the Financial Statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

SRLA determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer-General Victoria (VGV) is SRLA's independent valuation agency and SRLA will engage them to monitor changes in the fair value of relevant assets and liabilities, through relevant data sources, to determine revaluations when it is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value)
- which level of the fair value hierarchy was used to determine the fair value
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
  - a reconciliation of the movements in fair values from the beginning of the year to the end
  - details of significant unobservable inputs used in the fair value determination.

7.3.1 Fair value determination: non-financial physical assets

	($ thousand)			
	Carrying amount as at 30 June 2026	Fair value measurement at end of reporting period using:		
		Level 1 [(a)]	Level 2 [(a)]	Level 3 [(a)]
2026				
Land	711,090	-	656,146	54,944
Buildings	546	-	546	-
Plant, equipment and vehicles	61	-	61	-

	($ thousand)			
	Carrying amount as at 30 June 2025	Fair value measurement at end of reporting period using:		
		Level 1 [(a)]	Level 2 [(a)]	Level 3 [(a)]
2025				
Land	612,525	-	557,581	54,944
Buildings	1,686	-	1,686	-
Plant, equipment and vehicles	1,422	-	1,422	-

(a) Classified in accordance with the fair value hierarchy.

There has been no transfer between levels during the period.

Land

A desktop fair value assessment has been conducted for land acquired for rail developments, by reviewing indices provided by the VGV. The assessment indicates that the carrying value of land is materially consistent with fair value. Therefore, no formal managerial revaluation was performed as at 30 June 2026 in line with FRD 103.

The majority of SRLA's land assets are non-specialised, which are valued using the market approach. Specialised land is also valued using the market approach, adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

Buildings, plant and equipment (excluding land)

Buildings, plant and equipment is held at fair value. When buildings, plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2026.

For all assets measured at fair value, the current use is considered the highest and best use.

Accounting for fair value movements

Revaluation increases or decreases arise from differences between an asset's carrying value and its fair value.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment are offset against other assets in that class but are not offset against assets in different classes. An asset revaluation surplus is not transferred to accumulated funds on the de-recognition of the related asset.

Revaluation increments are credited directly to revaluation reserves, except to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense, in which case the increment is recognised immediately as revenue.

Revaluation decrements are recognised immediately as an expense, except to the extent that a credit balance exists in revaluation reserves applicable to the same class of assets, in which case the decrement is debited directly to revaluation reserves.

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of these Financial Statements.

Structure

8.1 Ex-gratia expenses

8.2 Other economic flows included in net result

8.3 Responsible persons

8.4 Remuneration of executives

8.5 Related parties

8.6 Remuneration of auditors

8.7 Subsequent events

8.8 Changes in accounting policy

8.9 Other accounting policies

8.10 Australian Accounting Standards issued that are not yet effective

8.11 Style conventions

8.1 Ex-gratia expenses

There were no ex-gratia expenses to report in the financial year and prior reporting period.

8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- the disposal of non-current assets
- the revaluation of the present value of leave provisions due to changes in the bond rates, wage inflation rates and on-cost rates.

	($ thousand)	
	2026	2025
Net gain/(loss) on disposal of non-current assets		
Proceeds from disposal of assets	198	154
Written down value (WDV) of assets disposed	(172)	(122)
Net gain/(loss) on disposal of non-current assets	**26**	**32**
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of leave provisions	3,336	3,268
Other gains/(losses) from other economic flows	**3,336**	**3,268**
Total other gains/(losses) from other economic flows	**3,362**	**3,300**

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister of Finance under the FMA, the following disclosures are made regarding responsible persons for the reporting period. The names of each person who held positions of Ministers, Accountable Officers, and members of the Board for the period 1 July 2025 to 30 June 2026 are as follows:

Minister

Hon. Harriet Shing, MP, Minister for the Suburban Rail Loop (until 15 April 2026)

Hon. Nick Staikos, MP, Minister for the Suburban Rail Loop (from 15 April 2026)

Board Directors

James Merlino (Chair)

Christine Wyatt (Deputy Chair)

Paul Barker (until 28 February 2026)

Sally Freeman

Paul Younis (from 3 March 2026)

Evan Tattersall (from 3 March 2026)

Gordon Rich-Phillips (from 3 March 2026)

Chief Executive Officers and Accountable Officers

Frankie Carroll (until 15 December 2025)

Kevin Devlin (from 5 January 2026)

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of SRLA during the reporting period was in the range of $540,000 - $549,999 for Frankie Carroll and $390,000 - $399,999 for Kevin Devlin, totalling in the range of $930,000 - $939,999 (2024-25: $900,000 - $909,999).

Remuneration of Accountable Officers comprises employee benefits in all forms of consideration paid, payable or provided by SRLA, or on behalf of SRLA, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long service benefits or deferred compensation.

The number of responsible persons excluding the Accountable Officers and Ministers, and their remuneration during the reporting period, is shown in the table below.

Remuneration Bands	2026	2025
$0 - $9,999	-	1
$20,000 - $29,999	3	1
$40,000 - $49,999	1	-
$60,000 - $69,999	-	2
$70,000 - $79,999	2	1

Remuneration Bands	2026	2025
$160,000 - $169,999	-	1
$170,000 - $179,999	1	-
Total number of responsible persons	**7**	**6**
Total remuneration ($ thousand)	**447**	**399**

The compensation detailed in the table above excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the State's Annual Financial Report.

8.4 Remuneration of executives

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalent provides a measure of fulltime equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by SRLA, or on behalf of SRLA, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.
- Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.
- Other long-term benefits include long service leave, other long service benefits or deferred compensation.
- Termination benefits include termination of employment payments, such as severance packages.

	($ thousand)	
	2026	2025
Remuneration of executive officers		
Short term employee benefits	28,220	28,874
Post-employment benefits	2,381	2,432
Other long-term benefits	610	673
Termination benefits	1,450	672
Total remuneration	**32,661**	**32,651**
Total number of executives	99	100
Total annualised employee equivalent (AEE) [a]	**74.0**	**83.6**

(a) AEE is based on the time fraction worked over the reporting period.

8.5 Related parties

SRLA is a wholly owned and controlled entity of the State of Victoria.

Related parties of SRLA include:

- all key management personnel (KMP) and their close family members and personal business interests, including controlled entities, joint ventures and entities they have significant influence over
- all Cabinet Ministers and their close family members

- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel

KMP of SRLA include the responsible persons (see Note 8.3 Responsible persons) and senior executive service officers who report directly to the Accountable Officer.

The following table shows SRLA's KMP:

Name	Position/s identified as a KMP	Period
The Hon Harriet Shing MP	Minister for the Suburban Rail Loop	1 July 2025 to 15 April 2026
The Hon Nick Staikos MP	Minister for the Suburban Rail Loop	15 April 2026 to 30 June 2026
James Merlino	Board Chair	1 July 2025 to 30 June 2026
Christine Wyatt	Board Deputy Chair	1 July 2025 to 30 June 2026
Paul Barker	Board Member	1 July 2025 to 28 February 2026
Sally Freeman	Board Member	1 July 2025 to 30 June 2026
Paul Younis	Board Member	3 March 2026 to 30 June 2026
Evan Tattersall	Board Member	3 March 2026 to 30 June 2026
Gordon Rich-Phillips	Board Member	3 March 2026 to 30 June 2026
Frankie Carroll	Chief Executive Officer	1 July 2025 to 15 December 2025
Kevin Devlin	Interim Chief Executive Officer	5 January 2026 to 30 June 2026
Megan Bourke-O'Neil	Chief Operating Officer	1 July 2025 to 30 June 2026
	Acting Executive General Manager, Strategic Communications and Engagement	1 July 2025 to 6 September 2025
James Tonkin	Executive General Manager, Strategic Communications and Engagement	1 July 2025 to 31 July 2025
Matthew Cugley	Acting Executive General Manager, Strategic Communications and Engagement	9 September 2025 to 30 November 2025
Louise Perry	Executive General Manager, Strategic Communications and Engagement	1 December 2025 to 30 June 2026
Lissa van Camp	Executive General Manager, Land, Planning, Environment and Sustainability	1 July 2025 to 30 June 2026
Sashi Balaraman	Executive General Manager, Strategy and Policy	1 July 2025 to 27 February 2026
Christopher M Storey	Chief Financial Officer	1 July 2025 to 9 February 2026
Stephen Troughton	Executive General Manager, Rail and Infrastructure Delivery	1 July 2025 to 4 February 2026
Peter Wilkinson	Executive General Manager, Delivery	16 February 2026 to 30 June 2026
Ameer Toor	Acting Executive General Manager, Commercial & Project Legal	4 February 2026 to 30 June 2026
Glenn Turnbull	Acting Chief Health, Safety and Quality	9 January 2026 to 30 June 2026

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of SRLA, directly or indirectly, including any director (whether executive or otherwise) of SRLA.

During the year, the position of Executive General Manager, Delivery was established at SRLA. An independent contractor has been appointed to undertake the responsibilities associated with this role on an interim basis until a permanent appointment is made. Consequently, the role has been categorised and disclosed as a KMP of the authority.

None of the independent contractors have been granted financial delegation or authority to commit the organisation to future obligations. The overall accountability and responsibility for the Rail & Infrastructure Delivery Division resides with the Executive Project Director - SRL East.

Effective from 9 February 2026, the Chief Financial Officer ceased to be key management personnel, as the position was no longer included in the Executive Leadership Team.

There were no related party transactions with KMP to report in the financial year and prior reporting period.

Remuneration of KMP

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and are reported within the State's Annual Financial Report.

	($ thousand)	
	2026	2025
Compensation of KMPs		
Short term employee benefits	4,698	5,514
Post-employment benefits	270	284
Other long-term benefits	77	93
Termination benefits	517	190
Total key management personnel compensation	**5,562**	**6,081**

Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

Significant transactions with government-related entities

SRLA transacts with other State Government Departments and agencies through transactions such as grants in line with budgeted allocations. These notes provide further detail of counterparty and amount. Grant income disclosed in Note 2.1 Grant income and the corresponding receivable in Note 5.1 Receivables is from DTP. Note 5.2 Payables identifies the balances with other State Government Departments.

During the year, SRLA had the following government-related party transactions:

Income and receivable transactions over $100,000 with Government related entities

		($ thousand)	
Related Party	Nature of Transaction	Income	Receivables
2026			
Department of Transport and Planning	Provision of Grant Income	132,804	18,905
Department of Transport and Planning	Capital contributions	2,049,525	241,500

Expenditure and Payables transactions over $100,000 with Government related entities			
		($ thousand)	
Related Party	Nature of transaction	Expenditure	Payables
2026			
Cenitex	IT desktop and system implementation support services	3,871	108
Department of Government Services	Office accommodation and other support services	115	9,684
Department of Transport and Planning	Shared service support in both corporate and projects	12,725	12,731
Department of Treasury and Finance	Project support services	212	-
Development Victoria	Lease outgoings	249	-
EPA Victoria	Project services for Rail and Infrastructure	625	197
Melbourne Water Corporation	Project services for Rail and Infrastructure	170	229
Victorian Government Solicitors Office	Facilitation of land acquisition, including the purchase of land	44,933	8,148
Victorian Managed Insurance Authority	Insurance arrangements	17,441	3

8.6 Remuneration of auditors

	($ thousand)	
	2026	2025
Victorian Auditor-General's Office Audit of the Financial Statements	330	270
Total remuneration of auditors	**330**	**270**

8.7 Subsequent events

SRLA's policy in connection with recognising subsequent events, that are, for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue, is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

Preferred bidder announcement

On 24 August 2026, Connexus Alliance was confirmed as the preferred bidder for the SRL East Stations South contract. Connexus Alliance is a consortium that includes CPB Contractors, Multiplex Constructions and GHD. Further information, including the financial impact of this announcement upon SRLA's operations, will be made once contracts are finalised and awarded.

Machinery of Government changes

On 25 August 2026, the Victorian Government announced a Machinery of Government change resulting in the transfer of responsibility for delivery of the Suburban Rail Loop from SRLA to the Victorian Infrastructure Delivery Authority (VIDA) and DTP in the 2027 financial year. The transfer is expected to include the assets, liabilities, employees, contracts and related resources of SRLA.

Detailed planning and transition activities have commenced between SRLA, VIDA and DTP to support the orderly transfer of functions and resources. These arrangements are intended to ensure the

continued delivery of the Suburban Rail Loop, with relevant SRLA functions transferring to VIDA and DTP as part of the Machinery of Government change.

No adjustments have been made to the amounts recognised in these financial statements. The financial effect of the transfer has not yet been determined and is therefore not disclosed. This event has been assessed as a non-adjusting event occurring after the reporting period.

8.8 Changes in accounting policy

Construction in progress

Construction in progress balances disclosed in Note 4.1 represent rail infrastructure forming part of the Suburban Rail Loop transport network. SRL East is being delivered through a number of separate works packages covering different sections and components of the rail line and associated infrastructure.

SRLA has assessed the Linewide Franchise Agreement as a service concession arrangement under AASB 1059 *Service Concession Arrangements: Grantors*. This assessment is based on the future operator being granted the right to access the SRL East network to operate and provide public transport services on behalf of the State.

Following this conclusion, SRLA evaluated its existing works packages to determine whether they form part of the integrated service concession arrangement arising from the execution of the Linewide works package. SRLA concluded that the existing works packages form part of the same service concession arrangement because they relate to the construction of sections and components of the same infrastructure asset, the SRL East rail line is intended to operate as a single integrated transport network, and the operator requires access to the entire SRL East line to provide services under the Linewide works package. Accordingly, the works packages are considered commercially and operationally interdependent for the purposes of AASB 1059 *Service Concession Arrangements: Grantors*.

As a result of this conclusion, all relevant costs previously included within Construction in Progress - Other as at the date of execution of the Linewide works package were reclassified to Construction in Progress - Service Concession Arrangement (SCA) during the 2025-26 financial year.

Refer to Note 6.3.1 for further information on service concession arrangements.

Right of Use (RoU) assets

SRLA has made a change in accounting policy to change the measurement basis from the revaluation model to the cost model for the subsequent measurement of RoU assets arising from market leases, in accordance with the updated requirements under FRD 104 *Leases*.

Previously, SRLA had measured all RoU assets arising from market leases using the revaluation model under AASB 13. Following the change in accounting policy, SRLA will measure all RoU assets using the cost model. RoU assets measured using the cost model are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of lease liability. Periodic revaluations are not required; however, the cost model requires annual impairment assessments in accordance with AASB 136.

Upon the adoption of the cost model, SRLA has applied a modified retrospective approach. The approach takes the RoU asset's carrying amounts recorded under the revaluation model as at 30 June 2025 as the RoU asset's opening balances on application of the cost model.

SRLA is not required to make any adjustments to RoU assets arising from significantly below-market leases, including peppercorn leases, as SRLA already measures these RoU assets using the cost model in accordance with AASB 16 and FRD 104, and are thus not impacted as a result of this accounting policy change.

On transition to the cost model, there was no impact on SRLA's financial statements. No impairment was identified by SRLA for the RoU assets held as at 30 June 2026.

8.9 Other accounting policies

Contributed capital from government

Contributed capital was provided by the Victorian government during the financial year ended 30 June 2026, to fund the majority of capital investments. Capital contributions from the statement of changes in equity are reflective of capital investment.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of SRLA.

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by SRLA as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

8.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2025-26 reporting period. These accounting standards have not been applied to SRLA's Financial Statements. SRLA is reviewing its existing policies and assessing the potential implications of these accounting standards, which include:

AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

This standard defers the application of AASB 17 for public sector entities and introduces public-sector-specific modifications, including transition relief for certain claims liabilities.

The standard is most relevant where entities have insurance-like arrangements, including self-insurance or other arrangements involving significant claims liabilities. Based on the current assessment, SRLA does not have material arrangements of this nature that are expected to alter any accounting outcomes. Therefore, no material impact is expected, although monitoring will continue as part of implementation planning.

This standard is effective from 1 July 2026.

AASB 18 Presentation and Disclosure of Financial Statements

AASB 18 introduces a revised framework for the presentation of financial performance. The changes include a new structure for the income statement including the categorisation of income statement line items within operating, financing and investment activities and disclosure of performance measures within the audited financial statements where applicable.

The standard does not change how transactions are recognised or measured. It affects how information is presented and disclosed rather than SRLA's underlying financial performance, financial position or cash flows.

Therefore, no material financial impact is expected. The main implications for SRLA are expected to be presentational and operational, including determining the revised structure and level of disaggregation for the income statement, and re-mapping existing accounts to align with the new requirements.

For the not-for-profit sector, the standard becomes effective for the financial statements for the year ended 30 June 2029.

This standard is effective from 1 January 2027.

Other amendments to Accounting Standards

A number of other standards and amendments have also been issued that apply to future reporting periods; however, they are not expected to have any significant impact on the financial statements in the period of initial application.

8.11 Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

-	zero, or rounded to zero
(xxx)	negative numbers
200x	year period
200x-0x	year period

The financial statements and notes are presented based on the illustration for a statutory authority in the 2025- 2026 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of SRLA's annual reports.



Clayton construction site

SECTION 4

Disclosure Index

SRLA's Annual Report is prepared in accordance with relevant Victorian legislation and pronouncements. This index signposts SRLA's compliance with Standing Direction (SD) requirements, Financial Reporting Directions (FRDs) and legislation.

Statutory Disclosure and Financial Reporting Direction requirements

SD/FRD	Requirement	Page
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	6, 14
FRD 22	Purpose, functions, powers and duties	6
FRD 22	Key initiatives and projects	8
Management and structure		
FRD 22	Organisational structure	17
Financial and other information		
FRD 10	Disclosure index	83
FRD 12	Disclosure of major contracts	30
FRD 15	Executive disclosures	23
FRD 22	Employment and conduct principles	7, 18
FRD 22	Occupational health and safety policy	25
FRD 22	Subsequent events	79
FRD 22	Application and operation of *Freedom of Information Act 1982*	35
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	35
FRD 22	Statement on Competitive Neutrality Policy	36
FRD 22	Application and operation of the *Public Interest Disclosures Act 2012*	36
FRD 22	Application and operation of the *Carers Recognition Act 2012*	36
FRD 22	Application and operation of the *Disability Act 2006*	36
FRD 22	Details of consultancies over $10,000	29
FRD 22	Details of consultancies under $10,000	29
FRD 22	Disclosure of emergency procurement	30
FRD 22	Disclosure of procurement complaints	30
FRD 22	Disclosure of government advertising expenditure	30
FRD 22	Disclosure of grants and transfer payments	30
FRD 22	Disclosure of review and study expenses	31
FRD 22	Disclosure of ICT expenditure	32
FRD 22	Statement of availability of other information	37
FRD 24	Reporting of environmental performance	32
FRD 25	Local Jobs First	28
FRD 29	Workforce data disclosures	21
SD 5.2	Specific requirements under Standing Direction 5.2	Throughout

SD/FRD	Requirement	Page
Compliance attestation and declaration		
SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	37
SD 5.2.3	Declaration in report of operations	1
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	41
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	49
SD 5.2.1(a)	Compliance with Standing Directions	37
SD 5.2.1(b)	Compliance with Model Financial Report	49
Other disclosures as required by FRDs in notes to the financial statements		
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	75
FRD 110	Cash Flow Statements	47
FRD 114	Financial Instruments – general government entities and public non-financial corporations	68

Note:
- Only FRDs applicable to SRLA are listed in the disclosure index.

Legislation

	Page
SRL Act 2021: requirement to include Statement of Corporate Intent	4-8, 14
SRL Act 2021: other matters	Throughout
Freedom of Information Act 1982	35
Building Act 1993	35
Public Interest Disclosures Act 2012	36
Carers Recognition Act 2012	36
Disability Act 2006	36
Local Jobs First Act 2003	28
Financial Management Act 1994	Throughout

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VICTORIA'S BIG BUILD

SUBURBAN RAIL LOOP AUTHORITY

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