Appendix F:
Stations packages

Project summary

Works package names	Stations alliance south – WPE	Stations alliance north – WPF
Package lifecycle phase	Procurement, request for proposal (RFP) phase commenced in October 2025	Procurement, preferred respondent was endorsed in October 2025
Scope	• Station building and fit-out at Cheltenham, Clayton and Monash • Station box excavation and temporary retaining works at Cheltenham	• Station building and fit-out at Glen Waverley, Burwood and Box Hill • Station box excavation and temporary retaining works at Box Hill
Contract award date	Targeting May 2027	Targeting August 2026
Expected practical completion date	April 2034	November 2034

Note: the expected practical completion date will be confirmed at contract award.
Source: VAGO, based on information from SRLA and DPC.

Cost overview summary

Figure F1: Cost overview summary ($ million)

Cost component	Baseline budget (June 2023)	SRLA budget (December 2025)	Actual cost to end 2025
WPE – stations south	-	-	0.0
WPF – stations north	-	-	0.0
Owner's costs/minor works	-	-	129.1
Total	**7,868.8**	**7,666.6**	**129.1**

Note: We have included high level summary cost information for the stations packages to protect the commercial position of SRLA and the state in managing risk and costs under these packages because they are currently in procurement. The WPE and WPF total budget amounts include package-specific budgets, including a contingency provision for unexpected costs, a provision to cover estimated cost escalation, and an allowance for the contracted performance KPI regime payments available to the contractors.
Source: VAGO, based on information from SRLA and DPC.

The expected costs for both stations packages have increased significantly from SRLA's initial estimates. SRLA's updated estimates as at the end of 2025 are not reflected in its budget. SRLA's practice is to not update package budgets until contracts have been awarded. Figure 8 in Section 3 includes our understanding of the cost estimates for the stations packages at the end of 2025.

Procurement structure and timeline

The stations packages are being procured sequentially using a '3-2-1' procurement approach based on the model used for the tunnelling packages.

The 3-2-1 approach was approved for the stations packages in October 2023 because they are similar in scope and adopting a conjoined procurement process would:

- require fewer respondents
- prevent one respondent from winning both contracts, thereby helping to manage market capacity
- remove the need for respondents to choose one package to focus on
- be more efficient for the bidders and SRLA.

The government approved a delivery program in September 2021 that involved procuring the stations packages separately as alliance contracts. Under this program stations procurement was intended to commence in September 2023 with the release of the WPF expression of interest (EOI) and conclude in May 2026 with the WPE contract award.

As demonstrated in Figures F2 and F3 below, the timeline for stations procurement has changed significantly from the baseline set in September 2021. This is the result of a number of key decisions and delays:

- the decision to adopt the sequential, 3-2-1 procurement approach, which realised efficiency gains to the procurement timeline
- extensions to the Linewide procurement schedule during the capital reprofiling exercise required equivalent extensions to the stations' procurement
- delays in endorsing the preferred respondent for WPF and approving the WPE request for proposal (RFP) in late 2025.

Figure F2: WPF procurement timeline comparison

Milestone	Baseline key dates	Actual/revised dates
Release EOI	September 2023	April 2024
Release RFP	May 2024	October 2024
Preferred respondent	February 2025	October 2025
Contract award	July 2025	August 2026

Source: VAGO, based on information from SRLA and DPC.

Figure F3: WPE procurement timeline comparison

Milestone	Baseline key dates	Actual/revised dates
Release EOI	August 2024	April 2024
Release RFP	March 2025	October 2025
Preferred respondent	November 2025	September 2026
Contract award	May 2026	May 2027

Source: VAGO, based on information from SRLA and DPC.

The government announced Place Alliance, a consortium comprising John Holland, Kellogg Brown and Root, and Arup as the WPF preferred respondent in October 2025.

Delays to the stations procurement have been significant, with contract award for WPF and WPE currently scheduled for 13 and 12 months later respectively than initially planned. SRLA advice to its board in July 2025 indicated that failing to achieve contract award for WPF and receipt of RFP responses for WPE by December 2025 would result in material impacts on the broader SRL East project.

In December 2025 DPC advised the government that if the preferred contractor for WPE is not approved before the caretaker period starts for the 2026 state election:

- the start of SRL East rail services will be delayed until mid-2036
- there will be a cost increase of between $800 million and $1 billion across work packages E, F and G.

While decisions to explore capital reprofiling were out of SRLA's control, associated delays have pushed key procurement milestones closer to the government caretaker period in the leadup to the November 2026 Victorian state election.

SRLA is currently targeting August 2026 for WPF contract award and September 2026 for approval of the WPE preferred respondent. Should further delays bring these milestones into conflict with the caretaker period then they will need to be delayed until 2027. For WPE in particular, SRLA has forecast a contract award for November 2027 in the event the preferred respondent cannot be announced prior to the government caretaker period. This will have an impact on the stations delivery schedule.

Project delivery

Cost, time and scope performance

The stations works delivery timelines will not be finalised until contract award. Currently SRLA expects practical completion for WPE in April 2034 and WPF in November 2034. The delivery schedule mainly relies on:

- land availability
- site access/handover from the tunnels packages contractors.

Full land availability is not expected until 2028 at the earliest. For example, sites at Monash and Clayton will remain under the control of the WPC contractor until 2028 and 2029, respectively. An additional 6 months of interface contingency is planned before these sites can be handed over to the WPE contractor to commence station works in 2028.

At Cheltenham, the delivery of 1.14 hectares of public open space (POS) is a prerequisite under Environment Effects Statement (EES) approval conditions before the WPE contractor can occupy the Sir William Fry Reserve and begin construction of the Cheltenham station. SRLA expects to complete land assembly by late 2026 or early 2027, making 2027 the earliest date that WPE works can commence to deliver the POS.

These timing considerations for WPE highlight the significant risks associated with managing interfaces and site handovers. Delays in land assembly or site handover from the tunnelling packages could affect the stations delivery timeline and, if unresolved, may cause further delays to Linewide delivery, potentially jeopardising the government's commitment to opening the rail line in 2035.

SRLA is seeking to mitigate delays and allow access to the Cheltenham station works earlier by examining options to deliver the POS works outside of WPE. For example, SRLA is exploring options to have Kingston City Council deliver the POS works at Cheltenham, with works commencing in August 2026 for completion by 2027. Alternatively, SRLA is also considering proposals to deliver the Cheltenham POS using a variation to the WPC contract.

Costs

The expected costs for both stations packages have increased significantly from SRLA's initial estimates. Market feedback during the WPF RFP process indicated that long delivery timeframes for the station packages have led to increased direct costs and risk provisions. These increased costs related in part to the costs for trades that the parties in the procurement process were unwilling or unable to provide price certainty for.

Although the final package costs will not be confirmed until contract award, advice to the government in late 2025 noted that SRLA will likely need to draw on contingency from the tunnels packages to manage the expected cost increases on the stations packages.

SRLA advised the government in late 2025 that it would seek during the RFP process for WPE to manage key inputs impacting on pricing to mitigate the inclusion of excessive risk allowances by the respondents. These inputs related to maximising the efficiency of WPE delivery timelines and the clarity and coordination of interface requirements between packages.

Time

DTF commissioned SRAs for both stations packages in July 2024 (WPE) and August 2024 (WPF). The results indicated that SRLA's delivery program for the stations packages contained an appropriate level of detail for the proposed work packages as expected for their stage of development at the time of the reviews.

Notwithstanding this, the reviews also identified some issues and risks given the high number of interfaces with other works packages, meaning other packages drive the completion dates for WPE and WPF separable portions and completion dates.

Scope

The final scope for the stations packages will not be confirmed until contract award.

There have been limited scope movements for WPF. Specifically, the Box Hill site demolition, site establishment and utility relocations were all transferred to WPF from the I&EW packages as part of the I&EW Scope Transfer Strategy, for a cost of around $7.9 million.

At this stage, there are 2 significant unresolved scope adjustments that relate to the stations packages:

- the Multi-Level Car Park (MLCP) at Glen Waverley to be delivered by WPF
- SIW that will offer paid area connections between the SRL East stations at Cheltenham, Glen Waverley and Box Hill, and the corresponding Melbourne Metro stations.

These are discussed in further detail below.

Risks and emerging issues

Glen Waverley MLCP

The MLCP at Glen Waverley has been added to the WPF scope to acquit the environmental performance requirement for replacement car parking at Glen Waverley. The MLCP project involves the design and construction of a multi-level car park building inclusive of all fit-out, utility relocations and urban realm works.

The MLCP was initially included in the main works scope until SRLA paid the WPA contractor around $7.5 million to develop a design and cost estimate for the works for inclusion in the WPA scope. The WPA contractor developed an issued for construction (IFC) design for the works and received planning approval in June 2024.

SRLA then took the MLCP out of WPA's scope and considered a variety of other delivery options, including delivering it as part of WPD and approaching Monash City Council to deliver it.

SRLA advice to the government recommending the awarding of the WPD contract in October 2024 noted that SRLA was considering extending the WPD scope to include the construction of the MLCP at Glen Waverley following contract award, with an estimated cost of around $150 million. This cost estimate was around $100 million higher than SRLA's initial estimates in 2021 and 2022.

SRLA is now proposing to deliver the MLCP as part of the scope for WPF because it considers that the MLCP scope and timeline is best aligned with the WPF works and the contractor's core business. SRLA received a scope variation and pricing proposal to construct the MLCP from the WPF preferred respondent in March 2026.

The scope variation is subject to SRLA review and final negotiations with the preferred respondent as part of the contract award process for WPF.

SRLA told us that it used the WPA IFC design as a base for developing the WPF MLCP design and included a variety of scope changes in the updated project scope and technical requirements document provided to the WPF preferred respondent. The scope changes are summarised in Figure F4.

Figure F4: WPF MLCP key scope changes

Criteria	WPA design	WPF design
Public parking	390 spaces	390 spaces
Commuter parking	132 spaces	110 spaces minimum
Total parking	522 spaces	500 spaces minimum
Ground floor retail	Cold shell	Future proof only
Future proofing	• Car park ticketing systems • 30 EV chargers	• Car park ticketing systems • EV charging – subject to feasibility study • Sprinkler protection – subject to feasibility study • Retail – subject to feasibility study
Value management	N/A	SRLA provided a non-exhaustive list of value management opportunities including: • facade optimisations • review tiled detail over columns and external walls • remove planters that are around primary structural columns • review type of paving in the public realm • review the extent of the road re-sheeting on Railway Parade to minimise impacts to the bus interchange • realignment of stormwater • rationalisation of the main lift/stair core to reduce the size • removal of the bicycle storage • review location of the main switch room • review extent of storage areas.

Source: VAGO, from SRLA.

SRLA is currently aiming to deliver the MLCP by September 2028, prior to site mobilisation at the Glen Waverley station in April 2029. The current MLCP delivery schedule is outlined in Figure F5.

Figure F5: Key MLCP program dates

Task	Milestone date
Issue of IFC documentation by SRLA	30 June 2026
Final operational day of the existing car park	1 February 2027
MLCP construction commences	2 February 2027
Project completion	5 September 2028

Source: VAGO from SRLA.

Advice to the government in October 2024 estimated the cost of the MLCP to be around $150 million, approximately $100 million greater than SRLA's initial estimates in 2021 and 2022. SRLA advised us that the $150 million figure was a rounded figure based on an order-of-magnitude estimate based on the WPA estimate, plus indirect costs, contingency and corporate overhead and profit (COP). This estimate is shown in Figure F6.

Figure F6: SRLA's order-of-magnitude cost estimate

Cost component	Cost estimate ($ million)
WPA estimate – construction only	75.8
Indirect costs (20 per cent)	15.2
Other costs including a contingency allowance	46.4
Total	**137.4**

Source: VAGO, from SRLA.

SRLA received a pricing proposal from the WPD contractor to deliver the MLCP at a cost of around $116 million including escalation and COP.

The cost estimate provided by the WPF preferred respondent in March 2026 is within SRLA's budget allocation of $84.3 million to deliver the MLCP.

To the end of December 2025 SRLA had incurred costs of around $28.2 million in relation to the MLCP, comprising:

- $15.9 million to acquire land from Monash City Council for the new car park site
- $7.5 million paid to the WPA contractor to develop a design for the car park
- $2.3 million to the WPD contractor to develop and submit a pricing proposal for the car park
- $2.5 million as part of WPF costs for car park design modifications and utility design works.

At the end of this audit SRLA advised us that it is considering other lower cost options to meet the requirement to provide sufficient replacement public parking at Glen Waverley and planned to submit a proposal to the government in August 2026.

Station interchange works

The most significant unresolved scope item relevant to the stations packages is the SIW.

The SIW consist of paid-area connections between the 3 SRL East stations at Cheltenham, Glen Waverley and Box Hill and adjacent stations on the Melbourne Metro rail lines. A fourth paid-area connection at Clayton station will be delivered separately via the stations packages. These are the 4 SRL East stations situated in direct proximity to existing Melbourne Metro Stations.

Generally, the scope of the SIW at each station is:

- underground pedestrian links between the SRL East and Melbourne Metro stations
- significant modification to the Melbourne Metro station to accommodate the connection
- modification to third-party assets to accommodate the connection.

Paid-area connections were first outlined in the SRL East funding submission in February 2021 as optional investments called 'complementary scope'. These were investments not considered essential to achieving program objectives but that may add further benefits to SRL East.

Paid-area connections were reconsidered later for SRL East during the EES process. The *Suburban Rail Loop East Inquiry and Advisory Committee Report 1* issued in June 2022 as part of the EES process estimated that, based on information in the EES, the paid-area connections could expect between 2,200 and 24,700 interchanges by 2041. Specifically, the report estimates the following rail to rail interchange volumes at each station in 2041:

- Cheltenham: 7,500 passengers
- Clayton: 24,700 passengers
- Glen Waverley: 2,200 passengers
- Box Hill: 18,100 passengers.

The report did not specify over what timeframe each station could expect to experience these volumes.

Generally, the report found that paid-area connections were not necessary to achieve program objectives but would add significant value. The connections would be more convenient for passengers, eliminate vehicular conflict and address safety concerns. In particular, the paid-area connection at Clayton avoids the need for passengers to cross Clayton Road, which is significant given that Clayton is estimated to have the highest passenger interchange demand by 2041.

The report also noted that an underground paid-area connection at Box Hill in particular should be delivered alongside SRL East works as soon as practicable and preferably concurrent with the project. This is because:

- of projected high rail to rail interchange rates
- it would bring considerable user benefits
- delivering the SIW alongside the station works would avoid additional construction impacts.

The government approved $75 million for SIW design and development work as part of the main works funding approval in November 2021.

In October 2023, SRLA advised the government that the SIW would cost an estimated $1.72 billion and that part of this cost was already included in and funded as part of the approved stations packages scope. The advice suggested that the costs included in the project budget covered the design and construction of adits at the Cheltenham, Glen Waverley and Box Hill stations.

SRLA's advice to the government at that time estimated that the costs not covered by the SRL East budget, meaning unfunded scope, amounted to around $754 million, but this estimate excluded contingency and escalation allowances.

SRLA advised us that:

- the project budget only includes around $104 million to cover SIW costs, specifically the construction of adits at the 3 SIW stations
- there are unfunded costs of around $1.6 billion, comprising the $754 million advised to the government in 2023, plus contingency, escalation and other costs totalling around $860 million.

DTF advised the government in October 2023 that it was unable to substantiate SRLA's October 2023 cost estimates, which were still in the early stages of development. SRLA committed to providing a report back to the government in 2024 covering detailed SIW scope and cost estimates, as well as a further submission related to funding. This report back was subsequently delayed to 2025, and then again to Q1 2026, and is now targeting August 2026.

Figure F7 shows SRLA's updated cost estimates for SIW and its assessment of how much of the cost is covered by the existing project budget.

Figure F7: Current SIW cost estimate based on the reference design ($ million)

	Glen Waverley and Southland	Box Hill	Total
Cost estimate	750	954	**1,704**
Main works funding for surface interchanges	103	1	**104**
Total unfunded scope	**647**	**953**	**1,600**

Source: VAGO, from SRLA.

Currently, SRLA is recommending that the SIW at Box Hill is deferred to align with SRL North delivery and considers the surface interchange to be sufficient in the meantime. This is inconsistent with the findings of the EES assessment process, which noted that Box Hill in particular should be delivered as soon as practicable.

Instead SRLA is recommending that only Southland-Cheltenham and Glen Waverley SIW be delivered alongside SRL East at an estimated cost of $750 million, $647 million of which is currently unfunded.

Central agencies have consistently advised the government that a funding decision for the SIW scope must be made prior to WPF contract award to avoid impacting the stations packages. However, SRLA has indicated that the funding decision for SIW is unlikely to impact WPF award because the stations contracts both include alternatives if the SIW are not progressed.

The draft contracts for both stations packages include mandatory optional scope for surface interchange works should the SIW not be approved.

The risks associated with delaying the funding decision relate to the interchange design solution, which will incorporate either a paid-to-paid connection (SIW scope) or a surface connection (base scope). A delayed funding decision could result in both discontinued design works and delays to the delivery program.

The risk of delay is most impactful at Cheltenham, where the SIW are heavily integrated into the station design. Any delays to the Cheltenham station would likely impact the wider SRL East delivery schedule given Cheltenham's role as a testing station which is critical to ensuring the rail line is fully operational prior to Rail Day One.

SRLA advised us at the end of this audit that it is now considering only delivering SIW at Southland station alongside the SRL East works. SRLA asserts that while Southland-Cheltenham is expected to see a significant increase in passengers from Rail Day One:

- Box Hill station is not projected to see a significant increase in traffic until SRL North is completed and the above-ground interchange included in the stations north package works will be sufficient in the meantime
- SIW at Glen Waverley may not represent value for money as part of the SRL East works given the advanced age and significant upgrade costs needed for the existing Metro station.

SRLA's final proposal and associated cost estimate for recommended SIW is subject to a future report back to the government with SRLA targeting August 2026.

Rising costs

The anticipated costs for WPE and WPF have risen significantly from initial estimates. While the final costs will not be set until contract award, the cost estimates for each package have risen during the procurement phase as market conditions and associated pricing became better understood.

SRLA advice to its board in July 2025 on the cost of WPF noted that:

- trade prices have increased significantly by around 20 to 30 per cent over the past few years
- market pricing for similar projects in New South Wales has also shown a 30 per cent increase in costs.

The WPE Gateway 3 report in June 2025 referred to a significant cost increase for this package and included additional context around the causes of the rising delivery costs:

- feedback from the market on WPF indicated that the long delivery duration for the station packages has led to increased direct cost and risk provisions, specifically for trades for which the market is unwilling or unable to provide price certainty
- the cost impact on WPF was accentuated due to the impacts of the capital reprofiling decision to manage cashflow
- the long delivery program is also likely to materially increase the estimated outturn cost for WPE, impacting value for money.

Advice to the government in October 2025 noted the total package cost for WPF was also expected to increase significantly at contract award.

The WPE Gateway 3 report recommended that SRLA consider changes to the risk allocation between it and the WPE alliance to manage down costs. SRLA advised the Gateway review team that it expects to be able to manage costs during the collaborative tender process by:

- using targeted commercial and risk workshops to give respondents the chance to develop alternatives to the risk allocation proposed by SRLA for key areas of concern
- helping respondents better understand the scope and associated risks to pinpoint areas within their pricing strategy that could be improved
- considering the departures from SRLA's proposed risk allocation submitted by respondents where they offer value for money for the state.

This approach is consistent with the approach used for the other main works packages.

SRLA advice indicates that it has also embedded independent cost estimators into the WPE respondents' bid teams to provide SRLA with better oversight and visibility as the respondents develop their pricing and to manage cost increases crystallising during procurement.

The SRL East budget includes contingency provisions that can be used to address cost increases expected for the stations packages. However, additional cost increases realised at WPG contract award have already depleted the pool of general unallocated project contingency.

Advice to the government in December 2025 noted that the additional funds required at contract award for the stations packages are likely to fully exhaust the program's unallocated general contingency provision and noted that SRLA may need to use funds allocated to the tunnels contingency provision to cover the stations costs.

This outcome will mean that both the tunnels and stations packages will be relying on reduced contingency provisions throughout the delivery phase.

SRLA does have significant project involvement and oversight due to the alliance contract model, and considers the performance regimes to be sufficient motivation for contractors to meet their cost and timeline commitments. However, recent experiences during the tunnels delivery demonstrate the potential impact that unexpected issues can have on both project cost and timelines.

Funding gap

A significant risk to the WPE contract award milestone is the current gap in approved funding. As discussed in the main body of this report, the SRL East funding model assumes one-third funding from the state, one-third from value capture measures and one-third from the Australian Government.

The Australian Government initially committed $2.2 billion in funding over 3 years for SRL East. This left a $9.3 billion funding gap in the project budget.

The central agencies have consistently advised the Victorian Government that this funding gap needs to be addressed to enable contract award for the stations packages.

The Australian Government announced a further financial commitment of $3.8 billion to the project as part of its 2026–27 Budget. This additional funding is sufficient to enable the state to award the contract for WPF.

If the Australian Government does not commit to contributing the further $5.5 billion assumed in the state's funding and financing strategy for the project, there is a risk that WPE contract award will be impacted. Should the Victorian Government choose not to approve an alternate funding source, then WPE contract award will need to be delayed beyond May 2027. Any significant delay will impact the overall project delivery schedule.

Termination provisions

The stations alliance contracts have identical termination provisions that allow the state to end the contract under certain circumstances. There are 2 main termination provision for the stations contracts:

- No-fault termination: this is the state's termination 'for convenience' provision, under which the state may terminate the agreement at any time by serving a notice in writing to the alliance non-owner participants (NOPs).
- Termination for default: the state may terminate a NOP that becomes insolvent, commits a wilful default or a material breach of certain clauses of the contract, for example, non-compliance with insurance requirements. Defaulting NOPs are generally given the opportunity to remedy the default within 15 business days, except where the default cannot be rectified or in the case of NOP insolvency.

The alliance contracts do not have explicit provisions for termination for force majeure events. Where an unexpected event or circumstance has the potential to impact works delivery and the capacity of parties to fulfil their obligations under the contract it will generally be managed under the alliance's shared risk model. More significant cases may lead to a temporary suspension of works or trigger an adjustment event.

The cost to the state associated with terminating a stations package contract will depend on the stage of delivery and reason/s for termination. If the state chooses to terminate for convenience, the termination payments will generally comprise any outstanding amounts owed to the contractor for completed works as well as reasonable costs for demobilisation and materials, plant and equipment ordered but not yet paid for.

Unlike the franchise agreement under WPG, there is no set formula for determining the break costs for terminating a stations project alliance agreement. Rather, SRLA and the contractor will negotiate and agree on an amount having regard to any outstanding payments and upcoming costs to be reasonably incurred by the contractor as a result of the termination.

In the case of termination for default, the key difference is that the state is entitled to recoup any costs that arise as a result of the NOP defaulting.

The stations contracts' termination rights are structured to favour the state. SRLA has broad termination for convenience rights that allow it to end the contract at any time, while the contractors are encouraged to find solutions to potentially significant problems that arise throughout the course of project delivery, with particularly impactful issues triggering adjustment events. This is intended to shield the state from potentially negative outcomes with the potential to derail the project.

The stations contracts are currently in draft form, meaning the provisions, including those for termination, will not be finalised until contract award.