



Australian Government

BUILDING AUSTRALIA



Victoria

Infrastructure Investment Program

2026–27 Budget



Connecting Australians | Enriching Communities | Empowering Regions
Supporting priority land transport infrastructure projects

The Australian Government is continuing to invest in infrastructure around Australia, investing over \$120 billion over 10 years in the infrastructure investment pipeline. Our infrastructure projects improve productivity, resilience, safety and liveability for communities around the country. We are carefully managing this investment to ensure that we can continue to deliver nationally significant and locally important infrastructure while retaining responsible financial management.

Through the 2026-27 Budget, the Government has committed nearly \$130 million to new projects and \$4.2 billion to existing projects in the Infrastructure Investment Program (IIP), supporting the delivery and progression of important upgrades within Victoria.

This means that as at the 2026-27 Budget, the Government's total commitment to Victoria under the IIP, over the next 10 years, is \$21.5 billion, including \$19.1 billion towards major road and rail projects and \$2.5 billion for smaller projects and programs such as the Roads to Recovery, Safer Local Roads and Infrastructure, and Black Spot programs.

The Government recognises that infrastructure delivery continues to be affected by uncertain global conditions, including market volatility, supply chain pressures and higher construction costs. We will continue working with Victoria to deliver projects that will benefit Australians into the future.

New Projects

Through the 2026–27 Budget, the Australian Government has committed \$127.4 million to three new projects in Victoria.

Melton Line Electrification - Development

The Australian Government has committed **\$76.4 million** to the project, which will deliver development works to support future electrification of the Melton Line. Key elements include site investigations, design and planning, and long-lead equipment procurement to inform future electrification.



Western Freeway Upgrade (Melton to Caroline Springs) - Preconstruction

The Australian Government has committed **\$50 million** to deliver preconstruction works on the Western Freeway between Melton and Caroline Springs, progressing detailed investigations, design development, and targeted land, planning and environmental studies.



Princes Highway West - Mackinnons Bridge Strengthening over Mount Emu Creek, Terang

The Australian Government has committed **\$1 million** to the project, which will upgrade Mackinnons Bridge over Mount Emu Creek, Terang on the Princes Highway.



Summary – New Projects	(\$m)
Melton Line Electrification - Development	76.4
Western Freeway Upgrade (Melton to Caroline Springs) - Preconstruction	50.0
Princes Highway West - Mackinnons Bridge Strengthening over Mount Emu Creek, Terang	1.0
Total	127.4

Projects receiving additional funding

Through the 2025–26 Budget, the Australian Government has committed **\$4.2 billion** to support the delivery of 10 existing projects.

Suburban Rail Loop East

This project is delivering the first section of the Suburban Rail Loop through the construction of twin rail tunnels and six underground stations across east and south east Melbourne. This will enable improved connectivity between key employment, education and health precincts, including Cheltenham, Clayton, Monash, Burwood, Glen Waverley and Box Hill.

The Australian Government has committed an additional **\$3.8 billion** towards the project. This additional funding will support delivery of the project by increasing the Australian Government's funding contribution. The total Australian Government commitment towards the project is now **\$6.0 billion**.



Western Highway - Ballarat to Stawell Duplication

This project is delivering staged duplication of sections along the Western Highway between Ballarat and Stawell in western Victoria. It will improve safety and support increased capacity, improved connectivity and more reliable journeys along a key transport corridor linking western Victoria with Ballarat and the broader transport network.

The Australian Government has committed an additional **\$372.5 million** towards the project to address cost pressures arising from delays, escalation and redesign requirements associated for Section 2B (Buangor to Ararat). The total Australian Government commitment towards the project is now **\$970.9 million**.



Road Blitz

This project is delivering a package of works to increase capacity and improve efficiency in Melbourne's suburbs and surrounds.

The Australian Government has committed an additional **\$37.4 million** towards Road Blitz to deliver the Donnybrook Road Upgrade – Stage 2 project, which will duplicate Donnybrook Road over the Hume Freeway and improve the active transport connections over the freeway interchange. The total Australian Government commitment towards the project is now **over \$1.037 billion**.



Princes Highway East - Lloyd Street (Moe-Glengarry Road) and Waterloo Road Intersection Upgrade, Moe

This project will deliver upgrades to the intersection of Lloyd Street (Moe-Glengarry Road) and Waterloo Road in Moe, including associated road-rail interfaces. This will enable improved traffic movement and safer integration between road and rail infrastructure at this key junction on the Princes Highway.

The Australian Government has committed an additional **\$6.9 million** towards the project. This additional funding will address cost pressures arising from general escalation, higher track occupation costs and increased signalling works. The total Australian Government commitment towards the project is now **\$16.2 million**.



Princes Highway East - Princes Highway and Bank Street Intersection Upgrade, Traralgon

This project is delivering upgrades to the intersection of Princes Highway and Bank Street in Traralgon, including improved pedestrian facilities. This will enable safer and more efficient movement for pedestrians and vehicles at this key intersection on the Princes Highway.

The Australian Government has committed an additional **\$5.8 million** towards the project. This additional funding will address cost pressures arising from general escalation, higher track occupation costs and additional cable trenching works. The total Australian Government commitment towards the project is now **\$12.3 million**.



Princes Highway West - Blue Church Intersection Upgrade

This project will deliver an upgrade to the intersection of the Princes Highway with Timboon-Colac Road and Nalangil Road at Pirron Yallock, west of Colac. This will enable improved traffic movement and connectivity at this key junction on the Princes Highway.

The Australian Government has committed an additional **\$5.2 million** towards the project. This additional funding will address cost pressures arising from market escalation exceeding the available contingency following consideration of alternative options which would not have achieved the project's intended safety outcomes. The total Australian Government commitment towards the project is now **\$15.2 million**.



Princes Highway Intersection Upgrades - Pakenham to Beaconsfield

This project has delivered four of the six planned upgrades to intersections along the Princes Highway between Pakenham and Beaconsfield. This has enabled improved traffic movement and connectivity along this busy section of the Princes Highway Corridor.

The Australian Government has committed an additional **\$2.7 million** towards the project. This additional funding will enable the delivery of the sixth intersection at Arena Parade and the Princes Highway. The total Australian Government commitment towards the project is now **\$26.3 million**.



Fitzsimons Lane and Main Road Corridor, Eltham - Nillumbik Shire Council

This project has delivered targeted upgrades along the Fitzsimons Lane and Main Road corridor in Eltham. This has enabled improved traffic movement and connectivity along a key local transport corridor in the Nillumbik Shire area.

The Australian Government has committed an additional **\$1.6 million** towards the project. This additional funding will address cost pressures arising from increased construction costs, enabling delivery of the project's final scope item, being the installation of pedestrian-operated traffic signals on Main Road at Eltham railway station.

The total Australian Government commitment towards the project is now **\$6.6 million**.



Princes Highway West – Bridge Upgrade Moyne River, Rosebrook

This project has delivered upgrades to the bridge over the Moyne River on the Princes Highway at Rosebrook. The upgrade has improved freight productivity, access and connectivity, and strengthened road safety along this corridor.

The Australian Government has committed nearly **\$50,000** in additional funding to address towards the project. This additional funding will address cost pressures to reflect the final cost of the project. The total Australian Government commitment towards the project is now **\$1.0 million**.



Princes Highway West – Bridge Upgrade Merri River, Dennington

This project has delivered upgrades to the bridge over the Merri River on the Princes Highway West at Dennington. This has enabled improvements to freight productivity, access and connectivity and road safety.

The Australian Government has committed nearly **\$50,000** in additional funding towards the project. This additional funding will address cost pressures to reflect the final cost of the project. The total Australian Government commitment towards the project is now **\$1.6 million**.



Summary – Additional Funding	(\$m)
Suburban Rail Loop East	3,800.00
Western Highway - Ballarat to Stawell Duplication	372.50
Road Blitz	37.40
Princes Highway East - Lloyd Street (Moe-Glengarry Road) and Waterloo Road Intersection Upgrade, Moe	6.90
Princes Highway East - Princes Highway and Bank Street Intersection Upgrade, Traralgon	5.80
Princes Highway West - Blue Church Intersection Upgrade	5.20
Princes Highway Intersection Upgrades - Pakenham to Beaconsfield	2.70
Fitzsimons Lane and Main Road Corridor, Eltham - Nillumbik Shire Council	1.60
Princes Highway West - Bridge Upgrade Moyne River, Rosebrook	0.05
Princes Highway West - Bridge Upgrade Merri River, Dennington	0.05
Total	4,232.10