

2024–25

ANNUAL REPORT



Acknowledgement of Country

V/Line proudly acknowledges Victoria's First Peoples and their ongoing strength in practising the world's oldest living culture. We acknowledge the Traditional Owners of the lands and waters on which we live and work and pay our respects to their Elders past and present.

We commit to continued listening, learning and working in partnership to create simple, safe, connected journeys and recognise the traditional trade routes and ceremonial paths, which allowed our First Peoples to easily connect across this land.

We recognise the cultural significance of these paths and routes and acknowledge that some of the transport networks and assets we use today follow these traditional routes.

We are genuinely committed to advancing First Peoples self-determination and supporting First Peoples communities. We recognise the importance of strengthening our ongoing relationships with First Peoples, and that self-determination is driven by the First Peoples community.

Table of contents

Responsible Body's declaration	2
--------------------------------	---

Section 1:

Year in review	3
----------------	---

Section 2:

Governance and organisational structure	28
---	----

Section 3:

Workforce data	37
----------------	----

Section 4:

Other disclosures	53
-------------------	----

Financial statements	73
----------------------	----

Disclosure Index	135
------------------	-----

Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present V/Line Corporation's Annual Report for the year ending 30 June 2025.

A handwritten signature in black ink, appearing to read 'William Tieppo', written in a cursive style.

William Tieppo
Chief Executive Officer
V/Line Corporation

19 September 2025



Section 1

Year in review

Purpose, vision and values

Purpose

To connect Victorians through safe, reliable, and accessible transport.

Vision

Victoria's regional communities are thriving, accessible and connected.

Values

V/Line operates according to Victorian public sector values, which are:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human rights.

Chief Executive Officer's report



I am pleased to present my first annual report since commencing as Chief Executive Officer on 25 August 2025.

It is a privilege to lead V/Line – an organisation that has proudly connected Victoria for more than 40 years – and I am looking forward to working in partnership with our people and our stakeholders to shape the next chapter of V/Line's history.

In particular, I am excited to support V/Line's continued growth, ensuring we provide safe, reliable and accessible services to the Victorian communities we serve.

During the 2024-25 financial year, V/Line experienced another year of record growth, with 26.4 million passenger trips taken – our highest patronage on record.

This growth has been driven by sustained government investment and the introduction of the regional fare cap in 2023, which has transformed passenger travel patterns, increasing off-peak, weekend and school holiday travel.

Rail freight is also booming, with infrastructure improvements better supporting producers and freight operators to transport freight on our network.

The significant growth in both patronage and freight, is why V/Line continued to focus on modernisation and transformation projects and initiatives during the year.

To help support the increased demand on the passenger network, V/Line introduced more services on the Ararat, Ballarat, Bendigo, Geelong and Warrnambool lines to give our passengers more travel options.

V/Line also continued to transform the network, supporting Victoria's *Big Build*, with significant progress made on a number of important upgrades, including:

- Completion of Stage 2 of the Warrnambool Line Upgrade, which enabled the introduction of VLocity trains for the first time.
- Completion of the South Geelong to Waurin Ponds Duplication, which has boosted reliability and frequency on the Geelong Line.
- Commencement of the final stages of the Shepparton and Gippsland line upgrades.

Other highlights from the past year include:

- Beginning work on Stage 2 of the South Dynon Train Maintenance Facility. The \$322 million facility upgrade will unlock additional capacity and improve reliability.
- Continuing to strengthen our approach to network safety and resilience, with an increased focus on the management of anti-social behaviour, including recruiting additional Authorised Officers.
- Commencing a landmark 10-year Regional Rolling Stock Maintenance Contract with our train maintenance provider Alstom, to streamline the maintenance, reliability and availability of our fleet.
- Modernising our fleet, introducing 12 new three-car VLocity trains to bring the total to 130 operating on the network, increasing the reliability and accessibility of our fleet.

- Improving Victoria's freight rail infrastructure, including delivering an extensive program of works to enable and maintain efficient freight movement across the network.
- Introducing a range of customer experience improvements, including introducing eTicketing to give passengers more options for receiving long-distance train and scheduled coach tickets.
- Strengthening our community partnerships program, with a focus on supporting initiatives that strengthen community wellbeing, economic development and inclusion, such as the V/Line Cup.
- Continuing to improve accessibility, including completing a package of accessibility upgrades and working closely with Travellers Aid to support passengers with accessibility needs at key locations and during planned service changes.
- Reaffirming our commitment to diversity and inclusion by delivering initiatives that build a respectful and inclusive workplace and network.

These are significant achievements and a credit to V/Line's committed staff, including the executive leadership team. In particular, I would like to acknowledge former V/Line Chief Executive Officer Matt Carrick, who departed in February 2025 and led many of the outstanding achievements outlined in this report, as well as Executive Director – Projects Warwick Horsley who acted as Chief Executive Officer in the lead-up to my appointment.

I would also like to acknowledge our Advisory Board and Audit and Risk Committee, as well as the support of our colleagues in the Department of Transport and Planning and valued stakeholders, including the Victorian Infrastructure Delivery Authority, Victorian transport operators, the Public Transport Ombudsman, Victoria Police, our community partners, and the many local councils, organisations and businesses, which we work closely with every day.

V/Line's vision is to ensure Victoria's regional communities are thriving, accessible and connected, and I look forward to building on the successes highlighted in this report in the year ahead.



William Tieppo
Chief Executive Officer

Manner of establishment and responsible Ministers

This is the Annual Report of V/Line Corporation (V/Line).

V/Line is governed by the *Transport Integration Act 2010*, which sets out its objectives and functions. V/Line operates as a not-for-profit corporation. During 2024-25, V/Line was responsible to the Victorian Minister for Public and Active Transport and the Victorian Treasurer. The Treasurer has a role as a shareholder minister based on V/Line's classification as a Public Non-Financial Corporation.

This report provides a summary of our key activities and financial performance for the period 1 July 2024 to 30 June 2025.

Department of Transport and Planning

V/Line is an entity within Victoria's transport and planning portfolio, which is led by the Department of Transport and Planning (DTP).

DTP and its entities share responsibility for Victoria's transport and planning systems. Our common aim is to create thriving places and connected communities that underpin an inclusive, successful and sustainable state.

DTP is an integrated department that brings together transport, planning, land, precinct, and policy functions. It serves four ministers and two parliamentary secretaries.

V/Line and its initiatives are vital contributors to the transport and planning portfolio.

V/Line Corporation

V/Line was established as a statutory corporation in 2003 and continues under the *Transport Integration Act*. On 14 October 2008, V/Line was declared a state business corporation pursuant to the *State Owned Enterprises Act 1992*.

Effective 1 July 2021, V/Line ceased to be a state business corporation under the *State Owned Enterprises Act* and under a *Transport Restructuring Order* (as defined in the *Transport Integration Act*) became a statutory authority, with the Chief Executive Officer becoming the sole member of V/Line. As at 30 June 2025, Warwick Horsley was the Acting Chief Executive Officer.

Nature and range of services provided

V/Line's role

V/Line is an operating statutory authority as part of Victoria's integrated transport portfolio, delivering services under a Service Level Agreement (SLA) with Head, Transport for Victoria.

V/Line's role is:

- an accredited operator of passenger services, including rail and coach
- a freight access provider
- a maintainer of railway infrastructure and rolling stock
- a key contributor towards Victoria's large infrastructure projects
- a supporter of tourist and heritage rail operations.

About V/Line – service provided

V/Line has been safely connecting people across Victorian communities for more than 40 years.

We operate passenger rail services between Melbourne and:

- Geelong and Warrnambool
- Ballarat, Maryborough and Ararat
- Bendigo, Swan Hill and Echuca
- Seymour, Shepparton and Albury
- Traralgon, Sale and Bairnsdale.

Each week, V/Line schedules 2,385 rail services between Melbourne and regional centres. Our coaches provide more than 1,500 connecting services across our rail network. Patronage continues to grow following the introduction of the regional fare cap, with more than 26.4 million passenger trips taken on V/Line services in 2024-25.

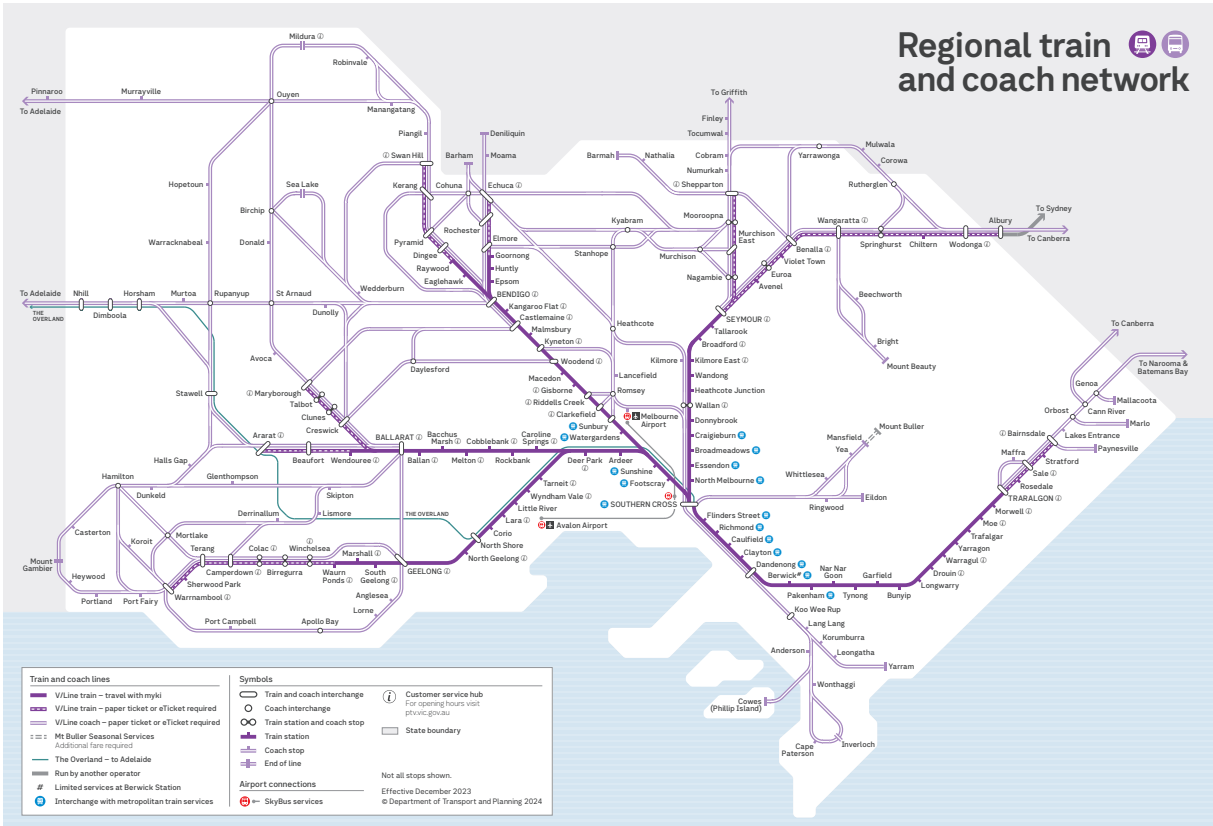
We provide a multi-modal integrated transport system serving Victorian communities, while also providing interstate connections to South Australia, New South Wales and the Australian Capital Territory.

Private sector operators provide all V/Line-branded coach services under the management of V/Line.

V/Line also maintains more than 3,558 kilometres of rail track used by passenger and freight rail operators.

V/Line is a major employer with a workforce of 3,094 people as at 30 June 2025, including many who live and work in regional Victoria.

Passenger network map



Patronage

During 2024-25, V/Line recorded the highest patronage ever on the regional public transport network, with more than 26.4 million trips taken on our train and coach services.

The busiest month on record was March 2025, with 2.45 million trips taken on V/Line services, including the busiest individual day on 13 March 2025, with more than 98,000 trips recorded.

Growth was experienced across all time periods but travel patterns in 2024-25 largely reflected that of 2023-24, with strong growth experienced across weekends, school holidays and long-distance services.

The Seymour/Shepparton/Albury lines recorded the highest percentage patronage growth compared to the other lines at 14 per cent.

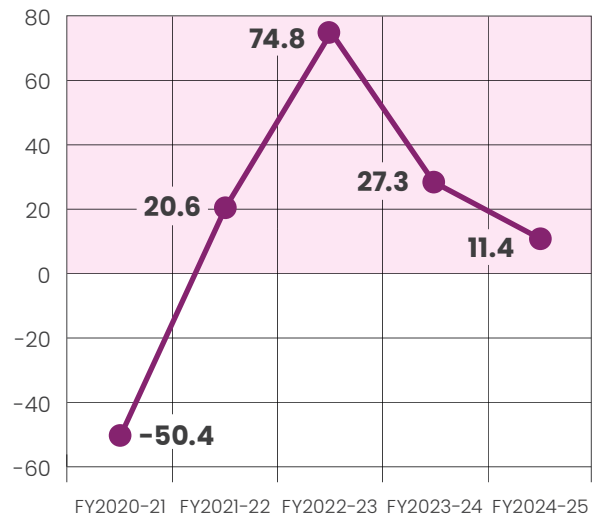
The Geelong/Warrnambool lines added the most passenger trips – around 1.2 million more than the previous year.

Long distance services continued to remain popular as passengers take advantage of the regional fare cap.

Coach patronage also grew during 2024-25, with more than 1.4 million trips taken across regional Victoria.

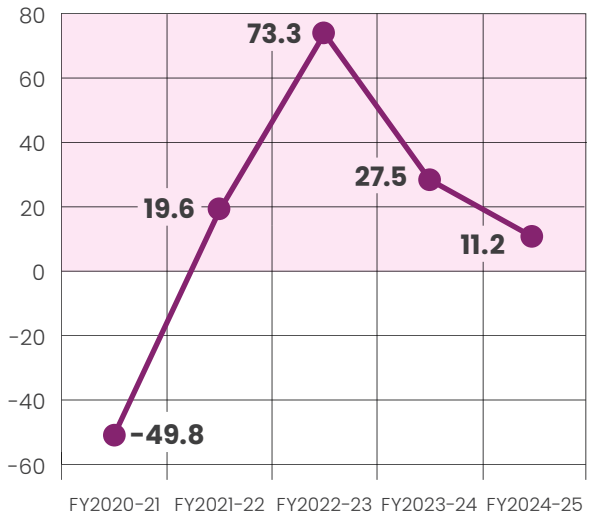
Train passenger trips

% change



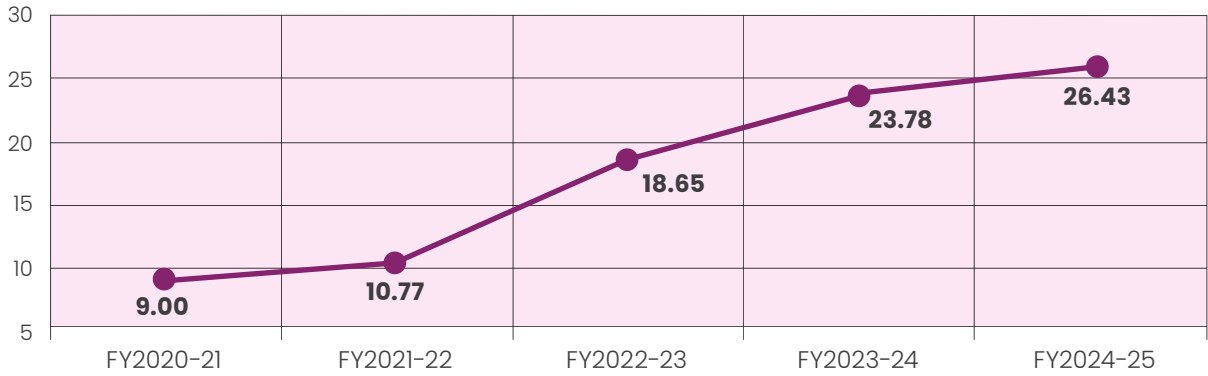
Train and coach passenger trips

% change



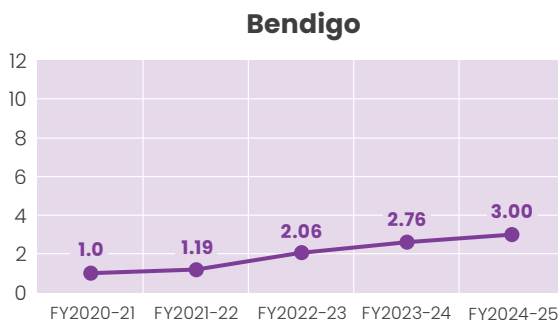
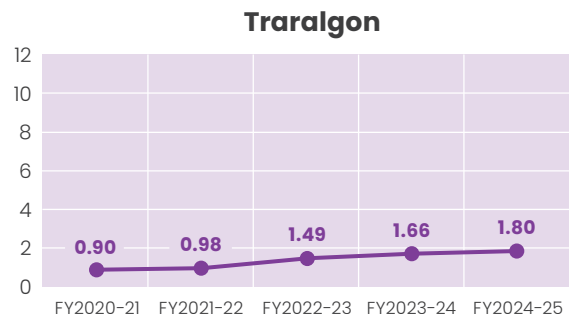
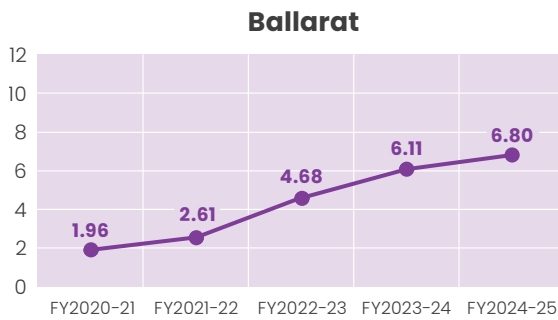
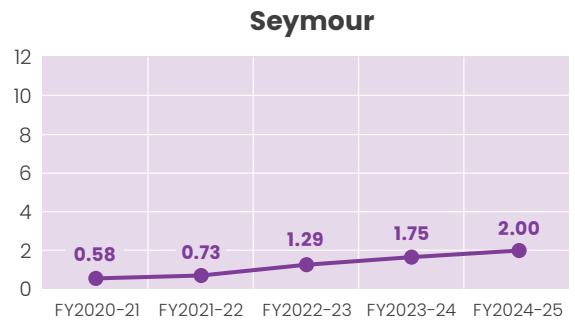
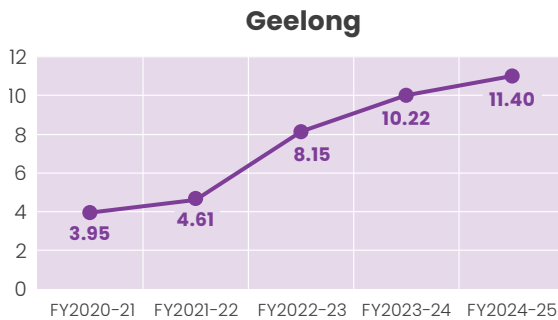
Train and coach patronage

Millions



Rail patronage by line

Millions



Note:

Patronage by line includes all of the services which operate on that line. For example, Seymour includes Albury and Shepparton services, Geelong includes Warrnambool services and Bendigo includes Swan Hill and Echuca services, etc.

Between 2020-21 and 2022-23, patronage was impacted by COVID-19 travel restrictions and changes to travel patterns. As passengers returned to the network following the pandemic and the introduction of the regional fare cap in March 2023, patronage has continued to increase.

Performance overview

Facts and figures	2024-25	2023-24
Total customer trips (rail and coach)	26,433,489	23,777,997
Rail passenger trips	25,061,684	22,497,360
Coach passenger trips	1,371,805	1,280,637

Stations

Total number of stations ¹	98	98
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¹ This includes stations on the regional network, including Mildura and those on the Albury Line managed by the Australian Rail Track Corporate Limited, together with metropolitan stations that have regional platforms and/or regional staff.

Customers

Customer Experience Index ² – trains	78.3	78.6
Customer Experience Index ² – coaches	80.6	73.7
Number of customer information enquiries	216,455	227,016
Number of feedback cases	15,498	12,830
Compulsory monthly performance compensation and discretionary compensation paid to V/Line customers ³	\$10,128	\$7,218
Ticket sales/farebox revenue	\$69.2 million	\$58.4 million

² The Customer Experience Index is a score reflected as a higher is better measure. The Customer Experience Index is a quality-based measure which combines the weighted average of six components of customer experience: effectiveness, ease, emotion, enrichment, compliance and advocacy. Data for this measure is gathered by a third-party provider external to V/Line.

³ Discretionary compensation is compensation paid to passengers whose service was delayed by 60 minutes or more in a single journey.

Finance

Total revenue and income from transactions	\$1.32 billion	\$1.36 billion
Total expenses from transactions	\$1.31 billion	\$1.33 billion
Earnings before interest, tax, depreciation and amortisation (EBITDA) ¹	\$17.4 million	\$23.6 million
Net result after tax ²	(\$1.4 million)	\$32.2 million

¹ Excludes significant non-cash and non-recurring items.

² Includes realised gains/losses on financial instruments and discounting movement in leave provisions.

Employees

Full-time staff	2,855	2,693
Total staff	3,094	2,913

	2024-25	2023-24
Fleet		
VLocity carriages	390	354
Locomotives	30	33
Loco-hauled carriages ¹	20	50
Sprinters (single unit)	21	21

¹ The reduction in loco-hauled carriages is due to the retirement of all the H-class carriages (as well as some of the N-car carriages) as V/Line progressively rolled out new VLocity trains on to the network.

Health, safety and environment

Serious Injury Frequency Rate (SIFR) = Lost Time Injury (LTI) and Medically Treated Injury (MTI) per million hours worked	3.61	13.72
Signals passed at danger (SPAD) per million kilometres (Human Factors + Technical)	4.45	3.71
Signals passed at danger (SPAD) per million kilometres (Human Factors only)	1.25	1.29
Emissions intensity – tonnes per 1,000 passenger kilometre (tCO ₂ -e/1,000 Pass km) ¹	0.09	0.10

¹ Emission results are based on the data available at the time of reporting.

Service delivery

Reliability overall (commuter and long-distance services, average monthly performance) – Target: 96 per cent	97.5	96.7
Reliability – commuter (per cent)	97.2	96.4
Reliability – long-distance (per cent)	99.1	98.4
Punctuality overall (commuter and long-distance services, average monthly performance) – Target: 92 per cent	88.5	87.3
Punctuality – commuter ¹ (per cent)	88.5	88.0
Punctuality – long-distance ² (per cent)	88.4	83.6
Number of services – commuter	97,784	90,407
Number of services – long-distance	16,511	15,200

¹ On time to five minutes and 59 seconds.

² On time to 10 minutes and 59 seconds.

Performance reporting (non-financial) achievements, operational performance and key initiatives

Delivering our services

In 2024-25, V/Line focused on continuing to improve operational performance, managing record patronage, facilitating several complex major works programs and timetable changes, while responding to a rapidly expanding and evolving operating environment.

During 2024-25, V/Line delivered a reliability result of 97.5 per cent and a punctuality result of 88.5 per cent. The reliability results for 2024-25 exceeded the 96 per cent reliability target every month and represented a 0.8 per cent improvement on the previous financial year.

Hotter temperatures in recent years have necessitated the continued implementation of extreme heat timetables and have also resulted in an unprecedented increase in the number of animal strikes, as animals move across the regions in search for water. The biowash and maintenance requirements associated with animal strikes reduced fleet availability at times and required careful management and intervention.

Across 2024-25, monthly punctuality results fluctuated between 86 and 92 per cent. The punctuality result for 2024-25 was 88.5 per cent, which was an increase of 1.2 per cent on the 2023-24 result of 87.3 per cent.

The increase in both reliability and punctuality in 2024-25 was largely driven by V/Line's *Enterprise Performance Improvement Plan 2024-25*, which successfully delivered a number of targeted initiatives designed to improve performance results. The plan achieved its intended targets and reflected V/Line's ongoing commitment to continuous improvement, innovation and providing a positive travel experience for our growing number of passengers across regional Victoria.

V/Line continued its strong support of Victoria's *Big Build* throughout the year, with upgrade and improvement works progressing across several major infrastructure projects. These projects included the Warrnambool Line Upgrade (Stage 2), Waurin Ponds Duplication, level crossing removals, the Inland Rail Project, Gippsland Line Upgrade, and the Metro Tunnel Project, which are all contributing to a more reliable and connected transport network.

To support the delivery of these major infrastructure projects, V/Line worked closely with industry stakeholders to facilitate planned works and support passengers during periods of disruption.

Demand and growth

As outlined in the patronage section on pages 10 and 11, V/Line recorded another year of record patronage across its rail and coach network, with more than 26.4 million passenger trips taken. This marked the second full financial year of the regional fare cap, which continues to improve affordability, enabling more Victorians than ever to travel across the state.

In response to this sustained growth, V/Line maintained a strong focus on monitoring and managing patronage levels and service capacity throughout 2024-25. Timetabled service uplifts were implemented on the Ararat, Bendigo, Geelong, Ballarat and Warrnambool lines, while special services were added to support increased demand during major events.

To give passengers more certainty in booking their travel and provide greater certainty of a seat, full reservations were trialled on the Warrnambool Line, following its successful introduction on the Albury Line in 2023. The trial remains ongoing and we continue to monitor it.

Throughout the year, V/Line operated an additional 530 special services, supporting approximately 150,000 boardings. We continue to closely monitor patronage and make adjustments to support increased demand across the network.

eTicketing

Electronic ticketing (eTicketing) launched in September 2024 for passengers using V/Line's long-distance train on the Albury, Ararat, Bairnsdale, Echuca, Maryborough, Shepparton, Swan Hill and Warrnambool lines and scheduled coach services.

eTicketing is a significant customer experience improvement as it has made travelling on our network simpler for our passengers, providing another way to access train and coach tickets. This initiative is part of V/Line's strategic focus on modernisation, ensuring we meet the current and future needs of our passengers.

Passenger Operations Excellence Award

V/Line won the Australasian Rail Industry Passenger Operations Excellence Award in 2024 for our work supporting the successful introduction of the Victorian Government's regional fare cap.

This award recognises the success of the fare cap which has proved incredibly popular since its introduction, as people continue to take advantage of cheaper fares to travel on the V/Line network.

Special events

Over the past year, Victoria has hosted a number of major events, including concerts, festivals and sporting events.

During 2024-25, V/Line operated more than 530 additional services and increased carriages on an additional 500 existing services to increase capacity for passengers travelling to special events.

A notable highlight during 2024-25 was the Avalon Airshow, which required extensive planning and coordination. V/Line operated 90 additional services and successfully transported more than 70,000 passengers during the event.

Strengthening safety and resilience on the network

V/Line continued to strengthen its approach to network safety and resilience, with an increased focus on the management of anti-social behaviour and trespassing.

To support passenger safety and enhance security across the network, V/Line recruited a number of additional Authorised Officers.

In collaboration with Metro Trains Melbourne, Victoria Police and the DTP, V/Line progressed a number of initiatives designed to use shared intelligence and combined personnel to help reduce and respond to incidents across the public transport network.

V/Line also delivered CCTV system upgrades at a number of stations across the network (see section 'CCTV Upgrades' on page 19).

Customer experience

V/Line rail services delivered consistent performance throughout 2024-25, achieving a Customer Experience Index (CXI) result of 78.3.

V/Line coach services recorded their strongest CXI performance on record, with a 12-month average of 80.6, reflecting continued improvement in service delivery and customer satisfaction.

In 2024-25, V/Line refined its strategic approach to customer experience by placing greater emphasis on empowering frontline staff through the Customer First Program. This program encompassed a range of initiatives, including enhancements to station amenities and strengthened passenger support during special events.

In 2024-25, V/Line:

- undertook in-depth Customer Experience Assessments
- continued to hold 'Voice of the Customer' engagement sessions at regional locations and Southern Cross Station, giving passengers the opportunity to provide feedback and support customer experience improvements
- maintained regular consultation with V/Line's Accessibility Reference Group, reaffirming our commitment to listening to passengers and continuously improving the travel experience for everyone.

Driver training modernisation

V/Line undertook a comprehensive redesign of the Driver Training Program. The key objective of this initiative was to modernise driver training by using contemporary training technology and practices.

Modernising our rostering technology

V/Line is introducing new rostering technology within its Operations group to ensure it can create and adapt rosters more easily and keep pace with best practice.

In October 2024, an important milestone was achieved when a number of teams within the Operations group began successfully using the new technology to roster staff. More Operations teams will transition to the new technology in the future.

Improving the accessibility of our network

V/Line is committed to ensuring an accessible network for everyone.

During 2024-25, V/Line successfully completed the remaining actions outlined in our *Accessibility Action Plan 2022-2025*. Consultation and development of the new *Accessibility Action Plan 2025-2028* also commenced during 2024-25 to guide the next phase of accessibility improvements on our network.

Key accessibility achievements during 2024-25 included:

- Maintaining V/Line's Communication Access Symbol accreditation. This accreditation ensures our staff are trained to support passengers with communication difficulties. The training is conducted by people with disabilities, including those with communication difficulty. Our staff become equipped with knowledge on having conversations and how to use communication access boards.
- Continuing to roll out more accessible VLocity trains across the network (13 added in 2024-25).
- Maintaining our valued partnership with Travellers Aid, which delivered support services at Southern Cross Station, Seymour and Ballarat stations. Travellers Aid also provides support to passengers during planned disruptions, assisting with their travel needs during service changes.
- Continuing to embed our accessible reservations process, which was introduced on 30 May 2024 so passengers using a mobility aid can reserve a space on the train. Accessible bookings can be made on Warrnambool, Swan Hill, Shepparton, Albury and Bairnsdale line services.
- Continuing to support passengers through the Hidden Disabilities Sunflower Program on our network. This initiative recognises that one in five Victorians has a disability, 80 per cent of which are non-visible. As part of this program, V/Line staff received training to help identify and support passengers with hidden disabilities. Passengers wearing the sunflower symbol can discreetly signal that they may require additional assistance or support during their journey.
- Partnering with local councils to deliver Try Before You Ride events at Bendigo, Ballarat and Geelong stations. These sessions offered passengers the opportunity to familiarise themselves with V/Line services in a supportive, low-pressure environment – building confidence, promoting independence and enhancing the travel experience for those with accessibility needs.
- Continuing the Disability Standards for Accessible Public Transport works package, which aims to upgrade and improve accessibility across a number of locations. See page 21 for more information.
- Continuing to work closely with our Accessibility Reference Group, which provides invaluable insight and support to V/Line, as we look for opportunities to make further improvements to ensure an accessible network for everyone.

Managing our assets

Maintenance and renewal works

V/Line delivered \$358 million in works across the passenger and freight rail networks as part of the 2024–25 Annual Works Plan (AWP), including \$185 million in Major Periodic Maintenance (MPM) works. The MPM program delivered 106 projects, which involved:

- 112,809 sleepers replaced
- 32,217 tonnes of ballast distributed
- 17 culverts installed
- 13 bridges remediated
- 43 turnouts installed
- 11 buildings and facilities upgraded
- 345 kilometres of track resurfaced
- seven point machines commissioned.

Maintenance crews completed critical track renewals across key sections of the network including the Warrnambool Line, where 181.54 kilometres of track was resurfaced and 76,144 sleepers were installed, using 19,500 tonnes of ballast. These track works were critical for enabling the introduction of VLocity trains along this line and will contribute to more reliable services.

V/Line also worked to maintain and preserve bridges across the network, including Ironbark Gully Bridge over Werribee Gorge. AWP crews completed complex deck replacement works for the bridge, which spans approximately 80 metres in length. Alongside the deck replacement, crews also delivered a range of other key upgrades, including the installation of new walkway handrails and essential track works, such as formation repairs and ballast renewal.

Other notable works completed include:

- extending Korong Vale's passing loop to hold 840-metre, 3,000-tonne grain trains
- upgrading the Thomson River Bridge on the Bairnsdale Line to improve safety and reliability for passengers
- completing roof repairs at Shepparton Station
- replacing more than 25,000 sleepers between Maryborough and Ballarat, and tamping and resurfacing critical sections across 65 kilometres of track.

High freight volumes continue

Despite a smaller grain harvest, freight gross tonne volumes continued at a six-year high in 2024–25, with over four million gross tonnes moved on the V/Line network. Across 2024–25, Victoria's freight sector transported more than 1.44 billion gross tonne kilometres of goods and undertook a total of 14,294 freight trips on the regional rail network.

Over the financial year, the freight network moved:

- more than 1.990 million gross tonnes of grain
- more than 1.428 million gross tonnes of containerised products
- about 0.737 gross tonnes of quarry.

Unlocking the potential of the freight network

V/Line delivered an extensive program of works over the past 12 months to enable and maintain efficient freight movement across the network. These improvements support the Victorian Government's commitment to move more freight by rail and reduce the number of trucks on roads.

In a significant milestone for Victoria's freight rail infrastructure, our crews helped return the Barnes Junction grain terminal connection to rail for the first time in 30 years. The new connection serves the Barnes grain terminal by reactivating a four-kilometre section of the Moulamein Line, adjacent to the terminal. This project involved extensive enhancements, such as new grain loading facilities, a refurbished turnout, level crossing and the installation of two new culverts.

Other key freight highlights include:

- replacing bridges and culverts to remove temporary speed restrictions and improve drainage
- successfully completing trials to allow the Merbein intermodal freight train to run at a maximum length of 1,500 metres, an increase from 1,200 metres
- completing an upgrade to extend the length of the grain siding in Boort from 700 metres to 840 metres and adding a new 405-metre siding, which enables access and storage for longer, heavier 50-wagon freight trains.

V/Line also continued to repurpose retired N-class locomotives, successfully leasing 10 N-class trains to a freight operator earlier this year. This long-term arrangement helps increase Victoria's freight capacity and supports the significant growth in grain and intermodal haulage.

Maintaining our fleet

In July 2024, V/Line entered a 10-year Regional Rolling Stock Maintenance Contract with Alstom to streamline and modernise the maintenance and servicing of the fleet.

V/Line worked closely with Alstom to support a smooth transition to the new contract, which ensures the ongoing provision of core maintenance activities for our growing fleet, including implementation of condition-based maintenance, routine inspections and reactive repair.

Modernising our fleet

Over the past year, 12 new three-car VLocity trains have entered service to bring the VLocity fleet up to 130. The deployment of more modern, reliable and accessible VLocity trains comes as we continue the progressive retirement of V/Line's classic fleet. Earlier this year, V/Line retired locomotive-hauled trains from the Warrnambool Line after decades serving south-west communities, with passengers on the line now having access to reliable VLocity trains on all weekend and weekday services.

In addition to repurposing N-class locomotives to freight operators, surplus classic fleet carriages have also been offered to heritage operators.

Timetable updates and service uplifts

V/Line implemented six master timetable changes during 2024-25, adding more services on the Geelong, Warrnambool, Ballarat, Ararat and Bendigo lines to help meet growing demand.

These additional services realise the benefits of Victoria's *Big Build* and deliver on the Victorian Government's commitment of nearly 200 additional weekend services on the V/Line network.

On the Geelong Line, weekend services now run every 20 minutes between 8.00am and 9.00pm, while on the Ballarat Line weekend trains now run every 40 minutes between 8.00am and 9.00pm.

CCTV upgrades

Over the past 12 months, V/Line has delivered CCTV system upgrades at several stations across the network, including in the south-west and northern regions. These upgrades have improved safety across platforms, car parks and buildings.

Response to inclement weather

In September 2024, V/Line crews responded to significant storms that impacted parts of regional Victoria. Response teams worked around the clock to clear tracks of downed trees, toppled power lines, fallen light poles and other hazardous debris.

Crews also repaired signaling, assets and facilities on impacted sections of the network. This work ensured the safety of depots, stations, buildings and other structures, and minimised the impact to passenger services.

Supporting Victoria's *Big Build* and key projects

V/Line develops and delivers project-related changes and improvements across the regional rail network, supporting Victoria's *Big Build* by partnering to deliver significant programs, including:

- the Regional Rail Revival program
- the Level Crossing Removal Project
- the Metro Tunnel Project
- the West Gate Tunnel Project
- other capacity-enabling projects across the regional network, realising benefits for freight and passengers.

Supporting the Regional Rail Revival program

V/Line continues to work closely with the Victorian Infrastructure Delivery Authority on the delivery of the Australian and Victorian governments' investment of more than \$4 billion into the Regional Rail Revival program, to upgrade every regional passenger rail line in Victoria.

Shepparton Line Upgrade

The Shepparton Line Upgrade will deliver more frequent and reliable services, and has allowed more modern, reliable and accessible VLocity trains to travel to and from Shepparton for the first time.

Delivery works began this year to commission the final Stage 3. The project will include signalling upgrades to enable nine return services on weekdays.

Warrnambool Line Upgrade

Major upgrades during 2024-25 enabled the introduction of VLocity trains on the Warrnambool Line for the first time, with the first VLocity train taking passengers on the line on 1 November 2024.

To give passengers more travel options, two return services were added to the timetable on Saturdays and Sundays in 2024-25, as part of almost 200 extra weekend services being progressively rolled out across the V/Line network.

Passengers on the Warrnambool Line now have five return services seven days a week.

Works on interim stabling yards at Warrnambool Station were completed in April 2025, meaning VLocity trains could be housed overnight at Warrnambool Station.

South Geelong to Waurn Ponds Duplication

Completion of the South Geelong to Waurn Ponds duplication project has increased capacity on the line and delivered upgrades to Marshall and South Geelong stations, which feature a second platform, accessible pedestrian overpasses, new car parking spaces, improved shelter and CCTV to improve safety for passengers.

Gippsland Line Upgrade

The final stage of the Gippsland Line Upgrade began this year. These works will commission a new signalling system between Drouin and Traralgon to enable a future service uplift.

Works will also include safety testing of new infrastructure along the 70-kilometre stretch of rail line, driver training, and the complex commissioning work needed to bring the new system into operation and enable trains to use the new platforms at Morwell and Traralgon stations.

This project has already delivered improved stations, a new bridge over the Avon River in Stratford, and VLocity trains for Bairnsdale Line passengers.

When complete, the upgrade will deliver more frequent and reliable train services to the growing communities of Gippsland, with planning underway to develop a new timetable for the line.

V/Line delivered projects

Bairnsdale stabling

Works were completed on the Bairnsdale stabling yard project in August, allowing all Bairnsdale services to run as VLocity trains.

The expanded stabling facility at Bairnsdale enabled two three-carriage VLocity trains to be housed overnight. New cleaning facilities, improved lighting, fencing, gates, CCTV and pathways were completed as part of the upgrade.

Warrnambool stabling yard

Work also started on upgrading the Warrnambool stabling yard to enable VLocity trains to be housed overnight, with an interim solution in place until the final stabling yard is commissioned in 2026.

Station accessibility upgrades

The Victorian Budget 2022-23 featured a \$157.8 million package of works to help give Victorians better access to transport, including accessibility upgrades at Warrnambool Station and amenity upgrades at Woodend Station, which were completed this year.

V/Line also completed works at 15 stations, including repairing and installing new tactile ground surface indicators.

Waiting areas were upgraded to include allocated spaces for mobility aids and new priority seating, while accessible bathrooms have been improved at several stations, including Shepparton.

Crews are progressing around the network undertaking further improvement works, including accessible ticket counters and access ramps. Castlemaine, Caroline Springs, Kyneton, Drouin, Warragul, North Geelong and Wyndham Vale have all undergone upgrade and improvement works.

Statewide Level Crossings Upgrade Program

The Victorian and Australian Government's Level Crossing Upgrade Program upgrades road and pedestrian crossings across metropolitan and regional Victoria to improve safety.

During the year, V/Line completed three level crossings and one pedestrian crossing at Beaufort, along with two level crossings for Puffing Billy at Wright Road and Belgrave-Gembrook Road.

By 30 June 2025, V/Line had upgraded 65 level crossings as part of the program to improve safety for trains, motorists and pedestrians.

Supporting the Level Crossing Removal Project

Ballarat Station Upgrade

During the year, construction commenced on the Ballarat Station Upgrade, with crews preparing to build a lift shaft and stairs to each platform ahead of the installation of the new pedestrian overpass.

Along with a new ramp, stairs, automatic door and landscaping at the northern station entrance, the upgrade will make it easier for people with accessibility requirements to get around the station.

Work is continuing and the Ballarat Station Upgrade is scheduled for completion in 2026.

Melton Level Crossing Removal

Melton is one of the fastest growing communities in Australia. Work has begun to remove four level crossings at Coburns, Exford and Ferris roads in Melton and Hopkins Road in Truganina to make Melton boom-gate free.

Works continuing in and around the Melton Station precinct this year include building a temporary bus interchange on Brooklyn Road, new station car parking and the support structures for the new rail bridges.

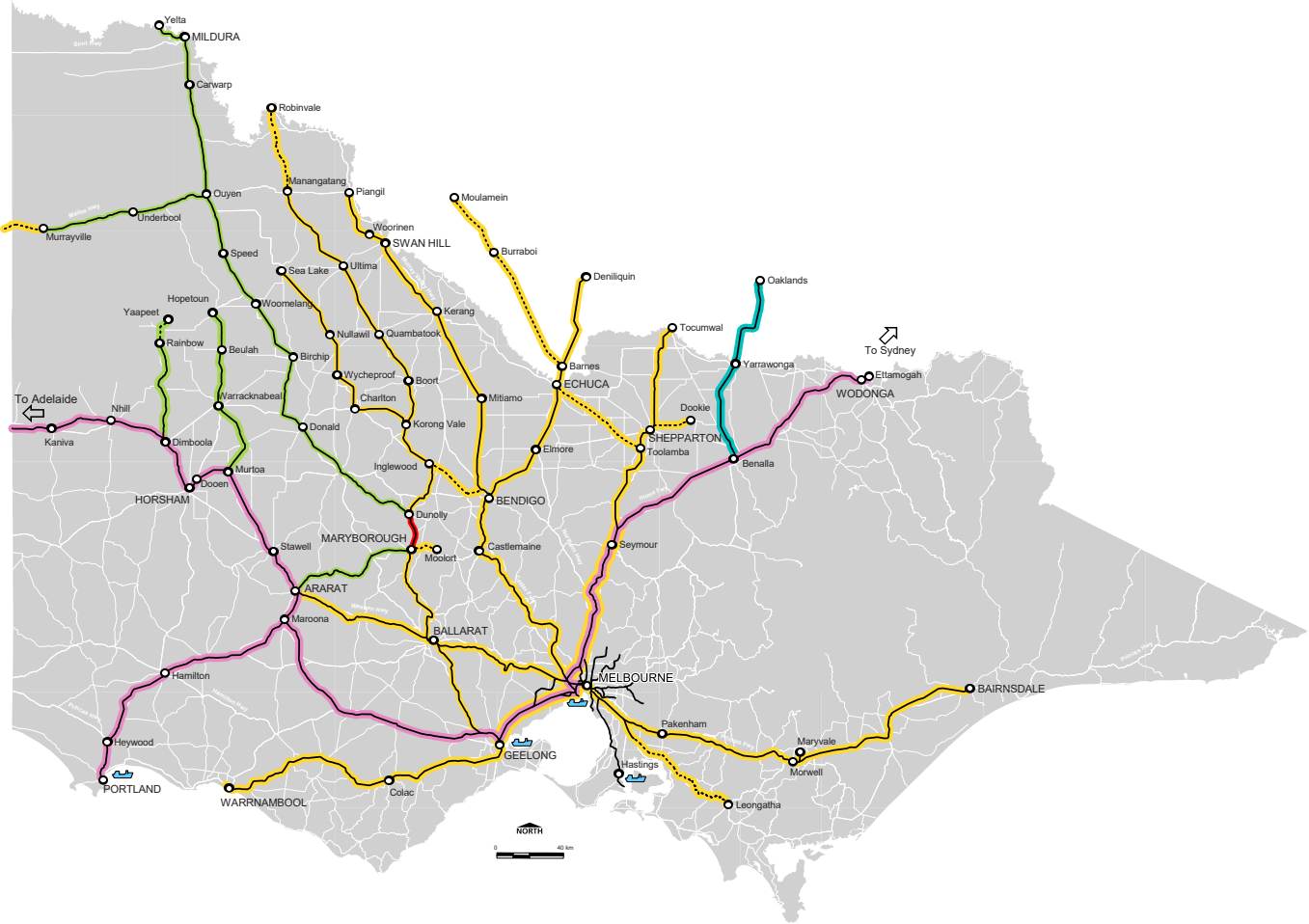
Construction also commenced in 2024-25 to build a new, modern, accessible Melton Station for passengers. The new station will be built with additional platforms, paving the way for future improvements and increased capacity on the line.

South Dynon Upgrade Stage 2

V/Line's South Dynon train maintenance facility is being upgraded to unlock additional capacity and improve the reliability of passenger services in regional communities.

In 2024-25, Stage 2 of the \$322 million upgrade started, including construction of a new three-carriage biowash facility to clean trains more efficiently, allowing them to return to service sooner. Further works include the expansion of the maintenance facility over two roads to increase the capacity for servicing trains, and construction of a new underfloor wheel lathe, which is the first of its kind to service V/Line trains in Melbourne. This will assist in maintaining train wheels and extending their operational lifespan.

Victorian Rail Network Map



ARTC - Interstate Network

- Standard Gauge - Interstate Infrastructure Lease
- Standard Gauge - Branch Line Infrastructure Agreement

V/Line - Regional Lease

- Broad Gauge
- Dual Gauge
- Standard Gauge
- Railway
- Railway out of service
- Port

Community partnerships

V/Line recognises the importance of championing community-driven initiatives that strengthen community safety, connection, wellbeing, economic development, and diversity and inclusion.

During 2024-25, V/Line worked to strengthen our existing community partnerships, and explored new opportunities to invest in partnerships that have a meaningful impact on the Victorian community.

Wherever possible, V/Line has looked for opportunities to connect and leverage partnerships, maximising collective impact and extending the reach of V/Line's support to the Victorian community.

Doxa Youth Foundation

In 2024-25, V/Line continued its long-standing partnership with the Doxa Youth Foundation, an enduring relationship spanning nearly 50 years. This partnership supports children and young people from low socio-economic backgrounds by providing free travel to and from Doxa's Malmsbury and Melbourne camps. In addition to transport, V/Line contributes to Doxa's camp experience by providing complimentary tickets to exhibitions and events from V/Line's arts and cultural partners, helping to create enriching opportunities for participants.

AFL and AFLW Victoria

V/Line has been proudly supporting country football since 2004, with 2024 marking 20 years of our partnership with AFL Victoria.

Central to this partnership is the V/Line Cup, Victoria's premier under 15s representative footy carnival for young people in regional areas. The carnival serves as a crucial stepping stone into higher-level talent programs, such as the Coates Talent League, and for some participants, it marks the beginning of a future career in the AFL or AFLW. More than 100 players have been drafted from the V/Line Cup into the AFL and AFLW.

Importantly, the V/Line Cup also provides players with valuable experiences beyond the field – offering opportunities to develop leadership, teamwork and confidence in a high-performance environment. In addition to supporting young athletes, the V/Line Cup also provides opportunities for the next generation of regional umpires to officiate at the highest level and gain valuable experience to support their development pathway.

The 2024 V/Line Cup carnival was held in Ballarat in September and brought together more than 600 players, officials and umpires from across the state.

Beacon Foundation

V/Line and the Beacon Foundation have partnered for more than a decade to support young people in regional Victoria, as they prepare to transition from education into meaningful employment. This partnership supports Beacon's work readiness programs, which delivers targeted educational sessions for students in Years 9 to 12 from low socio-economic areas.

These sessions are designed to build confidence, motivation and practical skills, equipping students for life beyond school. V/Line staff also volunteer as mentors as part of the partnership, contributing their experience and insights to help shape young people's futures.

In 2024-25 with V/Line's support, Beacon delivered sessions across eight regional schools.

Travellers Aid

V/Line's long-standing partnership with Travellers Aid has continued to strengthen, providing vital support to passengers across the network. In 2024–25, more than 20,000 passengers accessed connection assistance services at Southern Cross Station, Seymour and Ballarat stations.

This enduring partnership enables the delivery of critical services, including training, travel support and passenger assistance programs. This important partnership agreement has been renewed for a further three years, reaffirming V/Line's commitment to inclusive and accessible public transport.

V/Line continues to work closely with Travellers Aid to support passengers during planned disruptions. This includes providing connection assistance to more than 400 passengers during disruptions at locations such as East Pakenham and South Geelong. In 2024–25, Travellers Aid provided more than 50,000 instances of connection assistance across the network.

Passenger feedback on this support has been overwhelmingly positive, highlighting the value of Travellers Aid's presence during times of disruption and for special events, such as the Melbourne Flower and Garden Show.

V/Line also runs an ongoing book collection initiative to provide free reading material for Travellers Aid passengers, helping to enhance the travel experience for those spending long periods in transit or waiting between services.

This year marked 10 years since Travellers Aid was introduced at Seymour Station.

Station Volunteer Program

In 2024–25, the Station Volunteer Program underwent a transition, moving from the long-standing Stationers Program managed by Keep Australia Beautiful Victoria to a new model led by VicTrack. This change marks a new chapter in supporting station-based volunteering across the Victorian rail network.

The newly established Station Volunteer Program continues to foster pride of place and community connection by enabling volunteers to beautify and care for station gardens and surrounds. The program's purpose is to support local volunteers, who contribute their time and effort to create welcoming, vibrant station environments.

There are currently 27 active volunteer groups across the V/Line network, demonstrating the ongoing enthusiasm and dedication of communities in enhancing their local stations.

V/Line remains a committed partner in the program, working alongside VicTrack and community groups to support safe, inclusive and sustainable volunteering across regional stations.

Arts and cultural organisations and events

V/Line continued to support a range of arts and cultural organisations and events throughout 2024–25. This included partnerships with:

- Bendigo Art Gallery: Frida Kahlo: In Her Own Image
- National Gallery of Victoria, including the Yayoi Kusama exhibition and the Melbourne Winter Masterpieces presentation of French Impressionism from the Museum of Fine Arts, Boston
- The Lume: Van Gogh immersive exhibition
- Melbourne Museum: LEGO Star Wars exhibition.

V/Line also continued to participate in DTP's Transporting Arts Pilot Program, which aims to enrich the community experience at train stations and tram stops through public art installations. In 2024–25, artworks were installed at Bendigo, Caroline Springs, Warrnambool and Warragul stations bringing colour, storytelling and local character to these public spaces.

V/Line is proud to support these programs and events that deliver significant cultural and economic benefits to Victoria by promoting the use of public transport to and from major exhibitions, making arts and culture more accessible for all Victorians.

Pride

V/Line was proud to once again serve as a major transport partner for the 2025 Pride Season, supporting events including the Midsumma Carnival and the Bendigo Pride Festival.

Support for LGBTIQ+ communities extended beyond major events, with inclusive messaging displayed at regional stations for Wear It Purple Day, and the continued operation of the V/Line Pride Train, which travelled across the network as a moving symbol of solidarity and celebration.

Performance reporting – financial

V/Line Corporation five year financial summary (\$'000)

Five year financial summary	2024-25	2023-24	2022-23	2021-22	2020-21
Income from government	1,224,186	1,273,420	1,161,404	1,106,393	974,355
Total revenue and income from transactions	1,320,842	1,359,547	1,249,764	1,173,518	1,024,991
Total expenses from transactions	1,307,543	1,327,979	1,274,830	1,186,852	998,249
EBITDA [#]	17,418	23,632	18,262	45,708	49,981
Net result for the period after tax	(1,433)	32,191	(23,378)	2,119	20,512
Net cash flow from operating activities	15,031	68,048	(14,396)	53,843	52,836
Total assets	397,944	376,249	365,019	394,575	375,562
Total liabilities	315,180	289,282	313,829	306,158	295,778

[#] Excludes significant non-cash and non-recurring items.

Income from the Victorian government reduced by \$49.2 million in 2024-25 as project income decreased by \$49.9 million following the completion of several major state transport projects that facilitated upgrades to the regional rail network.

Total V/Line revenue and income from transactions reduced by \$38.7 million in 2024-25 due to the lower project income.

This was partially offset by a growth in farebox revenue following record levels of patronage after the introduction of fare cap (which lowered fares from March 2023) and additional weekend timetable services.

Total expenses from transactions reduced with lower project expenses after the completion of several major state transport projects and infrastructure renewals.

The earnings before interest, taxes, depreciation and amortisation (EBITDA) in 2024-25 of \$17.4 million was marginally below the prior year due to spend to support service provision. The underlying positive outcome reflects good cash and budget management for the financial year.

The result includes the benefit of efficiencies gained from a range of activities undertaken across the organisation.

The favourable EBITDA generated by V/Line is being used to fund activities and initiatives to support customer and operational outcomes.

The net cash flow from operating activities of \$16.3 million in 2024-25 reflects a positive underlying cash result with ongoing management of working capital levels.

Total assets have increased by \$21.7 million, mainly driven by the movement in trade receivables, coupled with additional fleet spares to service the VLocity rolling stock fleet in the medium to long term.

This was partially offset by overall cash held by V/Line, which was reduced to \$32.5 million (from \$44.5 million) due to an increase in trade receivables.

Total liabilities have increased by \$26.0 million, with an increase in the right of use liabilities (and assets) due to the extension of an office lease and an increase in employee related provisions.

Disclosure of grants and transfer payments (other than contributions by owners)

V/Line has not provided financial assistance via grants and/or transfer payments to any companies or organisations during 2024-25.

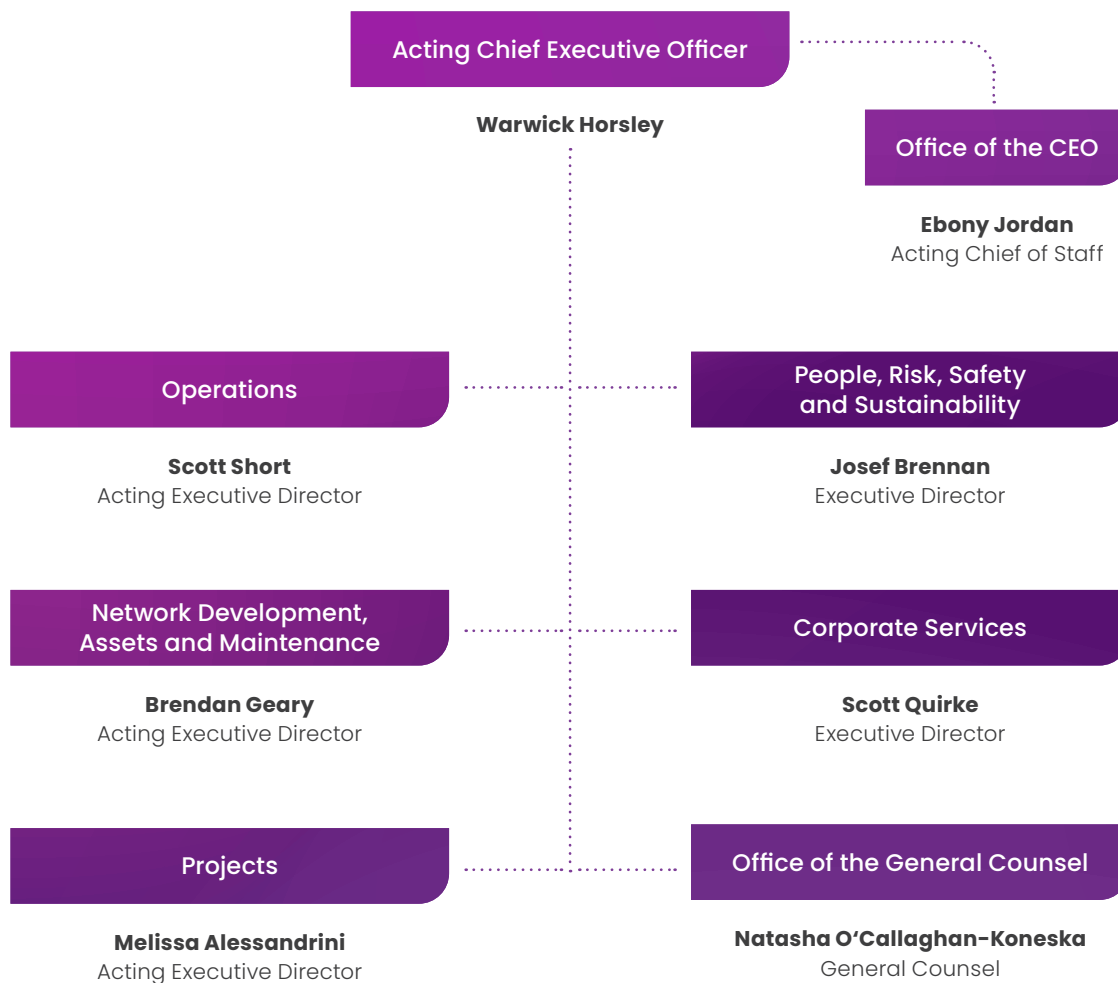


Section 2

Governance and
organisational
structure

Organisational structure and corporate governance arrangements

Leadership team as at 30 June 2025



Leadership groups

Operations: delivers safe and reliable rail and coach passenger services that connect Melbourne to regional Victoria. The Operations group covers the entirety of the service delivery chain to ensure our passengers get to where they want to go.

Network Development, Assets and Maintenance (NDAM): is responsible for today's assets and infrastructure, and plans for future network renewals and growth. The NDAM group works closely with internal and external stakeholders to shape the regional public transport and rail freight network of the future. Key activities undertaken include timetable modelling and optimisation, and oversight of asset lifecycle management for fleet and network infrastructure, enabling safe and reliable operation of the network.

Projects: coordinates, integrates and drives major projects and programs in a safe, collaborative and innovative manner, enabling V/Line to be a modern and connected regional service for Victorians. The team plays a key role in Victoria's *Big Build* to deliver or support significant programs, such as the Regional Rail Revival Program, the Level Crossing Removal Program, the Metro Tunnel Project, the West Gate Tunnel Project, and other capacity-enabling projects across the regional network.

People, Risk, Safety and Sustainability (PRSS): provides a range of enabling support services, such as: people services; recruitment; workforce planning; and workplace relations. It is also responsible for: compliance and safe working; environment and sustainability, rail safety and access; safety improvement; and risk and assurance.

These functions enable the business to deliver a safe and reliable passenger and freight service, while meeting its legislative

obligations, community expectations, and employee safety and wellbeing.

Corporate Services: provides a range of enabling enterprise-wide support services, policies and systems, including: finance; payroll; facilities management; information technology; information and data management.

It is also responsible for the transformation program delivery, enterprise portfolio management and project oversight, and corporate strategy, planning and reporting, in addition to procurement and supplier engagement, commercial advice, and business intelligence.

Office of the Chief Executive Officer: responsibility for corporate affairs, including government and stakeholder relations, community and partnerships, ministerial and departmental liaison, media management, internal and external communications, learning and development, capability and culture and engagement. This group also undertakes strategic management of the SLA relationship with the DTP, disruption communications, and training, including the Registered Training Office.

Office of the General Counsel: provides legal advice and education to all organisational groups, legislative interpretation, the management of dispute resolution processes, internal handling of coronial inquests, freedom of information requests and privacy compliance, and the maintenance of V/Line's insurance program. This group is also responsible for overseeing corporate governance and ensuring V/Line takes a proactive, best-practice approach to integrity, ensuring the highest standards of professionalism and integrity are modelled across the organisation.

Executive Management Committee membership and roles

The Executive Management Committee (the EMC) is the forum in which V/Line's Executive Leadership Team provides strategic direction, decision-making and approval of the matters covered by the Terms of Reference and delegated to management, ensuring that the work undertaken contributes to the achievement of strategic priorities and initiatives identified in V/Line's Corporate Plan.

The EMC is responsible for managing V/Line in a manner that ensures it fulfills its objectives and functions effectively and in compliance with good governance. As at 30 June 2025, the EMC comprised the following Executive members:

- Warwick Horsley, Acting Chief Executive Officer (Chair)
- Brendan Geary, Acting Executive Director Network Development, Assets and Maintenance
- Scott Short, Acting Executive Director Operations
- Natasha O'Callaghan-Koneska, General Counsel
- Josef Brennan, Executive Director People, Risk, Safety and Sustainability
- Scott Quirke, Executive Director Corporate Services
- Mel Alessandrini, Acting Executive Director Projects.

Advisory Board membership and roles

The V/Line Advisory Board (the Advisory Board) was established in 2021 by the Minister for Public Transport as an advisory body to the Chief Executive Officer of V/Line.

The purpose of the Advisory Board is to ensure V/Line:

- is aligned to the government's transport agenda and priorities
- delivers sustained and improved performance of passenger services and a rail freight network
- maintains a heightened focus on safety, risk management, and fraud and integrity.

As at 30 June 2025, the Advisory Board comprised the following independent members:

- Howard Ronaldson, Chair
- Karen Cain
- Margaret O'Rourke
- Tom Sargent.

Audit and Risk Committee membership and roles

The V/Line Audit and Risk Committee (the Committee) was established by the Chief Executive Officer, in accordance with the Standing Directions 2018 under the Financial Management Act. The Committee is an independent body that provides oversight of V/Line's financial and performance reporting, risk oversight and management, systems of internal controls and compliance with relevant laws and policies.

The purpose of the Committee is to:

- review and assess the effectiveness of V/Line's systems and controls for financial management, performance and sustainability, including risk management
- oversee financial reporting and performance reporting
- oversee the internal and external audit activities
- review and monitor compliance with legal and regulatory obligations, in particular, the Financial Management Act
- oversee and monitor V/Line's risk management systems and framework
- oversee and monitor systems of internal control
- oversee and monitor V/Line's application of the Asset Management Accountability Framework.

The Committee supports V/Line's Accountable Officer to discharge their responsibilities under the Financial Management Act, Transport Integration Act and *Public Administration Act 2004*.

The Committee provides a mechanism to escalate issues and provide independent advice to the Accountable Officer to ensure responsibilities are fulfilled.

As at 30 June 2025, the Committee comprised the following independent members:

- Mark Toohey, Chair
- Rachel Thomson
- Tom Sargant.

Health and safety

V/Line's number one priority is the safety of our people, passengers and the communities we serve.

V/Line's Destination Zero program aspires to achieve zero harm to people, property and the environment. It ensures a continuing focus on meeting our obligations under the *Occupational Health and Safety Act 2004* (OH&S Act), Rail Safety National Law and environmental legislation.

V/Line is focused on managing critical risks and has a continuous improvement approach to reducing risk on our rail network, our workplace and within the environment.

The People, Risk, Safety and Sustainability group continues to focus on 'Critical Risk' and managing V/Line's key areas of operational and people safety.

During the year, V/Line continued to work collaboratively with the Office of the National Rail Safety Regulator to thoroughly test our Safety Management System during several surveillance inspections and audits. All identified issues were actioned and closed within agreed timeframes.

V/Line also continued to work proactively with WorkSafe to ensure OH&S obligations were met and to resolve all workplace matters. All identified issues were actioned and closed within agreed timeframes.

Level crossing safety continues to be a key focus for V/Line. Ongoing work to reduce the number of level crossing incidents included:

- the continued upgrade of crossings from passive ('stop' sign only) to active (activated 'booms and barriers' on approach of train), several facilitated by project upgrades
- working within project alliances to commence, progress and complete the removal of level crossings where possible, as part of Victoria's *Big Build*
- the installation of axle counters in locations to provide assurance of wheel detection and safe operation of the signaling system, including active level crossings
- an ongoing review of locations (now completed) where it is possible for a vehicle to enter a level crossing by potentially unapproved access points, with the potential to allow bypassing of safety controls
- vegetation removal
- improved sighting at crossing locations across the state
- the introduction of risk-based measures, such as temporary speed restrictions, applied at individual crossings where sighting distances are not able to be improved
- improving the collaboration between local authorities, road managers and other stakeholders with reference to our safety interface agreements at level crossings
- the recruitment of a Head of Level Crossing role to develop a level crossing strategy.

There were three level crossing incidents over the past 12 months, with one of those at passive crossings and two at active level crossings. V/Line is participating in various industry level crossing groups in a bid to share learnings and initiatives, including technology improvement options.

V/Line has significantly reduced the number of passive level crossings on the passenger network. At the end of 2024-25, there were 44 passive level crossings on the passenger network, down from 105 in November 2017.

Pleasingly, there was a decrease in V/Line's Signals Passed at Danger (SPAD) rate over the past 12 months. This measure is a critical safety indicator and in 2024-25, the Human Factor SPAD rate was 1.25 incidents

per million kilometres, compared with 1.29 incidents per million kilometres the previous financial year – an industry leading result. The majority of Human Factor SPADs fell into the low potential category. The current rate still places V/Line among Australia's best performing rail operators in managing SPADs.

V/Line's OH&S Serious Injury Frequency Rate (SIFR) was 3.61 per million work hours (including a mid-year reclassification) over the past 12 months against a forecast of six. Despite the continued return of patronage to close to pre-COVID levels and fare cap changes, the rate is trending favourably from the 2023-24 SIFR of 13.7. Injury prevention management plans continue to be implemented to help reduce injuries to staff.

HSE Indicator Performance

The four safety lag performance indicators used at V/Line are:

- SIFR for personal injury (per million work hours)
- SPAD for rail safety (per million kilometres travelled) (Human Factors + Technical)
- SPAD for rail safety (per million kilometres travelled) (Human Factors Only)
- Rail Safety Incidents (per million kilometres travelled).

Serious Injury Frequency Rate (SIFR)	2024-25	2023-24	2022-23
Measure	Actual	Actual	Actual
SIFR	3.61	13.72	20.95
SIFR forecast	4.5	19	15
SIFR variance	-0.89	-5.28	+5.95
SIFR per cent variance to forecast	19.8	-27.8	39.6
Rail Safety Incidents	1.81	N/A	N/A
Rail Safety Incidents forecast	3.5	N/A	N/A
Rail Safety Incidents variance to forecast	1.69	N/A	N/A

Signals Passed at Danger (SPAD) (Human Factors + Technical)	2024-25	2023-24	2022-23
Measure	Actual	Actual	Actual
SPAD	4.45	3.71	3.13
SPAD forecast	3.0	3.5	2.5
SPAD variance	+1.45	+0.21	+0.63
SPAD per cent variance to forecast	+48.3	+6	+25.2

**Signals Passed at Danger (SPAD)
(Human Factors Only)**

	2024-25	2023-24	2022-23
Measure	Actual	Actual	Actual
HF SPAD	1.25	1.29	1.33
HF SPAD forecast	1.3	1.3	1.4
HF SPAD variance	0.05	-0.01	-0.07
SPAD per cent variance to forecast	-3.8	-0.76	-5

Hazards and incidents per 100 FTE

The rate of 'Hazards reported' decreased compared to last year. Logged hazards are tracked and reported monthly to all relevant stakeholders, including employee elected health and safety representatives, to ensure all potential hazards are addressed.

The number of claims lodged for 2024-25 for injuries (not including hearing loss claims which are considered a permanent impairment not a time loss claim) was 83. In comparison to 2023-24, there were a total of 107 claims lodged.

The main time loss claims were psychological injuries* (51 per cent), knee injuries (8 per cent), shoulder injuries (5 per cent), back injuries (5 per cent), hand/fingers/arms and wrist injuries (10 per cent), neck injuries (6 per cent), ankle/foot injuries (6 per cent), face/head/brain injuries (7 per cent), chest injuries (1 per cent) and ear (not hearing loss related) injuries (1 per cent).

* Mental health and wellbeing actions are outlined on page 45.

Hazards reported

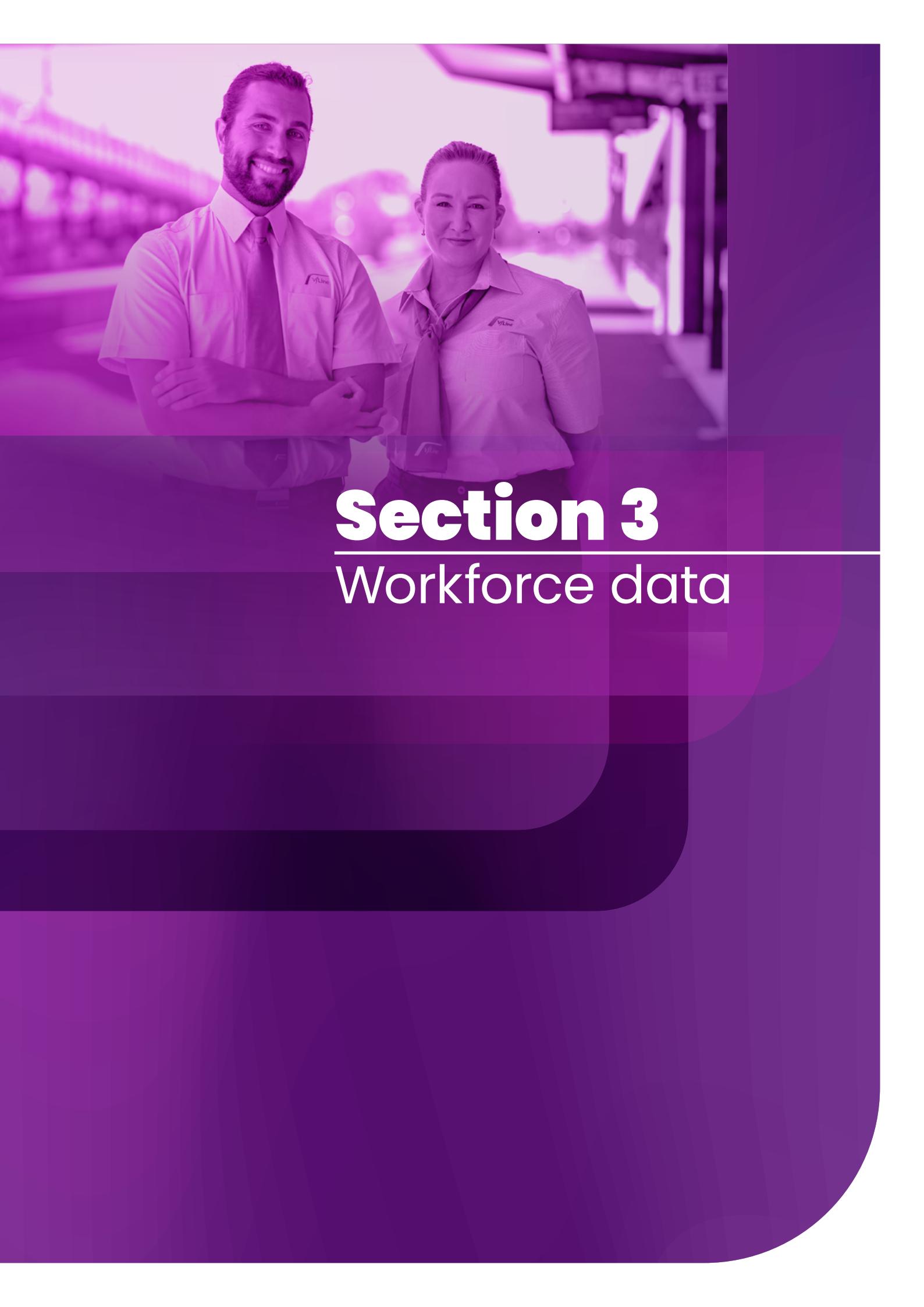
Year	Per 100 FTE
2024-25	8.93
2023-24	11.61
2022-23	12.39

Incidents reported

Year	Per 100 FTE
2024-25	513
2023-24	473
2022-23	427

Note: Previous years were impacted by COVID-19.

WorkCover – Personal Injury Lost Time Claims	# time loss standard claims	Full-time equivalent (FTE)	Per 100 staff	Average cost per claim
2024-25	83	2,999.5	2.77	\$73,379.08
2023-24	65	2,823	2.30	\$103,323
2022-23	65	2,623.1	2.48	\$69,417



Section 3

Workforce data

Our people

V/Line employed a workforce of 3,094 compared with 2,913 in 2023-24 and 2,706 in 2022-23.

Public sector values and employment and conduct principles

The Victorian Public Sector Commission (VPSC) was established in 2014 to maintain and advocate for professionalism and integrity within the public sector, and strengthen public sector efficiency, effectiveness and capability to meet existing and emerging needs, and deliver high quality services.

V/Line's policies and practices are consistent with the VPSC's employment standards and provide for fair treatment for its people, opportunities for learning and growth and early resolution of workplace issues. V/Line appoints staff on the principles of merit and equity, ensuring applicants are assessed and evaluated fairly and without discrimination. V/Line advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and benefits, and how it manages misconduct.

Integrity

At V/Line, integrity is a key value and shared responsibility.

During 2024-25, V/Line continued to foster the highest possible standards of integrity conduct by:

- undertaking regular communication, education and engagement with our people to ensure they are equipped to detect and prevent integrity issues

- ensuring integrity is reflected in our policies and procedures, including reviewing V/Line's policies and supporting materials, systems and processes, culture and communication
- uplifting electronic declaration processes and reviewing data analytics capability to detect and prevent integrity issues
- implementing an Integrity Leaders Program and Integrity Community of Practice to assist in providing education and awareness across V/Line on initiatives led by the Integrity team.

Recruit and retain the right people

In 2024-25, V/Line recruited 749 employee-based vacancies including both new and existing roles, representing a 25 per cent increase in filled vacancies year-on-year.

V/Line's Operations group accounted for 54 per cent of all roles recruited, as the team continues to support service delivery across the regional network.

Drivers

V/Line filled six train driver intakes during 2024-25, with a total of 56 new drivers successfully entering trainee driver training.

Our gender balance was 48 per cent women, 48 per cent men and 4 per cent identifying as self-described.

Develop and engage our people

V/Line remains committed to developing the capability of our people and engaging them through learning. During 2024-25, we expanded our approach to learning through new live events, strengthened internal communication and increased visibility of available development opportunities.

We launched a new Train Me portal to help employees find and access live training sessions and locate training teams. In May 2025, we delivered our first Learning Immersion Week, with 15 live sessions attended by 290 participants. We also reinvigorated our Learning Champions Network.

We saw a significant increase in attendance at development planning workshops and began providing after hours sessions to better support rostered and nightshift teams.

V/Line delivered more than 350 one-on-one coaching sessions and team talks, to encourage meaningful development conversations.

We also launched a new Development Planning eLearning module.

Registered Training Organisation (RTO)

V/Line's RTO delivers best-in-industry, nationally-recognised training for frontline V/Line employees, allowing delivery that is tailored to the needs of our workforce.

To further enhance the skills and capability of our learners, V/Line built several functioning signal systems and associated equipment. The equipment creates a training environment without impacting the network, and is used in the delivery of Certificate IV, Diploma and First Line Maintainer training.

V/Line also created opportunities for learners to access the network with support from our operational teams.

Recently a new qualification was added to the scope of delivery: Certificate II in Shunting. The following qualifications were completed through our RTO in 2024-25:

Accredited course name	Completions 2024-25
Cert IV In Train Driving	58
Cert IV Rail Signalling SMT	17
Diploma Railway Signalling - External	15
Diploma Railway Signalling - Internal	5
Cert III In Rail Customer Service	95
Cert III in Rail Infrastructure (Gangers)	1
Cert II in Rail Infrastructure (Way Maintainers)	22
Total	213

V/Line employees completed the following accredited short courses through the RTO:

Accredited short course name	Completions 2024-25
Track Inspector Skill Set	7
Track Force Protection Coordinator	33
TVO1 Track Vehicle Operation (within defined worksite)	31
TVO2 Track Vehicle Operator	5
SARC - Safely Access the Rail Corridor - Role Requirement	95
Apply Safety Critical Communications	16
Rail Adjustment Skill Set	2
Handsignaller	15
Heat and cut materials using oxy-LPG equipment for the rail industry	25
Aluminothermic Welding Skill Set	10
Total	239

V/Line's RTO also delivered non-accredited training in 2024-25:

Non-accredited course name	Audience	Completions 2024-25
Signal Standards Induction: Signal Technician	External	28
Signal Standards Induction: Signal Technician	Internal	1
Signal Technician: Supervise Construction Work in Live Locations	External	28
Signalling Principles	Internal	31
Track Principles	Internal	82
V/Line ACM200 First Line Maintenance	Internal	15
Frauscher FAdC2 First Line Maintainer Signal Training	Internal	14
Travellers Aid	External	19
Isolation, Bridging and/or False feeding of Signalling Circuits: First Line Maintenance (2024)	Internal	1
Nonvital Screen Based and Networking- First Line Maintenance (2024)	Internal	5
Train Protection Warning System (2024)	Internal	1
V/Line Protective local signal blocking (Group 2025)	Internal	3
Track Safety Foundations – e-Learning	Internal	36
Personal Track Safety (Safeworking refresher)	Internal	349
Total		613

Competency and compliance training

V/Line continued embedding our competency management framework across the organisation, ensuring we maintain the skills and qualifications needed to meet safety and compliance obligations. The Competency Management Steering Committee continued to successfully develop key competency matrices for V/Line job roles through business consultation and partnership with subject matter experts, to support the definition of each role's requirement.

Platform 100 is V/Line's enterprise learning management system, and in June 2024, we completed a significant upgrade by transitioning to a new platform, Cloud Assess. This upgrade marked a major step forward in how we deliver and manage learning, with a modern and user-friendly system that enables employees to complete both accredited and non-accredited training in one place. Since the launch of the new system in July 2024, over 7,890 hours of compliance training have been completed.

In 2024–25, we launched four new or revised eLearning modules:

- Fatigue Management (as part of our Safety Induction series)
- Neurodiversity Awareness (as part of our Inclusion series)
- Preventing Sexual Harassment
- Acceptable Credit Card Use.

We also continued to provide compliance training on a range of topics, such as:

- acceptable internet use and cyber security
- integrity
- environment and sustainability
- fitness for work – fatigue management
- information governance
- diversity and inclusion.

These modules support our commitment to creating a safe, respectful, inclusive, and accountable workplace.

Professional development

At V/Line, we empower our people to take control of their careers through a range of structured and self-directed development opportunities.

V/Line supported 165 individuals to access professional development opportunities to build skills in areas, such as leadership, technical expertise and innovation.

Our partnership with the Australian Institute of Management continued to grow, with 258 employees participating in courses.

LinkedIn Learning remained an important resource for on-demand learning. More than 510 employees accessed the platform this year, completing more than 300 courses and exploring topics such as project management, AI for business and Microsoft tools.

Early career programs

V/Line continued to invest in the development of early career talent through our mentoring, graduate and internship programs.

Our internal Mentoring Program continued to grow, with 180 participants from across the business taking part in its third year. Many of our mentors and mentees have reported career progression and attribute their growth to the connections and support offered through the program. The structure of the program reflects our commitment to developing and empowering our people through expert, evidence-based guidance.

Our Graduate Program remains a bespoke, tailored pathway into the rail industry. This year our program was ranked in the Top 20 Graduate Employers (Small Program) list by the Australian Association of Graduate Employers, based on feedback from our graduates.

Nine participants undertook rotations across V/Line's Projects, NDAM and PRSS groups, including:

- two EPIC cadets (Engineering Pathway Industry Cadetship)
- three signalling cadets
- four graduate engineers.

Graduates benefit from structured development, mentoring and meaningful work placements designed around their strengths and career goals.

We also delivered another successful year of our Internship Program, offering placements to students from high school, TAFE, university, and young adults with disabilities. In 2024, we hosted:

- 22 secondary school students
- five university students
- two National Disability Insurance Scheme participants.

For 2025, placements are already underway for an additional 21 interns. Five of our interns have since secured ongoing employment with V/Line.

V/Line also had a presence at career events across Victoria, helping connect young people, particularly those in regional communities, with opportunities to explore careers in rail and STEM.

Diversity and inclusion

V/Line is committed to creating and sustaining an inclusive workplace culture where our people are safe, diverse, valued and high performing.

V/Line acknowledges the unique and varied challenges experienced by diverse communities and focuses its inclusion activities on five priority areas:

- First Peoples (Aboriginal and Torres Strait Islander peoples)
- women
- culturally and linguistically diverse (CALD) people
- lesbian, gay, bisexual, trans and gender diverse, intersex, queer and asexual (LGBTIQ+) people
- people with lived experience of disability.

Each focus area is supported with an individual action plan and underpinned by training, including ensuring all new frontline employees and people leaders complete training on diversity and inclusion.

Through our dedicated inclusion training, SBS Inclusion Program, we aim to increase participants' understanding of inclusion and diversity, including gender, age, people with lived experience of disability, LGBTIQ+, Aboriginal and Torres Strait Islander peoples and cultural diversity.

Cultural awareness training also explores unconscious bias to challenge individually held underlying beliefs, expectations and attitudes towards others.

Diversity Working Groups

V/Line's Diversity Working Groups, which bring together passionate diversity and inclusion volunteers from across the organisation, play an important role in driving awareness and education.

Key events on the diversity and inclusion calendar during 2024-25 included:

- International Day of People with Disability
- International Women's Day
- Harmony Day
- Reconciliation Week
- NAIDOC Week
- International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT)
- Midsumma Festival
- Wear it Purple Day
- Inclusion at Work Week
- Movember.

Reconciliation and self-determination

V/Line continues to pursue its genuine commitment to reconciliation and self-determination by focusing on engagement, employment and cultural safety for First Peoples.

This includes:

- ensuring our activities align with the *Transport Portfolio Aboriginal Self-Determination Plan 2020-2023* and *Yani Bangal Transport and Planning Portfolio First Peoples Careers Strategy 2023-2028* (Yani Bangal)
- participating in the DTP Portfolio First Peoples Self Determination Steering Committee and the Careers and Cultural Safety Working Group
- participating in the DTP Portfolio First Peoples Procurement Working Group
- supporting the DTP Portfolio First Peoples Scholarship Program

- promoting cultural awareness training
- engaging in activities to increase the representation of First Peoples across V/Line
- engaging in activities and awareness to celebrate and recognise First Peoples
- building relationships with traditional custodians on the lands on which we operate.

Gender equality

V/Line has continued to champion gender equality and embrace its obligations under the *Gender Equality Act 2020*. Our *Gender Equality Action Plan 2021-2025* guides our approach in this area, outlining how we will continue to improve gender equality at V/Line.

In 2024-25, the proportion of women in V/Line's workforce increased to 29.2 per cent, with 44.4 per cent of leadership positions (director level and above) held by women.

V/Line is recognised as a WORK180 Endorsed Employer for All Women, and was named one of WORK180's Top 101 Employers in 2025. WORK180 supports, celebrates and connects organisations that have a demonstrated commitment to gender equity, diversity and inclusion with female job seekers. This initiative, which forms part of our plan, is just one of the many ways we are pursuing greater gender equality at V/Line.

In 2024-25, the Gender Equality Working Group facilitated a pilot through the Women Rising Program to build awareness about the challenges and experiences of women in the workplace and how advocates and allies can positively impact women and gender diversity.

The working group continued to support the implementation of our action plan, raising awareness of the importance of gender equality and celebrating the achievements of women at V/Line.

V/Line continues to support and promote the Women in Transport and Australasian Rail Association networking programs, which includes mentoring programs and education opportunities designed to increase female representation at all levels of the transport industry.

LGBTIQA+

The V/Line LGBTIQA+ Working Group represented V/Line at several community events throughout the 2025 Pride Season, including running a stall at the Midsumma Festival. V/Line also supported the Bendigo Pride Festival and continued to look for ways to support regional pride events on our network.

Additionally, V/Line has been active in raising awareness of IDAHOBIT, Pride Month, International Non-Binary Peoples Day and Wear It Purple Day.

Disability

V/Line maintained memberships of the Australian Disability Network and the Diversity Council Australia to support us, in continuing to attract and retain employees with lived experience of disability. V/Line engaged in partnerships and programs throughout 2024-25 to facilitate the creation of an inclusive workplace by breaking down attitudinal barriers.

During 2024-25, V/Line participated in targeted workshops through the A-Plus Employment Program partnership to boost V/Line's capacity and understanding to hire, support and retain Autistic talent, and bolster accessible and inclusive workplaces.

In addition, Disability Confidence training continued to be provided to targeted groups, including the Talent team to support recruiters and hiring managers to create an inclusive recruitment practice and work environment for people with disability.

In May 2025, V/Line was proud to be awarded Disability Confident Recruiter status through the Australian Disability Network. The program is designed to help organisations identify and remove barriers in their recruitment processes.

V/Line is the second public transport operator in Australia to be accredited, acknowledging V/Line's commitment to hiring and retaining people with disability and ensuring our systems, processes and policies are inclusive.

Achieving this accreditation is another step towards ensuring our workforce is as diverse as the communities we serve.

CALD

V/Line's workforce comprises employees from more than 60 cultures.

During 2024-25, our CALD Working Group:

- held multiple staff events celebrating different cultures, including a Taste of Harmony, which is designed to foster inclusiveness, respect and belonging by using food to bring people together and learn about each other's culture
- promoted days of significance, such as Wear It Purple Day.

Mental health and wellbeing

The mental health and wellbeing of our people remains a key priority. V/Line continued to develop and deliver mental health and wellbeing sessions and resources in line with factors impacting employees, both in the workplace and externally.

Topics of these sessions included anxiety, depression, stress management and building resilience, as well as content tailored to suit specific requests from V/Line teams.

V/Line continues to support and promote its Mental Health Champion Network, with increased development and support. Additional champions were also recruited throughout the year, ensuring strong representation across different areas of the organisation.

A total of 199 employees underwent Mental Health First Aid accreditation or refresher training in 2024-25. The program aims to raise awareness of early mental health issues and provide support and skills to create a safe work environment by recognising the impact of mental illness.

V/Line continued to support mental health and wellbeing awareness events across the year, including men's and women's health weeks.

For Mental Health Awareness Month in October 2024, V/Line ran weekly virtual interactive mental health awareness sessions, focusing on specific topics each week, including anxiety, depression, suicide awareness and prevention, and building personal resilience.

V/Line also promoted a number of challenges, including:

- One Foot Forward, which encouraged physical activity while increasing awareness of mental illness and the support available
- Rail-y Big Blood Drive, to encourage blood donations.

For Rail R U OK? Day on 3 April 2025, V/Line hosted a virtual event featuring our Employee Assistance Program partner, Assure, to provide insights and practical tips on mental health and wellbeing. V/Line R U OK? and Mental Health Champions raised awareness at regional locations. A range of resources focused on R U OK? conversations were shared with staff.

During 2024-25, the Culture and Engagement team continued to support the organisation with resilience building and coping strategies for frontline employees. This included the delivery of training developed by the TrackSAFE Foundation and Phoenix Australia, to provide a best practice approach to managing trauma in the rail industry and minimising the risk of adverse mental health outcomes.

In 2024-25, 239 employees completed Coping with Trauma training, while 29 employees completed Providing Support after Trauma training. In line with legislative requirements of the OH&S Act, V/Line continues to promote and review the effectiveness of its *Critical Incident and Trauma Management Framework Guide* and *Mental Health and Wellbeing Policy*, in line with updates from TrackSAFE and changes to the OH&S Act.

Staff recognition

A total of 178 staff were recognised during the year for 10, 20, 30, 40 and 50 years of service:

	10 years	20 years	30 years	40 years	50 years	60 years
2024-25	102	46	1	25	4	0
2023-24	54	16	1	25	2	1
2022-23	47	17	0	10	4	1

Industrial Relations

Following a period of enterprise bargaining, V/Line concluded two new enterprise agreements in late 2024. The new agreements provide favourable employment conditions for our people, as well as boosting workplace flexibility, productivity and ensuring V/Line is well placed to meet future network growth.

V/Line has a full suite of policies to support all employees in the workplace, including recruitment and selection, dispute resolution and grievance review, misconduct investigation, and fair treatment. These policies are regularly reviewed and updated to align with our enterprise agreements and Victorian Government best practice requirements.

Comparative workforce data

The following tables disclose the head count and full-time equivalent (FTE) of all active employees of V/Line, employed in the last full pay period in June 2025, and in the last full pay period in June 2024.

June 2025

	All employees		Ongoing			Fixed Term and Casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE

Gender

Men	2,185	2,132.2	1,922	116	1,988.1	147	144.1
Women	905	863.6	724	107	791.4	74	72.2
Self-Described	4	3.7	3	1	3.7	0	0

Age

15-24	55	52.6	41	4	43.2	10	9.4
25-34	615	600.4	534	39	558.7	42	41.7
35-44	1,003	981.9	879	52	911.9	72	70
45-54	717	704.2	621	30	639.1	66	65.1
55-64	557	528.1	464	67	502.7	26	25.4
65+	147	132.3	110	32	127.6	5	4.7

Classification

Executive ¹	38	38	0	0	0	38	38
Clerks & Senior Officers	585	570.4	501	42	529.3	42	41.1
Station Staff	319	293.9	246	62	283.2	11	10.7
Authorised Officers	44	43.7	43	1	43.7	0	0
Fuel Point Assistants	14	13.7	13	1	13.7	0	0
Conductors	351	326.6	290	52	319.6	9	7
Train Controllers & Signallers	94	92	90	4	92	0	0
Drivers	638	615.9	589	49	615.9	0	0
Passenger Operations	87	86	85	2	86	0	0
Infrastructure Maintenance Workers (Sig & Elec)	113	113	113	0	113	0	0
Infrastructure Maintenance Workers (Track)	218	217.4	216	2	217.4	0	0
Apprentices	0	0	0	0	0	0	0
Administrative Band	23	23	23	0	23	0	0
Other Staff	570	565.9	440	9	446.4	121	119.5
Total employees	3,094	2,999.5	2,649	224	2,783.2	221	216.3

¹ For 2024-25, an Executive is anyone to whom the Victorian Public Entity Executive Remuneration (PEER) Policy applies.

June 2024

All employees		Ongoing			Fixed Term and Casual	
Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE

Gender

Men	2,098	2,046.6	1,856	108	1,916.3	134	130.3
Women	813	774.4	654	99	716.4	60	58
Self-Described	2	2	2	0	2	0	0

Age

15-24	53	49.7	42	4	44.2	7	5.5
25-34	594	581.3	523	30	541.1	41	40.2
35-44	907	887.8	793	50	824.8	64	63
45-54	665	652.9	576	30	594.7	59	58.2
55-64	554	527	474	61	508.5	19	18.5
65+	140	124.3	104	32	121.4	4	2.9

Classification

Executive ¹	54	54	0	0	0	54	54
Clerks & Senior Officers	609	595.7	522	39	548	48	47.7
Station Staff	310	285	246	56	278.8	8	6.2
Authorised Officers	29	28.7	28	1	28.7	0	0
Fuel Point Assistants	12	11.7	11	1	11.7	0	0
Conductors	339	314.8	283	48	309.8	8	5
Train Controllers & Signallers	91	89	86	4	88	1	1
Drivers	612	592.1	567	45	592.1	0	0
Passenger Operations	86	85	84	2	85	0	0
Infrastructure Maintenance Workers (Sig & Elec)	109	109	109	0	109	0	0
Infrastructure Maintenance Workers (Track)	202	202	202	0	202	0	0
Apprentices	0	0	0	0	0	0	0
Administrative Band	10	9.2	8	1	8.5	1	0.7
Other Staff	450	446.8	366	10	373.1	74	73.7
Total employees	2,913	2,823	2,512	207	2,634.7	194	188.3

¹ For 2023-24, an Executive is defined as a person employed under an Executive Contract arrangement.

Income Band Table

The following table discloses the annualised total salary for senior employees of V/Line, categorised by classification. The salary amount is reported as the full-time annualised salary.

Annualised total salary, by \$20,000 bands, for Executives and other senior non-executive staff

2025

Income band (Total Remuneration Package)	Executive	Award Free
<\$160,000	-	202
\$160,000 – \$179,999	-	105
\$180,000 – \$199,999	-	101
\$200,000 – \$219,999	-	87
\$220,000 – \$239,999	3	53
\$240,000 – \$259,999	6	11
\$260,000 – \$279,999	3	4
\$280,000 – \$299,999	6	2
\$300,000 – \$319,999	8	3
\$320,000 – \$339,999	2	-
\$340,000 – \$359,999	4	2
\$360,000 – \$379,999	3	-
\$380,000 – \$399,999	1	-
\$400,000 – \$419,999	-	-
\$420,000 – \$439,999	-	-
\$440,000 – \$459,999	2	-
\$460,000 – \$479,999	-	-
\$480,000 – \$499,999	-	-
>\$500,000	-	-
Total	38	570

Notes

The salaries reported above are for the full financial year, at a 1-FTE rate, and includes superannuation.

(a) 4 headcount at 0.7 FTE

(b) 2 headcount at 0.7 FTE

(c) 2 headcount at 0.7 FTE

(d) 3 headcount at 0.7 FTE

(e) 1 headcount at 0.7 FTE

Workforce inclusion policy

V/Line is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve consistent with the Gender Equality Act. V/Line has a target of at least 50 per cent women on the Executives' gender profile.

V/Line values staff with non-binary gender identities. V/Line acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may choose not to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

The following table outlines V/Line's actual progress against this target in 2024-25.

Workforce inclusion policy initiative	Target	Actual progress in 2024-25	Actual progress in 2023-24
	Executive:	Executive ¹ :	Executive ² :
Gender profile at Executive levels ⁽³⁾	50 per cent women 50 per cent men	44 per cent women 56 per cent men	34 per cent women 66 per cent men

1 For 2024-25, an Executive is anyone to whom the Victorian PEER Policy applies.

2 For 2023-24, this is defined as a person employed under an Executive Contract arrangement.

3 The self-described category is nil for this entity.

Executive data

For V/Line, an Executive is defined as a person to whom the Victorian Government's Public Entity Executive Remuneration Policy applies. All figures reflect employment levels at the last full pay period in June of the current and corresponding previous reporting year.

2025

Total number of Executives for V/Line, broken down into gender	All		Women		Men		Self-described ¹	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Senior Executive Service – 3	5	1	1	-	4	1	0	-
Senior Executive Service – 2	14	-	4	-	10	-	0	-
Senior Executive Service – 1	19	-4	12	2	7	-6	0	-

¹ The self-described category is nil for this entity.

2024

Total number of Senior Executives for V/Line, broken down into gender	All		Women		Men		Self-described ¹	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Senior Executive Service – 3	4	-	1	-	3	-	0	-
Senior Executive Service – 2	14	2	4	-1	10	3	0	-
Senior Executive Service – 1	23	-	10	1	13	-1	0	-

¹ The self-described category is nil for this entity.



Section 4

Other disclosures



Local Jobs First

The *Local Jobs First Act 2003* amended in August 2018, brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP commenced projects respectively where contracts have been entered prior to 15 August 2018.

Projects commenced – Local Jobs First Standard

During 2024-25, V/Line commenced 13 Local Jobs First Standard projects, totalling \$150.10 million. Of those projects, nine were located in regional Victoria, with a commitment of approximately 97 per cent of local content. Four statewide projects commenced, with a local content requirement of approximately 92 per cent. The MPSG applied to one of these projects.

The commitments made as part of the Local Jobs First policy for these projects are as follows:

- an average of 96 per cent of local content commitment was made
- a total of at least 169 jobs Annualised Employee Equivalent (AEE¹) were committed, including the creation of nine new jobs and the retention of 160 existing jobs (AEE)
- the MPSG applicable project committed to a total of 10,371 hours to be completed by apprentices, trainees and cadets
- eight small to medium enterprises prepared a Local Industry Development Plan (LIDP) for contracts.

¹ According to the Local Jobs First Policy, the AEE is calculated by dividing the total number of ordinary working hours that an employee worked and was paid for over the reporting period, by the total number of work hours per annum.

Projects completed – Local Jobs First Standard

During 2024-25, V/Line completed 15 Local Jobs First Standard projects, totalling \$98.21 million. Of those projects, 14 were located in regional Victoria, with a commitment of approximately 97 per cent local content, and one statewide/metro, with an average commitment of 95 per cent local content. The MPSG did not apply to these projects.

The commitments made and outcomes achieved for Standard Projects completed in 2024-25 were as follows:

- an approximate average of 96 per cent of local content commitment was made
- a commitment to support a total of approximately 90 jobs (AEE) was made, including the creation of approximately 10 new jobs and the retention of approximately 80 existing jobs (AEE). A total of at least 17 jobs were supported, including the creation of one new job and the retention of 16 existing jobs
- these projects committed to provide a total of approximately 6,672 hours to apprentices, trainees and cadets
- 12 small to medium enterprises prepared a LIDP for contracts, successfully appointed principal contractor. At least 14 small to medium-sized businesses were engaged through the supply chain on completed Standard Projects
- Standard Projects completed in this financial year were due to submit 38 post contract reviews, with three submitted, 14 in progress and the remaining to commence their post contract reviews.

Projects commenced – Local Jobs First Strategic

During 2024-25, V/Line commenced one Local Jobs First Strategic project, valued at \$2 billion. The project was based statewide representing 88 per cent of estimated local content. The MPSG did not apply to this project.

The commitments made as part of the Local Jobs First policy for this project include:

- an average of 88 per cent of local content commitment was recorded
- a total of 10,267 (AEE) positions were committed, including the creation of 1,265 new jobs and the retention of 9,002 existing jobs (AEE)
- a total of 2,499,047 hours to apprentices, trainees and cadets was committed
- a total of 13 small to medium-sized businesses were engaged through the supply chain on this Strategic Project.

Projects completed – Local Jobs First Strategic

During 2024-25, V/Line did not complete any Local Jobs First Strategic Projects.

Reporting requirements – grants

No grants were provided during 2024-25, and therefore no interaction reference numbers were required, and no conversations with the Industry Capability Network (Victoria) Ltd were held.

Government advertising expenditure

In 2024-25, V/Line did not undertake any advertising campaigns in the reporting period that involved media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

Details of consultancies valued at \$10,000 or greater

In 2024-25, there were 28 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in 2024-25 in relation to these consultancies was \$11,400,003 (excluding GST).

Details of individual consultancies can be viewed at corporate.vline.com.au/About-V-Line/Publications

Details of consultancies under \$10,000

In 2024-25, no consultancies were engaged during the year where the total fees payable to the consultants were less than \$10,000.

Reviews and studies expenditure

Details of reviews and studies

During 2024-25, there were no reviews and studies undertaken by V/Line.

Information and communication technology (ICT) expenditure

For the 2024–25 reporting period, V/Line had a total ICT expenditure of \$42,655,000, with the details shown below.

All operational ICT expenditure Business as usual (BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
\$'000	\$'000	\$'000	\$'000
33,097	9,558	0	9,558

ICT expenditure includes V/Line's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and non-Business as Usual (non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to projects to create or enhance V/Line's current ICT capabilities. BAU ICT expenditure is the remaining ICT expenditure which primarily relates to activities to operate and maintain the current ICT capability.

Freedom of information

The *Freedom of Information Act 1982* (Vic) (the Act) allows the public a right of access to documents held by V/Line. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by V/Line. This comprises documents both created by V/Line or supplied to V/Line by an external organisation or individual and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by V/Line is available on V/Line's website under its Part II Information Statement.

The Act allows V/Line to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to a department in-confidence and information that is confidential under another Act.

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35 a 15-day automatic extension applies. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by V/Line, under section 49A of the 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.

Making a request

FOI requests can be lodged online at ovic.vic.gov.au. An application fee of \$33.60 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents in the possession of V/Line by writing to:

*Freedom of Information Officer
V/Line Corporation
GPO Box 5343
Melbourne VIC 3001*

Enquiries can be made to V/Line's FOI team via email at foi@vline.com.au

FOI statistics/timeliness

During 2024-25, V/Line received 18 applications. Of these requests, none were from Members of Parliament, one was from the media, and the remainder were from the general public.

V/Line made 11 FOI decisions during the 12 months ended 30 June 2025.

There were six decisions made within the statutory time periods. Of the decisions made outside time, none were made within a further 45 days and five decisions were made greater than 45 days. Of the total decisions made, two were granted access to documents in full, seven granted access in part and two denied access in full. Three decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 57 days.

During 2024-25, one request was subject to a complaint/review by OVIC. Two requests progressed to the Victorian Civil and Administrative Tribunal.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act and ovic.vic.gov.au

Compliance with the *Building Act 1993*

V/Line requires that all new buildings and works to existing buildings carried out for and on its behalf comply with the *Building Act 1993*.

	2024-25
Number of major works projects undertaken by V/Line (greater than \$50,000)	9
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by V/Line	13 building permits 8 occupancy/planning permits 8 certificates of occupancy
Number of emergency orders and building orders issued in relation to buildings	Nil emergency orders Nil building orders
Number of buildings that have been brought into conformity with building standards during the reporting period	All 111 buildings remain in conformity

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from 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. This policy does not override other policy objectives of government and focuses on removing resource allocation distortions.

V/Line ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

Compliance with the *Public Interest Disclosures Act 2012*

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

V/Line does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It 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 a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

V/Line is committed to the aims and objectives of the Act and 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 who is the subject of the disclosure to the extent it is legally possible.

V/Line is not able to receive a public interest disclosure under the Act. Any disclosure about V/Line or any V/Line employee can be made directly to the Independent Broad-based Anti-Corruption Commission as follows:

In person: *IBAC Victoria
Level 1, North Tower
459 Collins Street
Melbourne VIC 3000*

By mail: *IBAC Victoria
GPO Box 24234
Melbourne, VIC 3001*

By phone: *1300 735 135*

By email: *www.ibac.vic.gov.au*

Compliance with the *Carers Recognition Act 2012*

The *Carers Recognition Act 2012* promotes the development of policies, programs and services that affect people in care relationships. V/Line has taken practical measures to consider the care relationship principles set out in the Act when setting policies and providing services. This includes making employees aware of the care relationship principles (which in turn relate to respect for the role of carers and their needs, and also respect for those being cared for) and taking reasonable measures to ensure that V/Line reflects the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with disabilities and recognises that this requires support across the government sector and within the community.

V/Line has complied with its obligations under the Disability Act to prepare an Accessibility Action Plan (AAP) for the purpose of: reducing barriers to access goods, services, and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with disabilities.

Reducing barriers to accessing goods, services and facilities

During 2024-25, V/Line delivered a works package under the Disability Standards for Accessible Public Transport. This initiative upgraded accessibility infrastructure at 15 stations across the network. Improvements ranged from the installation of tactile ground surface indicators, improved line marking and additional seating, to more substantial upgrades, including accessible bathrooms, ticket counters and ramps.

Reducing barriers to persons with a disability obtaining and maintaining employment

V/Line continued to offer work experience placements for people with disabilities, with several participants successfully transitioning into permanent roles.

Promoting inclusion and participation in the community

In addition to delivering the Try Before You Ride events mentioned earlier, V/Line's Accessibility team actively supported and participated in a range of bus operator and community initiatives. These included events such as VALID, Creating Community expos, Be Well Be Connected, and Busable school visits. These are all aimed at fostering travel confidence and independence for people with disabilities.

V/Line also marked the International Day of People with Disability by co-hosting a cross-operator event with members of the Accessibility Reference Group, highlighting a shared commitment to inclusion across the public transport sector.

A series of Accessible Journey videos were completed and published on the V/Line website, providing practical guidance and reassurance to passengers navigating the network.

V/Line's dedicated Accessibility Champions - a group of passionate staff advocates - remained active throughout the year, meeting regularly to discuss accessibility challenges and opportunities for improvement across the network.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

Accessibility focused training continues to be made available to all frontline staff, reinforcing V/Line's commitment to inclusive service delivery. In 2024-25, additional training modules were introduced relating to the Hidden Disabilities Sunflower Program, accessibility awareness and communication access.

V/Line's Accessibility Reference Group remained an integral part of our consultation process, meeting bi-monthly to provide feedback on relevant projects and initiatives. This ongoing engagement ensures V/Line continues to listen to and respond to the needs and experiences of people with disabilities.

Operational procedures relating to accessibility are also reviewed regularly to ensure they remain fit for purpose and aligned with current best practice standards.

Disclosure of emergency procurement

In 2024-25, V/Line activated emergency procurement on three occasions in accordance with the requirements of government policy and accompanying guidelines. Three new contracts, each valued at or more than \$100,000 (GST inclusive), were awarded in connection with the emergency. Details of V/Line's emergency procurements are shown below.

Nature of Emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency (excluding GST)	Number of new contracts awarded valued at \$100,000 (including GST) or more
Emergency Works: Waurm Ponds Stabling Yard	21 November 2024	Dewatering and rewatering systems at Waurm Ponds Stabling Yard required adjustment to bring it up to AS3500 and V/Line standards.	\$124,000	1
Emergency Works: Gisborne station pit	28 January 2025	Emergency works carried out on the brick arch culvert at Gisborne Station to ensure services could continue to safely and reliably run through the area.	\$2,000,000	1
Emergency Works: Little River signalling interlocking	12 February 2025	Emergency rectification works on the Little River signalling interlocking.	\$703,988	1

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the Financial Management Act.

V/Line leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

Social Procurement Framework

V/Line's Social Procurement Strategy prioritises the following Social Procurement objectives:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with a disability
- opportunities for Victorian priority jobseekers
- sustainable Victorian regions
- sustainable Victorian social enterprises and Aboriginal business sectors.

Social procurement achievements

During 2024–25, V/Line:

- engaged 11 social benefit suppliers with a total spend of \$942,056 with certified social enterprises, Aboriginal businesses and disability enterprises
- remained consistent engaging six Victorian Aboriginal business suppliers
- established six contracts with Victorian Government suppliers that include social procurement commitments.

Disclosure of procurement complaints

Under the Governance Policy of the Victorian Government Purchasing Board (VGPB), V/Line must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

V/Line received one formal complaint through its procurement complaints management system in 2024–25, relating to a supplier contract. A review found that all procurement policies and processes had been adhered to. The complaint is in progress.

Environmental reporting

V/Line is committed to reducing its environmental footprint, managing environmental risk and improving sustainability across its rail network.

V/Line's *Emissions Reduction Roadmap* articulates a strategic path to achieve Net Zero Emissions by 2050. Aligned with the Victorian Climate Strategy, the Roadmap includes targets based on examination of V/Line's Scope 1 and 2 emissions. The consumption of diesel fuel accounts for more than 90 per cent of V/Line's carbon emissions and the roadmap articulates a progressive way to transition to lower and zero emissions technology.

V/Line's Environmental Management System

In the commitment to reducing our environmental footprint, V/Line maintains an ISO 14001:2015 accredited Environmental Management System (EMS), which guides sustainability performance and reduces environmental impacts. As a component of the EMS, V/Line has transitioned to a Sustainability Strategy. This strategy provides objectives and direction to support five key environment and sustainability priority areas:

- pollution and contamination
- biodiversity and natural resource management
- greenhouse gas emissions and energy efficiency
- life cycle analysis and waste reduction
- Aboriginal and historic heritage.

The strategy also provides a framework for several underpinning action plans. V/Line has a *Biodiversity Uplift Action Plan*, a *Sustainability Uplift Action Plan* and a *Pollution and Contamination Action Plan*.

Reporting boundary for environmental data

The organisational boundary for environmental data includes electricity and water consumed at administrative offices, stations, signals, depots and stabling yards, together with waste generated from these sites. It also includes fuels from rolling stock, vehicle fleet and V/Line's maintenance contractor. Corporate air travel and electricity generated from rooftop solar is also included.

Due to improvements in environmental reporting systems in 2024-25, reporting on emissions from freight trains using the V/Line rail network, coach services and waste removed from trains is now within the reporting boundary.

Greenhouse gas emissions

V/Line reports its greenhouse gas emissions broken down into emission scopes, consistent with national and international reporting standards:

- **Scope 1** emissions originate from sources V/Line owns or controls, such as burning fossil fuels in trains, vehicles, plant and machinery.
- **Scope 2** emissions are indirect emissions from the use of electricity from the grid, which still uses coal and gas-fired power generation.
- **Scope 3** emissions are indirect emissions from sources V/Line does not control but does influence. Due to improvements in environmental reporting systems in 2024-25, V/Line will now be reporting on Scope 3 emissions from corporate air travel, waste disposal, freight, coach services and emissions from the purchase of ballast, concrete and timber sleepers.

The consumption of diesel fuel in rolling stock accounts for more than 90 per cent of V/Line's Scope 1 and 2 emissions. V/Line continues to investigate opportunities for emissions reduction for rolling stock, including both engineering solutions and more sustainable fuel options.

V/Line's Scope 1 emissions increased by 10 per cent in 2023-24 and 2024-25 as we run more trains and services to help meet increased passenger demand. This is a result of a nine per cent increase in diesel fuel consumption in V/Line's rolling stock in 2023-24 and a 10 per cent increase in 2024-25.

V/Line's Scope 2 greenhouse gas emissions decreased by 12 per cent in 2023-24 and then increased by 18 per cent in 2024-25. Electricity data is collected through energy retailer billing information. Data for 2024-25 is based on the most current data available for the period.

Indicator ^(a)	2024-25	2023-24	2022-23
Total Scope 1 greenhouse gas emissions (Tonnes CO ₂ -e)	151,835	138,420	125,706
Total Scope 2 greenhouse gas emissions (Tonnes CO ₂ -e)	12,315	10,414	11,839
Total Scope 3 greenhouse gas emissions (Tonnes CO ₂ -e)	38,025	34,283	42,133

(a) Emissions data is based on the most current data available at the time of reporting and is subsequently updated as required. Scope 3 emissions data is updated to reflect the inclusion of additional data streams as they become available.

V/Line's Scope 3 emissions decreased by 19 per cent in 2023-24 and then increased by 11 per cent in 2024-25. Much of the reduction in 2023-24 can be attributed to significantly less concrete sleepers purchased compared to 2022-23.

Indicator ^(a)	2024-25	2023-24	2022-23
Total Scope 3 greenhouse gas emissions (Tonnes CO ₂ -e)	38,025	34,283	42,133
Commercial air travel	46	12	96
Waste disposal	931	546	691
Freight trains	15,572	14,927	12,343
Coach services	11,382	11,391	11,286
Ballast	1,790	396	819
Concrete sleepers	7,749	6,690	16,449
Timber sleepers	555	321	449

(a) Emissions data is based on the most current data available at the time of reporting and is subsequently updated as required.

Electricity production and consumption

V/Line consumes electricity at a range of sites across the network, including offices, stations, maintenance facilities, infrastructure yards, and signaling and signage sites. Electricity is used for internal and external lighting, heating, air conditioning as well as office and plant equipment.

Electricity data represented below is collected through energy retailer billing information.

In 2024-25, V/Line installed rooftop solar systems at South Geelong and Marshall

stations. V/Line has rooftop solar systems installed at 11 other sites across the network.

Onsite electricity generation increased by 431 per cent in 2023-24 and 46 per cent in 2024-25. The increase in 2023-24 was a result of improved data collection from V/Line sites with rooftop solar systems.

In 2022-23, V/Line exported 22 MWh from rooftop solar systems to the national electricity grid. This increased to 31 MWh in 2023-24 and 50 MWh in 2024-25.

In 2022-23, V/Line purchased 107 MWh of green power as part of the State Government Energy Contract. This increased to 142 MWh in 2023-24 and decreased to 122 MWh in 2024-25.

Indicator ^(a)	2024-25	2023-24	2022-23
Total electricity consumption (MWh)	19,178	16,301	15,401
Purchased electricity – consolidated	18,800	16,040	15,368
Self-generated (MWh)	378	261	33
On-site electricity generated (MWh)	428	292	55
Solar PV	428	292	55
Consumption behind-the-meter	378	261	33
Exports	50	31	22
On-site installed generation capacity (MW)	0.24	0.19	0.04
Solar PV	0.24	0.19	0.04
Total electricity offsets (MWh)	122	142	107
Greenpower	122	142	107

(a) Energy data is based on the most current data available at the time of reporting and is subsequently updated as required.

Stationary fuel use

Sources of emissions from stationary fuels include natural gas, LPG and diesel sourced from V/Line's Maintenance Contractor.

Stationary fuel use increased by 387 per cent in 2023-24 and increased by 41 per cent in 2024-25. In 2022-23, only five roof heaters at the West Melbourne Depot were in use. This increased to 14 in 2023-24.

Indicator ^(a)	2024-25	2023-24	2022-23
Total fuels used in buildings and machinery (MJ)	3,170,449	2,248,829	461,960
Natural Gas	2,674,000	1,646,790	71,100
LPG	7,455	8,815	6,095
Diesel	488,994	593,224	384,765
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO₂-e)	173	127	31

(a) Energy data is based on the most current data available at the time of reporting and is subsequently updated as required.

Transportation

V/Line's fleet comprises 701 vehicles essential to operating the regional rail network.

V/Line encourages its people to use public transport and minimise road travel.

V/Line's vehicle fleet includes passenger vehicles, light commercial, heavy commercial and excavation equipment, which is required to operate the state-wide rail network.

Approximately 14.2 per cent of these vehicles are passenger vehicles, 42.3 per cent are light commercial vehicles, 11.4 per cent are heavy commercial vehicles, 4.8 per cent is excavation equipment and 0.5 per cent is material handling equipment. Of these vehicles, approximately 90 per cent are diesel fueled. V/Line's rolling stock is also powered by diesel fuel.

	2024-25	%	2023-24	%	2022-23	%
Number and proportion of vehicles	701	100.00	648	100.00	607	100.00
Road vehicles	515	73.47	470	72.53	428	70.51
Passenger vehicles	100	14.27	75	11.57	75	12.36
Diesel	27	3.85	67	10.34	73	12.03
Petrol	71	10.13	7	1.08	2	0.33
Electric	2	0.29	1	0.15	0	0.00
Light commercial	297	42.37	283	43.67	237	39.04
Diesel	297	42.37	283	43.67	237	39.04
Heavy commercial	80	11.41	80	12.35	80	13.18
Diesel	80	11.41	80	12.35	80	13.18
Excavation	34	4.85	29	4.48	30	4.94
Diesel	34	4.85	29	4.48	30	4.94
Material handling	4	0.57	3	0.46	6	0.99
Diesel	4	0.57	3	0.46	6	0.99
Non-road vehicles	186	26.53	178	27.47	179	29.49
Rolling stock	186	26.53	178	27.47	179	29.49
Diesel	186	26.53	178	27.47	179	29.49

(a) Fuel data is based on the most current data available at the time of reporting and is subsequently updated as required.

Total energy used in transportation increased by 10 per cent in 2023-24 and increased by approximately 10 per cent in 2024-25.

Total distance travelled by commercial air decreased significantly in 2023-24. There were 135 trips in 2022-23 compared to 52 in 2023-24. Total distance travelled by commercial air decreased from 272,024 passenger kilometres in 2022-23, to 66,780 passenger kilometres in 2023-24. Total distance travelled by commercial air travel increased to 128,080 passenger kilometres in 2024-25.

Indicator ^(a)	2024-25	2023-24	2022-23
Total energy used in transportation (MJ)	2,154,084,730	1,964,165,561	1,784,946,969
Road vehicles	72,803,730	75,943,383	61,583,692
Petrol	2,421,702	1,446,657	954,865
Diesel	70,382,028	74,496,726	60,628,827
Non-road vehicles	2,081,281,000	1,888,222,178	1,723,363,276
Diesel	2,081,281,000	1,888,222,178	1,723,363,276
Greenhouse gas emissions from vehicle fleet (Tonnes CO₂-e)	151,662	138,293	125,675
Road vehicles	5,119	5,343	4,333
Petrol	163	98	65
Diesel	4,956	5,245	4,269
Non-road vehicles	146,543	132,950	121,342
Diesel	146,543	132,950	121,342
Total distance travelled by commercial air travel (Passenger kilometres)	128,080	66,780	272,024

(a) Transport energy data is based on the most current data available at the time of reporting and is subsequently updated.

Total energy use

Total energy use from fuels increased by 10 per cent in 2024-25. This increase was largely driven by increases in total energy usage from fuels in transportation.

V/Line's use of renewable energy increased by 16 per cent in 2023-24. Use of renewable energy increased again in 2024-25 by 14 per cent. This energy is produced at 13 sites across the network, which have rooftop solar systems.

Indicator ^(a)	2024-25	2023-24	2022-23
Total energy usage from fuels (stationary and transportation) (MJ)	2,157,255,178	1,966,414,390	1,785,408,928
Total energy used from electricity (MJ)	69,039,918	58,796,680	55,443,661
Total energy used segmented into renewable and non-renewable sources (MJ)	2,226,295,097	2,025,211,069	1,840,852,590
Renewable	14,306,647	12,511,608	10,816,525
Non-renewable	2,211,988,450	2,012,699,461	1,830,036,064
Units of energy used normalised by FTE	742,222	717,397	701,812

(a) Energy data is based on the most current data available at the time of reporting and is subsequently updated as required.

Sustainable buildings and infrastructure

V/Line understands sustainable buildings are an economic and environmental necessity. In 2023, V/Line established its *Environmental and Sustainability Standards for Stations*. These standards ensure the construction of all new stations and the retrofit of old stations, take advantage of relevant environmental best practice where possible. V/Line is developing further environmental standards for other building types.

V/Line follows the *Victorian Government Office Accommodation Guidelines 2007* when securing new leases to preference higher-rated office buildings.

The Guidelines were established to ensure the office environment is consistent with the State Government's expectations of

delivering quality, value for money and sustainability. The Guidelines reflect the changing needs of office workers and the increased urgency to reduce greenhouse gas emissions and conserve water. V/Line uses these Guidelines when planning, leasing and managing office accommodation.

Environmentally sustainable design in new buildings and infrastructure

V/Line's 452 Flinders Street office has received a NABERS energy rating of 5. A NABERS energy rating is a 1 to 6 star system that measures the energy efficiency of Australian buildings and tenancies, with more stars indicating higher energy efficiency and lower greenhouse gas emissions.

Name of building	Building type	Rating scheme	Rating
452 Flinders Street	General Office Building	NABERS – Energy	5

Sustainable procurement

V/Line is committed to achieving positive environmental outcomes through sustainable procurement practices, which achieve value for money while minimising impact to the environment. V/Line considers sustainable procurement objectives through the implementation of the Victorian Government's Social Procurement Framework.

Water consumption

Water is consumed at V/Line for many purposes, including maintenance works,

the washing of trains, amenities, train watering and cleaning. Mains supply is the most heavily used water source at V/Line.

Across all sites, regular checks to fix leaking taps and replace washers to reduce water waste are undertaken. V/Line head offices include waterless urinals and V/Line installs water efficient appliances where practical in its facilities.

Water use at V/Line sites increased by five per cent in 2023-24 and a further three per cent in 2024-25. V/Line obtains water data from billing information received from 11 water companies.

Indicator ^(a)	2024-25	2023-24	2022-23
Total water consumption by V/Line (kilolitres)	58,449	56,718	53,975
Units of metered water consumed normalised by FTE	19	20	20

(a) Water consumption data is based on the most current data available at the time of reporting and is subsequently updated as required.

Waste and recycling

V/Line produces a variety of waste types, ranging from station and office waste to used sleepers, ballast, soil and train parts. This waste is collected by V/Line's waste contractors, who provide data for all V/Line sites.

Waste management and recycling are key priorities for V/Line. Focus areas include efforts to maximise recycling, minimise waste to landfill and eliminate single-use plastics.

The data outlined below includes only waste produced by V/Line staff and activities, as well as passenger waste disposed at stations. Data does not include construction waste, such as sleepers and spoil.

Due to improvements in environmental reporting systems in 2024-25, V/Line will now also report on waste removed from trains.

Waste disposed to landfill decreased by 21 per cent in 2023-24 and increased by 70 per cent in 2024-25 due to maturing management of waste.

Commingled recycling increased by 29 per cent in 2023-24 and decreased by five per cent in 2024-25.

Paper and cardboard recycling decreased by five per cent in 2023-24 and increased by one per cent in 2024-25. Other recovered materials decreased by 35 per cent in 2023-24 and then increased by 15 per cent in 2024-25.

E-waste bins are located at V/Line's West Melbourne, Shepparton, North Geelong, Lara, Ballarat central and Bendigo depots and Kilmore Station. These e-waste bins are managed by V/Line's principal waste contractor. E-waste is also collected across the business and sent to 452 Flinders Street, where it's stored in a central location. It is then periodically shipped to V/Line's e-waste contractor for recycling or resale.

Printer cartridge recycling is undertaken by V/Line's printer supplier.

Indicator ^(a)	2024-25	%	2023-24	%	2022-23	%
Total units of waste disposed (kg and %)	764,113	100	467,012	100	583,728	100
Landfill (disposal)	715,860	93.69	420,380	90.01	531,620	91.07
Commingled recycling	15,592	2.04	16,459	3.52	12,776	2.19
Paper and cardboard	15,007	1.96	14,871	3.19	15,689	2.69
Other recovered materials	17,654	2.31	15,302	3.28	23,643	4.05
Total units of waste disposed of normalised by FTE (kg/FTE)	254.76	–	165.43	–	222.53	–
Recycling Rate (%)	6.31	–	9.98	–	8.93	–
Greenhouse gas emissions associated with waste disposal (Tonnes CO₂-e)	930.61	–	546.49	–	691.10	–
Landfill	930.61	–	546.49	–	691.10	–

(a) Waste data is based on the most current data available at the time of reporting and is subsequently updated as required.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by V/Line and are available on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- (b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- (c) details of publications produced by V/Line about itself, and how these can be obtained
- (d) details of changes in prices, fees, charges, rates and levies charged by V/Line
- (e) details of any major external reviews carried out on V/Line
- (f) details of major research and development activities undertaken by V/Line
- (g) details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- (h) details of major promotional, public relations and marketing activities undertaken by V/Line to develop community awareness of V/Line and its services
- (i) details of assessments and measures undertaken to improve the occupational health and safety of employees

- (j) a general statement on industrial relations within V/Line and details of time lost through industrial accidents and disputes
- (k) a list of major committees sponsored by V/Line, the purposes of each committee and the extent to which the purposes have been achieved
- (l) details of all consultancies and contractors including:
 - i. consultants/contractors engaged
 - ii. services provided
 - iii. expenditure committed to for each engagement.

The information is available on request from:

*Freedom of Information Officer
V/Line Corporation
GPO Box 5343
Melbourne VIC 3001
Email foi@vline.com.au*

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

V/Line Corporation Financial Management Compliance Attestation Statement

I, William Tieppo, certify that V/Line Corporation has complied with the applicable Standing Directions under the *Financial Management Act 1994* and Instructions except for the following Material Compliance Deficiency.

Direction 4.2.4 Public Construction Accountability

– instances of V/Line's procurement processes being inconsistent with requirements of the Ministerial Directions for Public Construction Procurement.

In order to address this deficiency, V/Line is undertaking a transformation program to reform the relevant procurement processes and address the non-compliances.



William Tieppo
Chief Executive Officer



Financial Statements

V/Line Corporation

– Financial Statements

V/Line Corporation has presented its audited general-purpose financial statements for the financial year ended 30 June 2025 in the following structure to provide users with the information about V/Line’s stewardship of the resources entrusted to it.

Financial statements

Comprehensive operating statement	80
Balance sheet	81
Cash flow statement	82
Statement of changes in equity	83

Notes to the financial statements

1.	About this report	84
	The basis on which the financial statements have been prepared and compliance with reporting regulations	
2.	Funding delivery of our services	86
	Revenue recognised to fulfil V/Line functions and provide outputs	
2.1	Summary of revenue and income that funds the delivery of services	86
2.2	Ticket sales/farebox	87
2.3	Contributions from Government	87
2.4	Project revenue	88
3.	The cost of delivering our services	89
	Operating expenses of V/Line	
3.1	Expenses incurred in delivery of services (excluding Depreciation/Amortisation)	89
3.2	Operating costs	90
3.3	Employee benefits	91
3.3.1	Employee benefits in the Comprehensive operating statement	91
3.3.2	Employee benefits in the Balance sheet	91
3.4	Superannuation contributions	93
3.5	Administrative expenses	94
3.6	Project expenses and infrastructure renewals	94
3.7	Other economic flows included in net result	95
3.8	Income tax expense	95
4.	Key assets available to support output delivery	96
	Property, plant, equipment and intangible assets utilised in fulfilling V/Line's functions and conducting its activities	
4.1	Property, plant and equipment	97
4.2	Depreciation/Amortisation and impairment	102
4.3	Intangible assets	103

5.	Other assets and liabilities	104
	Other key assets and liabilities	
5.1	Receivables	104
5.2	Contract assets	106
5.3	Payables	107
5.4	Inventories	108
5.5	Other non-financial assets	109
5.6	Other financial assets	109
5.7	Other financial liabilities	109
6.	Financing our operations	110
	Sources of finance utilised by V/Line for its operations	
6.1	Cash flow information and balances	110
6.2	Lease liabilities	111
6.3	Commitments for expenditure	114
7.	Risks, contingencies and valuation judgements	115
	Financial risk management, contingent assets and liabilities and fair value determination	
7.1	Financial instruments	115
7.2	Contingent assets and contingent liabilities	124
7.3	Fair value determination	125
8.	Other disclosures	130
8.1	Going concern	130
8.2	Responsible persons	131
8.3	Remuneration of executives	131
8.4	Related parties	132
8.5	Remuneration of auditors	134
8.6	Subsequent events	134
8.7	Australian Accounting Standards issued that are not yet effective	134

Declaration in the financial statements

The attached financial statements for V/Line Corporation have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2025 and financial position of the entity at 30 June 2025.

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 28 August 2025.



William Tieppo
Chief Executive Officer



Amy Montalti
Chief Financial Officer

Independent Auditor's Report



Independent Auditor's Report

To the Chief Executive Officer of V/Line Corporation

Opinion	<p>I have audited the financial report of V/Line Corporation (the authority) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2025 • 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. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Chief Executive Officer's responsibilities for the financial report	<p>The Chief Executive Officer of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Chief Executive Officer 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.</p>

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 Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer 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 Chief Executive Officer 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.

MELBOURNE
29 August 2025



Paul Martin
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Continuing Operations			
Revenue and income from transactions	2.1	1,320,842	1,359,547
Expenses from transactions			
Operating costs	3.2	414,842	445,425
Employee benefit expenses	3.3.1	475,272	404,120
Administrative expenses	3.5	46,940	42,699
Project expenses and infrastructure renewals	3.6	335,502	398,254
Depreciation/Amortisation	4.2	32,398	35,385
Interest expense	6.2	2,589	2,096
Total expenses from transactions		1,307,543	1,327,979
Net result from transactions (net operating balance)		13,299	31,568
Other economic flows included in net result			
Net loss on non-financial assets ^(a)	3.7 (a)	(10,295)	(4,958)
Net (loss)/gain on financial instruments ^(b)	3.7 (b)	(3,729)	4,263
Other (loss)/gain from other economic flows	3.7 (c)	(708)	1,320
Total other economic flows included in net result		(14,732)	625
Net result from continuing operations before income tax		(1,433)	32,193
Income tax expense	3.8	–	(2)
Net result for the period after income tax		(1,433)	32,191
Other economic flows – other comprehensive income:			
Items that may be reclassified subsequently to net result			
(Loss)/gain from changes in fair value of hedge instruments in cash flow hedge reserve		(2,770)	3,586
Total other economic flows – other comprehensive income		(2,770)	3,586
Comprehensive result		(4,203)	35,777

The accompanying notes form part of these financial statements.

(a) 'Net loss on non-financial assets' includes unrealised and realised losses from writedown and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(b) 'Net gain on financial instruments' includes bad and doubtful debts from other economic flows and gains/(losses) on maturity of hedge derivatives.

Balance sheet

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	32,533	44,546
Receivables	5.1	43,103	29,224
Contract assets	5.2	58,864	51,445
Other financial assets	5.6	–	519
Total financial assets		134,500	125,734
Non-financial assets			
Inventories	5.4	48,805	49,508
Property, plant and equipment	4.1	189,795	192,322
Intangible assets	4.3	7,008	3,104
Other non-financial assets	5.5	17,836	5,581
Total non-financial assets		263,444	250,515
Total assets		397,944	376,249
Liabilities			
Payables	5.3	110,200	108,483
Employee-related provisions	3.3.2	130,138	122,263
Other financial liabilities	5.7	2,251	–
Lease liabilities	6.2	72,591	58,536
Total liabilities		315,180	289,282
Net assets		82,764	86,967
Equity			
Accumulated surplus/(deficit)		17,127	(19,829)
Physical asset revaluation surplus		67,888	106,277
Cash flow hedge reserve		(2,251)	519
Net worth		82,764	86,967
Commitments for expenditure	6.3		
Contingent assets and contingent liabilities	7.2		

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2025

	Notes	2025	2024
		\$'000	\$'000
Cash flows from operating activities			
Receipts			
Receipts from Government		1,266,444	1,404,326
Receipts from tickets sales and other entities		100,627	90,727
Interest received		4,365	4,303
Total receipts		1,371,436	1,499,356
Payments			
Payments to suppliers and employees		(1,306,727)	(1,383,912)
Goods and Services Tax (GST) paid to the ATO ^(a)		(47,089)	(43,427)
Income taxes paid		–	(1,873)
Interest paid on lease liabilities		(2,589)	(2,096)
Total payments		(1,356,405)	(1,431,308)
Net cash flows from operating activities	6.1.1	15,031	68,048
Cash flows from investing activities			
Purchases of non-financial assets		(12,372)	(48,826)
Net cash flows used in investing activities		(12,372)	(48,826)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities ^(b)		(14,672)	(13,725)
Net cash flows used in financing activities		(14,672)	(13,725)
Net (decrease)/increase in cash and cash equivalents		(12,013)	5,497
Cash and cash equivalents at the beginning of the financial year		44,546	39,049
Cash and cash equivalents at the end of the financial year	6.1	32,533	44,546

The accompanying notes form part of these financial statements.

(a) GST paid to the Australian Taxation Office (ATO) is presented on a net basis.

(b) V/Line has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities, consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Statement of changes in equity

For the financial year ended 30 June 2025

	Physical Asset Revaluation Surplus ^(a)	Cash Flow Hedge Reserve	Accumulated Surplus/ (Deficit)	Total Equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	116,769	(3,067)	(62,512)	51,190
Net result for the year	–	–	32,191	32,191
Other comprehensive income for the year	–	3,586	–	3,586
Transfer from physical asset revaluation surplus to accumulated deficit	(10,492)	–	10,492	–
Balance at 30 June 2024	106,277	519	(19,829)	86,967
Net result for the year	–	–	(1,433)	(1,433)
Other comprehensive income for the year	–	(2,770)	–	(2,770)
Transfer from physical asset revaluation surplus to accumulated deficit	(38,389)	–	38,389	–
Balance at 30 June 2025	67,888	(2,251)	17,127	82,764

The accompanying notes form part of these financial statements.

(a) The physical asset revaluation surplus arose from the revaluation of the classic fleet rolling stock. Transfer to accumulated surplus/(deficit) relates to rolling stock disposed during the reporting period.

1. About this report

These annual financial statements represent the audited general-purpose financial statements for V/Line Corporation (V/Line) for the year ended 30 June 2025.

V/Line was established as a statutory corporation in 2003 and continues under the *Transport Integration Act 2010*. On 14 October 2008, V/Line was declared a State business corporation pursuant to the *State Owned Enterprises Act 1992*. Subsequently, on 1 July 2021, V/Line ceased to be a State business corporation under the *State Owned Enterprises Act 1992* and pursuant to a transport restructuring order under the *Transport Integration Act 2010*, the Chief Executive Officer became the sole member of V/Line. V/Line reports under the *Financial Management Act 1994* (FMA) as a statutory authority. Its principal address is:

Level 6, 452 Flinders Street
Melbourne 3000

The functions of V/Line under the *Transport Integration Act 2010* are to:

- operate rail passenger services
- operate services ancillary or incidental to its rail passenger services, including any other transport services
- operate and maintain rail infrastructure and related infrastructure, including for communications, to support rail passenger and rail freight services
- manage access to the rail network operated by V/Line
- independently perform a function to meet requirements as set by the Head, Transport for Victoria (HTfV)
- develop and deliver projects, including by acquiring rolling stock, constructing rail infrastructure, roads or road-related infrastructure, or providing assistance

to the Secretary to the Department of Transport and Planning (DTP) or any other relevant body in making improvements to the transport system

- provide advice to the HTfV to assist in operational policy development in relation to public transport system matters as requested by the HTfV
- develop and implement effective environmental policies, strategies, and management systems under the Secretary to the DTP's planning framework to support a sustainable transport system, including minimising any adverse environmental impacts from rail passenger and rail freight services
- provide, or arrange for the provision and dissemination of, information to Victorians about its rail passenger and rail freight services
- report on the activities of any other person carrying out the above objectives on behalf of V/Line.

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.

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 relate to:

- the fair value of plant and equipment, leasehold improvements and rolling stock, including the applicable depreciation rates used (refer Note 7.3)
- the fair value of financial instruments (refer Note 7.3)
- assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Notes 3.3.1 and 3.3.2)

All amounts in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated.

Compliance information

These general-purpose financial statements have been prepared in accordance with the FMA and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB). V/Line is a significant entity as defined under FRD 101 *Application of Tiers of Australian Accounting Standards* and accordingly these financial statements comply with the full recognition, measurement and disclosure requirements of all AASs. In particular, these financial statements are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Consistent with the requirements of FRD 108 *Classification of entities as for-profit*, V/Line qualifies as a not-for-profit entity. Accordingly, V/Line applies the additional Aus paragraphs applicable to not-for-profit entities under the Australian Accounting Standards.

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

To enable V/Line to fulfil its functions and provide outputs, it receives revenue and income from various sources.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Ticket sales/farebox
- 2.3 Contributions from Government
- 2.4 Project revenue

	Notes	2025	2024
		\$'000	\$'000
2.1 Summary of revenue and income that funds the delivery of our services			
Ticket sales/farebox	2.2	69,192	58,439
Inter-operator revenue		2,095	1,557
Contributions from Government	2.3	896,361	895,666
Project revenue	2.4	335,444	387,950
Access revenue		7,413	7,399
Interest		4,365	4,303
Other income		5,972	4,233
Total revenue and income from transactions		1,320,842	1,359,547

The revenue and income that funds delivery of V/Line's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2025 2024

\$'000 \$'000

2.2 Ticket sales/farebox

myki ticketing system	53,733	45,281
V/Net ticketing system	15,459	13,158
Total ticket sales/farebox	69,192	58,439

The proceeds from train passenger services provided is recognised as ticket sales/farebox revenue. In accordance with AASB 15 *Revenue from Contracts with Customers*, revenue is recognised at a point in time when V/Line satisfies its performance obligations of providing rail passenger services to the customer. V/Line receives farebox revenue from both the myki and V/Net ticketing systems. Receipt of myki revenues typically occur after the performance obligations have been satisfied and are subject to the allocation methodologies of the NTS Revenue Sharing Agreement with the DTP, Metro Trains Melbourne Pty Ltd and Yarra Journey Makers Pty Ltd. V/Net is V/Line's ticketing system for non-myki areas and this revenue is received directly.

2.3 Contributions from Government

Services payment	896,361	895,666
Total contributions from Government	896,361	895,666

HTfV makes services payments to V/Line under a Service Level Agreement, which is considered enforceable and includes sufficiently specific performance obligations. Under the agreement, V/Line is obliged to provide regional passenger rail services, freight access services, rolling stock maintenance services, project delivery services and maintenance and operation of railway infrastructure, with specific targets for key performance indicators.

The services payments are accounted for as revenue in accordance with AASB 15 *Revenue from Contracts with Customers*, and are recognised as revenue at a point in time when the promised goods and/or services are transferred and the performance obligations are satisfied.

2025 2024

\$'000 \$'000

2.4 Project revenue

Government	327,825	377,754
Other entities	7,619	10,196
Total project revenue	335,444	387,950

Project revenue mainly reflects reimbursement payments received under the Payments, Projects and Infrastructure Modules of the Service Level Agreement with HTfV based on an expense recovery model (i.e. to recover direct project costs with no added margin). This agreement is considered enforceable and contains sufficiently specific performance obligations with respect to project delivery services. Accordingly, payments received under this agreement are accounted for as revenue in accordance with AASB 15 *Revenue from Contracts with Customers* and are recognised as revenue over time when the performance obligations under the project contract are satisfied. V/Line uses the input method to measure progress based on the costs incurred and revenue is recognised once performance obligations under the Service Level Agreement are met. The related project and infrastructure renewal expenditure is detailed under Note 3.6.

Under this agreement, V/Line undertakes various major public transport infrastructure projects on infrastructure assets owned by other government entities. These projects include the annual works program, level crossing upgrades, track and bridge replacements and renewals, new stations and platforms, sleeper renewals, signalling upgrades and track extensions.

3. The cost of delivering our services

Introduction

This section provides an account of the expenses incurred by V/Line in delivering services and outputs.

In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with the provision of services are recorded.

Structure

- 3.1 Expenses incurred in delivery of services (excluding Depreciation/Amortisation)
- 3.2 Operating costs
- 3.3 Employee benefits
- 3.4 Superannuation contributions
- 3.5 Administrative expenses
- 3.6 Project expenses and infrastructure renewals
- 3.7 Other economic flows included in net result
- 3.8 Income tax expense

	Notes	2025	2024
		\$'000	\$'000
3.1 Expenses incurred in delivery of services (excluding Depreciation/Amortisation)			
Operating costs	3.2	414,842	445,425
Employee benefit expenses	3.3.1	475,272	404,120
Operational expenses		890,114	849,545
Administrative expenses	3.5	46,940	42,699
Project expenses and infrastructure renewals	3.6	335,502	398,254
Total expenses incurred in delivery of services		1,272,556	1,290,498

Expenses from transactions are recognised as they are incurred and reported in the financial year to which they relate.

2025 2024

\$'000 \$'000

3.2 Operating costs

Fleet maintenance	142,059	175,713
Fuel costs	52,153	57,260
Access charges	22,048	19,508
Branded coach contract costs	46,586	44,922
Road coach services	24,532	29,864
Repairs and maintenance	48,170	47,648
Motor vehicle expenses	5,713	5,739
Customer services	3,636	3,708
Other direct costs	69,945	61,063
Total operating costs (excluding employee benefits)	414,842	445,425

These expenses represent the day to day running costs incurred in normal operations.

Operating costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for repairs and maintenance are expensed when used.

Fleet maintenance costs represent the cost of reactive and preventive maintenance on the rolling stock fleet. Branded coach contract costs are costs related to the provision of timetabled passenger coach services. Road coach services costs relate to the provision of replacement coach services in the event of planned and unplanned disruption to passenger rail services. Repairs and maintenance costs relate to infrastructure maintenance costs on the passenger and freight rail network that V/Line manages. Other direct costs consist of cleaning costs for fleet and station premises, and fleet operational communications costs.

V/Line hedges the commodity price risk relating to its fuel costs via cash flow hedges (refer to Note 7.1).

	2025	2024
	\$'000	\$'000
3.3 Employee Benefits		
3.3.1 Employee benefit expenses in the comprehensive operating statement		
Salaries and wages	322,124	271,336
Superannuation	51,418	43,263
Annual leave and long service leave expense	58,994	52,500
Other on-costs (payroll tax and WorkCover levy)	42,736	37,021
Total employee benefit expenses	475,272	404,120

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

3.3.2 Employee benefits in the Balance sheet

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.

Current provisions:

Annual leave

Unconditional and expected to settle within 12 months	31,523	29,887
Unconditional and expected to settle after 12 months	8,407	7,880
	39,930	37,767

LSL

Unconditional and expected to settle within 12 months	4,959	4,472
Unconditional and expected to settle after 12 months	48,830	44,860
	53,789	49,332

Other leave

Unconditional and expected to settle within 12 months	3,680	3,517
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Other employee-related provisions

– 1,089

Provisions for on-costs

Unconditional and expected to settle within 12 months	8,054	7,630
Unconditional and expected to settle after 12 months	9,209	8,549
	17,263	16,179

Total current provisions for employee benefits	114,662	107,884
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2025 2024

	\$'000	\$'000
Non-current provisions:		
Employee benefits – Long service leave	13,421	12,458
On-costs	2,055	1,921
Total non-current provisions for employee benefits	15,476	14,379

Total provisions for employee benefits	130,138	122,263
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Reconciliation of movement in provisions	Employee Benefits	On-costs	Total
	\$'000	\$'000	\$'000
2025			
Opening Balance	104,163	18,100	122,263
Net additional provisions recognised and reductions arising from payments/other sacrifices of future economic benefits	6,053	1,114	7,167
Unwind of discount and effect of changes in the discount rate	604	104	708
Closing Balance	110,820	19,318	130,138

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and other short-term employee benefits, are recognised as part of the employee benefit provision as current liabilities, because V/Line does not have an unconditional right to defer the settlement of these liabilities.

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at reporting date. As V/Line 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 V/Line 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 it is non-vesting. As such, an expense is recognised in the comprehensive operating statement as it is taken.

(ii) Long service leave

A liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed as a current liability even where V/Line 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 are measured at either:

- undiscounted value – if V/Line expects to wholly settle within 12 months
- present value – if V/Line does not expect to wholly settle within 12 months.

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

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

(iii) Employee benefits on-costs

Provisions for on-costs, comprising 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.

Superannuation on-costs associated with the annual leave provision has been applied to 93% of the employee benefit provisions before on-costs. The remaining 7% of the provision does not attract superannuation payment obligations due to estimated terminations.

3.4 Superannuation contributions

Employees are entitled to receive superannuation benefits and V/Line contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution plans that are paid or payable during the reporting period.

V/Line does not recognise any defined benefit liability in respect of the plan because it has no legal or constructive obligation to pay future benefits relating to its employees. Its only obligation is to pay superannuation contributions as they fall due. 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).

Fund	Paid contribution for the year		Contributions outstanding at year end	
	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000
Defined benefit plans ^(a)				
Emergency Services and State Super	5,456	6,663	204	514
Defined contribution plans				
Various funds	41,538	33,557	3,532	2,937
Total superannuation plans	46,994	40,220	3,736	3,451

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

	2025	2024
	\$'000	\$'000
3.5 Administrative expenses		
Administrative expenses are made up of the following expense categories:		
Information technology and communication	20,728	17,823
Insurance	2,994	2,866
Utilities	5,369	4,447
Other administration	14,940	14,907
Total administration	44,031	40,043
Selling	1,099	1,034
Marketing and communication	1,810	1,622
Total administrative expenses	46,940	42,699

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

3.6 Project expenses and infrastructure renewals		
Project expenses	150,363	212,531
Infrastructure renewals	185,139	185,723
Total project expenses and infrastructure renewals	335,502	398,254

V/Line undertakes various public transport projects on infrastructure assets owned by other government entities. These projects include level crossing upgrades, track and bridge replacements, new stations and platforms, signalling upgrades and track extensions. Project expenses are recognised as an expense in the period in which they are incurred.

Infrastructure renewals include expenditure on track and bridge renewals and sleeper renewals under the annual works program. Infrastructure renewals are recognised as an expense in the period in which they are incurred.

The project expenses and infrastructure renewals are recovered via reimbursement payments received under the Payments, Projects and Infrastructure Modules of the Service Level Agreement with HTfV based on an expense recovery model (refer to Note 2.4).

	2025	2024
	\$'000	\$'000
3.7 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.		
(a) Net loss on non-financial assets		
Loss on disposal and write-off of property, plant and equipment	(5,324)	(1,948)
Writedown of inventory	(4,971)	-
Writedown of property, plant and equipment	-	(3,010)
Total net loss on non-financial assets	(10,295)	(4,958)
(b) Net (loss)/gain on financial instruments		
Writeback of/(allowance for) impairment losses on contractual receivables	210	(35)
Bad debts written off	(21)	(61)
Net realised (loss)/gain on diesel hedge	(3,918)	4,330
Net realised gain on foreign currency hedge	-	29
Total net (loss)/gain on financial instruments	(3,729)	4,263
(c) Other (loss)/gain from other economic flows		
Net (loss)/gain arising from revaluation of LSL liability	(708)	1,320
Total other (loss)/gain from other economic flows	(708)	1,320
3.8 Income tax expense		
Tax under-provision in prior years	-	2

No provision for income tax on net profit has been recognised as a result of V/Line's withdrawal from the National Tax Equivalent Regime (NTER) with effect from 1 July 2023.

4. Key assets available to support output delivery

Introduction

V/Line controls physical assets that are utilised in fulfilling its functions and conducting its activities. They represent the resources that have been entrusted to V/Line to be utilised for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

- 4.1 Property, plant and equipment
- 4.2 Depreciation/Amortisation and impairment
- 4.3 Intangible assets

2025 **2024**

\$'000

\$'000

4.1 Property, plant and equipment

4.1.1 Carrying amounts

Rolling stock

At fair value	46,378	81,110
Accumulated depreciation	(18,152)	(34,471)
Net carrying amount	28,226	46,639

Rolling stock – capitalised improvements

At fair value	4,735	8,045
Accumulated depreciation	(3,300)	(4,762)
Net carrying amount	1,435	3,283

Plant and equipment ^(a)

At fair value	103,411	96,211
Accumulated depreciation	(50,680)	(44,727)
Net carrying amount	52,731	51,484

Leasehold improvements

At fair value	13,358	9,805
Accumulated depreciation	(5,836)	(4,980)
Net carrying amount	7,522	4,825

Buildings ^(a)

At fair value	73,220	56,849
Accumulated depreciation	(32,335)	(26,591)
Net carrying amount	40,885	30,258

Capital works-in-progress	58,996	55,833
----------------------------------	---------------	---------------

Total property, plant and equipment	189,795	192,322
--	----------------	----------------

(a) The carrying amounts include right-of-use assets.

Included in the above property, plant and equipment are the following right-of-use assets:

	2025	2024
	\$'000	\$'000
Plant and equipment		
At fair value	59,332	51,920
Accumulated depreciation	(33,696)	(29,344)
Net carrying amount	25,636	22,576
Buildings		
At fair value	73,220	56,849
Accumulated depreciation	(32,335)	(26,591)
Net carrying amount	40,885	30,258
Total right-of-use assets	66,521	52,834

All non-financial physical assets are measured initially at cost. Upon revaluation of the entire asset class, these assets are revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The cost of constructed assets includes the costs of all materials used in construction and direct labour costs of the project.

V/Line's non-financial physical assets are mostly specialised in nature. As a not-for-profit entity, V/Line's non-financial physical assets are held for continuing use of their service capacity and not primarily for their ability to generate net cash inflows. As a result, the fair value of non-financial physical assets has been determined by reference to the asset's current replacement cost, adjusting for the associated depreciation.

For plant and equipment and leasehold improvements, existing depreciated cost is generally a reasonable proxy for current replacement cost because of the short lives of the assets concerned.

Right-of-use assets represent V/Line's right to use an underlying asset obtained under a lease contract for the lease term.

Right-of-use assets are initially measured at cost, which consist of the initial amount of the related lease liability adjusted for any prepaid lease payments less any lease incentives received plus any initial direct costs incurred less an estimate of dismantling and removal costs. Subsequently, right-of-use assets are measured at current replacement cost less accumulated depreciation and impairment, and adjusted for any remeasurement of the related lease liability. The right-of-use assets are assessed for fair value annually.

Capital works-in-progress include rotatable parts which are major spare parts from which V/Line expects to derive economic benefits for more than one period upon installation onto its rolling stock. These rotatable parts are recognised at fair value when acquired and written off as an expense when installed.

There were no changes in valuation techniques throughout the period to 30 June 2025.

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

2025 2024

\$'000 \$'000

4.1.2 Reconciliation of movement in carrying amounts

Rolling stock at fair value

Carrying amount at beginning of year	46,639	66,001
Disposals	(7,954)	(1,791)
Writedown	–	(2,974)
Depreciation expense	(10,459)	(14,597)
Carrying amount at end of year	28,226	46,639

Rolling stock at cost – capitalised improvements

Carrying amount at beginning of year	3,283	5,071
Disposals	(615)	(66)
Writedown	–	(36)
Depreciation expense	(1,233)	(1,686)
Carrying amount at end of year	1,435	3,283

Plant and equipment

Carrying amount at beginning of year	51,484	51,416
Additions	12,848	5,363
Transfers from capital works-in-progress	12	5,171
Remeasurement of right-of-use assets	–	93
Disposals	(84)	(18)
Write off	(5)	(55)
Depreciation expense	(11,524)	(10,486)
Carrying amount at end of year	52,731	51,484

Leasehold improvements

Carrying amount at beginning of year	4,825	4,279
Additions	471	568
Transfers from capital works-in-progress	3,109	690
Write off	(21)	(19)
Depreciation expense	(862)	(693)
Carrying amount at end of year	7,522	4,825

Buildings

Carrying amount at beginning of year	30,258	35,289
Additions	278	–
Remeasurement of right-of-use assets	16,403	1,047
Depreciation expense	(6,054)	(6,078)
Carrying amount at end of year	40,885	30,258

2025 2024

	\$'000	\$'000
Capital works-in-progress		
Carrying amount at beginning of year	55,833	13,998
Additions	11,190	47,696
Transfers to property, plant and equipment	(3,121)	(5,861)
Transfers to intangible assets	(4,906)	–
Carrying amount at end of year	58,996	55,833
Total property, plant and equipment		
Carrying amount at beginning of year	192,322	176,054
Additions	24,787	53,627
Remeasurement of right-of-use assets	16,403	1,140
Disposals	(8,653)	(1,875)
Written off	(26)	(74)
Written down	–	(3,010)
Depreciation expense	(30,132)	(33,540)
Transfers to intangible assets	(4,906)	–
Carrying amount at end of year	189,795	192,322
Included in the movement of property, plant and equipment above is the following movement of right-of-use assets:		
Plant and equipment		
Carrying amount at beginning of year	22,576	26,090
Additions	12,136	4,801
Remeasurement of right-of-use assets	–	93
Disposals	(84)	(18)
Depreciation expense	(8,992)	(8,390)
Carrying amount at end of year	25,636	22,576
Buildings		
Carrying amount at beginning of year	30,258	35,289
Additions	278	–
Remeasurement of right-of-use assets	16,403	1,047
Depreciation expense	(6,054)	(6,078)
Carrying amount at end of year	40,885	30,258
Total right-of-use assets		
Carrying amount at beginning of year	52,834	61,379
Additions	12,414	4,801
Remeasurement of right-of-use assets	16,403	1,140
Disposals	(84)	(18)
Depreciation expense	(15,046)	(14,468)
Carrying amount at end of year	66,521	52,834

4.1.3 Rolling stock

The rolling stock fleet comprises diesel electric locomotives, carriages, diesel multiple units (known as Sprinters) and power vans, but excludes VLOCITY trains. The rolling stock, are measured at fair value in accordance with FRD 103 *Non-financial physical assets*. V/Line last undertook a scheduled revaluation of its rolling stock on 30 June 2020 in line with the five-year revaluation cycle based on the assets' Classification of the Functions of Government (COFOG) classification. An independent valuer, the Valuer General of Victoria (VGV) was used to conduct the scheduled revaluation. In between the scheduled revaluations, V/Line conducts roll-forward valuations for financial reporting purposes.

V/Line adopted current replacement cost as the valuation basis for the rolling stock rather than a market comparison or income approach, as the market for the rolling stock lacked sufficient depth due to the specialised nature of the assets and the small population and volume traded, and the rolling stock assets lack separately identifiable cash flows.

On 30 June 2024, V/Line revised the useful life estimates of its rolling stock as it assessed that the estimates used for depreciation under the current replacement cost model no longer reflected its rolling stock fleet retirement profile. Subsequent to this revision, management is of the view that the net carrying value of the rolling stock continues to be a reasonable approximation of the fair value of the fleet as it approached the end of its useful life. Consequently, V/Line did not conduct its next scheduled revaluation of the rolling stock assets on 30 June 2025 and will continue to state its rolling stock assets on this depreciated current replacement cost basis until the assets are fully written down.

In prior years, V/Line recognised refurbishment costs which allow the fleet to operate to its current useful life as capitalised improvements and which were then depreciated over the rolling stock's useful life. These costs are no longer capitalised as the rolling stock fleet was assessed as approaching the end of its useful life. All other maintenance examinations and minor work are treated as repairs and maintenance and expensed when incurred.

2025 2024

\$'000 \$'000

4.2 Depreciation/Amortisation and impairment**Charge for the period**

Rolling stock	10,459	14,597
Rolling stock – capitalised improvements	1,233	1,686
Plant and equipment ^(a)	11,524	10,486
Leasehold improvements	862	693
Buildings ^(a)	6,054	6,078
Intangible assets (amortisation)	2,266	1,845
Total depreciation and amortisation	32,398	35,385

(a) Includes depreciation charge on right-of-use assets.

Included in the above depreciation/amortisation charge is the following depreciation charge on right-of-use assets:

Plant and equipment	8,992	8,390
Buildings	6,054	6,078
Total depreciation on right-of-use assets	15,046	14,468

Depreciation/Amortisation

Rolling stock, plant and equipment, leasehold improvement, buildings and other non financial physical assets that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Right-of-use assets are depreciated over the lease term as V/Line does not obtain ownership of the underlying assets at the end of the lease term.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of property, plant and equipment

The estimated useful lives for the different asset classes for both current and prior years are set out below:

Rolling stock	2 to 12 years
Rolling stock – capitalised improvements	2 to 7 years
Plant and equipment (including right-of-use assets)	3 to 10 years
Leasehold improvements	3 to 13 years
Buildings (including right-of-use assets)	3 to 15 years

Impairment

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 does not apply to such assets that are regularly revalued.

	2025			2024		
4.3 Intangible assets	Computer Software	Safeguard Mechanism Credits	Total	Computer Software	Safeguard Mechanism Credits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross carrying amount						
Opening balance	27,045	–	27,045	27,045	–	27,045
Additions	–	1,264	1,264	–	–	–
Transfer from property, plant and equipment	4,906	–	4,906	–	–	–
Closing balance	31,951	1,264	33,215	27,045	–	27,045
Accumulated amortisation						
Opening balance	(23,941)	–	(23,941)	(22,096)	–	(22,096)
Amortisation of intangible assets	(2,266)	–	(2,266)	(1,845)	–	(1,845)
Closing balance	(26,207)	–	(26,207)	(23,941)	–	(23,941)
Net book value at end of financial year	5,744	1,264	7,008	3,104	–	3,104

Computer software are intangible assets with finite useful lives and are initially recognised at cost. Subsequently these intangible assets are carried at cost less accumulated amortisation and accumulated impairment. Computer software are amortised over three to five years. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Safeguard Mechanism Credit (SMC) intangible assets are carbon credits received from the Clean Energy Regulator under the National Greenhouse and Energy Reporting scheme and can be utilised to

offset V/Line's future carbon emissions over its baseline under the scheme. These SMC intangible assets have no expiry date and are initially recognised at fair value. Subsequent to initial recognition, as these intangible assets have an indefinite useful life, they are not amortised. As per FRD 109 *Intangible Assets*, SMC intangible assets are not revalued to their fair value.

Intangible assets are assessed annually for indications of impairment and whenever there is an indication that the assets may be impaired, by comparing the asset's carrying amount with its recoverable amount. Where impaired, the intangible assets are written down to their recoverable amount.

5. Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from V/Line's controlled operations.

Structure

- 5.1 Receivables
- 5.2 Contract assets
- 5.3 Payables
- 5.4 Inventories
- 5.5 Other non-financial assets
- 5.6 Other financial assets
- 5.7 Other financial liabilities

	2025	2024
	\$'000	\$'000
5.1 Receivables		
Contractual		
Trade receivables	34,690	22,765
Other receivables	2,855	4,762
Lease receivables	3,286	–
Allowance for impairment of contractual receivables	(25)	(235)
	40,806	27,292
Statutory		
Fuel rebate receivable from the ATO	2,297	1,932
Total receivables	43,103	29,224
Represented by:		
Current receivables	25,412	29,224
Non-current receivables	17,691	–
Related party receivables (included in contractual receivables)^(a)		
DTP	8,345	8,082
Other related parties	14	346
Total related party receivables	8,359	8,428

(a) Refer Note 8.4 Related parties.

Contractual receivables, such as debtors in relation to sales of goods and services and lease receivables, represent passenger, inter-operator and other revenue receivable. They 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. V/Line holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables, such as amounts owing from the ATO relating to fuel tax credits, 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. V/Line applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Details about V/Line's impairment policies, exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.

Related party receivables predominantly consist of amounts owing from DTP and are carried at nominal value due to their short-term nature. There is no interest charged on related party receivables.

Lease receivables

Where V/Line is a lessor, its leases are classified as either finance or operating leases. The leases are classified as finance leases when they transfer substantially all the risks and rewards incidental to ownership of the underlying asset and classified as operating leases if they do not.

Where V/Line is a lessor of assets under finance leases, the amounts due from lessees over the lease term are recorded as receivables. The finance lease receivables are initially recorded at an amount equal to the net investment in the lease, which comprises the present value of minimum lease payments and any unguaranteed residual value accruing to the lessor. Receipts of finance lease payments are apportioned between periodic interest revenue and the reduction of the lease receivable over the term of the lease to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. The lease receivables at the end of the financial year are stated net of impairment.

V/Line's finance lease receivables relate to leases of rolling stock (locomotives) to freight haulage operators on lease terms of ten years, with the lessees having the option to extend the lease term for two further terms of five years each.

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2025	2024
	\$'000	\$'000
Less than one year	442	–
One to five years	1,766	–
More than five years	2,075	–
Total undiscounted lease payments receivable	4,283	–
Less: Unearned finance income	(997)	–
Net investment in the lease	3,286	–

During the reporting period, finance income recognised on the lease receivables was \$63,244 (2024: Nil).

5.2 Contract assets

Current Contract assets:

Opening balance	51,445	64,513
Add: Additional costs incurred and recoverable from customers	335,444	387,950
Less: Amounts transferred to receivables	(328,025)	(401,018)
Total contract assets	58,864	51,445

Contract assets relate to V/Line's right to consideration in exchange for services performed and performance obligations met under project contracts for customers, which were completed but not yet billed at the reporting date. The Contract assets are transferred to Receivables when the rights become unconditional, at which time an invoice is issued.

2025 2024

\$'000 \$'000

5.3 Payables

Current Payables:

Contractual

Trade payables – unsecured	45,429	27,002
Superannuation payable	6,536	5,444
Accruals	37,379	57,183
Other payables	13,758	10,926
	103,102	100,555

Statutory

GST payable	(601)	327
FBT payable	262	195
Other taxes payable	7,437	7,406
	7,098	7,928

Total payables

110,200 108,483

Related party payables

(included in Trade payables – unsecured): ^(a)

DTP	485	335
Other related parties	3,151	10

(a) Refer Note 8.4 Related parties.

Contractual payables consist of trade payables, amounts payable to Government and agencies and deferred income. Trade payables represent liabilities for goods and services provided to V/Line prior to the end of the financial year that are unpaid. They are classified as financial instruments and are measured at amortised cost.

Statutory payables consist of GST payable, FBT payable and payroll-related payables. They are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The average credit period for related party payables is 30 days. No interest is charged on outstanding payables. Terms and conditions of amounts payable to other government agencies will vary according to each agreement.

Maturity analysis of contractual payables ^(a)

	Maturity Dates					
	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000	Over 5 years \$'000
2025						
Payables:						
Trade payables	45,429	44,458	606	365	–	–
Superannuation	6,536	–	6,536	–	–	–
Accruals	37,379	–	37,379	–	–	–
Other payables	13,758	13,758	–	–	–	–
Total	103,102	58,216	44,521	365	–	–

2024**Payables:**

Trade payables	27,002	20,708	5,644	650	–	–
Superannuation	5,444	–	5,444	–	–	–
Accruals	57,183	–	57,183	–	–	–
Other payables	10,926	10,926	–	–	–	–
Total	100,555	31,634	68,271	650	–	–

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

2025 2024

\$'000 \$'000

5.4 Inventories**Current Inventories:**

Materials, at cost	44,523	38,692
Spares and consumables, at cost	1,855	10,816
Spares, at net realisable value	2,427	–
Total inventories	48,805	49,508

Inventories mainly consist of materials and supplies to be consumed in operations and project construction. Inventories are measured at the lower of cost and net realisable value. The cost of spares and stock of fuel are measured using the weighted average cost formula. During the year, V/Line wrote down \$4,971,082 of rolling stock spares inventory to their net realisable value due to the retirement of the fleet.

2025 2024

\$'000 \$'000

5.5 Other non-financial assets

Current other non-financial assets

Prepayments	17,836	5,581
Total other non-financial assets	17,836	5,581

Other non-financial assets consist of prepayments, which represent payments in advance of the receipt of goods or services or the payments made for services covering a term extending beyond that financial period.

5.6 Other financial assets

Current other financial assets

Fuel hedge derivatives	–	519
Total other financial assets	–	519

5.7 Other financial liabilities

Current other financial liabilities

Fuel hedge derivatives	2,251	–
Total other financial liabilities	2,251	–

To reduce cash flow volatility and to provide increased certainty over its commodity risk exposures, V/Line has entered into diesel fuel hedges with Treasury Corporation of Victoria (TCV). The amount recognised in Other financial liabilities as at 30 June 2025 represents the fair value of the fuel hedge derivatives which have yet to mature.

6. Financing our operations

Introduction

This section provides information on the sources of finance utilised by V/Line for its operations, along with interest expenses and other information related to financing activities of V/Line.

This section includes disclosures of balances that are financial instruments (such as lease liabilities and cash balances). Notes 7.1 and 7.3 provide additional financial instrument-related disclosures.

Structure

- 6.1 Cash flow information and balances
- 6.2 Lease liabilities
- 6.3 Commitments for expenditure

	2025	2024
	\$'000	\$'000
6.1 Cash flow information and balances		
Cash at bank	32,389	44,400
Cash on hand	144	146
Total cash and deposits as per balance sheet and cash flow statement	32,533	44,546

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, which are held to meet short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

6.1.1 Reconciliation of Net result for the period to cash flow from operating activities

	2025	2024
	\$'000	\$'000
Net result for the period	(1,433)	32,191
Non-cash movements		
Depreciation/amortisation of non-current assets	32,398	35,385
Writedown of non-current assets	4,971	3,010
Loss on disposal and write-off of non-current assets	5,324	1,948
Receipt of intangible assets (SMCs)	(1,264)	–
Early termination of lease liabilities	(91)	(19)
Tax expense	–	2
Movements in assets and liabilities		
(Increase) in trade and other receivables	(10,523)	(9,198)
(Increase)/decrease in contract assets	(7,418)	13,068
(Increase)/decrease in inventories	(4,269)	7,648
(Increase) in prepayments	(12,255)	(2,308)
Increase/(decrease) in trade and other payables	1,716	(17,225)
Increase in employee-related provisions	7,875	5,419
Cash generated from operating activities	15,031	69,921
Income taxes paid	–	(1,873)
Net cash flows generated from operating activities	15,031	68,048

6.2 Lease liabilities

Current lease liabilities ^(a)	13,269	13,399
Non-current lease liabilities ^(a)	59,322	45,137
Total lease liabilities	72,591	58,536

(a) Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

V/Line's lease liabilities consist of the following:

- (i) lease of office premises, with lease terms ranging from three to 15 years
- (ii) lease of motor vehicles and plant and equipment, with lease terms ranging from three to eight years.

V/Line has elected to account for short-term leases and leases of low-value assets using the practical expedients under AASB 16 *Leases*. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

For all lease contracts entered into V/Line considers whether the contract is, or contains, a lease. An assessment is made on whether the contract conveys the right to control the use of an identified asset by assessing whether V/Line has both the following:

- the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- the right to direct the use of the identified asset throughout the period of use.

Where all the conditions above are met, V/Line recognises a right-of-use asset and a corresponding lease liability. V/Line accounts for lease components within the contract separately from non-lease components, which are excluded when determining the lease liability and right-of-use asset.

The right-of-use assets are presented in property, plant and equipment in Note 4.1.

Lease liabilities are classified as financial instruments and are stated at amortised cost. At initial recognition, lease liabilities are measured at the present value of the unpaid lease payments, discounted using the interest rate implicit in the lease if the rate is determinable or V/Line's incremental borrowing rate. Lease payments included in the measurement of the lease liability consist of:

- fixed payments (including in-substance payments) less any 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.

Subsequent to initial recognition, the lease liability will be reduced for payments made and increased for interest charged. The lease liability is remeasured to reflect any reassessment or modification, or when there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or to the comprehensive operating statement if the right-of-use asset is already reduced to zero.

V/Line has assessed that the lease of regional railway infrastructure under the Infrastructure Module and the lease of rolling stock under the Rolling Stock Module of V/Line's Service Level Agreement with HTfV do not constitute a lease under AASB 16 *Leases*, as V/Line does not have the right to direct the use of the underlying assets, since it does not have the ability to determine the timetable, routes and fares charged for the services provided using these assets. Consequently, all transactions under the Service Level Agreement are accounted for as a service contract in accordance with AASB 15 *Revenue from Contracts with Customers*.

Maturity analysis of lease liabilities^(a)

	Maturity Dates						
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2025							
Lease liabilities	72,591	87,572	1,455	2,854	12,571	44,884	25,808
2024							
Lease liabilities	58,536	63,964	1,336	2,655	11,401	44,913	3,659

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

Amounts recognised in the comprehensive operating statement

The following amounts are recognised in the comprehensive operating statement relating to leases:

	2025	2024
	\$'000	\$'000
Interest expense on lease liabilities	2,589	2,096
Expenses relating to short term leases	2,870	2,204
Expenses relating to leases of low value assets	54	54
Total recognised in the comprehensive operating statement	5,513	4,354

Interest expense represents the interest component on lease repayments and is recognised in the period in which it is incurred.

Amounts recognised in the statement of cash flows

The following amounts relating to leases are recognised in the statement of cash flows:

Total cash outflow for lease repayments	17,261	15,821
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6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST.

The amounts disclosed represent commitments for expenditure currently on order under contracts, except for key operational contracts where the forecast expenditure to the expiry of the contract with the supplier is used. Key operational contracts are those viewed to be critical to directly enable the continuing operation of V/Line. The future expenditure ceases to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

Nominal values	Less than 1 year \$'000	1-5 years \$'000	Over 5 years \$'000	Total \$'000
2025				
Capital expenditure commitments	1,902	–	–	1,902
Coach contract commitments	53,684	229,167	124,549	407,400
Fleet maintenance commitments	182,503	724,670	798,100	1,705,273
Bulk diesel fuel commitments	58,085	42,905	–	100,990
Other commitments payable	183,893	–	–	183,893
Total commitments (inclusive of GST)	480,067	996,742	922,649	2,399,458
Less: GST recoverable	(43,642)	(90,613)	(83,877)	(218,132)
Total commitments (exclusive of GST)	436,425	906,129	838,772	2,181,326

Nominal values

2024				
Capital expenditure commitments	2,081	–	–	2,081
Coach contract commitments	51,709	223,443	184,819	459,971
Fleet maintenance commitments	212,015	703,361	981,544	1,896,920
Bulk diesel fuel commitments	63,070	193,921	–	256,991
Other commitments payable	176,667	–	–	176,667
Total commitments (inclusive of GST)	505,542	1,120,725	1,166,363	2,792,630
Less: GST recoverable	(45,958)	(101,884)	(106,033)	(253,875)
Total commitments (exclusive of GST)	459,584	1,018,841	1,060,330	2,538,755

Coach contract commitments are commitments for service fees payable under contracts which various coach operators have with HTfV, where all the rights and obligations under the respective contracts have been assigned to V/Line under the Service Level Agreement with HTfV. These coach contracts commenced on 1 July 2022 for an initial period of seven years, with an option for V/Line to extend the contracts for a further three years. Fleet maintenance commitments are commitments under the regional rolling stock maintenance contract effective from 1 July 2024 to 30 June 2034. Other commitments payable include commitments for various services and supplies relating to V/Line's operations and infrastructure maintenance.

7. Risks, contingencies and valuation judgements

Introduction

V/Line is exposed to risk from its activities and external factors. In addition, it is often necessary to make judgements and estimates associated with the recognition and measurement of items in the financial statements. This section sets out information on financial instruments and their related risks, contingent assets and liabilities, and items where a higher level of judgement is applied, which for V/Line related mainly to fair value determination.

7.1 Financial instruments

V/Line's 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. V/Line's principal financial instruments are contractual in nature and consist of:

- cash and deposits
- trade and other receivables
- finance lease receivables
- trade and other payables
- lease liabilities
- hedge derivatives

Financial assets and liabilities that arise under statute, such as government taxes and tax rebates, do not meet the definition of financial instruments.

Structure

- 7.1 Financial instruments
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

V/Line's policy on financial instruments are as follows:

Classification and measurement of financial instruments

Financial assets

V/Line recognises cash and deposits and contractual receivables (comprising trade and other receivables and finance lease receivables) as financial assets at amortised cost, as these assets are held to collect contractual cash flows and the assets' contractual terms give rise to cash flows that are solely for the payment of principal and interest. These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.

Financial liabilities

V/Line recognises its contractual payables and lease liabilities as financial liabilities at amortised cost. These liabilities are initially measured at fair value plus any directly attributable transaction costs.

Subsequently, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the interest-bearing liability, using the effective interest rate method.

Derivative financial instruments

Derivative financial instruments are classified as financial assets and financial liabilities at fair value through net result and are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any changes in the fair value are recognised in the comprehensive operating statement as other economic flows included in the net result.

In line with its documented risk management strategy, V/Line designates its derivative financial instruments as cash flow hedges and applies hedge accounting to these transactions (refer to Note 7.1 – Hedge accounting) where the hedges are effective.

Derecognition of financial assets and liabilities

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and V/Line has transferred substantially all the risks and rewards of ownership.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Categories of financial instruments

	Cash and deposits \$'000	Financial assets at amortised cost (AC) \$'000	Financial assets/ liabilities measured at fair value through profit/loss (FVTPL) \$'000	Financial liabilities at amortised cost (AC) \$'000
2025				
Financial assets				
Cash and deposits	32,533	–	–	–
Trade and other receivables ^(a)	–	37,520	–	–
Finance lease receivables	–	3,286	–	–
Total financial assets	32,533	40,806	–	–
Financial liabilities				
Trade and other payables ^(a)	–	–	–	103,102
Lease liabilities	–	–	–	72,591
Hedge derivatives	–	–	2,251	–
Total financial liabilities	–	–	2,251	175,693

2024

Financial assets				
Cash and deposits	44,546	–	–	–
Trade and other receivables ^(a)	–	27,292	–	–
Hedge derivatives	–	–	519	–
Total financial assets	44,546	27,292	519	–
Financial liabilities				
Trade and other payables ^(a)	–	–	–	100,555
Lease liabilities	–	–	–	58,536
Total financial liabilities	–	–	–	159,091

(a) The total amounts disclosed here exclude statutory amounts.

Net holding gain/(loss) on financial instruments by category

	Interest income/ (expense) \$'000	Net holding (loss)/gain \$'000	Impairment writeback/ (loss) \$'000	Total \$'000
2025				
Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	4,365	–	189	4,554
Total contractual financial assets	4,365	–	189	4,554
Contractual financial liabilities				
Financial liabilities at amortised cost	(2,589)	–	–	(2,589)
Hedge derivatives	–	(3,918)	–	(3,918)
Total contractual financial liabilities	(2,589)	(3,918)	–	(6,507)

2024

Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	4,303	–	(96)	4,207
Hedge derivatives	–	4,359	–	4,359
Total contractual financial assets	4,303	4,359	(96)	8,566
Contractual financial liabilities				
Financial liabilities at amortised cost	(2,096)	–	–	(2,096)
Total contractual financial liabilities	(2,096)	–	–	(2,096)

The net gain/(loss) disclosed above has been determined as follows:

- for financial assets at amortised cost (consisting of cash and deposits, trade and other receivables and finance lease receivables), the net gain/(loss) is calculated by taking the interest income earned during the year, minus any impairment recognised/(written back)
- for financial liabilities measured at amortised cost, the net gain/(loss) is calculated by taking the interest expense
- for hedge derivatives, the net gain or loss is calculated by taking the realised movement in fair value of the financial asset or liability.

Financial risk management objectives and policies

V/Line's financial risk management program seeks to manage its financial risks to produce stable and predictable business outcomes. V/Line's main financial risks include credit risk, liquidity risk, interest rate risk and commodity price risk which are managed in accordance with its treasury management policy.

V/Line uses different methods to measure and manage the different risks to which it is exposed. Responsibility for the identification and management of financial risks rests with management and the Audit and Risk Committee of V/Line.

Credit risk

Credit risk is the risk of financial loss due to a counterparty failing to meet its contractual obligations in full when they fall due. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with V/Line's contractual financial assets is minimal because its primary debtors are Victorian public sector entities. For debtors other than the Government, V/Line's policy is to diversify its exposures across a broad range of counterparties where possible and deal with entities with good credit history. Credit risk in trade receivables is also managed by enforcing disclosed payment terms and ensuring that debt collection policies and procedures are followed at all times. The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents V/Line's maximum exposure to credit risk.

There has been no material change in V/Line's credit risk profile in 2024-25.

Credit quality of financial assets	Government Agencies	Financial Institution	Other (unrated)	Total
	(AA Credit Rating)	(AA Credit Rating)		
	\$'000	\$'000		

2025

Financial assets with loss allowance measured at 12-month expected credit loss

Cash and deposits	–	32,533	–	32,533
Statutory receivables (no impairment loss recognised)	2,297	–	–	2,297

Financial assets with loss allowance measured at lifetime expected credit loss

Contractual receivables (applying the simplified approach for impairment)	8,956	–	31,850	40,806
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Total financial assets	11,253	32,533	31,850	75,636
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2024

Financial assets with loss allowance measured at 12-month expected credit loss

Cash and deposits	–	44,546	–	44,546
Statutory receivables (no impairment loss recognised)	1,932	–	–	1,932

Financial assets with loss allowance measured at lifetime expected credit loss

Contractual receivables (applying the simplified approach for impairment)	8,610	–	18,682	27,292
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Total financial assets	10,542	44,546	18,682	73,770
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Impairment of financial assets

V/Line records the allowance for expected credit loss for the relevant financial instruments using the Expected Credit Loss approach. Financial assets subject to AASB 9 impairment assessment include V/Line's cash and deposits, contractual receivables, finance lease receivables and statutory receivables. Financial assets measured at fair value through net result are not subject to impairment assessment under AASB 9. Although not a financial asset, contract assets recognised applying AASB 15 (refer to Note 5.2) are also subject to impairment assessment. No impairment loss was required on contract assets as these amounts relate to current project activity with government-related entities which are yet to be invoiced.

Contractual receivables at amortised cost

V/Line applied the AASB 9 simplified approach for all contractual receivables (including finance lease receivables) to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. V/Line has grouped contractual receivables on shared credit risk characteristics and days past due and determined the expected credit loss rate based on V/Line's historical observed loss rates, which are adjusted to reflect existing market conditions and forward-looking estimates at the financial year end. On this basis, the closing allowance at the end of the financial year are as follows:

	Current	Less than 1 month	1-3 months	> 3 months	Total
2025					
Government-related contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables (\$'000)	8,572	21	25	338	8,956
Loss allowance (\$'000)	–	–	–	–	–
Other contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	0.1%	
Gross carrying amount of contractual receivables (\$'000)	5,723	469	437	25,245	31,874
Loss allowance (\$'000)	–	–	–	25	25
2024					
Government-related contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables (\$'000)	7,343	–	1,267	–	8,610
Loss allowance (\$'000)	–	–	–	–	–
Other contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	97.9%	
Gross carrying amount of contractual receivables (\$'000)	17,053	1,199	425	240	18,917
Loss allowance (\$'000)	–	–	–	235	235

A reconciliation of the movement in the loss allowance for contractual receivables is as follows:

	2025	2024
	\$'000	\$'000
Balance at the beginning of the year	(235)	(200)
Writeback of/(increase in) the allowance recognised in the net result	210	(35)
Balance at the end of the year	(25)	(235)

Credit loss allowance is classified as other economic flows in the net result. Contractual financial assets are written off when there is no reasonable expectation of recovery.

Liquidity risk

Liquidity risk is the risk that V/Line is unable to meet financial obligations as they fall due. V/Line 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. V/Line is exposed to liquidity risk mainly through its contractual financial liabilities and lease liabilities. V/Line manages liquidity risk through sound cash management practices and by closely monitoring forecast cash flows to ensure that adequate funding is maintained at all times.

DTP has agreed to provide adequate cash flow support via a Letter of Support to enable V/Line to meet its current and future operational obligations as and when they fall due for a period up to September 2026, should this be required. This assurance from DTP for financial support is based on approved budget targets only and only applies while V/Line remains in full State ownership.

Refer to Note 5.3 for the maturity analysis of contractual financial liabilities and Note 6.2 for the maturity analysis of lease liabilities. These represent V/Line's maximum exposure to liquidity risk.

Market risk

V/Line's exposure to market risk is primarily through interest rate risk and commodity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. V/Line is exposed to cash flow interest rate risk through its cash deposits placed with banks which are held at floating rate. However, V/Line's interest rate risk exposure is minimal as these balances are not significant on a day-to-day basis, as it maintains only sufficient cash flow for working capital requirements. Cash deposits are held with banks within the State government's centralised banking system arrangements and interest rate movements are centrally monitored by DTF. During the reporting period, the weighted average interest rate earned on these deposits was 4.38% (2024: 4.41%). V/Line also holds finance lease receivables, which are held at fixed interest rates for the duration of the lease terms. During the reporting period, the weighted average interest rate earned on these lease receivables was 5.84% (2024: Nil).

V/Line's lease liabilities are held at fixed interest rates for the duration of the lease terms. During the reporting period, the weighted average interest rate charged on these liabilities was 5.54% (2024: 3.96%).

All of V/Line's other financial assets and liabilities are non-interest bearing.

Commodity price risk

Commodity price risk relates to the risk that the future cash flows from a highly probable forecast transaction could fluctuate because of changes in market prices for commodities.

V/Line is exposed to commodity price risk through the purchase of diesel fuel to operate its rolling stock fleet. To reduce cash flow volatility and provide increased certainty over its diesel fuel price exposure, V/Line has entered into diesel fuel swap contracts with TCV in order to hedge its exposure to the variability in cash flows associated with these diesel fuel purchases.

V/Line hedges 95 per cent of its forecast diesel fuel usage on a rolling 12-month basis. The diesel fuel hedges are classified as effective when changes in the value of the diesel fuel swap contracts are aligned with the movements in the diesel fuel price in the supply contract. Potential sources of hedge ineffectiveness may include mismatches in the component pricing in the underlying fuel supply contract.

As at 30 June 2025, V/Line has monthly diesel fuel hedges maturing until May 2026. The cash flow impact will be incurred in the month that the hedges mature. At the end of the reporting period, the details of outstanding diesel hedging contracts are as follows:

	Average fixed diesel fuel price cents per litre	Nominal Quantity '000 litres	Notional Principal \$'000	Carrying Amount – Fair Value \$'000
2025				
Less than 1 year	83.6	47,358	39,590	(2,251)
2024				
Less than 1 year	94.7	40,978	38,816	519

Hedge accounting

V/Line uses diesel swap contracts as cash flow hedges of its exposure to commodity price risk.

At the inception of the transaction, V/Line documents the economic relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the various hedge transactions. Assessments are made at both hedge inception and on an ongoing basis to ascertain whether the hedge meets the risk management objective.

Where a hedge is effective, changes in the fair value of the derivative hedge contracts are initially recognised in the cash flow hedge reserve in equity, with the ineffective portion of the change in fair value (if any) recognised directly in the net result. In the period when the hedged expected future cash flow occurs and affects the net result, V/Line reclassifies the cumulative amount in the cash flow hedge reserve for the related hedge contract to other economic flows included in the net result. Hedge accounting is discontinued only when the hedging relationship ceases to meet the hedge qualifying criteria, such as when the hedging contract is terminated.

The carrying amount (fair value) of the hedging contracts are recognised in the balance sheet in other financial assets when the value is positive and other financial liabilities when the value is negative.

Reconciliation of cash flow hedge reserve

	Diesel swap hedge contracts \$'000	Foreign currency forward hedge contracts \$'000	Total \$'000
2025			
Opening balance	519	–	519
Revaluations to fair value	(6,688)	–	(6,688)
Loss on settlement of hedge transferred to net result – other economic flows	3,918	–	3,918
Closing balance	(2,251)	–	(2,251)

2024

Opening balance	(3,077)	10	(3,067)
Revaluations to fair value	7,926	19	7,945
Gain on settlement of hedge transferred to net result – other economic flows	(4,330)	(29)	(4,359)
Closing balance	519	–	519

V/Line did not reclassify any amount from the cash flow hedge reserve in equity to the net result during the period due to its hedges being ineffective. There were no cash flow hedges that were rebalanced or discontinued during the 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. They are presented inclusive of GST receivable or payable respectively.

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.

As at 30 June 2025, V/Line had no material contingent assets.

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; or
- 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
 - the amount of the obligations cannot be measured with sufficient reliability.

As at 30 June 2025, all contingent liabilities are classified as non-quantifiable.

There have been minor claims made over time by customers and third parties arising out of incidents on V/Line's network. These claims are dealt with in the ordinary course of business and potential claims of above \$50,000 are referred to insurers as the matters arise. V/Line's liability is limited to the insurance deductible amount.

V/Line's operations are subject to various environmental regulations under both Commonwealth and State laws. V/Line takes active steps to improve environmental management systems and ongoing internal procedures to help discharge obligations under these laws. In 2024-25 all potential environmental incidents associated with V/Line's activities were investigated, including self-reporting where required and where applicable, worked with State and Federal environmental regulators to come to a resolution.

V/Line does not have any current open regulatory notices with any environmental regulator however it has responded to an Information Notice from the Environment Protection Authority in January 2025 in relation to waste stockpiling outside of the V/Line network. Given the time that has passed this matter could be considered operationally closed.

Scope 1 emissions are reported under the National Greenhouse and Energy Reporting (NGER) Act. V/Line has a Production Adjusted Baseline for emissions, granted by the Clean Energy Regulator, and did not exceed this baseline in 2024-25.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of V/Line.

This section sets out information on how V/Line 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:

- hedge derivatives
- non-financial physical 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.

V/Line determines the policies and procedures for determining the 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. These inputs are categorised into three levels, known as the fair value hierarchy, 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

V/Line 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.

7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs

Financial assets and liabilities measured at amortised cost

The carrying amounts of the following financial assets and financial liabilities approximate their fair values due to their short-term nature or with the expectation that they will be paid in full by the end of the next reporting period:

Financial assets

Cash and deposits
Trade and other receivables

Financial liabilities

Trade and other payables

The fair value of the following financial assets and liabilities measured at amortised cost are different from the carrying amounts:

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Finance lease assets	3,286	3,305	–	–
Financial liabilities				
Lease liabilities	72,591	71,833	58,536	55,520

**Financial assets and liabilities
measured at fair value**

	Carrying amount \$'000	Fair value measurement		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2025				
Hedge derivatives	(2,251)	–	(2,251)	–

2024

Hedge derivatives	519	–	519	–
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There were no transfers between levels during the year. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

Valuation techniques and inputs used to measure level 2 fair values

	Valuation technique	Inputs used
Hedge derivatives – Diesel fuel swap contracts	Income approach using discounted cash flow methodology	Forward curves for: <ul style="list-style-type: none"> • Singapore Gasoil 10ppm • AUD/USD exchange rates Quarterly interest rate swap curve

7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy	Carrying amount \$'000	Fair value measurement		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2025				
Rolling stock at fair value	28,226	–	–	28,226
Rolling stock – capitalised improvements at fair value	1,435	–	–	1,435
Plant and equipment at fair value	52,731	–	25,636	27,095
Leasehold improvements at fair value	7,522	–	–	7,522
Buildings at fair value	40,885	–	40,885	–
2024				
Rolling stock at fair value	46,639	–	–	46,639
Rolling stock – capitalised improvements at fair value	3,283	–	–	3,283
Plant and equipment at fair value	51,484	–	22,576	28,908
Leasehold improvements at fair value	4,825	–	–	4,825
Buildings at fair value	30,258	–	30,258	–

There have been no transfers between levels during the period.

V/Line's non-financial physical assets are specialised in nature. As a not-for-profit entity, the future economic benefits of V/Line's non-financial physical assets are derived from continuing use of their service capacity and not primarily dependent on their ability to generate net cash inflows. As a result, the fair value of non-financial physical assets has been determined by reference to the assets' current replacement cost, adjusted for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, it is considered that non-financial physical assets would be categorised within Level 3 of the fair value hierarchy.

For rolling stock assets, an independent valuation was performed by the VGV on 30 June 2020 and the assets have since been measured at depreciated replacement cost based on this valuation. On 30 June 2024, V/Line revised the asset useful life estimates used to determine the depreciated current replacement cost of its rolling stock and management is of the view that the net carrying value of rolling stock after this revision continues to be a reasonable approximation of the rolling stock's fair value as it approaches the end of its useful life. Consequently, the rolling stock assets were not subject to a further independent scheduled valuation on 30 June 2025.

For plant and equipment and leasehold improvements, which are considered 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. For plant and equipment right-of-use assets acquired via leases, the depreciated cost of the assets approximates the current replacement cost after taking into consideration the assets' residual values at the end of the lease term after adjusting for wear and tear.

For buildings right-of-use assets acquired via leases, fair value was determined using the market approach based on an appropriate rate per square metre.

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

There were no changes in valuation techniques throughout the period to 30 June 2025.

For movement in carrying amount of assets please refer to section 4.1.

Description of significant unobservable inputs to Level 3 valuations

2025 and 2024	Valuation technique	Significant unobservable inputs
Rolling stock	Current replacement cost	Cost per unit Useful life of rolling stock
Rolling stock – capitalised improvements	Current replacement cost	Cost per improvement Useful life of capitalised improvement
Plant and equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Leasehold improvements	Current replacement cost	Cost of improvement Shorter of the remaining term of the lease or the useful life of the improvement
Buildings	Market approach	Cost per square metre The remaining term of the lease

8. Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Going concern
- 8.2 Responsible persons
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Australian Accounting Standards issued that are not yet effective

8.1 Going concern

V/Line provides public transport services in Victoria and is also responsible for the management and maintenance of the regional rail network. The provision of these services is subsidised by the State Government of Victoria. Without the provision of that subsidy V/Line could not continue as a going concern.

Each year V/Line undertakes the budget processes that form part of the State Government of Victoria's forward budget estimates. Funding allocations are made to enable V/Line to meet its output obligations under the Service Level Agreement with HTfV, which is in place until 30 June 2030. Once the budget allocation is approved, the funding available to V/Line under the Service Level Agreement is amended for that year. Funding for the year ending 30 June 2026 has been set under an approved budget allocation.

DTP formally agrees annually to provide adequate cash flow support to enable V/Line to meet its current and future

operational obligations each year as and when they fall due. This support extends to September following the budgeted year of operation to ensure continuity of funding into the next budget period. This support is formalised via a Letter of Support from DTP. This assurance from DTP for financial support is based on approved budget targets only and only applies while V/Line remains in full State ownership.

Notwithstanding the deficiency in net current assets of \$56.9 million (2024: \$48.9 million) these financial statements have been prepared on a going concern basis as V/Line is financially subsidised by its ultimate parent entity, the State Government of Victoria, pursuant to the Service Level Agreement with HTfV.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should V/Line not continue as a going concern.

8.2 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the FMA, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in V/Line are as follows:

Minister for Public and Active Transport	The Hon. Gabrielle Williams	1 July 2024 to 30 June 2025
Treasurer	Mr Tim Pallas	1 July 2024 to 18 December 2024
Treasurer	Hon. Jaclyn Symes	19 December 2024 to 30 June 2025
Chief Executive Officer	Matt Carrick	1 July 2024 to 28 February 2025
Acting Chief Executive Officer	Warwick Horsley	1 March 2025 to 30 June 2025

Subsequent to the end of the financial year, William Tieppo was appointed as Chief Executive Officer on 25 August 2025.

Remuneration

Remuneration received or receivable by the Accountable Officers in connection with the management of V/Line during the reporting period was in the range of \$530,000 – \$539,999 (2024: \$530,000 – \$539,999).

Amounts relating to the Ministers are reported in the State's Annual Financial Report.

8.3 Remuneration of executives

The number of senior executive officers, other than the Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent senior executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on

behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, 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. Executives receive free public transport throughout Victoria which is not included as remuneration in this note as it is not material in value.

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 LSL, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of senior executive officers ^(a) (including key management personnel disclosed in Note 8.4)	2025	2024
	\$'000	\$'000
Short-term employee benefits	10,614	10,256
Post-employment benefits	1,087	990
Other long term benefits	246	259
Termination benefits	323	490
Total remuneration	12,270	11,995
Total number of senior executives	46	45
Total annualised employee equivalent (AEE) ^(b)	37	40

(a) Senior executives include all persons to whom the Victorian Government's Public Entity Executive Remuneration Policy applies.

(b) Annualised employee equivalent is based on the time fraction worked during the reporting period

8.4 Related parties

V/Line is a Victorian statutory authority and is a controlled entity of the State of Victoria.

Related parties of V/Line include:

- all key management personnel and their close family members and personal business interests (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.

Significant transactions with government-related entities

Significant transactions with government-related entities during the year are as follows:

Related party	Nature of transaction	2025	2024
		\$'000	\$'000
Expenses			
VicTrack	Provision of communication services	24,653	20,901
Revenue			
DTP	Provision of funding to V/Line	896,361	895,666
DTP	myki/Ticket sales	53,733	45,281
DTP	Reimbursement of project expenditure	327,825	377,331

Key management personnel (KMP) of V/Line include the Portfolio Ministers (see Note 8.2), the Accountable Officers and members of the Executive Leadership Team (ELT).

The names of V/Line's Accountable Officers and members of the ELT are:

Chief Executive Officer	Matt Carrick	1 July 2024 – 28 February 2025
Acting Chief Executive Officer	Warwick Horsley	1 March 2025 – 30 June 2025
Executive Director (ED) Corporate Services	Scott Quirke	1 July 2024 – 30 June 2025
ED People, Risk, Safety and Sustainability	Josef Brennan	1 July 2024 – 30 June 2025
ED Network Development, Assets and Maintenance	Jonathan McKeown	1 July 2024 – 8 May 2025
Acting ED Network Development, Assets and Maintenance	Brendan Geary	9 May 2025 – 30 June 2025
ED Operations	Rochelle Reynolds	1 July 2024 – 10 January 2025
Acting ED Operations	Scott Short	13 January 2025 – 30 June 2025
Acting ED People and Integrity	Moshe Same	1 July 2024 – 6 October 2024
ED Projects	Warwick Horsley	1 July 2024 – 28 February 2025
Acting ED Projects	Anita Gelfond	1 March 2025 – 30 May 2025
Acting ED Projects	Melissa Alessandrini	31 May 2025 – 30 June 2025
General Counsel	Natasha O'Callaghan- Koneska	1 July 2024 – 30 June 2025

Remuneration of KMPs

The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. Their remuneration and allowances are set by the *Parliamentary Salaries, Allowances and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Compensation of KMPs	2025	2024
	\$'000	\$'000
Short-term employee benefits	2,894	2,845
Post-employment benefits	215	207
Other long term benefits	56	70
Termination benefits	–	350
Total remuneration	3,165	3,472

2025 2024

\$'000

\$'000

8.5 Remuneration of auditors**Victorian Auditor-General's Office**

Audit of the financial statements	132	125
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8.6 Subsequent events

There were no matters or circumstance not otherwise dealt with in the financial statements, which have the potential to significantly affect the operations of V/Line, the results of those operations or the state of affairs of V/Line in subsequent financial years.

8.7 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2024-25 reporting period. These accounting standards have not been applied to V/Line's financial statements. V/Line is reviewing its existing accounting policies and assessing the potential implications of these accounting standards, which includes:

- AASB 17 *Insurance Contracts*, AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*, which are applicable for annual periods beginning on or after 1 July 2026.
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments* – AASB 2024-2 amends the requirements of AASB 7 *Financial*

Instruments, Disclosures and AASB 9 *Financial Instruments* relating to settling financial liabilities using an electronic payment system, assessing contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features, and disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs. This standard is applicable for annual periods commencing on or after 1 January 2026.

- AASB 18 *Presentation and Disclosure in Financial Statements* – AASB 18 replaces AASB 101 *Presentation of Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 is the presentation of newly defined subtotals in the statement of profit or loss. For V/Line, as a not-for-profit entity, AASB applies to annual reporting periods commencing on or after 1 January 2028.

V/Line is currently in the process of assessing the potential impact of these standards and amendments. However, it is not anticipated to have a material impact.

Disclosure index

The Annual Report of V/Line is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of V/Line's compliance with statutory disclosure requirements.

Standing Directions and Financial Reporting Directions

Legislation	Requirement	Page
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	7
FRD 22	Purpose, functions, powers and duties	4
FRD 8	Departmental objectives, indicators and outputs	N/A
FRD 22	Key initiatives and projects	14-26
FRD 22	Nature and range of services provided	8
Management and structure		
FRD 22	Organisational structure	30-32
Financial and other information		
FRD 8	Performance against output performance measures	N/A
FRD 8	Budget portfolio outcomes	N/A
FRD 10	Disclosure index	135-136
FRD 12	Disclosure of major contracts	N/A
FRD 15	Executive disclosures	14-51, 131-132
FRD 22	Employment and conduct principles	38
FRD 22	Occupational health and safety policy	34-36
FRD 22	Summary of the financial results for the year	27-28
FRD 22	Significant changes in financial position during the year	27-28
FRD 22	Major changes or factors affecting performance	27-28
FRD 22	Subsequent events	134
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	56-57
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	58
FRD 22	Statement on National Competition Policy	58
FRD 22	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	58-59
FRD 22	Application and operation of the <i>Carers Recognition Act 2012</i>	59
FRD 22	Details of consultancies over \$10,000	55
FRD 22	Details of consultancies under \$10,000	55
FRD 22	Disclosure of government advertising expenditure	55
FRD 22	Disclosure of ICT expenditure	56
FRD 22	Reviews and studies expenditure	55
FRD 22	Statement of availability of other information	71-72
FRD 22	Asset Management Accountability Framework (AMAF) maturity assessment	N/A
FRD 22	Disclosure of emergency procurement	61
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	62
FRD 22	Disclosure of procurement complaints	62
FRD 24	Reporting of environmental data	63-71
FRD 25	Local Jobs First	54-55
FRD 29	Workforce Data disclosures	47-51
SD 5.2	Specific requirements under Standing Direction 5.2	77

Standing Directions and Financial Reporting Directions

Legislation Requirement Page

Report of operations

Compliance attestation and declaration

SD 5.1.4	Attestation for compliance with Ministerial Standing Direction	72
SD 5.2.3	Declaration in report of operations	2

Financial statements

Declaration

SD 5.2.2	Declaration in financial statements	77
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Other requirements under Standing Directions 5.2

SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	85
SD 5.2.1(a)	Compliance with Standing Directions	77-83
SD 5.2.1(b)	Compliance with Model Financial Report	N/A

Other disclosures as required by FRDs in notes to the financial statements ^{(a)(b)}

FRD 9	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11	Disclosure of Ex gratia Expenses	N/A
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	131-133
FRD 103	Non Financial Physical Assets	97-98
FRD 110	Cash Flow Statements	81, 110
FRD 112	Defined Benefit Superannuation Obligations	93-94
FRD 114	Financial Instruments – general government entities and public non-financial corporations	115-128

Legislation

<i>Freedom of Information Act 1982 (Vic)</i>	56-57
<i>Building Act 1993</i>	58
<i>Public Interest Disclosures Act 2012</i>	58-59
<i>Carers Recognition Act 2012</i>	59
<i>Disability Act 2006</i>	59-60
<i>Local Jobs Act 2003</i>	54-55
<i>Financial Management Act 1994^(b)</i>	85

Notes:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

(b) Refer to the Model financial statements section (Part two) for further details.



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Department
of Transport
and Planning

