ANNUAL REPORT

2025–2026



V/Line



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.

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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 2026.



William Tieppo
Chief Executive Officer
V/Line Corporation

21 September 2026

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'm pleased to present this annual report after a full year in the role of Chief Executive Officer of V/Line, a position that makes me immensely proud. I have been a V/Line passenger long before joining V/Line, and I have seen firsthand the crucial role that V/Line plays in people's lives.

This past year V/Line experienced another year of record growth, with more than 28.5 million trips taken on our train and coach services in 2025–26, eclipsing last year's record figure of 26.4 million passenger trips.

This growth has been driven by sustained government investment, the ongoing benefits of the regional fare cap, and the introduction of free and discounted fare initiatives in 2026. These factors have also transformed the way our passengers travel, with an increase in off-peak, weekend and school holiday travel.

With this increasing patronage we have maintained our strong focus on improving passenger experience, while monitoring and managing service capacity and continuing to adjust fleet and customer support to meet the demand.

We worked closely with the Department of Transport and Planning and our key stakeholders on key transport initiatives, including the *Big Switch* timetable, which fully integrated the opening of the Metro Tunnel into Victoria's train network and provided connecting services for V/Line regional passengers.

At the same time as the changes enabled by the activation of the Metro Tunnel, V/Line added additional services to the Traralgon, Seymour and Echuca lines.

V/Line played a critical role in supporting infrastructure programs across Victoria's transport network, working collaboratively with government agencies, delivery partners and the broader rail industry to facilitate major construction activities.

Highlights from the past year included:

- Completion of the Regional Rail Revival program with the delivery of the Shepparton and Gippsland line upgrades, providing more services and more reliable journeys for every regional passenger rail line in Victoria.
- Construction of a new station at West Tarneit to service the growing region, and commencement of work on the Melton Line Upgrade to enable longer nine-car trains to begin running in 2027.
- Completion of the Warrnambool stabling yard to enable more efficient operations.
- Commencement of work on the Ballarat Freight Hub to support the movement of more than 15,000 containers each year to the Port of Melbourne.
- Collaboration with the Victorian Infrastructure Delivery Authority rail project office (VIDA Rail) to help remove dangerous and congested level crossings as part of the Level Crossing Removal project.

- Opening of the accessible overpass and lift at Ballarat Station.
- Continuation of Stage 2 of the South Dynon train maintenance facility upgrade to help get trains back into service sooner.
- Introduction of contactless payments on the myki-enabled network, including parts of regional Victoria, with the installation of new myki ticket readers.

An extensive program of maintenance works delivered enhancements across the network, including level crossing renewals and signalling upgrades, major bridge renewal and rectification projects, as well as targeted signalling and cable improvements.

Against a backdrop of increasing operational complexity, including timetable changes, major planned occupations, unplanned disruptions and extreme weather conditions, we achieved our highest ever annual Customer Experience Index (CXI) scores (79.9 for our rail services and 81.5 for our coach services; against targets of 80).

V/Line's commitment to delivering an inclusive and accessible public transport network saw upgrades to infrastructure at 16 stations, while our Accessibility Action Plan was finalised following consultation with our Accessibility Reference Group.

We continued our partnership with Travellers Aid, launching this service at Geelong in November 2025 and assisting more than 2,500 passengers in the first six months of operation.

We have strengthened our operational and commercial performance frameworks, improved how we use data to underpin decision-making, and modernised core systems and processes to better support frontline delivery.

As part of our focus on improving governance and ensuring integrity we have significantly progressed a number of initiatives, including establishing a procurement transformation program.

The past year has been one of significant achievements and is a credit to V/Line's dedicated staff – all of whom work incredibly hard to keep the network running while supporting our passengers. I would also like to thank our Advisory Board and Audit and Risk Committee for their guidance.

Thank you to the organisations we work with every day – the Department of Transport and Planning and our valued stakeholders, including VIDA, Victorian transport operators, Victoria Police, local councils and our community partners.

Strengthening stakeholder engagement with local councils and industry organisations has been incredibly important for obtaining feedback about transport needs firsthand, and to help guide V/Line's ongoing improvements.

Leading V/Line is a great honour and I am fortunate to have the privilege of seeing how much regional Victorians rely on our service, and the difference which the commitment of our staff can make to their everyday lives.

I look forward to V/Line building on the accomplishments outlined in this report and continuing to work towards our vision of ensuring Victoria's regional communities are thriving, accessible and connected, through leading a financially sustainable, high performing and capable organisation.



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* (Vic), which sets out its objectives and functions. During 2025–26, V/Line was responsible to the Victorian Minister for Public and Active Transport and the Victorian Treasurer, based on V/Line's classification as a Public Non-Financial Corporation.

This report provides a summary of V/Line's key activities and financial performance for the period 1 July 2025 to 30 June 2026.

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 six 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* (Vic).

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 2026, William Tieppo is the Chief Executive Officer of V/Line.



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 over 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 around 2500 rail services between Melbourne and regional centres. Our coaches provide more than 1490 connecting services across our network. Patronage continues to grow following the introduction of the regional fare cap and other fare initiatives, with 28.5 million passenger trips taken on V/Line services in 2025–26.

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.

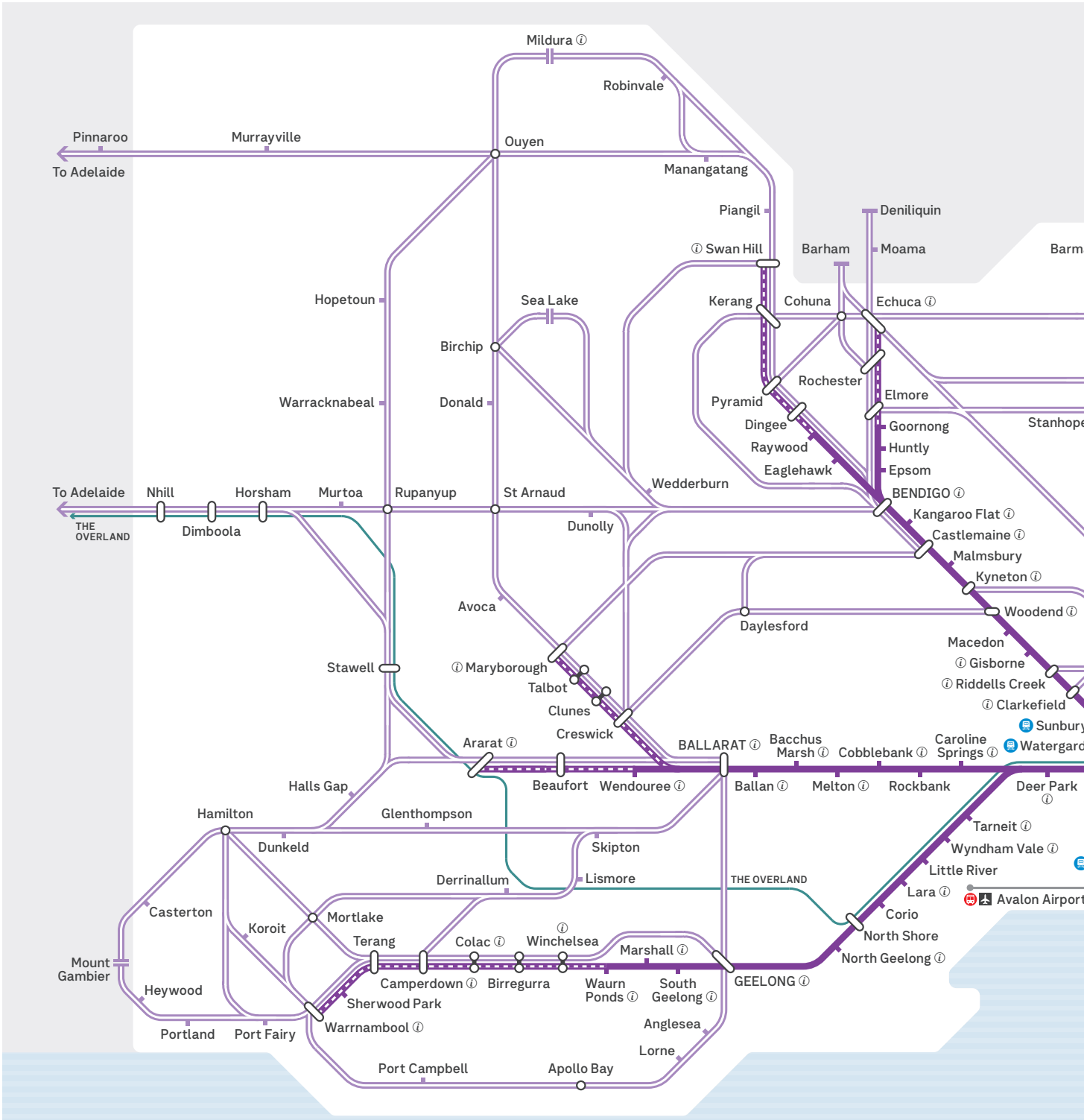
Private sector operators provide all V/Line-branded coach services under the management of V/Line.

V/Line also maintains more than 3,560 kilometres of rail track used by passenger and freight rail operators.

V/Line is a major employer with a workforce of 3,356 people as at 30 June 2026, including many who live and work in regional Victoria.

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Passenger network map



Train and coach lines

- V/Line train – travel with myki
- V/Line train – paper ticket or eTicket required
- V/Line coach – paper ticket or eTicket required
- Mt Buller Seasonal Services
  Additional fare required
- The Overland – to Adelaide
- Run by another operator
- # Limited services at Berwick Station
- Interchange with metropolitan train services

Symbols

- Train and coach interchange
- Coach interchange
- Train station and coach stop
- Train station
- Coach stop
- End of line

Airport connections

- SkyBus services

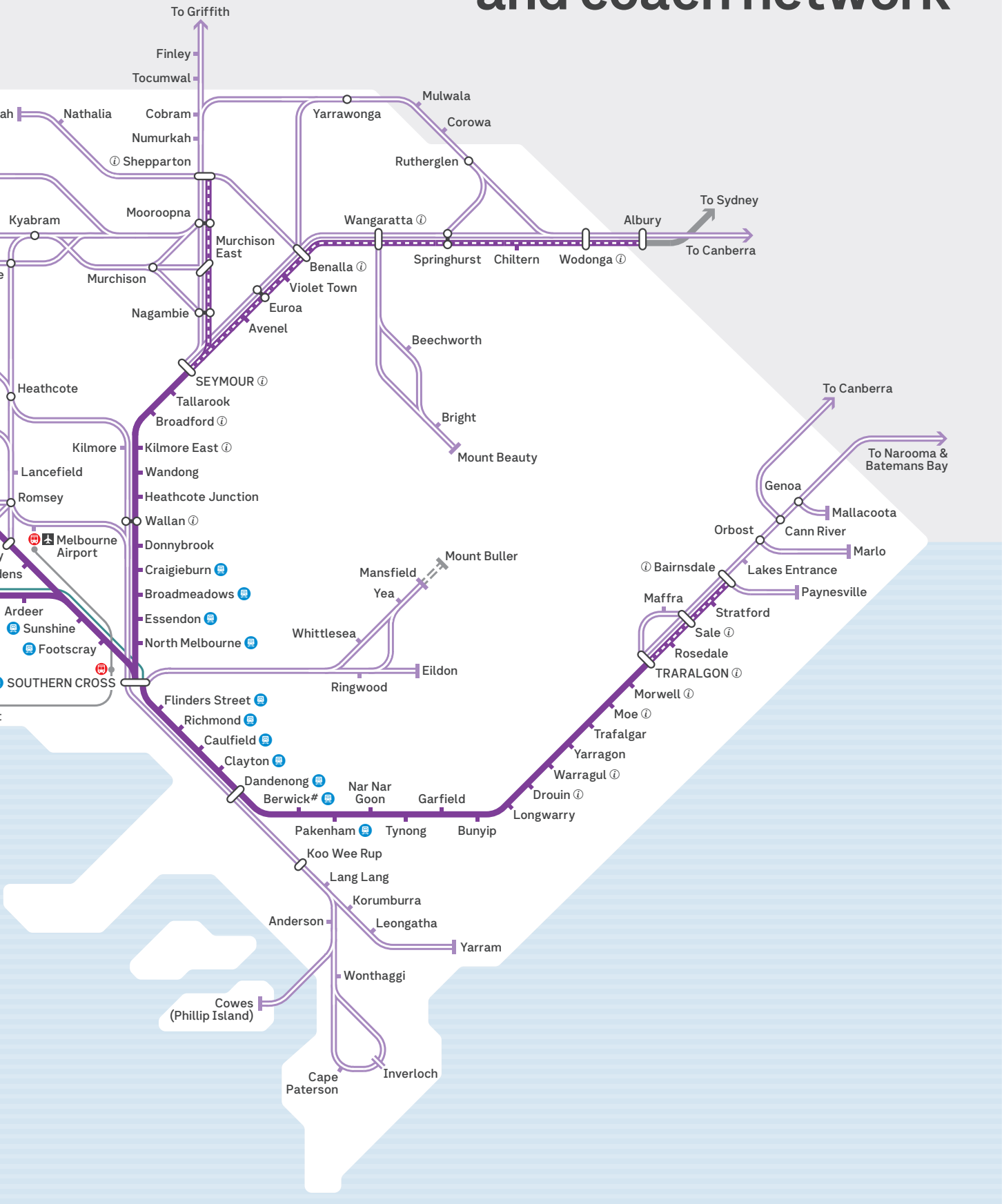
- Customer service hub
  For opening hours visit
  ptv.vic.gov.au
- State boundary

Not all stops shown.

Effective December 2023

© Department of Transport and Planning 2024

Regional train and coach network



Patronage

In 2025–26, V/Line once again recorded the highest patronage ever on the regional public transport network, with more than 28.5 million trips taken on V/Line train and coach services. Rail passenger trips increased by over 2 million, and coach trips increased by over 50,000 (refer to pages 14 and 15 for further details).

The strongest growth occurred during April 2026, with 3.1 million trips recorded, including the busiest individual day on 8 April, with more than 108,000 trips. Patronage was significantly influenced by the Victorian Government's free travel initiative in response to the fuel crisis and cost of living pressures during April and May 2026, which was followed by the introduction of half-price fares through to December 2026. Other free and discounted travel periods during the year also contributed to patronage levels.

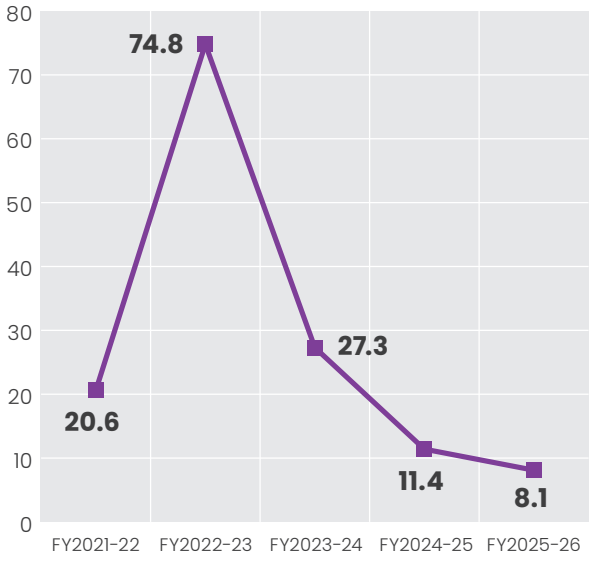
Beyond these initiatives, demand continued to strengthen across the regional network, reflecting an increasing demand for regional travel. Growth was observed across weekdays, weekends, school holiday periods and non-peak travel patterns, demonstrating a broad-based increase in demand.

The Geelong/Warrnambool lines recorded the largest increase in patronage, with approximately 900,000 more passenger trips than in 2024-25. The Traralgon/Bairnsdale lines experienced the highest percentage growth in patronage, increasing by 22 per cent.

Long distance services continued to remain popular with the regional fare cap, supporting strong demand across regional Victoria. Coach patronage also grew throughout 2025–26, exceeding 1.4 million passenger trips, highlighting the important role coach services continue to play in connecting regional communities.

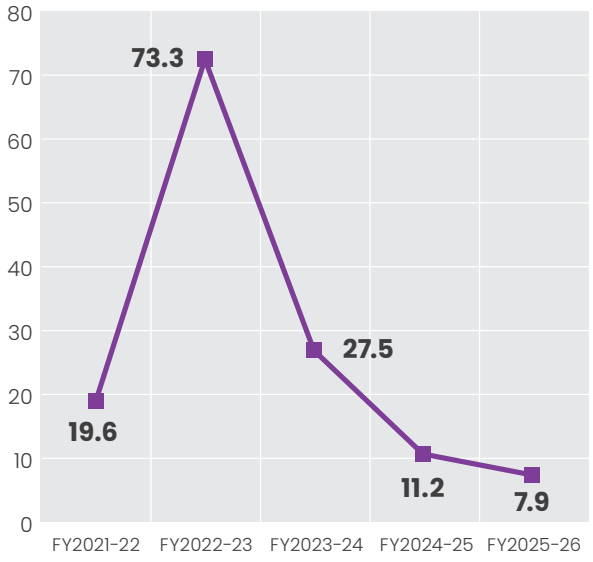
Train passenger trips

% change



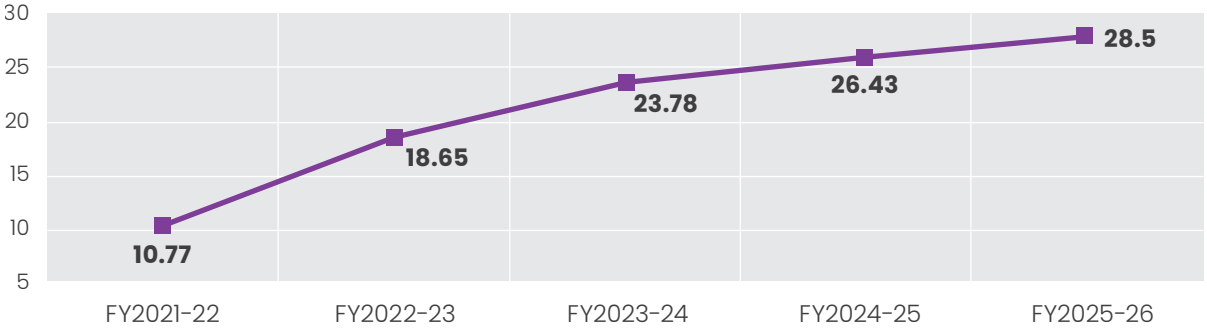
Train and coach passenger trips

% change



Train and coach patronage

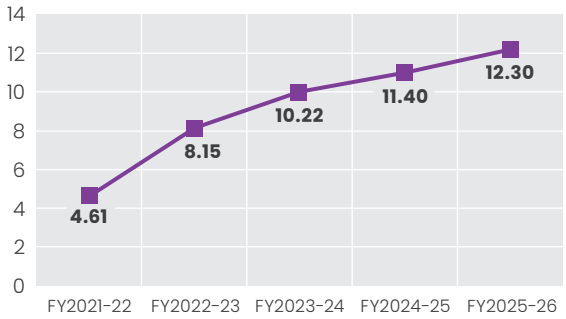
Millions



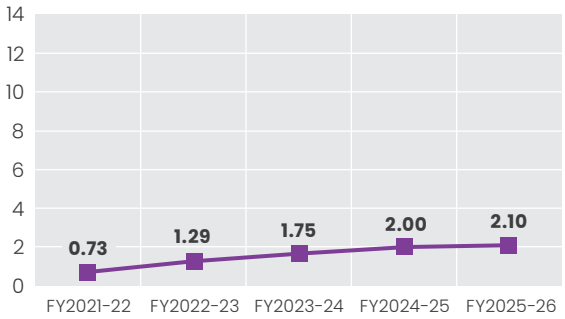
Rail patronage by line

Millions

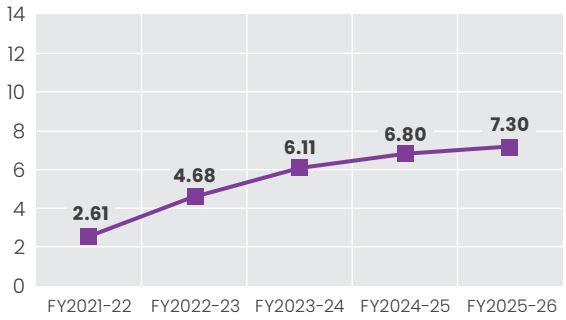
Geelong



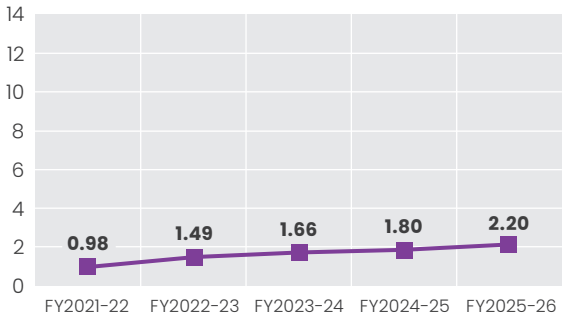
Seymour



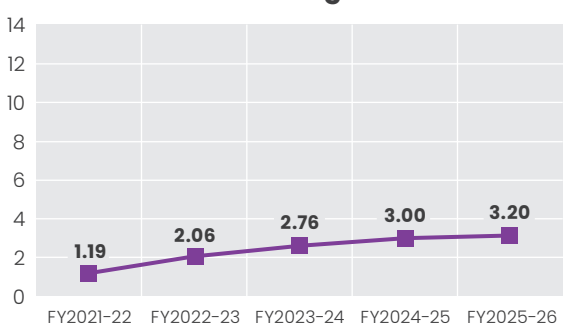
Ballarat



Traralgon



Bendigo



Note:

Patronage by line includes all 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	2025–26	2024–25
Total customer trips (rail and coach)	28,526,328	26,433,489
Rail passenger trips	27,100,267	25,061,684
Coach passenger trips	1,426,061	1,371,805

Stations

Total number of stations[1]	98	98

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

Customers

Customer Experience Index[1] – trains	79.9	78.3
Customer Experience Index[1] – coaches	81.5	80.6
Number of customer information enquiries	215,651	216,455
Number of feedback cases	17,655	15,498
Compulsory monthly performance compensation and discretionary compensation paid to V/Line customers[2]	$11,727	$10,128
Ticket sales/farebox revenue	$51.0 million	$69.2 million

1 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.

2 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	$1.43 billion	$1.32 billion
Total expenses from transactions	$1.43 billion	$1.31 billion
Earnings before interest, tax, depreciation and amortisation (EBITDA)[1]	$34.7 million	$17.4 million
Net result after tax[2]	$14.3 million	($1.4 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 (headcount)	3,096	2,855
Total staff	3,356	3,094

Fleet	2025-26	2024-25
VLocity carriages	420	390
Locomotives	6	30
Loco-hauled carriages	20	20
Sprinters (single unit)	21	21

Health, safety and environment

Serious Injury Frequency Rate (SIFR) per million hours worked	4.65	3.61
Signals passed at danger (SPAD) per million kilometres (Human Factors + Technical)	3.33	4.45
Signals passed at danger (SPAD) per million kilometres (Human Factors only)	1.2	1.25
Emissions intensity – tonnes per 1,000 passenger kilometre (tCO_2-e/1,000 Pass km)[1]	0.09	0.09

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	96.5	97.5
Reliability – commuter (per cent)	96.1	97.2
Reliability – long-distance (per cent)	98.9	99.1
Punctuality overall (commuter and long-distance services, average monthly performance) – Target: 92 per cent	87.2	88.5
Punctuality – commuter[1] (per cent)	87.3	88.5
Punctuality – long-distance[2] (per cent)	86.4	88.4
Number of services – commuter	100,339	97,784
Number of services – long-distance	17,143	16,511

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

V/Line continued to deliver safe, reliable and customer-focused services with record passenger numbers in 2025–26, while supporting major works programs undertaken across Victoria's transport network.

V/Line successfully balanced growing customer demand, timetable changes, major planned occupations and an increasingly complex operating environment, while maintaining a strong focus on operational performance, service reliability and continuous improvement.

V/Line achieved an annual reliability result of 96.5 per cent, meeting its performance target against a background of network change. Annual punctuality was 87.2 per cent against a target of 92 per cent, reflecting the combined impacts of major infrastructure works, operational incidents, environmental conditions and network constraints experienced throughout the year.

V/Line's performance is impacted by a range of internal and external, or metropolitan interface, factors. Trespass, infrastructure and rolling stock faults, excess dwell and emergency service access are the leading cause of non-reliable services and non-punctual services. Asset theft and vandalism are also contributing factors.

V/Line continues to address reliability and punctuality through improvement and modernisation initiatives, including modernising and maintaining our fleet and stabling facilities, modernising our rostering technology, and responding to catastrophic weather to improve train availability and return to service.

V/Line played a critical role in supporting Victoria's major transport infrastructure program, working collaboratively with government agencies, delivery partners and the broader rail industry to facilitate major construction activities while maintaining services for regional communities.

This included supporting the activation of the Metro Tunnel, delivery of the Shepparton Line Upgrade (Stage 3) and Gippsland Line Upgrade (Stage 2), progressive completion of the Inland Rail project, the Level Crossing Removal Project and completion of the Regional Rail Revival, all of which will improve the long-term reliability, capacity and connectivity of Victoria's regional rail network. These investments also continued to enable the expansion of VLocity services and more frequent regional train services across several lines.

V/Line continued to work closely with industry partners, government agencies, infrastructure teams and emergency services throughout 2025–26 to minimise disruptions and maintain safe, reliable services for our customers.

Victoria's rail freight sector delivered a strong operational performance in 2025-26, despite the lower freight volumes that resulted from a reduced grain harvest due to ongoing drought conditions. V/Line continued to maintain efficient freight movement across the network, delivering an extensive program of works in 2025–26, supporting the Victorian Government's commitment to move more freight by rail and reduce the number of trucks on roads.

Passenger demand and growth

As outlined in the Patronage section on pages 12 and 13, V/Line recorded another record year of patronage across its network, with more than 28.5 million trips taken on V/Line train and coach services. V/Line also supported free and half-price travel periods for all Victorians throughout the financial year, which delivered significantly increased patronage across the regional network.

In response to this sustained growth, V/Line maintained a strong focus on supporting passengers and improving the customer experience, while monitoring and managing patronage levels and service capacity throughout 2025–26.

V/Line continued to make adjustments to our fleet and customer support to meet the increase in passengers, including operating an additional 532 special services, supporting approximately 155,500 boardings (outlined on page 20).

Freight demand and growth

V/Line manages, maintains, and provides track access for the regional rail network used by private freight operators and customers.

As outlined above, freight volumes in 2025–26 were lower than in the previous years, primarily reflecting a reduced grain harvest as ongoing drought conditions continued to affect western Victoria.

Despite these challenging conditions, Victoria's rail freight sector delivered a strong operational performance, transporting more than 3.5 million gross tonnes of freight from loading terminals across the V/Line regional rail network. During 2025–26, 7,712 rail freight services moved freight over 1.2 billion gross tonne-kilometres.

Over the financial year, the V/Line network transported:

- more than 1.5 million gross tonnes of grain
- more than 1.4 million gross tonnes of containerised freight
- approximately 597,000 gross tonnes of quarry products.

This performance highlights the ongoing importance of the regional rail freight network in supporting Victoria's supply chains, despite the impacts of a challenging harvest season.

Supporting key passenger initiatives

As outlined on page 12, V/Line worked closely with the Department of Transport and Planning (DTP) on key transport initiatives and infrastructure activations across 2025–26 that have positively impacted passengers:

Free and discounted travel initiatives

V/Line supported the introduction of free and discounted travel initiatives including:

- free travel for under 18s (ongoing)
- free weekend travel for Seniors and other eligible concession holders (ongoing)
- free travel for all Victorians from 31 March to 31 May 2026
- half price fares from 1 June 2026 until 31 December

- free travel periods to celebrate the Metro Tunnel opening, with free travel across Victoria on weekends in December 2025 and January 2026
- free travel in November 2025 for passengers starting their journey at any station on the Gippsland Line between Nar Nar Goon and Bairnsdale following the Gippsland Line Upgrade.

Contactless payments rollout

Contactless payments were switched on across the myki-enabled rail network in June 2026, following successful public trials on the Ballarat and Seymour lines. This was made possible through the installation of new myki ticket readers on the V/Line network, with 342 new readers and gate readers installed across 56 regional myki-enabled stations. The introduction of contactless payments represents a significant customer experience improvement, giving passengers faster, simpler and more flexible ways to pay for their travel.

Metro Tunnel opening

V/Line worked closely with DTP and the Metro Tunnel Project to support the opening of the Metro Tunnel in November 2025 and the associated changes to connecting services for regional passengers. Extensive work also went into preparing for the 'Big Switch' timetable, which fully integrated the Metro Tunnel into Victoria's train network in February 2026. This provided regional passengers with better access to the five new stations, and added 18 services on the Traralgon Line, 10 new services along the Seymour Line and four new services on the Echuca Line.

Timetable updates and service uplifts

The Victorian Government has made significant investments in the rail network to ensure regional communities are thriving, accessible and well connected.

V/Line implemented two major timetable changes during 2025–26 to realise the benefits of Victoria's major transport infrastructure program and improve service frequency, capacity and connectivity across the network.

In September 2025, a new timetable introduced more than 80 additional weekly train services to support Gippsland's growing communities, including 14 services on Saturdays and 18 services on Sundays, giving passengers greater choice and flexibility.

Weekday train service frequency on the Traralgon Line was increased. Sunday Sale services were extended to start and terminate at Bairnsdale, improving access for communities in Bairnsdale and Stratford and enhancing travel options for visitors to the region. Additional weekend capacity was also introduced in the northern region on the Bendigo Line through targeted train build-ups.

The successful development, negotiation and delivery of an updated Coach Plan supported the September timetable change through the re-coordination of coach services across eastern Victoria. This included the addition of a new stop at The Rise on Traralgon-Sale services, along with coach network refinements to align with increased rail services in Gippsland and remove legacy services no longer required following the rail service uplift.

Timetable adjustments were implemented across the Geelong, Warrnambool, Ballarat, Ararat, Maryborough, Bendigo, Echuca, Swan Hill, Seymour, Shepparton, Traralgon and Bairnsdale lines as part of the Metro Tunnel *Big Switch* in February 2026. These changes delivered additional train services on key lines, improving connectivity to the five new Metro Tunnel stations. As outlined above, this included 18 additional services on the Traralgon line, 10 on the Seymour Line and four on the Echuca Line. As a result of these changes, weekday services on the Traralgon Line now operate every 40 minutes, while passengers travelling between Seymour and Shepparton have benefited from reduced journey times.

The updated Coach Plan also supported the February 2026 Metro Tunnel *Big Switch*

timetable changes. Adjustments were made to 101 coach services to maintain train connections and improve transfer times across the network. The plan also included targeted coach network refinements across regional Victoria, including changes to local stopping patterns, service connections and coach routing, ensuring services remained aligned with the revised rail timetable and continued to provide efficient and reliable access for regional communities.

Customer Experience

The Customer Experience Index (CXI) score for V/Line's rail services improved in the 2025–26 financial year, recording a result of 79.9, the highest for a financial year since the commencement of CXI reporting in 2022. This score reflects strong improvements in several key experience drivers, including station amenity and personal security.

The coach services CXI score of 81.5 was also the highest on record for a financial year. This score was driven by the highest passenger satisfaction rate for staff behaviour across any public transport service in Victoria.

In 2025–26, V/Line completed its first ever comprehensive segmentation research project focusing on coach customers. Key findings included different ticketing and service preferences based on passengers' locations, and consistently higher numbers of passengers travelling alone and travelling to visit friends and family, compared to previous rail surveys. More than 40 per cent of passengers surveyed indicated that they used coaches because they did not have access to a personal vehicle, highlighting the importance of V/Line's coach network to people who have no other transport options.

To help support safety on the network, V/Line supported the "STOPIT" campaign, in collaboration with DTP and Victoria Police. This campaign encourages the reporting of anti-social behaviour via a text.

V/Line has also encouraged good passenger etiquette through support of DTP's "Reminder to be Kinder" campaign, including hosting six at-station engagement events across the network.

In 2025–26, V/Line completed the rollout of a station amenity improvement program. The program features signage across unstaffed stations that enables passengers to report the condition of stations, and also includes a revised station checklist process for staff. This helps to provide greater oversight over station amenity and cleanliness and ensures any required maintenance or cleaning can be completed in a timely manner. This was reflected in the improved CXI score in the "Station/Stop" driver measure, which increased by 2.8 points.

As outlined on pages 16-18, V/Line has supported the implementation of several wider transport initiatives, improvements and infrastructure activations throughout the year which have had a significant impact on passengers, as well as the completion of the Gippsland Line Upgrade and the opening of upgraded stations in Morwell and Traralgon, and design upgrades to the Southern Cross Station Passenger Information Displays.

Modernising our fleet and maintenance and stabling facilities

Over 2025–26, 10 new three-car VLocity trains entered service to bring the VLocity fleet up to 140. The deployment of more modern, reliable and accessible VLocity trains continues with the progressive retirement of V/Line's classic fleet. The new VLocity units allowed the running of the timetable uplift and added an extra 2080 seats.

V/Line's train maintenance provider Alstom is fitting its Health Hub system to the fleet, which will provide real-time data analytics to enable greater fault details and the ability to keep trains safely in service for longer. Alstom is also installing condition monitoring equipment to each traction engine, which will provide greater engine

data to fault diagnose precisely for a quicker return to service.

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

South Dynon Upgrade Stage 2

V/Line's South Dynon train maintenance facility was upgraded to unlock additional capacity and improve reliability of passenger services.

In 2025–26, Stage 2 of the $322 million upgrade continued. A three-carriage biowash facility was commissioned, enabling V/Line to clean trains more efficiently so they can return to service sooner.

Further works included expansion and track reconfiguration to increase the capacity for servicing trains, and construction of a new underfloor wheel lathe, the first of its kind to service V/Line trains in Melbourne.

New stabling facilities

V/Line constructed a new stabling yard at Warrnambool Station, enabling trains to be housed overnight in a secure and fit-for-purpose facility. The project enables safer and more efficient train operations. There is a new cleaners' shed with facilities to maintain V/Line assets, in addition to upgraded communications, electrical and signalling equipment rooms.

Additional stabling for VLocity trains also formed part of the final stage of the Shepparton Line Upgrade.

Maintaining our fleet

V/Line worked closely with Alstom to support a smooth transition to the South Dynon Train Maintenance Facility, ensuring the ongoing provision of core maintenance activities for our growing fleet, including some fleet at Bendigo Rail Workshops (BRW) and the modification uplift program at Newport Workshop. This continues to drive improved fleet availability and reliability.

Modernising our rostering technology

In 2025–26 V/Line expanded the rostering technology implemented in 2024–25 to include planning and management of our driver rosters. This has strengthened rostering capabilities for this critical operational team and improved overall operational effectiveness. The introduction of digital sign-on/off technology for Operations rostered teams at over 60 sites across the network was also introduced in 2025–26. This is now integrated with the rostering system, a significant improvement to time and attendance processes.

The rollout of a Roster Self Service portal commenced in late 2025-26, improving communication of detailed and critical roster information to our frontline Operations teams. The initial rollout included over 600 operational staff, and feedback gathered to date has been largely positive and supportive of the benefits of this change.

V/Line is well progressed with preparation and readiness activities to support the expansion of the system in early 2026-27 to include conductor rosters, the last of the large, rostered teams to be brought into the system. This expansion will include additional integration with timetable systems, allowing much greater detail in shift planning for driver and conductor rosters, supporting improved roster design, operational robustness, and system supported fatigue, qualification, and compliance management.

Special events

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

V/Line supported these events in 2025–26 by operating 532 additional services and increasing carriage capacity on a further 344 existing services.

Major concerts held across Victoria in 2025–26 included Oasis, AC/DC, Metallica, Lady Gaga and Ed Sheeran. For these events alone, V/Line operated an additional 82 train services and increased carriage capacity on a further 63 services to meet heightened passenger demand.

Response to catastrophic weather

Extended periods of extreme heat required the implementation of Extreme Heat Timetables to protect passengers, staff and infrastructure during 2025–26. Higher temperatures contributed to increased animal strikes and additional fleet maintenance requirements, while bushfire activity across regional Victoria required service alterations and careful operational management to ensure the continued safe operation of the network.

In January 2026, V/Line crews planned for, responded to, and managed extreme fire danger conditions that affected all parts of regional Victoria.

A Catastrophic Fire Danger Day – the first since Black Saturday 2009 – was declared on Friday 9 January across the North Central, Northern Country, Wimmera and South West regions. This declaration required V/Line to cancel train and coach services through these areas to ensure the safety of employees, passengers and the broader community.

During mid-afternoon on 9 January, a fire ignited in the Harcourt and Mount Alexander region, driven by winds exceeding 100 kilometres per hour through forest and grassland. The fire destroyed 54 homes and local businesses, and cut off power, water, public transport and communications to the area. A combined effort across multiple emergency service agencies, utility providers, and V/Line staff and contractors enabled a rapid recovery.

Crews repaired and replaced signalling equipment and cabling, cleared hazardous vegetation and trees, and inspected and validated the safety of structures across a six-kilometre section of the rail reserve impacted by the fire.

This work was completed with great efficiency and professionalism, with all rail services restored by 14 January.

Other network impacts

The year also saw an increase in service disruption arising from trespassers and anti-social behaviour across the rail network. These incidents not only affected the safety and wellbeing of customers and frontline employees but also contributed to service delays and recovery challenges across multiple lines. V/Line continued to work closely with Victoria Police, Protective Services Officers (PSOs), emergency services and rail industry partners to improve our incident response, support our customers and employees, and strengthen initiatives aimed at improving safety across the regional network.

Alongside these challenges, V/Line continued to strengthen its operational capability through targeted performance improvement initiatives. During the year, the organisation enhanced operational governance, strengthened incident response and recovery arrangements, improved collaboration with industry partners, expanded performance reporting and analytical capability, and increased the use of operational data to support informed decision-making and continuous improvement. These initiatives have strengthened our operational resilience and improved visibility of network performance.

Supporting Victoria's major transport infrastructure program and delivering key projects

V/Line managed the end-to-end delivery of more than $170 million in project improvements across the network in 2025-26, helping to shape the improvement and modernisation of Victoria's regional transport service.

V/Line also worked closely with agencies that form part of the Victorian Infrastructure Delivery Authority (VIDA) to support and deliver major projects. In 2025-26, V/Line, VIDA and relevant partners completed the delivery of the Regional Rail Revival (RRR) program, which upgraded every passenger train line across regional Victoria.

Additionally, V/Line worked with VIDA Rail to help remove dangerous and congested level crossings, and deliver on network improvements, including the Melton Level Crossing Removal project, the Melton Line Upgrade, Ballarat Station Upgrade and the construction of a new station in West Tarneit.

Supporting VIDA Rail

Completion of the Regional Rail Revival program

Works were completed to deliver upgrades to every regional passenger rail line in Victoria, as part of the RRR program. The $4 billion Victorian and Australian government investment has improved travel accessibility and enabled almost 400 new and extended train services each week across the state.

This includes an extra 135 new weekly services following the Ballarat Line Upgrade, and more than 80 new weekly services for Gippsland passengers since the completion of the Gippsland Line Upgrade in September 2025.

The program has delivered 20 new and upgraded stations, hundreds of kilometres of track and signalling improvements, new and extended stabling facilities, and safety upgrades at more than 150 level crossings. It also included the removal of two level crossings in Geelong, boosting safety and easing congestion.

Regional passengers can now also travel to Bairnsdale, Albury, Shepparton and Warrnambool on modern and reliable VLocity trains thanks to significant upgrades along each line.

Shepparton Line Upgrade

The final stage of the Shepparton Line Upgrade was completed, which included additional stabling for VLocity trains (as outlined on page 20), an extended passing loop, and a new signalling and train control system to enable the line to support more weekday V/Line services between Shepparton and Melbourne.

The new signalling system builds on the investment in the first two stages of the Shepparton Line Upgrade, which delivered a stabling upgrade at Shepparton and 10 additional train services each week.

Upgrades to Mooroopna, Murchison East and Nagambie stations, improvements to train detection at 59 level crossings, a refuelling facility, and new stabling to enable modern VLocity trains to operate on the line for the first time have also been delivered.

Murray Basin Rail Project

The Murray Basin Rail Project is upgrading Victoria's rail freight network to meet growing industry demand for services. The upgrades have boosted freight capacity and reliability across the network, removing thousands of truck trips off regional roads. In 2025–26, project works included reinstating a 960-metre loop at Tourello on the Maryborough Line, the installation, testing and commissioning of new signalling systems, track and civil works, and driver training to prepare the upgraded network for operation.

Gippsland Line Upgrade

The Gippsland Line Upgrade is now complete, with passengers benefitting from more than 80 extra weekly services, and trains running approximately every 40 minutes between Melbourne and Traralgon, seven days a week.

The works included the completion and commissioning of a new train control system between Drouin and Traralgon, new platforms at Bunyip, Longwarry, Morwell and Traralgon to allow trains to pass at more locations, and a new accessible pedestrian overpass with four lifts at Traralgon Station, where trains commenced using the second platform in August 2025. There was also the renewal of signalling assets, including replacing 2.35 kilometres of cable at Darnum.

Ballarat Station Upgrade

V/Line worked with VIDA Rail on the Ballarat Station Upgrade, a project to improve accessibility, safety, and connectivity for all public transport users.

The project was completed at the end of 2025, and included the building of an accessible pedestrian overpass, a passenger lift and stairs on each platform. Passengers no longer need to leave the station to change platforms, making it easier and safer for everyone, including people with accessibility needs, and those carrying luggage or pushing a pram. There is also improved access to the existing northern station entrance with a new ramp, stairs and automatic swing door.

The designs, endorsed by Heritage Victoria, provide contemporary companion structures to the enduring heritage-listed buildings, demonstrating accessibility and heritage considerations working together.

Melton Level Crossing Removals

Works advanced on the Melton Level Crossing Removal project in 2025–26. The road bridge over the rail line at Hopkins Road near Cobblebank Station opened with Ferris Road works for the road bridge underway at the end of June 2026.

The project is also delivering safer and more reliable connections to the Western Freeway and newly built residential areas. The rail bridges over Coburns and Exford Roads are taking shape on either side of the new modern and accessible Melton Station currently under construction.

The old Melton Station was demolished in September 2025, paving the way for the new elevated station, being built with four platforms to accommodate Ballarat train services and providing dedicated platforms for services that will begin and end in Melton.

Melton Line Upgrade

In August 2025, works on the Melton Line Upgrade commenced, which will enable longer nine-car trains to start running on the Melton Line in 2027, ahead of schedule. This will boost capacity by 50 per cent on the line for peak services.

The Melton Line Upgrade includes the extension of platforms at Deer Park, Caroline Springs, Rockbank and Cobblebank stations. A new stabling yard will be built at Cobblebank, which will allow the longer trains to be at Melton Station for the first services to the city each morning, improving travel reliability.

West Tarneit Station

Major construction on West Tarneit Station continued in 2025–26. This brand new station, due to open in September 2026, will better connect the growing western suburbs to Melbourne's CBD.

The new V/Line station is located near the corner of Leakes and Davis Roads and includes a four-bay bus interchange, parking for up to 400 commuters, and an accessible pedestrian underpass.

V/Line Delivered Projects

Warrnambool stabling yard

As outlined on page 20, V/Line constructed a new stabling yard at Warrnambool Station, enabling trains to be housed overnight in a secure and fit-for-purpose facility. The project enables safer and more efficient train operations.

There is a new cleaners' shed with facilities to maintain V/Line assets, in addition to upgraded communications, electrical and signalling equipment rooms.

To support heritage services continuing to run through Warrnambool, the heritage turntable has been retained and linked to the track. V/Line also upgraded the Gillies Street pedestrian crossing to an active crossing, making it safer and easier for pedestrians and cyclists to access the waterfront.

Statewide Level Crossings Upgrade Program

The Statewide Level Crossing Upgrade program works are part of the $54 million package jointly funded by the Australian and Victorian Governments under Round 2 of the Regional Level Crossing Upgrade Fund (RLCUF).

This program upgrades road and pedestrian crossings across metropolitan and regional Victoria to improve safety for all Victorians.

During the year, V/Line completed four level crossing upgrades at Finnegans Lane and Old Shirley Road in Beaufort on the Ararat passenger line, Bridgewater-Dunolly Road in Llanelly on the Korong Vale-Sea freight Line, and Boort-Charlton Road in Charlton on the Dunolly-Korong Vale freight Line, with designs progressed on 28 more.

By 30 June 2026, V/Line had upgraded 69 level crossings over six years, as part of the program to improve safety for trains, motorists and pedestrians.

Geelong Tunnel Remediation Project

The Geelong Tunnel was first opened in 1876 and is a significant piece of infrastructure on the V/Line rail network. To maintain the tunnel's structural integrity and ensure its longevity, an intensive program of maintenance work was undertaken by V/Line crews over the past year.

Farrells Lane

V/Line commissioned a Victorian-first wireless level crossing detection technology at Farrells Lane in Stratford, changing a passive crossing to a fully active level crossing using wireless, solar powered technology to operate new boom gates, flashing lights and bells. This has resulted in improved safety for vehicles and trains and is the first crossing in V/Line's network to feature wireless axle counters.

Ballarat Freight Hub

Work commenced on the $55 million Ballarat Freight Hub, a major project which will move more freight by rail and help reduce emissions, while driving jobs and economic growth in the region.

The new rail infrastructure will support the movement of around 15,000 containers a year to the Port of Melbourne, with capacity for future growth.

The works will include three kilometres of new rail track as well as sidings, formation of mainline tracks, signalling, maintenance access to Liberator Drive, lighting, CCTV, fencing, drainage, footpath infrastructure and decommissioning of the Ring Road level crossing and pedestrian crossing.

The Freight Hub is jointly funded by the Victorian and Australian governments, and is expected to be complete in late 2026.

Improving safety, security and accessibility

Strengthening safety and resilience on the network

V/Line continued to work closely with rail industry counterparts and emergency services across the state to support network safety.

This included delivering rail and coach familiarisation sessions for first responders, as well as coordinating and participating in emergency exercises alongside Victoria Police, the Country Fire Authority, Fire Rescue Victoria, Ambulance Victoria, Metro Trains Melbourne and Yarra Trams.

A range of safe performance and continuous improvement initiatives were also delivered. New level crossing rules were introduced to permit train operations to continue safely across level crossings experiencing faults. This has reduced the impact of incidents, such as boom strikes and broken boom arms on passenger journeys, and improved recovery times following faults.

Further improvements included the removal of 3-car VLocity stop marks and alignment to existing 6-car VLocity stopping positions. This initiative forms part of a broader set of mitigations designed to reduce the passenger risk associated with undershoots and passengers disembarking where there is no platform.

Additional measures included the introduction of door banners across all lines, providing a further mitigation to address short platform risks.

Assurance checks have also been introduced for temporary speed restrictions (TSRs), including those related to emergency service access requests. TSRs play a critical role in maintaining safety across the rail network, and these assurance checks strengthen the communication of speed restrictions and support compliance by train crews.

Upgrading station security

Station security was strengthened through a program of digital CCTV upgrades, delivered at six stations: Wendouree, Wangaratta, Corio, Geelong, Seymour and Shepparton. These upgrades modernised surveillance coverage and image quality, improving safety and security for passengers and staff across the western, north-east and network-wide regions.

Improving accessibility across the V/Line network

V/Line remains committed to delivering an inclusive and accessible public transport network for all Victorians and has made significant progress to strengthen accessibility outcomes across infrastructure, services and customer experience.

Delivering the Accessibility Action Plan 2025–2028

The *V/Line Accessibility Action Plan 2025–2028* sets a clear direction for continuous improvement, built around four key pillars:

- Customer Experience: enhancing journey planning, booking and onboard support for passengers with accessibility needs
- People and Capability: strengthening workforce skills and confidence to deliver inclusive service

- Infrastructure and Assets: improving station accessibility and rolling stock design
- Partnerships and Innovation: working alongside communities and people with lived experience to inform change

This Plan ensures accessibility remains embedded across all areas of the organisation, with a strong focus on co-design and measurable outcomes.

Strengthening workforce capability

A key priority has been building the capability of frontline customer service employees to confidently support passengers with diverse needs. Achievements include:

- Maintaining Communication Access Symbol accreditation, following successful reaccreditation. This reflects V/Line's continued commitment to accessible communication, achieved through training our frontline staff and ongoing collaboration with people with lived experience of disability and communication barriers.
- Introduction of the Sunflower Hidden Disabilities e-learning module, further supporting staff to recognise and assist customers with non-visible disabilities.
- Continued delivery of disability awareness and communication training programs, ensuring employees are equipped to provide respectful, informed and responsive customer service.
- Maintaining Disability Confident Recruiter status, reinforcing V/Line's commitment to inclusive employment practices and accessible recruitment processes.

Supporting customers with confidence

V/Line has continued to expand programs that empower passengers to travel independently:

- Ongoing participation in the Hidden Disabilities Sunflower Program, helping staff identify and support customers who may require additional assistance.
- Delivery of Try Before You Ride programs in partnership with local councils, including a highly successful recent program with Ballarat City Council, supporting individuals to build confidence in using public transport.
- Participation in a major multi-agency Try Before You Ride event at Southern Cross Station (October 2025), bringing together public transport operators and accessibility organisations to provide hands-on, practical travel experiences.

Improving accessible infrastructure

Accessibility upgrades across the network continue to play a vital role in improving customer experience. Key improvements include:

- Station accessibility upgrades at 16 stations across the network as part of a program to upgrade passenger experience and continue to improve access for regional public transport services.
  - Works included accessible toilet upgrades at Shepparton, Drouin and Castlemaine stations, changes to ticket counters at Warragul, Castlemaine, Clarkefield, Wyndham Vale and Caroline Springs stations and access ramp upgrades at Clarkefield and Kyneton.
  - Passengers who are blind or have low vision will be able to navigate stations more safely following upgrades to the tactile ground surface indicators at Ardeer, Caroline Springs, Castlemaine, Clarkefield, Drouin, Kyneton, Little River, North Geelong, Shepparton, Tallarook, Tarneit, Warragul, Woodend and Wyndham Vale.

- Progression of the Ballarat Station Precinct redevelopment, including the new station overpass, which improves step-free access between platforms and enhances safety and overall accessibility for passengers.
- Ongoing rollout of boarding assistance infrastructure
- Implementation of the Disability Standards for Accessible Public Transport (DSAPT) compliance programs, ensuring infrastructure upgrades align with national accessibility requirements.

Making travel more accessible

Additional achievements have focused on improving journey accessibility and flexibility:

- Continued expansion of accessible VLocity trains, supporting greater network coverage for passengers requiring accessible features.
- Embedding the accessible reservations process, allowing passengers to book assistance and plan journeys with confidence across multiple regional lines.
- Ongoing engagement with the Accessibility Reference Group, ensuring lived experience continues to shape service improvements and innovation.
- Continued partnership with Travellers Aid, delivering support services at key stations such as Southern Cross, Seymour, Ballarat and Geelong.

Through strong partnerships, targeted investment, and a clear strategic direction under the *Accessibility Action Plan 2025–2028*, V/Line is continuing to deliver meaningful improvements—building a public transport network that is inclusive, accessible, and welcoming for everyone.

Managing our assets

In 2025-26, V/Line delivered a major program of renewal works across the regional passenger and freight rail network. The program comprised 147 projects, representing around $195 million in delivered and in-progress works, including Major Periodic Maintenance (MPM), station security upgrades and emergency and state-funded projects.

Works concentrated on the assets that carry the greatest safety, reliability and asset-condition risk and extended to communications, station security and amenity upgrades. The works spanned all regional corridors, with the majority of projects completed and the remainder substantially delivered on site.

Maintenance and renewal works

The 2025–26 program delivered:

- around 169,000 mainline sleepers replaced
- renewed 66.4 kilometres of rail across the passenger and freight networks, including 63 kilometres of continuous welded rail on the Korong Vale to Sea Lake freight line and 3.4 kilometres of new rail laid through bridge and level crossing renewals
- rail upgrades on the Korong Vale–Kulwin line
- 36 level crossings renewed, upgraded or resurfaced
- 23 bridges and culverts replaced or remediated
- two mainline turnouts renewed from timber to concrete
- two station pits renewed at Shepparton and Kilmore East
- renewal of signalling assets, including replacing 2.35 kilometres of cable at Darnum, and cable renewal across the Ballarat corridor

- emergency and reactive renewals, including the West Melbourne Maintenance Depot (WMMD) relocation.

Track renewals

Track renewal was a major theme of the 2025–26 program of works. V/Line delivered a series of mainline tie-cycle renewals and bulk sleeper insertions designed to extend asset life across the freight and passenger network. Crews renewed or replaced 66.4 kilometres of rail across the network, comprising 2.7 kilometres of passenger rail and 63.7 kilometres of freight rail.

Major works included:

- Donnybrook to Seymour tie renewals, with 23,500 concrete sleepers installed
- 75,000 sleepers replaced between Dunolly and Yelta
- 40,000 sleepers replaced between Traralgon, Sale and Stratford.

Crews also installed concrete sleepers on three ballasted deck bridges on the Korong Vale to Robinvale, Bendigo to Piangil and Donnybrook to Seymour lines, reducing faults and renewing the lifespan of these assets. Together, these renewals enable efficient freight movement and reduce the risk of heat and condition-related speed restrictions across some of the network's busiest corridors.

Renewing bridges and culverts

V/Line delivered renewal works across 23 bridges and culverts in 2025-26. On the Echuca–Deniliquin line, crews replaced an entire life-expired structure and installed three box-culvert replacements. Sleepers and ballast were also renewed for 13 bridges between Bendigo and Swan Hill, and four bridges around Kilmore East and Craigieburn. These works supported freight capacity on key grain routes and the delivery of reliable services on the passenger network.

Communications and train control systems

A network-wide program of communications and train control renewal continued throughout 2025–26, modernising systems and strengthening network resilience. Works included the ongoing lifecycle upgrade and virtualisation of the train control system (TCS) across the Bendigo, Maryborough and metropolitan networks, state-wide data-network improvements and routing upgrades, relay room alterations at Ararat, and base station works.

Emergency and reactive renewals

V/Line delivered a range of emergency and reactive renewal works over 2025–26 to maintain network availability. This included reactive delivery works on the Bendigo–Piangil line and works at the Maryvale private siding.

Unlocking the potential of the freight network

V/Line delivered an extensive program of works over 2025–26 to enable and maintain efficient freight movement across the network, supporting the Victorian Government's commitment to move more freight by rail and reduce the number of trucks on roads.

Key network investment outcomes included:

- delivered a significant program of level crossing renewals and signalling upgrades across the north west and western freight corridors, improving public safety, regulatory compliance and operational reliability.
- progressed major bridge renewal and rectification projects on the Echuca–Deniliquin, Dunolly–Inglewood, Korong Vale–Boort and Robinvale corridors, strengthening network integrity and extending asset life.

- advanced 20-tonne axle load (20TAL) upgrades between Korong Vale and Boort supported by track strengthening works and the installation of continuous welded rail to increase freight capability and improve maintainability.
- installed more than 86,000 sleepers across the Mildura and Tocumwal freight corridors, improving track condition, network resilience and long-term operational performance.
- completed targeted signalling and cable renewals on key freight routes, enhancing system reliability, operational efficiency and asset performance.
- upgraded point mechanisms, interlocking systems and freight siding infrastructure, improving network functionality and supporting more reliable freight operations.
- continued investment in critical freight infrastructure to improve safety, reliability, network capacity and asset sustainability across Victoria's regional freight network.
- delivered projects that support higher axle loads, improved ride quality, reduced maintenance demand and increased freight productivity, enabling a more resilient and efficient freight supply chain.

V/Line continued to unlock additional freight capacity through the repurposing of retired N-class locomotives, with 17 locomotives successfully leased to the freight industry by June 2026. This long-term initiative supports the growth of grain and intermodal freight movements across Victoria while ensuring the productive reuse of surplus rail assets.

Community partnerships

V/Line is committed to building strong partnerships that contribute to thriving, connected and inclusive regional communities. V/Line's community investment approach focuses on supporting initiatives that advance youth empowerment, community safety, wellbeing, economic development, and diversity and inclusion.

Throughout 2025–26, V/Line continued to strengthen long-standing partnerships and identify new opportunities to support programs that deliver positive social and community outcomes.

By fostering collaboration across its partnership portfolio, V/Line aims to maximise shared value, amplify impact and increase the benefits delivered to communities across Victoria.

Doxa Youth Foundation

In 2025-26, V/Line continued its long-standing partnership with the Doxa Youth Foundation, an enduring relationship spanning 50 years. This partnership supports children and young people from low socio-economic backgrounds to attend Doxa's Malmsbury and Melbourne camps. V/Line also contributes to Doxa's camp experience by providing complimentary tickets to exhibitions and events from V/Line's arts, cultural and sports partners, helping to create enriching opportunities for participants.

AFL Victoria

V/Line has proudly supported country football since 2004, with more than 20 years of partnership with AFL Victoria. This long-standing partnership helps create opportunities for young people across regional Victoria to participate in and progress through the game.

Central to the partnership is the V/Line Cup, Victoria's premier under-15 representative football carnival for regional players. The competition provides an important pathway into elite talent programs, including the Coates Talent League, and has helped launch the careers of more than 100 players who have gone on to be drafted into the AFL and AFLW.

Beyond the field, the V/Line Cup provides participants with valuable opportunities to develop leadership, teamwork and confidence in a high-performance environment. The carnival also supports the development of emerging regional umpires, offering opportunities to officiate at an elite representative level and gain experience to advance their officiating pathways.

The 2025 V/Line Cup was held in Ballarat in September, bringing together 21 teams from seven regions and more than 600 players, officials and umpires from across Victoria. In addition to its sporting impact, the three-day carnival delivered significant benefits to the host community, with AFL Victoria's economic impact assessment valuing the contribution at $680,000 to the Ballarat economy.

Beacon Foundation

V/Line's long-standing partnership with the Beacon Foundation supports young people in regional Victoria to build the skills, confidence and aspirations needed for a successful transition from school to employment. The partnership contributes to Beacon's work readiness programs, which deliver targeted learning opportunities for students in Years 9 to 12 from communities experiencing socio-economic disadvantage.

In addition to funding support, V/Line employees volunteer their time as mentors, sharing practical insights and career experiences to help students explore pathways beyond school.

During 2025–26, Beacon delivered work readiness sessions at eight schools across Victoria with V/Line's support, creating opportunities for students to strengthen their employability skills and prepare for future education, training and career outcomes.

Travellers Aid partnership

The partnership between V/Line and Travellers Aid that was established in 2014 continues to flourish, and is a key part of V/Line's commitment to delivering an inclusive, safe and accessible public transport network. In 2025, the partnership was further distinguished by a significant milestone, Travellers Aid's 110-year legacy of supporting people to travel with dignity and independence.

The expansion of services into Geelong in November 2025 represents a significant step forward in extending accessibility support deeper into the regional network, ensuring more passengers can travel with confidence and continuity.

In 2025–26 this collaboration has continued to deliver meaningful outcomes for customers, particularly those requiring additional assistance to navigate the network. The presence of Travellers Aid at Southern Cross, Seymour, Ballarat and, more recently, Geelong, has enabled tailored, on-the-ground support aimed at removing barriers to travel and enhancing the overall passenger experience. Connection assistance services remain central to this offering. These include buggy transport at Southern Cross and Seymour stations, alongside wheelchair and luggage assistance at Ballarat and Geelong.

In 2025–26, demand for these services remained strong, reflecting both growing awareness and reliance on accessible support:

- 25,809 passengers received connection assistance at Southern Cross Station, including 17,593 regional passengers – up 22 per cent on 2024-25
- 6,715 passengers were supported at Seymour Station
- 3,276 passengers were assisted at Ballarat Station
- 2,508 passengers accessed services at Geelong Station following its introduction in November 2025.

Travellers Aid also plays a critical role in supporting passengers during planned disruptions, ensuring continuity of care when travel conditions are most challenging. Over the past year, this included assisting more than 1000 passengers during disruptions at key locations such as East Pakenham and South Geelong, providing reassurance, practical support, and safe connections. Passenger feedback continues to affirm the profound value of this partnership.

Customers consistently describe Travellers Aid services as "essential," "reassuring," and "transformational" to their journey experience. Many highlight the professionalism and empathy of staff and volunteers, noting that their presence not only facilitates physical mobility but also restores confidence and independence when travelling.

This sentiment underscores the broader social impact of the partnership and helps V/Line and other operators enable equitable access to public transport for all members of the community, including people with disabilities, older passengers, and those with temporary mobility needs.

Station Volunteer Program

The Station Volunteer Program plays an important role in fostering community connection and pride of place across the regional rail network. By supporting volunteers to maintain and enhance station gardens, the program contributes to the creation of welcoming and well-presented station environments.

The program currently includes 24 active volunteer groups, highlighting the strong commitment of local communities to caring for, and improving, their stations. Participation continues to grow, demonstrating the value communities place on contributing to shared public spaces.

V/Line continues to work in partnership with VicTrack and volunteer groups to support safe, inclusive and sustainable participation. These collaborations help strengthen community ownership, enhance station amenity and contribute to positive passenger experiences.

Arts and cultural organisations and events

V/Line continued to support a diverse range of arts and cultural organisations and events throughout 2025–26, helping to connect Victorians with leading cultural experiences and encourage visitation across the state. Partnerships during the year included:

- National Gallery of Victoria exhibitions, including *Cartier, Westwood | Kawakubo* and *French Impressionism*
- Melbourne Museum's *ROME* exhibition
- Castlemaine State Festival
- Geelong Jazz & Blues Festival
- Geelong Gallery's *Archibald Prize* exhibition

V/Line also participated in the second round of DTP's Transporting Arts Program, which aims to enhance the customer and community experience at train stations and tram stops through public art. Working in partnership with councils and local artists, the program showcases artworks that celebrate the unique history, culture and identity of local communities. During 2025–26, planning commenced for installations at Ballarat, Drouin, Shepparton, Swan Hill and Tarneit stations that will bring colour, storytelling and local character to these important public spaces.

Through these partnerships and initiatives, V/Line supports programs that generate significant cultural, social and economic benefits for Victoria, while promoting public transport and improving access to arts and cultural experiences for regional and metropolitan communities alike.

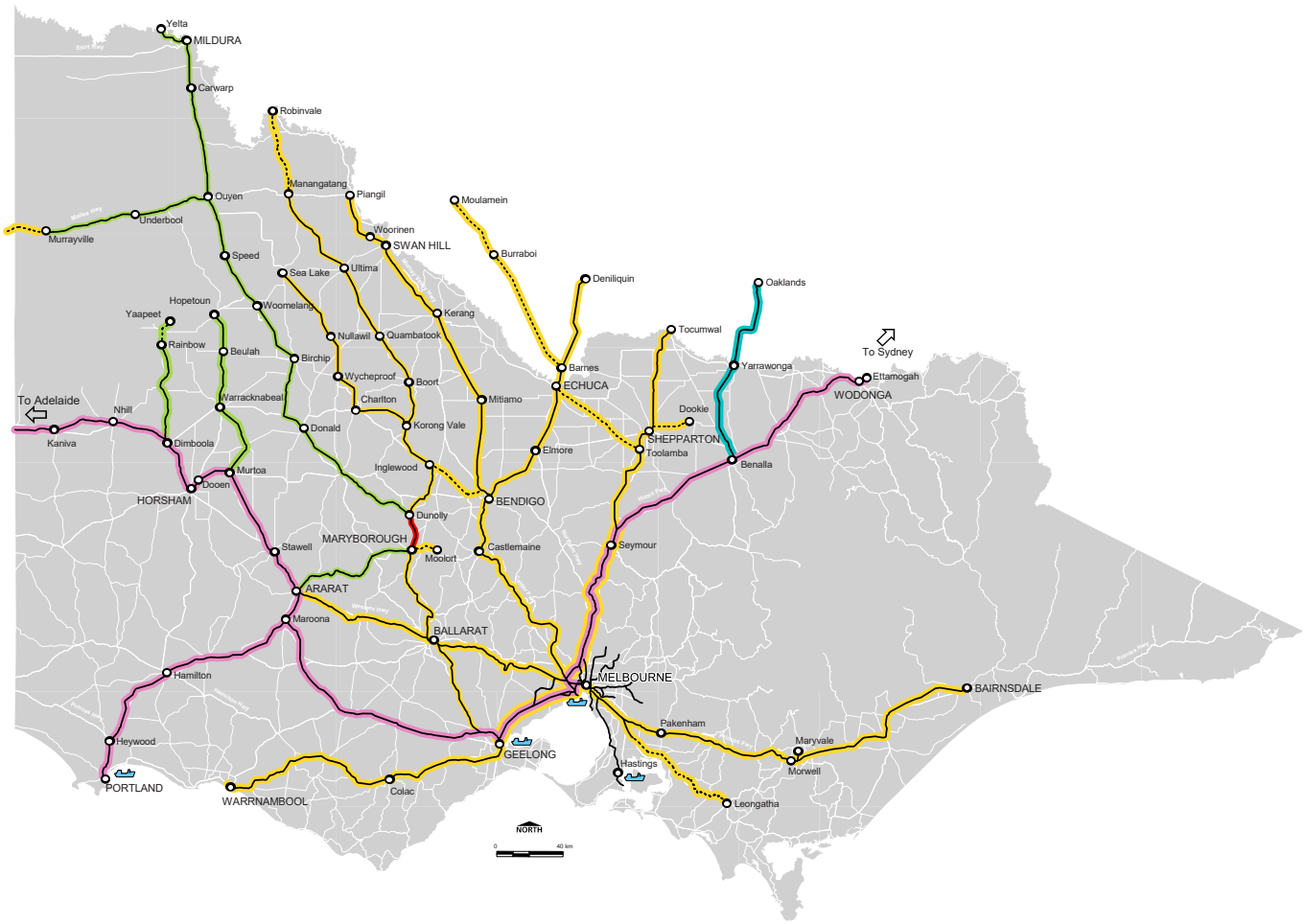
Pride

V/Line was proud to continue its support of Victoria's LGBTIQA+ communities during the 2025–26 Pride Season, serving as a major transport partner for key events, including Midsumma Carnival, Pride March and the Regional Pride Outreach Program that was delivered in partnership with regional employers.

Support extended beyond major events, with inclusive messaging displayed across the network to mark occasions (such as Wear It Purple Day) and to celebrate diversity within regional communities. V/Line also continued to operate the Pride Train, which travelled across the network as a visible symbol of inclusion, allyship and celebration.

Through these initiatives, V/Line reinforces its commitment to fostering a workplace and transport network where everyone feels welcome, respected and connected.

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

Performance reporting – financial

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

	2025-26	2024-25	2023-24	2022-23	2021-22
Total revenue and income from transactions	1,428,984	1,320,842	1,359,547	1,249,764	1,173,518
Total expenses from transactions	1,429,011	1,307,543	1,327,979	1,274,830	1,186,852
EBITDA[1]	34,679	17,418	23,632	18,262	45,708
Net result for the period after tax	14,335	(1,433)	32,191	(23,378)	2,119
Net cash flow from operating activities	83,392	15,031	68,048	(14,396)	53,843
Total assets	426,725	397,944	376,249	365,019	394,575
Total liabilities	322,346	315,180	289,282	313,829	306,158

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

Total V/Line revenue and income from transactions increased by $108.1 million to $1,429.0 million in 2025–26, primarily driven by higher Victorian Government funding of $126.8 million to support additional passenger train services and project funding for major regional rail network upgrades.

The higher Victorian Government funding was partially offset by lower farebox revenue following the Victorian Government's free public transport initiative from 1 April to 31 May 2026, and the 50 per cent fare reduction from 1 June 2026, which continues until 31 December 2026.

Total expenses from transactions increased by $121.5 million to $1,429.0 million in 2025-26, primarily driven by the cost of additional passenger rail services, together with project-related expenditure and infrastructure renewals costs associated with major State projects.

EBITDA was $34.7 million in 2025–26 an increase of $17.3 million from the prior year. This reflects V/Line's continued strong underlying operating performance, supported by disciplined cash, cost and budget management. The favourable EBITDA generated by V/Line is being used to fund key strategic activities and initiatives aimed at enhancing customer outcomes and operational performance.

The net cash flow from operating activities of $83.4 million in 2025-26 reflects a positive underlying cash result and ongoing management of working capital levels.

Total assets increased by $28.8 million to $426.7 million in 2025-26, mainly driven by higher cash balances. The increase in Total assets was partially offset by the growth in Total liabilities by $7.2 million, with an increase in contract liabilities and employee-related provisions required to support additional passenger rail services.

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 2025-26.

Subsequent Events

Subsequent to 30 June 2026, a nationwide Telstra communications outage on 8 and 9 July 2026 disrupted V/Line's regional passenger rail operations. Services were suspended until communications were restored to a safe operational level on the afternoon of 9 July, with supplementary coaches deployed to support critical travel needs.

As the outage occurred after the reporting date and did not indicate conditions existing at 30 June 2026, it is a non-adjusting subsequent event. Management has assessed the financial impact as not material to the financial statements; however, the disruption was a material operational event due to its impact on service delivery.

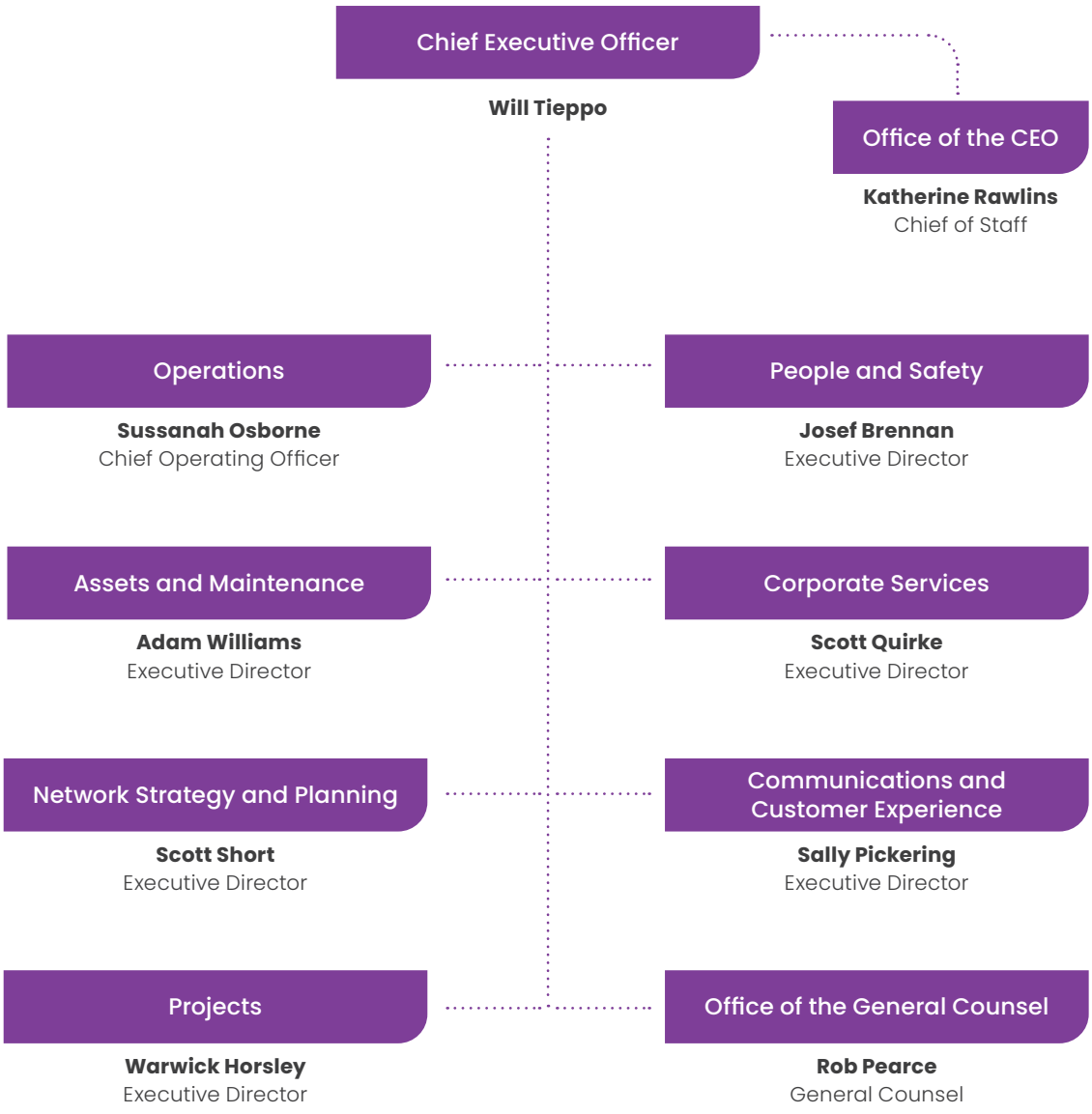


Section 2
Governance and organisational structure



Organisational structure and corporate governance arrangements

Leadership team as at 30 June 2026



Leadership groups

Operations is responsible for the day-to-day delivery of train and coach services across regional Victoria and, increasingly, peri urban Melbourne.

The safe and efficient delivery of these services requires network planning and control, a continued focus on mechanisms to improve services and operations, and responsibility for providing safe and efficient rolling stock to support V/Line operations, including rolling stock requirements for the current network and fleet maintenance management.

Operations is the public face of V/Line, and this involves high standards of staff behaviour and responsiveness to customer needs. It also requires sophisticated data collection and analysis of customer experience and activity to ensure continual improvement of the passenger experience.

Operations has the largest workforce in V/Line with approximately 1,600 staff located across the state, including Melbourne, large regional centres and smaller country towns.

The responsibility for the achievement of most of V/Line's service delivery targets rests with Operations.

Assets and Maintenance cares for today's assets and infrastructure, and plans for future network renewals and growth.

The Group includes teams that have management and oversight of network infrastructure, provide network access for freight operators and third-party works, facilitate project integration and delivery across the network and includes engineering assurance. The teams enable the safe and efficient operation of the network.

The Group also works in partnership with DTP to ensure that standards and approaches are consistent across transport agencies, supporting a well-functioning, integrated Victorian transport system.

Network Strategy and Planning was established in late 2025 bringing together select modernisation, network strategy and planning functions to design, develop and implement innovative, efficient and sustainable strategies for the regional passenger and freight network.

The Group plays a critical role in shaping the future operating model for the network by integrating systems, technology and data-driven insights to improve network performance, resilience and customer outcomes, while supporting long term growth and transformation of Victoria's regional public transport system.

Projects is responsible for developing, delivering and assuring project-related changes and improvements across the regional rail network.

The Group coordinates, integrates and delivers major projects and network change in a safe, collaborative and innovative manner, enabling V/Line to shape the improvement and modernisation of V/Line's regional transport service.

The Group supports Victoria's major transport infrastructure program, partnering with the State to deliver significant programs such as the Level Crossing Removal Project, Melbourne Airport Rail Stage 1 and other improvement and capacity enabling projects across the regional network.

People and Safety is responsible for V/Line's systems and processes that enable the business to deliver passenger and freight services while meeting its legislative obligations, community expectation, and employee safety and wellbeing.

The Group is responsible for developing and ensuring standards for the behaviour and capability of the V/Line workforce. This includes the delivery of people services, recruitment, workforce planning,

workplace relations and performance management, guided by policies, processes and procedures that enable the business and its people to succeed.

By partnering with the organisation, the group enables the business to deliver safe and reliable passenger train and coach services in accordance with V/Line management systems. The Group promotes a people-focused organisation with a positive safety and risk culture at its core.

Corporate Services provides specialist support and strategic guidance that enables V/Line to operate effectively and deliver on its objectives. The group delivers a range of specialist services including finance, payroll, facilities management, IT, data management, procurement, commercial management, transformation projects, planning and reporting, and enterprise project support and oversight.

The Group establishes standards and guidelines in line with Victorian Government requirements, ensuring high compliance and ethical behaviour across V/Line. The Group's planning division collaborates with the Executive Leadership Team to develop long and medium-term strategies, positioning V/Line to achieve its vision and purpose.

Communications and Customer Experience is V/Line's central function for media, public engagement, issues management and corporate communications. The Group provides trusted advice to the CEO and the organisation, strengthens V/Line's brand and reputation, manages media responses, builds strong relationships with community and industry stakeholders, and ensures clear, consistent and aligned messaging so our people are informed, engaged and connected to our vision, purpose and values.

The Group is also responsible for championing the customer voice across the organisation, in addition to providing an end-to-end customer experience across physical and digital touchpoints for our passengers. This includes embedding accessibility and supporting continuous improvement to ensure V/Line services are intuitive and responsive to customer needs.

Office of the Chief Executive Officer provides strategic leadership, coordination and organisational oversight to support delivery of V/Line's vision and purpose. The Office supports the CEO in progressing government priorities and meeting the expectations of the community and key stakeholders, ensuring alignment between corporate objectives, service delivery and governance. It plays a central role in setting organisational direction, driving performance and enabling effective decision making to support safe, efficient and customer-focused transport outcomes for regional Victoria.

Office of the General Counsel provides legal advice and support 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 Leadership Team membership and roles

The Executive Leadership Team (the ELT) is V/Line's peak collective decision-making and strategic forum, providing strategic direction, decision-making and approval of matters, supporting the V/Line CEO as the chief decision maker and provides the overarching stewardship for V/Line. The ELT ensures organisational workflows contribute to the achievement of strategic priorities and initiatives identified in V/Line's Corporate Plan. The ELT is responsible for managing V/Line in a manner that ensures V/Line fulfills its objectives and functions effectively and in compliance with good governance.

The ELT presides over matters as outlined in the ELT Terms of Reference and membership has power to delegate initiatives and priorities to management, ensuring that the work undertaken contributes to the achievement of strategic goals in the V/Line Corporate Plan.

As at 30 June 2026, the ELT comprised the following Executive members:

- Will Tieppo Chief Executive Officer (Chair)
- Katherine Rawlins, Chief of Staff
- Rob Pearce, General Counsel
- Sally Pickering, Executive Director Communications and Customer Experience
- Sussanah Osborne, Chief Operating Officer
- Josef Brennan, Executive Director People and Safety
- Scott Quirke, Executive Director Corporate Services
- Warwick Horsley, Executive Director Projects
- Adam Williams, Executive Director Assets and Maintenance
- Scott Short, Executive Director Network Strategy and Planning

Advisory Board membership and roles

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

The Advisory Board forms part of V/Line's governance arrangements established to ensure that V/Line:

- is aligned to the Victorian 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 matters.

As at 30 June 2026, the Advisory Board comprised the following independent members:

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

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 V/Line's financial reporting and performance reporting
- oversee the internal and external audit activities of V/Line
- review and monitor V/Line's compliance with legal and regulatory obligations with respect to the Financial Management Act
- oversee and monitor V/Line's risk management systems and frameworks
- oversee and monitor systems of internal control relating to management of recommendations and actions made by internal and external auditors relating to or impacting on financial management, performance and sustainability
- oversee and monitor V/Line's application of the Asset Management Accountability Framework (AMAF).

The Committee supports V/Line's CEO (as the Accountable Officer) to discharge his responsibilities under the Financial Management Act, Transport Integration Act and *Public Administration Act 2004* (Vic).

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

As at 30 June 2026, 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 applicable legislation, including the *Occupational Health and Safety Act 2004* (OH&S Act), Rail Safety National Law, Heavy Vehicle 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 and Safety team continues to focus on 'Critical Risk' and managing V/Line's key areas of operational and people safety.

V/Line continued to engage constructively with the Office of the National Rail Safety Regulator (ONRSR) to thoroughly test our Safety Management System through several surveillance inspections and audits. All identified issues are actioned and closed within agreed timeframes.

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

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

- the ongoing upgrade of crossings from passive ('stop' sign only) to active (activated 'booms and barriers' on approach of train), several facilitated by project upgrades
- the installation of axle counters in locations that are subject to train detection faults
- an ongoing review of unapproved access points with the potential to allow bypassing of safety controls
- vegetation removal
- improved sighting at crossing locations across the state
- introduction of risk-based measures, such as temporary speed restrictions, have also been applied at individual crossings where sighting distances are not able to be improved.

There were two level crossing incidents over the past 12 months, a reduction from last year, both which were at active level crossings. V/Line is participating in various Industry Level Crossing Groups in a bid to share learnings and initiatives including technology solutions.

There was a 0.05 reduction in V/Line's Signals Passed at Danger (SPAD) rate over the past 12 months. This measure is a critical safety indicator and in 2025–26, the Human Factor SPAD rate was 1.2 incidents per million kilometres against a forecast of 1.3, compared with 1.25 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 4.65 over the past 12 months against a forecast of 3.5. Trauma-related injuries contributed 4.46 of this outcome, the vast majority time lost incidents impacting our staff. This final result for the financial year also includes the higher risk months created by free travel and half price ticketing initiatives. The variance between the 2023-24 forecast/result and 2024-25 is primarily due to a redefining of SIFR from the internal definition (which included things such as first aid) to the WorkSafe definition. The variance between 2024-25 and 2025-26 is primarily due to the self-harm fatality incidents and increase in staff assaults. Further work is being done on trespasser processes and we continue to work with Tracksafe, Victoria Police and other stakeholders to try to reduce the number and consequence of these events on our 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)	**2025-26**	**2024-25**	**2023-24**
Measure	Actual	Actual	Actual
SIFR#	4.65	3.61	13.72
SIFR forecast	3.5	4.5	19
SIFR variance	+1.15	-0.89	-5.28
SIFR per cent variance to forecast	+32.8	-19.8	-27.8
Rail Safety Incidents	1.53	1.81	N/A
Rail Safety Incidents forecast	2.0	3.5	N/A
Rail Safety Incidents variance to forecast	-0.47	-1.69	N/A

V/Line's SIFR was mainly (95.9 per cent) as a result of trauma injuries, the majority linked to self-harm incidents, however some of these were also staff assault.

Signals Passed at Danger (SPAD) (Human Factors + Technical)	**2025-26**	**2024-25**	**2023-24**
Measure	Actual	Actual	Actual
SPAD	3.33	4.45	3.71
SPAD forecast	3.5	3.0	3.5
SPAD variance	-0.17	+1.45	+0.21
SPAD per cent variance to forecast	-4.85	+48.3	+6

Signals Passed at Danger (SPAD) (Human Factors Only)	**2025-26**	**2024-25**	**2023-24**
Measure	Actual	Actual	Actual
HF SPAD	1.2	1.25	1.29
HF SPAD forecast	1.3	1.3	1.3
HF SPAD variance	-0.1	-0.05	-0.01
SPAD per cent variance to forecast	-7.69	-3.8	-0.76

Hazards and incidents per 100 FTE

The ratio of 'Hazards reported' has reduced slightly compared to last year, this is balanced with an increased FTE supporting additional services and resultant additional frontline resources. The vast majority of people safety incidents are linked to anti-social behaviours and V/Line continues to work on initiatives with key stakeholders to support our frontline staff.

Hazards reported

Year	**Per 100 FTE**
2025-26	7.15
2024-25	8.93
2023-24	11.61

Incidents reported

Year	**Per 100 FTE**
2025-26	499
2024-25	513
2023-24	473

WorkCover – Personal Injury Lost Time Claims	**# time loss standard claims**	**Full-time equivalent (FTE)**	**Per 100 staff**	**Average cost per claim**
2025-26	73	3,281.4	2.22	$70,727
2024-25	83	2,999.5	2.77	$73,379
2023-24	65	2,823	2.30	$103,323

Workcover Claims 2025–26	Accepted/Standard Claims
Psychological	46
Physical	27

The number of claims accepted for 2025–26 for injuries (not including hearing loss claims which are considered a permanent impairment not a time loss claim) was 73, in comparison to 2024–25 where there was a total of 83 claims lodged.

The main time loss claims were psychological injuries (63 per cent), hand/finger/wrist injuries (8 per cent), ankle/foot/toe injuries (7 per cent), shoulder/upper arm injuries (7 per cent), knee/lower leg injuries (5 per cent), back injuries (4 per cent), face/head/brain injuries (3 per cent) and chest injuries (3 per cent).

Targeted investment in early intervention, manager capability, return to work resources and strengthened claims governance contributed to a reduction in lost time claims, despite continued workforce growth. Enhanced collaboration across V/Line has supported earlier and more sustainable return to work outcomes for injured employees, contributing to a more than 30 per cent reduction in average claim costs over the past two financial years, improved recovery outcomes, reduced claim complexity and sustained improvement in overall claims performance.

SECTION 3
Workforce data



Our people

V/Line employed a workforce of 3,356 compared with 3,094 in 2024–25 reflecting the growth in the train services provided in 2025-26, as a result of continued developments on the major transport infrastructure program, increased patronage and new fare initiatives.

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

As a core Victorian Public Sector Code of Conduct value, V/Line seeks to adopt a best practice approach to upholding integrity by focusing its initiatives on preventing and mitigating maladministration, misconduct, improper conduct and corruption.

During 2025–2026, V/Line continued to embed its *Integrity Strategy* by:

- launching a new all staff integrity e-learning module: *Integrity in Action*
- continuing our Integrity Leaders Program to facilitate localised integrity leadership, education and awareness across V/Line
- adapting integrity policies to align with Victorian Public Sector Commission model policies
- creating supporting materials to equip employees, suppliers and contractors to understand their integrity obligations.

V/Line continues to support the functions of the Independent Broad-based Anti-corruption Commission through a collaborative and consultative working relationship.

Recruit and retain the right people

In 2025–26, V/Line recruited 1,008 roles, including both new and existing positions, as well as on-hired labour. This represents a 35 per cent increase in recruitment activity compared to the previous year, driven by increased timetable demand and the centralisation of recruitment management across Operations' Enterprise Agreement -prescribed internal mobility and labour hire engagements.

The Operations Group accounted for 49 per cent of all roles recruited.

Of total recruitment activity, 43 per cent comprised internal appointments, 52 per cent external hires, and 6 per cent labour hire workers engaged through the Staffing Services panel (SPC).

Direct sourcing of employee roles, including Standard Public Entity Executive Employment Contract (SPEEEC) positions, remained high at 98 per cent and contributed to recruitment cost avoidance.

V/Line has focused on reducing vacant roles within the organisation, particularly where this has facilitated a reduction in utilisation of contractors. Over the course of the 2025-26 financial year, the organisation filled or eliminated over 25 per cent of its vacancies.

With a continued focus on diversity and inclusion, 36 per cent of external employee-based hires were women, contributing to 34 per cent representation of women across total recruitment activity.

V/Line also achieved Disability Confident Recruiter accreditation, renewing its status for a second consecutive year and supporting all candidates to participate through accessible recruitment processes.

V/Line launched its Employer Value Proposition, under the tagline 'Your journey matters', as a key initiative to support the attraction and retention of the right people.

These initiatives strengthen V/Line's ability to build a sustainable, diverse workforce aligned to future operational and service delivery requirements.

Drivers

In 2025–26, V/Line delivered seven trainee driver intakes, with a total of 65 new drivers commencing driver training.

Gender representation across the cohort was 69 per cent men, 22 per cent women and 9 per cent gender diverse, reflecting an uneven talent pipeline historically skewed towards applications from men.

Through the Gender Equality Action Plan, V/Line continues to implement initiatives to support more women and gender diverse talent to apply for roles in traditionally male-dominated fields like drivers.

Develop and engage our people

It was a standout year for advancing V/Line's commitment to developing and engaging our people, with V/Line's Learning and Capability initiatives receiving significant external recognition across leading industry awards. This recognition reflects V/Line's deliberate and integrated approach to building capability across an employee's development journey – from nurturing early talent, to delivering engaging onboarding experiences, embedding role clarity and compliance, and enabling continuous development through innovative learning platforms. These initiatives create a connected and high-impact learning ecosystem that supports our people to build skills, stay engaged, and thrive at every stage of their career at V/Line.

Awards received in 2025:

- Large Employer Award Finalist at the Australian Training Awards (Bronze)
- Large Employer Award, Victorian Training Awards (Category Winner)
- Best Learning and Development Compliance Training: V/Line's Role-Based Reform of Mandatory Training and Role Matrices (Platinum, LearnX Awards)
- Best Induction/Onboarding Program: Welcome Day 2.0 (Platinum, LearnX Awards)
- Best Learning Campaign: Learning Immersion Week 2025 (Platinum, LearnX Awards)
- Best Learning Management System (Enterprise) Platform 100 (Diamond, LearnX Awards)

- Best Learning Technology Innovation for Platform100 (Diamond, LearnX Awards)
- Top 25 Graduate Employers (Small Program) — Australian Association of Graduate Employers (AAGE).

Awards received in 2026:

- Ranked #1 Intern Program (Small Program Category), Australian Association of Graduate Employers (AAGE) Top 20 Intern Programs.

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.

The following qualifications were completed through our RTO in 2025-26:

Accredited course name	Completions 2025-26
Cert IV In Train Driving	58
Cert IV In Train Driving – Conversion	1
Cert IV In Train Driving – Heritage	3
Cert IV In Train Driving – RPL	3
Cert IV Rail Signalling SMT	3
Diploma Railway Signalling – External	8
Diploma Railway Signalling – Internal	2
Cert III In Rail Customer Service	60
Cert III in Rail Infrastructure (Gangers)	5
Certificate III Rail Infrastructure (Structures)	1
Cert II in Rail Infrastructure (Way Maintainers)	17
Cert II in Shunting	3
Total	**164**

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

Accredited short course name	**Completions 2025-26**
Track Inspector Skill Set	11
Track Force Protection Coordinator	93
TVO1 Track Vehicle Operation (within defined worksite)	47
TVO2 Track Vehicle Operator	12
SARC – Safely Access the Rail Corridor – Role Requirement	122
Apply Safety Critical Communications	38
Rail Adjustment Skill Set	9
Handsignaller	41
Heat and cut materials using oxy-LPG equipment for the rail industry	5
Aluminothermic Welding Skill Set	7
Total	**385**

V/Line's RTO also delivered non-accredited training in 2025-26:

Non-accredited course name	**Completions 2025-26**
V/Line First Line Maintenance: Electrologix	65
Frauscher FAdC2 First Line Maintainer Signal Training	28
Isolation, Bridging and /or False feeding of Signalling Circuits: First Line Maintenance	2
Signal Standards Induction: Signal Technician	17
Signal Technician: Supervise Construction Work in Live Locations	11
Signalling Fundamentals	68
Track Fundamentals	76
Travellers Aid – Rail Fundamentals	1
V/Line ACM200 First Line Maintenance	8
Train Protection Warning System	6
Track Safety Foundations – e-Learning	55
Personal Track Safety (Safeworking refresher)	1096
Handsignaller (Safeworking refresher)	51
Track Force Protection Coordinator (Safeworking Refresher)	51
TVO1 Track Vehicle Operation (Safeworking Refresher)	53
Total	**1588**

Verification of Competency course name	Completions 2025-26
Cat 432F Backhoe	14
Cat 924K Loader	15
Cat M323F Excavator	17
Isuzu Gang/Welders Truck	26
Isuzu Tip Truck	36
Toyota Landcruiser RRV	50
Semi Float	10
Telehandler	1
Hitachi ZX170Wi Excavator	12
JCB 3CX Frontend Loader/Backhoe	8
Total	**189**

Competency and compliance training

V/Line continued to evolve our competency management framework, with the Competency Management Steering Committee progressing key competency matrices for V/Line job roles in partnership with business units and subject matter experts.

This sustained investment in governance and accountability has delivered measurable results in mandatory training compliance. Operational staff have shown strong improvement in compliance outcomes, reflecting the benefits of clearer role-based training requirements and a more targeted mandatory training offering.

During 2025–26, V/Line launched over 15 new mandatory training modules, expanding coverage across topics including psychosocial hazards and trauma, integrity, information governance, generative AI, security awareness, disability inclusion, contactless payment, authorised vehicle use, chemical safety, appropriate credit card use, sourcing management and public construction procurement. V/Line staff completed over 11,000 compliance training courses in the Learning Management System during 2025-26.

Professional development

V/Line continued to support structured and self-directed development across the organisation. During 2025–26, the Learning team provided coaching and development planning support across approximately 300 sessions for over 470 participants.

V/Line's successful partnership with the Australian Institute of Management continued. A frontline leadership development short course was delivered to operational leaders across the driver, customer and fleet cohorts, and a targeted leadership development series was delivered to current and emerging leaders in the People and Safety Group. Through V/Line's ongoing AIM High program, employees accessed more than 100 enrolments across 25 different courses spanning leadership, project management, communication and business skills, with leadership-focused programs accounting for the majority of participation.

V/Line also launched a new suite of procurement skills eLearning to enhance commercial capability across the organisation.

Mentoring

Launched in 2024 following a successful pilot in 2023, V/Line's internal Mentoring Program reached its highest-ever level of participation in 2025–26.

The program supports 212 participants (108 mentoring partnerships) across the organisation, growing from 192 participants in 2025, 112 in 2024 and 36 in its inaugural year.

Participant feedback continues to reflect the program's impact: 97 per cent of 2025 participants reported that mentoring directly contributed to their professional development, and 100 per cent would recommend the program to other V/Line staff. Mentors and mentees rated their partner's support, motivation and enthusiasm 4.91 out of 5. Communication, leadership and confidence were the top three development areas reported by participants.

In June 2026, the program was shortlisted for an Employee Engagement Excellence Award by the Australasian Railway Association, with winners to be announced later this year.

Careers and pathways programs

In 2026, V/Line launched the Rail Asset Maintenance Pathway (RAMP) Program, an industry-first initiative designed to attract, develop and retain the next generation of infrastructure professionals. The first cohort of six participants commenced the 18-month program, which combines accredited rail training, hands-on network placements and dedicated mentoring from experienced V/Line champions. RAMP provides Way Maintainers with a structured pathway into critical maintenance roles across V/Line's network.

V/Line's Internship Program continued to provide best-in-class short-term work placements to students from high school, TAFE and university. Unlike large-scale placement programs, V/Line's program is deliberately small, with places strictly limited so that each participant receives a genuinely immersive, individually-tailored experience working closely with expert supervisors and managers. Placements are matched to each participant's background, interests and goals, ensuring meaningful contribution and real learning.

In 2026, this approach was independently validated with V/Line ranked Number 1 in Australia in the Small Program category of the Australian Association of Graduate Employers (AAGE) Top 20 Intern Programs, determined entirely by participant survey feedback across 15 criteria.

In 2025, V/Line was also named in the AAGE Top 25 Graduate Employers (Small Program), based on feedback from V/Line's Graduate Program participants.

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. The organisation acknowledges the unique and varied challenges experienced by diverse communities and focuses its inclusion activities on key priority areas: First Peoples, gender equity, cultural diversity, disability inclusion and LGBTIQA+ communities.

Each priority area is supported by targeted action plans and underpinned by capability uplift, including diversity and inclusion training for frontline employees and people leaders. Through the SBS Inclusion Program and cultural awareness training, understanding of inclusion, diversity and unconscious bias continues to be strengthened across the workforce.

In 2025–26, V/Line strengthened its commitment to gender equality through the submission of its *Gender Equality Action Plan 2026–2029*, building on previous progress and outlining the next phase of actions to improve representation, inclusion and equitable career outcomes.

Diversity and Inclusion Working Groups

V/Line's Diversity and Inclusion Working Groups bring together employees from across the organisation and play a key role in driving awareness, education and inclusion outcomes. The groups contribute to organisational priorities through engagement initiatives, capability uplift and recognition of key diversity events across the year.

They also provide structured opportunities for employees to share lived and personal experiences, ensuring diverse perspectives inform organisational initiatives and strengthening a culture of allyship and shared accountability for inclusion.

Key events during 2025–26 included International Women's Day, Men's and Women's Health weeks, Harmony Week, National Reconciliation Week, NAIDOC Week, International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT), Midsumma Festival, Wear it Purple Day, Inclusion at Work Week and International Day of People with Disability.

First Peoples

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

This work is guided by alignment with whole-of-portfolio strategies, including the Transport Portfolio Aboriginal Self-Determination Plan and the Yani Bangal Transport and Planning Portfolio First Peoples Careers Strategy 2023–2028, and is supported through participation in key cross-government forums such as the First Peoples Staff Network and the First Peoples Careers and Cultural Safety Working Group.

V/Line supports initiatives that build capability and opportunity, including the DTP First Peoples Scholarship Program, cultural awareness training and activities to increase representation across the organisation.

Through ongoing engagement and awareness activities, V/Line continues to celebrate and recognise First Peoples, while strengthening relationships with Traditional Owners and Custodians of the lands on which we operate.

Gender equality

V/Line continues to advance gender equality and meet its obligations under the *Gender Equality Act 2020*.

In 2025–26, V/Line submitted its *Gender Equality Action Plan 2026–2029*, setting out actions to improve gender representation, address structural barriers and strengthen inclusive leadership. Women represented 30 per cent of V/Line's workforce, with 41.5 per cent of leadership positions (director level and above) held by women, demonstrating continued progress in representation across the organisation. This work is supported by targeted initiatives, employee-led engagement through the Gender Equity Working Group, and participation in industry programs to support the attraction, retention and progression of women across the organisation.

V/Line continues its partnership with WORK180 as an Endorsed Employer for All Women and was recognised as one of WORK180's Top 101 Employers for Women in 2026, reflecting its commitment to gender equity and inclusive workplace practices.

LGBTIQA+

V/Line supports an inclusive workplace for LGBTIQA+ employees through awareness initiatives, participation in community events and promotion of key dates of significance.

The LGBTIQA+ Working Group supports this work by building visibility, promoting allyship and contributing to a culture where diverse sexualities and gender identities are respected and supported.

This work contributes to strengthening psychological safety, encouraging inclusion

across teams and reinforcing an environment where employees feel able to bring their authentic selves to work.

Disability inclusion

V/Line remains committed to improving accessibility and inclusion for people with disability.

Through partnerships, targeted capability uplift and inclusive recruitment practices, V/Line continues to support the attraction, retention and development of employees with lived experience of disability, while working to reduce barriers and improve workplace accessibility, as well as those with personal experience and carers.

In 2025–26, V/Line maintained its Disability Confident Recruiter accreditation through the Australian Disability Network, recognising its commitment to inclusive and accessible recruitment practices.

V/Line continues to build workforce capability through initiatives such as Hidden Disabilities Sunflower training, which supports employees to better recognise and respond to colleagues and passengers with non-visible disabilities and contributes to a more inclusive workplace culture.

Cultural diversity

V/Line's workforce reflects a diverse range of cultural and faith backgrounds, and the organisation continues to promote inclusion and cultural awareness across all teams.

The Cultural Diversity Working Group supports this through initiatives that celebrate cultural diversity, promote understanding and strengthen a sense of belonging for employees from faith and culturally diverse backgrounds.

This work contributes to strengthening an inclusive workplace culture, supporting cultural awareness across teams and ensuring employees feel valued and included regardless of their background.

Mental health and wellbeing

The mental health and wellbeing of V/Line employees remains a key priority, supported through a coordinated, organisation-wide approach encompassing governance, systems, capability and support, and a continued focus on fostering a safe and supportive work environment.

In 2025–26, V/Line strengthened its approach to mental health, wellbeing and psychological safety in response to the Occupational Health and Safety (Psychological Health) Regulations 2025, effective 1 December 2025. This includes embedding psychological health and safety into work practices, and systems and leadership behaviours as a core component of V/Line's overall approach to harm prevention, to support wellbeing and enable employees to perform at their best.

Governance was enhanced through the establishment of the Psychosocial Risk Prevention Committee, providing organisation-wide oversight and driving continuous improvement. This is supported by a dedicated working group responsible for designing and developing training and practical resources, ensuring alignment between policy, systems and capability development.

A consistent, preventative approach is being embedded through the development of a Psychosocial Safety Management Framework, which integrates psychosocial risk management into broader safety systems, ensuring psychological hazards are managed alongside physical hazards through a consistent organisational approach aligned to employee wellbeing outcomes.

Capability uplift is delivered through targeted training aligned to this framework. During 2025–26, psychosocial risk management training for people leaders was piloted to support regulatory compliance and strengthen psychologically safe workplaces. This will be progressively rolled out in 2026–27, alongside complementary training for all employees.

In 2025–26, 118 employees completed Mental Health First Aid accreditation or refresher training, supporting early identification of mental health risks and an appropriate workplace response. Trauma-informed capability was also strengthened, with 202 employees completing Coping with Trauma training and 26 completing Providing Support after Trauma training, enhancing V/Line's response to high-risk and critical incidents.

Access to timely and appropriate support remains a core component of V/Line's approach to mental health and wellbeing. The Mental Health Champion Network provides peer-based support, enabling early intervention and connection to services across the organisation. Awareness activities were delivered throughout the year, including Mental Health Awareness Month and Rail R U OK? Day, reinforcing the importance of proactive conversations and early support. Employees and their immediate family members also have access to a confidential Employee Assistance Program providing support for personal and work-related needs.

The Critical Incident and Trauma Management Framework and Mental Health and Wellbeing Policy are regularly reviewed and promoted to ensure alignment with legislative requirements and recognised industry and clinical guidance, including TrackSAFE and Phoenix Australia, supporting a continuous improvement approach.

Staff recognition

A total of 169 staff were recognised during the year for 10, 20, 30, 40, 50 and 60 years of service:

	10 years	20 years	30 years	40 years	50 years	60 years
2025–26	89	61	4	9	5	1
2024–25	102	46	1	25	4	0
2023–24	54	16	1	25	2	1

Industrial Relations

V/Line continued to engage and collaborate with its workforce and relevant unions, including the newly formed Independent Transport Union which has altered the industrial landscape at V/Line and attained significant membership. During the year, there were nil hours lost to industrial action and disputation, and minimal time spent in proceedings before the Fair Work Commission, with the exception of one unfair dismissal matter which was referred to arbitration and successfully defended.

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 currently being reviewed and consolidated 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 2026, and in the last full pay period in June 2025.

June 2026

	All employees		Ongoing			Fixed Term and Casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE
Gender							
Men	2347	2292.6	2052	126	2124.7	169	167.9
Women	1001	953.8	787	120	862.4	94	91.4
Self-Described	8	7.4	6	2	7.4	0	0
Age							
15-24	61	57.4	48	8	53	5	4.4
25-34	658	643.7	571	36	593.8	51	49.9
35-44	1089	1067.5	935	59	973.4	95	94.1
45-54	818	803	702	35	722.5	81	80.5
55-64	565	536.6	473	66	510.9	26	25.7
65+	165	145.6	116	44	140.9	5	4.7
Classification							
Executive[1]	40	39.7	0	0	0	40	39.7
Clerks & Senior Officers	567	552.3	476	43	504.9	48	47.4
Station Staff	380	349.5	295	76	341.4	9	8.1
Authorised Officers	53	52.4	51	2	52.4	0	0
Fuel Point Assistants	15	14.4	13	2	14.4	0	0
Conductors	398	372.5	330	57	362.3	11	10.2
Train Controllers & Signallers	105	104	100	2	101	3	3
Drivers	661	637.6	609	52	637.6	0	0
Passenger Operations	90	89	88	2	89	0	0
Infrastructure Maintenance Workers (Sig & Elec)	131	131	130	0	130	1	1
Infrastructure Maintenance Workers (Track)	233	232.4	231	2	232.4	0	0
Apprentices	0	0	0	0	0	0	0
Administrative Band	8	7.2	6	2	7.2	0	0
Other Staff	675	671.8	516	8	521.9	151	149.9
Total employees	**3356**	**3253.8**	**2845**	**248**	**2994.5**	**263**	**259.3**

1 For 2025-26, an Executive is anyone to whom the Victorian Public Entity Executive Remuneration (PEER) Policy applies.

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 2025-26, an Executive is anyone to whom the Victorian Public Entity Executive Remuneration (PEER) Policy applies.

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

2026

Income band (Total Remuneration Package)	**Executive**	**Award Free**
<$160,000	–	227(a)
$160,000 – $179,999	–	117(b)
$180,000 – $199,999	–	114(c)
$200,000 – $219,999	–	120(d)
$220,000 – $239,999	2	60
$240,000 – $259,999	1	24(c)
$260,000 – $279,999	4(c)	4(c)
$280,000 – $299,999	5	5
$300,000 – $319,999	7	3
$320,000 – $339,999	6	–
$340,000 – $359,999	4	1(c)
$360,000 – $379,999	2	–
$380,000 – $399,999	1	–
$400,000 – $419,999	2	–
$420,000 – $439,999	1	–
$440,000 – $459,999	1	–
$460,000 – $479,999	1	–
$480,000 – $499,999	–	–
>$500,000	3	–
Total	**40**	**675**

Notes
The salaries reported above are for the full financial year, at a 1-FTE rate, and include superannuation.
(a) 1 headcount at 0.7 FTE and 2 headcount at 0.8 FTE
(b) 3 headcount at 0.7 FTE and 1 headcount at 0.8 FTE
(c) 1 headcount at 0.7 FTE
(d) 1 headcount at 0.8 FTE

Workforce inclusion policy

V/Line is committed to an inclusive workplace where diversity is valued, equal opportunity is supported, and where the workforce reflects the communities we serve, consistent with the Gender Equality Act.

Through its *Gender Equality Action Plan 2026–2029*, V/Line is progressing actions to improve gender representation, address structural barriers and strengthen inclusive leadership across the organisation.

This includes the establishment of a Gender Representation Working Group to develop and implement initiatives to improve gender representation.

V/Line has set a target of 40 per cent women by 2040, with interim milestones of 32 per cent by 2030 and 36 per cent by 2035, supported by a target of at least 50 per cent women in executive leadership.

An inclusive environment is maintained to support participation, safety and equitable opportunities for people of all genders, including gender-diverse employees. Recognising that barriers to disclosure may exist, continued focus is placed on building a culture where all employees feel safe, respected and supported to contribute their best.

The following table outlines V/Line's actual progress against this target in 2025-26.

Workforce inclusion policy initiative	Target	Actual progress in 2025-26	Actual progress in 2024-25
Gender profile of V/Line workforce	32 per cent women by 2030 36 per cent women by 2035 40 per cent women by 2040	29.8 per cent women 0.2 per cent self-described 69.9 per cent men	29.3 per cent women 0.1 per cent self-described 70.6 per cent men
Gender profile at Executive levels[1]	50 per cent women 50 per cent men	45 per cent women 55 per cent men	44 per cent women 56 per cent men

1 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.

2026

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	-	4	-	0	-
Senior Executive Service – 2	17	+3	7	+3	10	-	0	-
Senior Executive Service – 1	18	-1	10	-2	8	+1	0	-

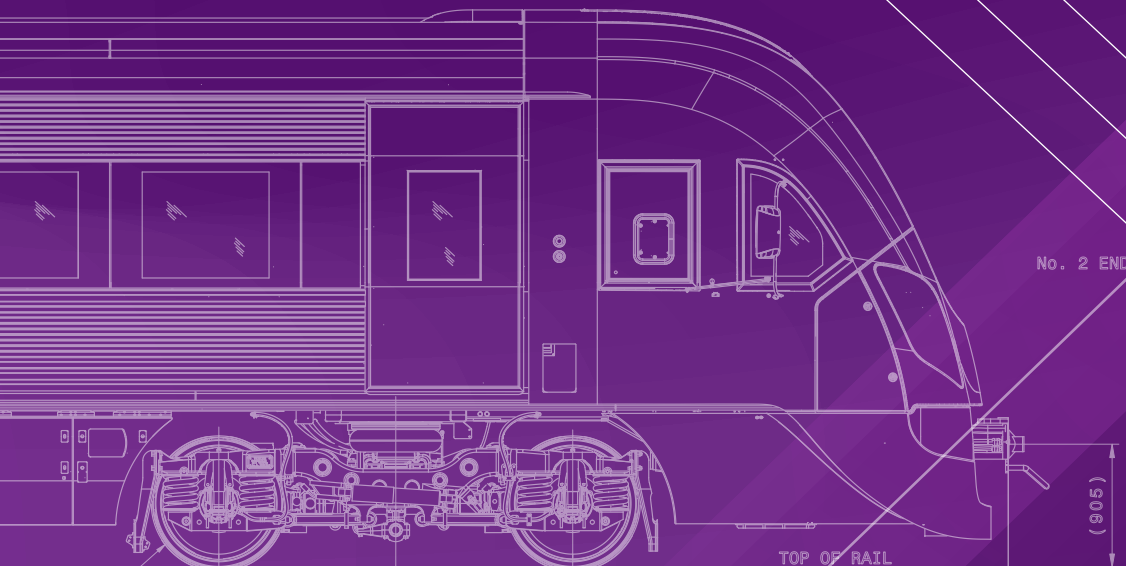
1 The self-described category is nil for this entity.

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.




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Section 4
Other disclosures



Local Jobs First

The Local Jobs First policy supports Victorian businesses and workers by ensuring that small and medium sized enterprises are given a full and fair opportunity to compete for both large and small government contracts. This helps create job opportunities, including for apprentices, trainees and cadets.

The Local Jobs First policy comprises the Victorian Industry Participation Policy and Major Projects Skills Guarantee (MPSG) policy. 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 statewide projects, and $1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at $20 million or more.

Local Jobs First – Standard

Projects commenced

During 2025-26, V/Line commenced 44 Local Jobs First Standard contracts, from 20 projects, with a total value of $137.74 million.

Of those contracts,

- 27 were located in regional Victoria, with an average local content commitment of 91 per cent
- 17 were statewide projects with an average local content commitment of 95 per cent.

In total, the committed outcomes include:

- an average local content commitment of 93 per cent
- at least 258 jobs Annualised Employee Equivalent (AEE[1]), including the creation of 25 new jobs and the retention of 233 existing jobs (AEE).

There were no Standard Projects where MPSG was applicable.

Note: (1) 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

During 2025–26, V/Line completed 32 Local Jobs First Standard contracts from 19 projects, with a total value of $96.89 million.

Of those contracts,

- 18 were located in regional Victoria and achieved an average local content of 99 per cent
- 12 were Statewide contracts and achieved an average local content of 100 per cent
- two were Metro contracts and are pending final outcome data.

The total outcomes achieved from 17 of these contracts included:

- an average of 99 per cent local content
- a total of 5.6 jobs (AEE) were reported, including the creation of 0.2 new jobs and the retention of 5.4 existing jobs (AEE)
- a total of 371 work hours were undertaken by apprentices, trainees and cadets.

Outcome reporting for the remaining 15 contracts is still being collected.

Two post contract reviews have been submitted with the remaining contracts to commence their post contract reviews.

Local Jobs First - Strategic

Projects commenced

During 2025–26, V/Line did not commence any Local Jobs First Strategic Projects.

Projects completed

During 2025–26, V/Line did not complete any Local Jobs First Strategic Projects.

Small and Medium Business Engagement

The contracts commenced during 2025–26, committed to engage 414 small-to-medium sized businesses through the supply chain in the delivery of projects.

The contracts completed during 2025–26 reported that 11 small-to-medium sized businesses were engaged through the supply chain in the delivery of the projects.

The total Projects completed during 2025–26 engaged 11 small-to-medium sized businesses through the supply chain in the delivery of the projects.

Grants

V/Line did not provide grant payments during 2025–26 therefore no interaction reference numbers were required from the Industry Capability Network (Victoria) Ltd.

Government advertising expenditure

In 2025–26, 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 2025–26, there were 22 consultancies where the total fees payable to the consultants were $10,000 or greater.

The total expenditure incurred in 2025–26 in relation to these consultancies was $8,918,445 (excluding GST).

V/Line has continued to minimise its reliance on contractors throughout 2025-26 in accordance with Government policy, with only limited increases required to support regional rail projects and additional passenger services.

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

Details of consultancies under $10,000

In 2025–26, 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 2025–26, there were no reviews and studies undertaken by V/Line.

Information and communication technology (ICT) expenditure

For the 2025–26 reporting period, V/Line had a total ICT expenditure of $37,691,103, with the details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business as usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
$'000	$'000	$'000	$'000
30,083	7,608	–	7,608

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.

Disclosure of Major Contracts

V/Line has disclosed, in accordance with the requirements of government policy and accompanying guidelines, all contracts greater than $10 million in value entered into during the financial year ended 30 June 2026.

Details of contracts that have been disclosed in the Victorian Government Contracts Publishing System can be viewed at tenders.vic.gov.au.

Specific contract information has not been disclosed for contracts where such information is withheld under the *Freedom of Information Act 1982* or other laws or government policies.

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 up to 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 www.ovic.vic.gov.au. An application fee of $33.60 applies. Access charges may also be payable for the search or creation of documents.

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 at email foi@vline.com.au

FOI statistics/timeliness

During 2025-26, V/Line received 23 applications. Of these requests, none were from Members of Parliament, two were from the media, and the remainder were from the general public.

V/Line made 14 FOI decisions during the 12 months ended 30 June 2026.

There were six decisions made within the statutory time periods. Of the decisions made outside time, five were made within a further 45 days and three decisions were made in greater than 45 days. Of the total decisions made, three granted access to documents in full, seven granted access in part and four denied access in full. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was five days.

During 2025-26, one request was reviewed by OVIC. No requests were appealed to the Victorian Civil and Administrative Tribunal (VCAT).

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*.

	2025-26
Number of major works projects undertaken by V/Line (greater than $50,000)	5
Number of building permits, occupancy permits or certificate of final inspection issued in relation to buildings owned by V/Line	1 building permit 1 occupancy/planning permit Nil certificates of occupancy
Number of emergency orders and building orders issued in relation to buildings	1 emergency order 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 (Vic)* (the Act) 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*

Although V/Line cannot receive public interest disclosures, people can choose to report allegations of improper conduct direct to V/Line's integrity team by email to integrity@vline.com.au or by using V/Line's external 'Speak Up' service. Information about this service is available at: https://vline.stoplinereport.com/

Compliance with the *Carers Recognition Act 2012*

The *Carers Recognition Act 2012* (the Act) promises 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.

The AAP sets a clear direction for delivering a more accessible and customer-focused transport network. It represents a critical commitment to removing barriers and improving the end-to-end experience for passengers with accessibility needs. It outlines a comprehensive program of initiatives that span infrastructure, customer services, digital access, employment and organisational culture ensuring accessibility is embedded across V/Line.

Importantly, the AAP recognises that accessibility is not limited to physical infrastructure, but extends to interactions with customers and employees at V/Line. It brings together coordinated actions that support people with disability at different touchpoints, whether accessing services, navigating stations, engaging with staff, or participating as part of the workforce. Through this approach, the AAP serves as a critical roadmap for driving meaningful, lasting change, reinforcing V/Line's commitment to accessibility and improved outcomes for all members of the community.

Reducing barriers to accessing goods, services and facilities

To reduce the barriers to accessing goods, services and facilities and continued delivery of accessibility outcomes across the V/Line network, V/Line completed the Ballarat Station Upgrade. The upgrade has fundamentally transformed the station environment, removing longstanding barriers to movement between platforms through the introduction of a fully accessible pedestrian overpass, supported by lifts and stairs servicing all platforms. This is complemented by a new northern station entrance featuring step-free access via ramps, improved handrails, and automatic doors, enabling a seamless and inclusive customer journey. Together with upgrades to lighting, tactile indicators and safety features, the project demonstrates

how accessibility can be successfully integrated with heritage considerations while delivering significant benefits for passengers.

Building on this major milestone, V/Line continued to deliver a coordinated program of accessibility improvements across the regional network, spanning infrastructure, customer facilities, digital innovation and travel assistance services.

Station upgrades continued throughout 2025–26, across a broad range of stations including Ardeer, Bunyip, Castlemaine, Clarkefield, Kyneton, Longwarry, Marshall, North Geelong, Seymour, Tallarook, Woodend and Wyndham Vale, delivering targeted and system-wide improvements aligned with Disability Standards for Accessible Public Transport (DSAPT) requirements. Across these locations, upgrades focused on creating continuous accessible paths of travel, supported by improvements to footpaths, handrails, kerb ramps and platform infrastructure, as well as the provision of accessible car parking and improved set-down areas to strengthen first and last mile connections. Additional accessibility features included the installation of Boarding Assisted Zones (BAZ), expanded use of tactile ground surface indicators (TGSIs), and upgrades to lighting, seating, shelters, signage and wayfinding, all contributing to safer, more intuitive and inclusive station environments.

Major corridor programs further reinforced this progress. The Gippsland Line Upgrade reached completion, delivering new platforms at Morwell and Traralgon, alongside accessible overpass connections, upgraded ramps and improved pedestrian pathways. Similarly, the Shepparton Line Upgrade introduced upgraded station infrastructure and enabled the rollout of modern VLocity trains, providing improved onboard accessibility features such as wheelchair spaces and accessible toilets enhancing both the station and onboard customer experience.

In parallel with physical upgrades, V/Line continued to innovate through the rollout of GoodMaps indoor navigation technology at Tarneit, Bendigo and Geelong stations, making V/Line the first rail operator in Australia to adopt this technology. This system provides turn-by-turn audio navigation and step-free journey guidance, supporting independent travel for passengers who are blind or have low vision and extending accessibility beyond the built environment.

Reducing barriers to persons with a disability obtaining and maintaining employment

V/Line's commitment to becoming a Disability Confident Recruiter represents a significant step forward in building an inclusive and accessible workplace. The Disability Confident Recruiter program, led by the Australian Disability Network, supports organisations to identify and remove barriers in recruitment processes, ensuring that job opportunities are accessible to people with disability and that selection decisions are based on capability, skills and potential. For V/Line, this means embedding inclusive recruitment practices across the organisation—from accessible job advertisements and recruitment systems through to interview processes and onboarding—while also creating a safe and supportive environment for candidates to disclose disability and request adjustments.

Becoming a Disability Confident Recruiter strengthens V/Line's ability to attract and retain a broader and more diverse talent pool, recognising that people with disability bring valuable skills, experience and perspectives that contribute to organisational performance and innovation. It also positions V/Line as an employer of choice within the public transport sector, demonstrating leadership in accessibility and inclusion while supporting positive cultural change across

the workforce. For people with disability seeking employment, this commitment provides greater confidence that V/Line offers equitable recruitment processes, appropriate workplace adjustments and ongoing support, enabling them to obtain, maintain and thrive in meaningful employment.

As part of this transition, V/Line has updated its recruitment frameworks and invested in training for managers and leaders, building capability to confidently support employees with disability throughout their employment journey. This includes improving understanding of workplace adjustments, fostering inclusive team environments, and ensuring leaders are equipped to respond to individual needs. These actions reflect a broader organisational shift toward proactive inclusion, ensuring that employees with disability are supported not only to access employment opportunities, but to succeed and progress within V/Line over the long term.

V/Line has also introduced a new program of career webinars specifically designed for people with disability, providing information on career pathways, recruitment processes and workplace support available across the organisation. Both the initial and follow-up webinars were strongly attended, indicating a high level of interest and engagement from the community. This strong participation is a key indicator that people with disability increasingly view V/Line as an employer of choice, reflecting growing confidence in the organisation's commitment to accessibility, inclusion and meaningful employment outcomes.

Promoting inclusion and participation in the community

V/Line strengthened community engagement and travel confidence initiatives during 2025–26 through a series of targeted accessibility events and partnerships. In collaboration with the City of Ballarat, V/Line delivered a "Try Before You Ride", including a guided train journey and hands-on support from staff, alongside a local mobility aid provider to improve understanding of different devices and their suitability for travel. Participants were also able to practise boarding and alighting trains, accessible coaches and taxis in a safe and supported environment.

A second Ballarat-based event focused on station familiarisation, delivered with council partners and featuring Travellers Aid, who provided practical guidance and presentations on available supports. V/Line also partnered with other public transport operators to deliver an additional "Try Before You Ride" event at Southern Cross Station, broadening access to these experiences across the network.

In recognition of the International Day of People with Disability, V/Line joined other operators to celebrate and acknowledge the contributions of people with disability—including V/Line employees—in improving accessibility across the public transport system.

These initiatives were complemented by continued participation in community events such as the Be Well Be Connected Expo, alongside expanded station tours and increased accessibility assistance bookings. Together, these efforts demonstrate V/Line's ongoing commitment to building confidence, improving awareness and supporting more independent travel for people with accessibility needs.

V/Line's dedicated Accessibility Champions continued to play a vital role in strengthening accessibility outcomes across the organisation. This network of passionate staff advocates remained highly engaged throughout the year, meeting regularly to share insights, identify challenges and drive practical improvements. Their ongoing collaboration has been instrumental in embedding accessibility considerations into day-to-day operations and fostering a culture of continuous improvement across the network. V/Line Accessibility Champions and ambassadors took their commitment one step further over this period by representing V/Line in the Bendigo Be Well Be Connected Expo.

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

V/Line continues to drive meaningful and supportive interactions through a strong focus on education, engagement and continuous improvement. Accessibility-focused training remains a core component of frontline capability, with staff regularly undertaking structured and practical training designed to build confidence and competence in supporting passengers with diverse needs. This training focuses on communication access, supporting people with visible and physical disabilities, as well as increasing awareness and understanding of hidden disabilities.

In 2025–26, V/Line also successfully completed re-accreditation under the Scope Communication Access Symbol, achieving a strong result with over 90 per cent of frontline staff who were tested meeting the required standard through independent assessments. Collectively, these initiatives ensure staff are well equipped with the knowledge, skills and confidence required to deliver accessible, inclusive and respectful customer service across the network.

The V/Line Accessibility Reference Group (ARG) continues to play a critical role in supporting decision making and ensuring that lived experience is embedded into planning and delivery. Meeting bi-monthly, the ARG provides valuable feedback on projects, policies and initiatives, and has been a key contributor to the development of the current AAP. The group remains an important partner in a range of initiatives focused on improving accessibility and enhancing safety outcomes for passengers across the network and was a key stakeholder group advising on the Ballarat Station Upgrade and the GoodMaps Wayfinding App.

V/Line also maintains a strong focus on ensuring that operational procedures relating to accessibility remain fit for purpose and aligned with current best practice standards. These procedures are reviewed regularly and updated to reflect evolving passenger needs, network changes and emerging best practice in accessibility and inclusive service delivery.

Disclosure of emergency procurement

In 2025-26, V/Line activated emergency procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines. Only one contract awarded in connection with the emergency was valued at or more than $100,000 (GST inclusive. Details of V/Line's emergency procurements are shown below.

Nature of Emergency (i.e. short description of the emergency)	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency	Number of new contracts awarded valued at $100,000 (including GST) or more
Harcourt Fire Emergency Recovery	January 2026	Emergency works following bushfire including bus replacements, rectification vegetation works and rectification track repairs.	$550,029.22[a]	One

Note: (a) This is the total of all expenditure in response to the emergency, including contracts under and over $100 000. This includes new procurements, variations and purchases made under pre-existing arrangements.

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework (SPF) 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 2025-26, V/Line:

- directly engaged nine social benefit and disability enterprises with a total spend of $1,078,872
- directly engaged five Victorian First Nations enterprises with a total spend of $75,811
- incorporated where applicable, social and sustainable evaluation criteria into procurement documentation to ensure our projects deliver meaningful social and sustainable outcomes.

Disclosure of procurement complaints

V/Line is required to disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

V/Line received four formal complaints through its procurement complaints management system in 2025-26. Three complaints have been responded to following a review of particulars which found that all the required procurement policies and processes have been adhered to. The fourth complaint was still under review as at 30 June 2026.

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 a Sustainability Strategy, which 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, depots, stabling yards and signals together with waste generated from these sites and trains. 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 recent improvements in environmental reporting systems, reporting on emissions from freight trains using the V/Line rail network, coach services, ballast, concrete and timber sleepers and transport of materials across the network, is also 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, V/Line will now be reporting on Scope 3 emissions from corporate air travel, waste disposal, freight trains using the V/Line network, coach services, ballast, concrete and timber sleepers, and road transport of materials across the network.

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 five per cent in 2025-26 as we run more trains and services to help meet increased passenger demand. This is a result of a four per cent increase in diesel fuel consumption in V/Line's rolling stock in 2025-26.

V/Line's Scope 2 greenhouse gas emissions decreased by 85 per cent in 2025-26. This reduction is attributable to large scale sites being brought onto a new state purchasing contract with the State Electricity Commission (SEC). The new state purchasing contract provides 100 per cent renewable electricity through the retirement of large-scale generation certificates.

Electricity data is collected through energy retailer billing information. Data for 2025-26 is based on the most current data available for the period.

Indicator [a]	**2025-26**	**2024-25**	**2023-24**
Total Scope 1 greenhouse gas emissions (Tonnes CO_2-e)	158,417	151,149	138,420
Total Scope 2 greenhouse gas emissions (Tonnes CO_2-e)	1,965	13,216	10,414
Total Scope 3 greenhouse gas emissions (Tonnes CO_2-e)	42,040	40,702	36,571

(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 increased by three per cent in 2025–26 due to increases in emissions from waste disposal and the purchase of ballast and concrete sleepers. Scope 3 emissions associated with road transport of materials across the V/Line network has been included in 2025–26 for the first time.

Indicator [a]	2025-26	2024-25	2023-24
Total Scope 3 greenhouse gas emissions (Tonnes CO_2-e)	42,040	40,702	36,571
Commercial air travel	11	44	12
Waste disposal	1,198	932	546
Freight trains	13,282	15,572	14,927
Coach services	11,180	11,382	11,391
Ballast	5,430	1,753	396
Concrete sleepers	9,124	7,749	6,690
Timber sleepers	156	686	321
Road Transport	1,659	2,584	2,288

(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 signalling 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.

V/Line has rooftop solar systems installed at 13 sites across the network.

Onsite electricity generation remained relatively stable in 2025–26 at 429 MWh and V/Line exported 51 MWh from rooftop solar systems to the national electricity grid.

In 2025–26, V/Line purchased 14,938 MWh of green power as part of the State Government Energy Contract. Such a large increase in 2025–26 is attributable to large scale sites being brought onto a new state purchasing contract with the SEC, providing 100 per cent renewable electricity.

Indicator [a]	2025-26	2024-25	2023-24
Total electricity consumption (MWh)	**21,531**	**20,545**	**16,301**
Purchased electricity – consolidated	21,153	20,167	16,040
Self-generated (MWh)	378	378	261
On-site electricity generated (MWh)	**429**	**428**	**292**
Solar PV	429	428	292
Consumption behind-the-meter	378	378	261
Exports	51	50	31
On-site installed generation capacity (MW)	**0.24**	**0.24**	**0.19**
Solar PV	0.24	0.24	0.19
Total electricity offsets (MWh)	**14,938**	**124**	**142**
Greenpower	14,938	124	142

(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 decreased by seven per cent in 2025-26.

Indicator [a]	2025-26	2024-25	2023-24
Total fuels used in buildings and machinery (MJ)	**3,601,793**	**3,871,526**	**2,248,829**
Natural Gas	2,734,000	2,738,000	1,646,790
LPG	9,445	10,074	8,815
Diesel	858,348	1,123,452	593,224
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO_2-e)	**202**	**220**	**127**

(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 includes 710 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, excavation equipment and rolling stock, which are all required to operate the state-wide rail network.

Approximately 13.1 per cent of these vehicles are passenger vehicles, 43.8 per cent are light commercial vehicles, 11.5 per cent are heavy commercial vehicles, 4.6 per cent is excavation equipment and 0.5 per cent is material handling equipment. Of these vehicles, approximately 86 per cent are diesel fueled.

	2025-26	%	2024-25	%	2023-24	%
Number and proportion of vehicles	**710**	**100.00**	**695**	**100.00**	**643**	**100.00**
Road vehicles	**523**	**73.66**	**509**	**73.24**	**465**	**72.32**
Passenger vehicles	**93**	**13.10**	**95**	**13.67**	**71**	**11.04**
Diesel	23	3.24	26	3.74	66	10.26
Petrol	70	9.86	69	9.93	5	0.78
Light commercial	**311**	**43.80**	**296**	**42.59**	**282**	**43.86**
Diesel	311	43.80	296	42.59	282	43.86
Heavy commercial	**82**	**11.55**	**80**	**11.51**	**80**	**12.44**
Diesel	82	11.55	80	11.51	80	12.44
Excavation	**33**	**4.65**	**34**	**4.89**	**29**	**4.51**
Diesel	33	4.65	34	4.89	29	4.51
Material handling	**4**	**0.56**	**4**	**0.58**	**3**	**0.47**
Diesel	4	0.56	4	0.58	3	0.47
Non-road vehicles	**187**	**26.34**	**186**	**26.76**	**178**	**27.68**
Rolling stock	**187**	**26.34**	**186**	**26.76**	**178**	**27.68**
Diesel	187	26.34	186	26.76	178	27.68

(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 five per cent in 2025-26. Total distance travelled by commercial air decreased to 62,148 passenger kilometres in 2025-26.

Indicator [a]	2025-26	2024-25	2023-24
Total energy used in transportation (MJ)	**2,247,178,946**	**2,146,251,410**	**1,964,165,561**
Road vehicles	**76,913,748**	**66,513,067**	**75,943,383**
Petrol	3,075,538	2,234,417	1,446,657
Diesel	73,838,210	64,278,650	74,496,726
Non-road vehicles	**2,170,265,198**	**2,079,738,343**	**1,888,222,178**
Diesel	2,170,265,198	2,077,129,343	1,888,222,178
Renewable Diesel		2,609,000	
Greenhouse gas emissions from vehicle fleet (Tonnes CO_2-e)	**158,215**	**150,928**	**138,293**
Road vehicles	**5,407**	**4,677**	**5,343**
Petrol	208	151	98
Diesel	5,199	4,526	5,245
Non-road vehicles	**152,808**	**146,251**	**132,950**
Diesel	152,808	146,250	
Renewable Diesel		1	
Total distance travelled by commercial air travel (Passenger kilometres)	**62,148**	**128,080**	**66,780**

(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 five per cent in 2025-26. This increase was largely driven by increases in total energy usage from fuels in transportation.

V/Line's use of renewable energy increased in 2025-26 by 350 per cent.

Indicator [a]	2025-26	2024-25	2023-24
Total energy usage from fuels (stationary and transportation) (MJ)	**2,250,780,739**	**2,149,856,764**	**1,966,414,390**
Total energy used from electricity (MJ)	**77,367,218**	**73,964,009**	**58,796,680**
Total energy used segmented into renewable and non-renewable sources (MJ)	**2,328,147,957**	**2,223,820,773**	**2,025,211,069**
Renewable	68,750,036	15,226,526	12,511,608
Non-renewable	2,259,397,921	2,208,594,247	2,012,699,461
Units of energy used normalised by FTE	**715,737**	**741,397**	**717,397**

(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 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.

Water use at V/Line sites increased by 254 per cent in 2025-26. Such a large increase can be attributed to a significant improvement in water reporting systems and the opening of the South Dynon Bio wash. Water consumed in the South Dynon Bio-wash accounted for 64 per cent of V/Line's total water consumption in 2025-26.

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.

V/Line obtains water consumption data from billing information received from 13 water companies across Victoria.

Indicator [a]	2025-26	2024-25	2023-24
Total water consumption by V/Line (kilolitres)	206,882	58,449	56,718
Units of metered water consumed normalised by FTE	64	19	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 now also reports on waste removed from trains.

Waste disposed to landfill increased by 28 per cent in 2025-26.

Commingled recycling increased by 50 per cent in 2025-26.

Paper and cardboard recycling increased by 150 per cent in 2025-26.

Other recovered materials increased by 52 per cent in 2025-26.

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]	2025-26	%	2024-25	%	2023-24	%
Total units of waste disposed (kg and %)	**1,009,540**	**100**	**765,355**	**100**	**467,012**	**100**
Landfill (disposal)	921,460	91.28	717,000	93.68	420,380	90.01
Commingled recycling	23,400	2.32	15,597	2.04	16,459	3.52
Paper and cardboard	37,770	3.74	15,081	1.97	14,871	3.19
Other recovered materials	26,910	2.66	17,677	2.31	15,302	3.28
Total units of waste disposed of normalised by FTE (kg/FTE)	**310.36**	**–**	**255.00**	**–**	**165.43**	**–**
Recycling Rate (%)	**8.72**	**–**	**6.32**	**–**	**9.98**	**–**
Greenhouse gas emissions associated with waste disposal (Tonnes CO_2-e)	**1,197.89**	**–**	**932.10**	**–**	**546.49**	**–**
Landfill	1,197.89	–	932.10	–	546.49	–

(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, 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*:

(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 no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



William Tieppo
Chief Executive Officer


+3%
+0,7%
+1,3%

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 2026 in the following structure to provide users with the information about V/Line's stewardship of the resources entrusted to it.

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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 Minister of Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

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

We authorise the attached financial statements for issue on 27 August 2026.



William Tieppo
Chief Executive Officer



Amy Montalti
Chief Financial Officer

Independent Auditor's Report

Independent Auditor's Report

Victorian Auditor-General's Office

To the Chief Executive Officer of V/Line Corporation

Opinion	I have audited the financial report of V/Line Corporation (the authority) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements. In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Chief Executive Officer's responsibilities for the financial report	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 *Financial Management Act 1994*, 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. 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.

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

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
1 September 2026

Paul Martin
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2026

	Notes	2026	2025
		$'000	**$'000**
Continuing Operations			
Revenue and income from transactions	2.1	**1,428,984**	**1,320,842**
Expenses from transactions			
Operating costs	3.2	467,398	414,842
Employee benefit expenses	3.3.1	516,914	475,272
Administrative expenses	3.5	45,948	46,940
Project expenses and infrastructure renewals	3.6	364,396	335,502
Depreciation/Amortisation	4.2	30,248	32,398
Interest expense	6.2	4,107	2,589
Total expenses from transactions		**1,429,011**	**1,307,543**
Net result from transactions (net operating balance)		**(27)**	**13,299**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets [(a)]	3.7 (a)	376	(10,295)
Net gain/(loss) on financial instruments [(b)]	3.7 (b)	11,569	(3,729)
Other gain/(loss) from other economic flows	3.7 (c)	2,417	(708)
Total other economic flows included in net result		**14,362**	**(14,732)**
Net result		**14,335**	**(1,433)**
Other economic flows – other comprehensive income:			
Items that may be reclassified subsequently to net result			
Gain/(loss) from changes in fair value of hedge instruments in cash flow hedge reserve		7,280	(2.770)
Total other economic flows – other comprehensive income		**7,280**	**(2.770)**
Comprehensive result		**21,615**	**(4,203)**

The accompanying notes form part of these financial statements.
(a) 'Net gain/(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/(loss) 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 2026

	Notes	2026	2025
		$'000	**$'000**
Assets			
Financial assets			
Cash and deposits	6.1	75,880	32,533
Receivables	5.1	32,047	43,103
Contract assets	5.2	30,903	58,864
Other financial assets	5.7	5,029	–
Total financial assets		**143,859**	**134,500**
Non-financial assets			
Inventories	5.5	46,402	48,805
Property, plant and equipment	4.1	196,136	189,795
Intangible assets	4.3	4,688	7,008
Other non-financial assets	5.6	35,640	17,836
Total non-financial assets		**282,866**	**263,444**
Total assets		**426,725**	**397,944**
Liabilities			
Payables	5.3	93,699	110,200
Contract liabilities	5.4	18,593	–
Employee-related provisions	3.3.2	140,266	130,138
Other financial liabilities	5.8	–	2,251
Lease liabilities	6.2	69,788	72,591
Total liabilities		**322,346**	**315,180**
Net assets		**104,379**	**82,764**
Equity			
Accumulated surplus		42,498	17,127
Physical asset revaluation surplus		56,852	67,888
Cash flow hedge reserve		5,029	(2,251)
Net worth		**104,379**	**82,764**
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 2026

	Notes	2026	2025
		$'000	**$'000**
Cash flows from operating activities			
Receipts			
Receipts from Government		1,543,646	1,266,444
Receipts from tickets sales and other entities		71,615	100,627
Interest received		5,240	4,365
Total receipts		**1,620,501**	**1,371,436**
Payments			
Payments to suppliers and employees		(1,480,039)	(1,306,727)
Goods and Services Tax (GST) paid to the ATO [(a)]		(52,963)	(47,089)
Interest paid on lease liabilities		(4,107)	(2,589)
Total payments		**(1,537,109)**	**(1,356,405)**
Net cash flows from operating activities	6.1.1	**83,392**	**15,031**
Cash flows from investing activities			
Purchases of non-financial assets		(25,269)	(12,372)
Net cash flows used in investing activities		**(25,269)**	**(12,372)**
Cash flows from financing activities			
Repayment of principal portion of lease liabilities [(b)]		(14,776)	(14,672)
Net cash flows used in financing activities		**(14,776)**	**(14,672)**
Net (decrease)/increase in cash and cash equivalents		**43,347**	**(12,013)**
Cash and cash equivalents at the beginning of the financial year		32,533	44,546
Cash and cash equivalents at the end of the financial year	6.1	**75,880**	**32,533**

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 2026

	Physical Asset Revaluation Surplus[(a)]	Cash Flow Hedge Reserve	Accumulated Surplus	Total Equity
	$'000	**$'000**	**$'000**	**$'000**
Balance at 1 July 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**
Net result for the year	–	–	14,335	14,335
Other comprehensive income for the year	–	7,280	–	7,280
Transfer from physical asset revaluation surplus to accumulated surplus	(11,036)	–	11,036	–
Balance at 30 June 2026	**56,852**	**5,029**	**42,498**	**104,379**

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 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 2026.

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 (Tier 1). 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, where appropriate, V/Line applies those AAS paragraphs applicable to not-for-profit entities.

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	2026	2025
		$'000	**$'000**
2.1 Summary of revenue and income that funds the delivery of our services			
Ticket sales/farebox	2.2	51,037	69,192
Inter-operator revenue		1,454	2,095
Contributions from Government	2.3	994,385	896,361
Project revenue	2.4	364,046	335,444
Access revenue		6,607	7,413
Interest		7,160	4,365
Other income		4,295	5,972
Total revenue and income from transactions		**1,428,984**	**1,320,842**

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.

	2026	2025
	$'000	**$'000**
2.2 Ticket sales/farebox		
myki ticketing system	38,463	53,733
V/Net ticketing system	12,574	15,459
Total ticket sales/farebox	**51,037**	**69,192**

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	994,385	896,361
Total contributions from Government	**994,385**	**896,361**

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.

	2026	2025
	$'000	**$'000**
2.4 Project revenue		
Government	356,556	327,825
Other entities	7,490	7,619
Total project revenue	**364,046**	**335,444**

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

	Notes	2026	2025
		$'000	**$'000**
3.1 Expenses incurred in delivery of services (excluding Depreciation/Amortisation)			
Operating costs	3.2	467,398	414,842
Employee benefit expenses	3.3.1	516,914	475,272
Operational expenses		984,312	890,114
Administrative expenses	3.5	45,948	46,940
Project expenses and infrastructure renewals	3.6	364,396	335,502
Total expenses incurred in delivery of services		**1,394,656**	**1,272,556**

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

	2026	2025
	$'000	**$'000**
3.2 Operating costs		
Fleet maintenance	154,171	142,059
Fuel costs	63,422	52,153
Access charges	23,760	22,048
Branded coach contract costs	48,339	46,586
Road coach services	29,908	24,532
Repairs and maintenance	64,074	48,170
Motor vehicle expenses	5,527	5,713
Customer services	3,879	3,636
Other direct costs	74,318	69,945
Total operating costs	**467,398**	**414,842**

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).

	2026	2025
	$'000	**$'000**

3.3 Employee Benefits

3.3.1 Employee benefit expenses in the comprehensive operating statement

Salaries and wages	346,363	322,124
Superannuation	56,914	51,418
Annual leave and long service leave expense	67,844	58,994
Other on-costs (payroll tax and WorkCover levy)	45,793	42,736
Total employee benefit expenses	**516,914**	**475,272**

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	34,358	31,523
Unconditional and expected to settle after 12 months	9,270	8,407
	43,628	39,930
LSL		
Unconditional and expected to settle within 12 months	6,545	4,959
Unconditional and expected to settle after 12 months	51,296	48,830
	57,841	53,789
Other leave		
Unconditional and expected to settle within 12 months	4,343	3,680
Provisions for on-costs		
Unconditional and expected to settle within 12 months	9,091	8,054
Unconditional and expected to settle after 12 months	10,335	9,209
	19,426	17,263
Total current provisions for employee benefits	**125,238**	**114,662**

	2026	2025
	$'000	**$'000**
Non-current provisions:		
Employee benefits – Long service leave	12,909	13,421
On-costs	2,119	2,055
Total non-current provisions for employee benefits	**15,028**	**15,476**
Total provisions for employee benefits	**140,266**	**130,138**

Reconciliation of movement in provisions	Employee Benefits	On-costs	Total
	$'000	**$'000**	**$'000**
2026			
Opening Balance	110,820	19,318	130,138
Net additional provisions recognised and reductions arising from payments/other sacrifices of future economic benefits	9,936	2,609	12,545
Unwind of discount and effect of changes in the discount rate	(2,035)	(382)	(2,417)
Closing Balance	**118,721**	**21,545**	**140,266**

(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 current liabilities in the employee benefit provision because V/Line does not have an unconditional right to defer the settlement of these liabilities.

The liability for salaries and wages is 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 all sick leave 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, in which case it is then recognised as part of other economic flows included in the net result.

(iii) Employee benefits on-costs

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

Superannuation on-costs associated with the annual leave provision has been applied to 95 per cent of the employee benefit provisions before on-costs. The remaining 5 per cent 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).

	Paid contribution for the year		Contributions outstanding at year end	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Fund				
Defined benefit plans [(a)]				
Emergency Services and State Super	4,753	5,456	487	204
Defined contribution plans				
Various funds	51,674	41,538	6,305	3,532
Total superannuation plans	**56,427**	**46,994**	**6,792**	**3,736**

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

	2026	**2025**
	$'000	**$'000**
3.5 Administrative expenses		
Administrative expenses are made up of the following expense categories:		
Information technology and communication	17,276	20,728
Insurance	3,266	2,994
Utilities	6,647	5,369
Other administration	16,387	14,940
Total administration	43,576	44,031
Selling	564	1,099
Marketing and communication	1,808	1,810
Total administrative expenses	**45,948**	**46,940**

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

	2026	2025
	$'000	**$'000**
3.6 Project expenses and infrastructure renewals		
Project expenses	169,840	150,363
Infrastructure renewals	194,556	185,139
Total project expenses and infrastructure renewals	**364,396**	**335,502**

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 SLA with HTfV based on an expense recovery model (refer to Note 2.4).

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 gain/(loss) on non-financial assets		
Loss on disposal and write-off of property, plant and equipment	(47)	(5,324)
Writeback/(writedown) of inventory	997	(4,971)
Writedown of property, plant and equipment	(574)	–
Total net gain/(loss) on non-financial assets	**376**	**(10,295)**
(b) Net gain/(loss) on financial instruments		
Writeback of impairment losses on contractual receivables	24	210
Bad debts written off	–	(21)
Net realised gain/(loss) on diesel hedge	11,545	(3,918)
Total net gain/(loss) on financial instruments	**11,569**	**(3,729)**
(c) Other gain/(loss) from other economic flows		
Net gain/(loss) arising from revaluation of LSL liability	2,417	(708)
Total other gain/(loss) from other economic flows	**2,417**	**(708)**

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

	2026	2025
	$'000	**$'000**
4.1 Property, plant and equipment		
4.1.1 Carrying amounts		
Rolling stock		
Gross carrying amount, at fair value	41,419	46,378
Accumulated depreciation	(22,719)	(18,152)
Net carrying amount	**18,700**	**28,226**
Rolling stock – capitalised improvements		
Gross carrying amount, at fair value	4,584	4,735
Accumulated depreciation	(3,983)	(3,300)
Net carrying amount	**601**	**1,435**
Plant and equipment		
Gross carrying amount, at fair value	45,003	44,079
Accumulated depreciation	(19,442)	(16,984)
Net carrying amount	**25,561**	**27,095**
Leasehold improvements		
Gross carrying amount, at fair value	19,391	13,358
Accumulated depreciation	(7,386)	(5,836)
Net carrying amount	**12,005**	**7,522**
Right-of-use assets – Plant and equipment		
Gross carrying amount [(a)]	65,227	59,332
Accumulated depreciation	(38,457)	(33,696)
Net carrying amount	**26,770**	**25,636**
Right-of-use assets – Buildings		
Gross carrying amount [(a)]	73,576	73,220
Accumulated depreciation	(37,428)	(32,335)
Net carrying amount	**36,148**	**40,885**
Capital works-in-progress	**76,351**	**58,996**
Total property, plant and equipment	**196,136**	**189,795**

(a) As a result of a change in FRD 104 Leases effective for reporting periods ended 30 June 2026, right-of-use assets are measured at cost for the reporting period ended 30 June 2026. The comparative information for the reporting period ended 30 June 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

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

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. With effect from the reporting period ended 30 June 2026, subsequent to initial measurement, V/Line measures right-of-use assets using the cost model, where the right-of-use assets are measured at cost less accumulated depreciation and impairment, and adjusted for any remeasurement of the related lease liability. Previously, V/Line subsequently measured right-of-use assets using the revaluation model, where depreciated replacement cost was adopted as a reasonable proxy for fair value. The transition to the cost model has been applied on a modified retrospective approach, with the closing carrying amounts prior to transition becoming the opening carrying amount under the cost model. For further information, refer to note 8.2.

Capital works-in-progress include rotable 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 rotable 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 2026.

	2026	2025
	$'000	**$'000**
4.1.2 Reconciliation of movement in carrying amounts		
Rolling stock		
Carrying amount at beginning of year	28,226	46,639
Disposals	(2,478)	(7,954)
Depreciation expense	(7,048)	(10,459)
Carrying amount at end of year	**18,700**	**28,226**
Rolling stock – capitalised improvements		
Carrying amount at beginning of year	1,435	3,283
Disposals	(45)	(615)
Depreciation expense	(789)	(1,233)
Carrying amount at end of year	**601**	**1,435**
Plant and equipment		
Carrying amount at beginning of year	27,095	28,908
Additions	642	712
Transfers from capital works-in-progress	1,239	12
Write off	–	(5)
Write down	(574)	–
Depreciation expense	(2,841)	(2,532)
Carrying amount at end of year	**25,561**	**27,095**
Leasehold improvements		
Carrying amount at beginning of year	7,522	4,825
Additions	453	471
Transfers from capital works-in-progress	5,580	3,109
Write off	–	(21)
Depreciation expense	(1,550)	(862)
Carrying amount at end of year	**12,005**	**7,522**
Right-of-use assets – Plant and equipment [(a)]		
Carrying amount at beginning of year	25,636	22,576
Additions	11,095	12,136
Disposals	(56)	(84)
Depreciation expense	(9,905)	(8,992)
Carrying amount at end of year	**26,770**	**25,636**

(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for the reporting period ended 30 June 2026. The comparative information for the reporting period ended 30 June 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

	2026	2025
	$'000	**$'000**
Right-of-use assets – Buildings [(a)]		
Carrying amount at beginning of year	40,885	30,258
Additions	666	278
Remeasurement of right-of-use assets	286	16,403
Depreciation expense	(5,689)	(6,054)
Carrying amount at end of year	**36,148**	**40,885**
Capital works-in-progress		
Carrying amount at beginning of year	58,996	55,833
Additions	26,670	11,190
Rotables installed for use (net)	(2,496)	–
Transfers to property, plant and equipment	(6,819)	(3,121)
Transfers to intangible assets (internally generated computer software)	–	(4,906)
Carrying amount at end of year	**76,351**	**58,996**
Total property, plant and equipment		
Carrying amount at beginning of year	189,795	192,322
Additions	39,526	24,787
Remeasurement of right-of-use assets	286	16,403
Disposals	(2,579)	(8,653)
Rotables installed for use (net)	(2,496)	–
Written off	–	(26)
Written down	(574)	–
Depreciation expense	(27,822)	(30,132)
Transfers to intangible assets	–	(4,906)
Carrying amount at end of year	**196,136**	**189,795**

(a) As a result of a change in FRD 104 *Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for the reporting period ended 30 June 2026. The comparative information for the reporting period ended 30 June 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

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, which are leased via the Rolling Stock Module in V/Line's SLA with HTfV. 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, which was undertaken by an independent valuer, the Valuer General of Victoria (VGV). V/Line adopted current replacement cost as the valuation basis for rolling stock.

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 any further scheduled revaluations of the rolling stock assets and will continue to state the rolling stock assets at their depreciated current replacement cost 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. These costs, together with all other maintenance examinations and minor work are treated as repairs and maintenance and expensed when incurred.

	2026	2025
	$'000	$'000
4.2 Depreciation/amortisation and impairment		
Charge for the period		
Rolling stock	7,048	10,459
Rolling stock – capitalised improvements	789	1,233
Plant and equipment	2,841	2,532
Leasehold improvements	1,550	862
Right-of-use assets – Plant and equipment	9,905	8,992
Right-of-use assets – Buildings	5,689	6,054
Intangible assets (amortisation)	2,426	2,266
Total depreciation and amortisation	**30,248**	**32,398**

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	3 to 10 years
Leasehold improvements	3 to 13 years
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.

During the reporting period, certain plant and equipment were removed from service and put in storage. Accordingly, V/Line has written down their carrying value to their expected recoverable value. The impairment loss recognised in the Comprehensive operating statement was $573,573.

4.3 Intangible assets

	2026			2025		
	Computer Software	Safeguard Mechanism Credits	Total	Computer Software	Safeguard Mechanism Credits	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount						
Opening balance	31,951	1,264	33,215	27,045	–	27,045
Additions	–	106	106	–	1,264	1,264
Transfer from property, plant and equipment – capital works-in-progress	–	–	–	4,906	–	4,906
Closing balance	**31,951**	**1,370**	**33,321**	**31,951**	**1,264**	**33,215**
Accumulated amortisation						
Opening balance	(26,207)	–	(26,207)	(23,941)	–	(23,941)
Amortisation of intangible assets	(2,426)	–	(2,426)	(2,266)	–	(2,266)
Closing balance	**(28,633)**	**–**	**(28,633)**	**(26,207)**	**–**	**(26,207)**
Net book value at end of financial year	**3,318**	**1,370**	**4,688**	**5,744**	**1,264**	**7,008**

Purchased computer software are initially recognised at cost.

For internally generated computer software, during the development phase, the costs are recognised as capital works-in-progress in property, plant and equipment. Upon completion, these costs are transferred for recognition in intangible assets if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the asset so that it will be available for use
- an intention to use the asset upon completion
- the ability to use the asset
- the asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use the asset
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Subsequently, computer software, which have finite useful lives, 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 with finite useful lives are assessed for indicators of impairment at each reporting date and tested for impairment when an indicator exists. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired. 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 Contract liabilities
5.5 Inventories
5.6 Other non-financial assets
5.7 Other financial assets
5.8 Other financial liabilities

	2026	2025
	$'000	**$'000**
5.1 Receivables		
Contractual		
Trade receivables	17,694	34,690
Other receivables	7,908	2,855
Finance lease receivables	5,427	3,286
Allowance for impairment of contractual receivables	(1)	(25)
	31,028	**40,806**
Statutory		
Fuel rebate receivable from the ATO	1,019	2,297
Total receivables	**32,047**	**43,103**
Represented by:		
Current receivables	27,105	25,412
Non-current receivables	4,942	17,691
Related party receivables (included in contractual receivables) [(a)]		
DTP	13,810	8,345
Other related parties	1,567	14
Total related party receivables	**15,377**	**8,359**

(a) Refer Note 8.5 Related parties

Contractual receivables, such as debtors in relation to sales of goods and services and finance 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.

Finance 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 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:

	2026	2025
	$'000	**$'000**
Less than one year	778	442
One to five years	3,110	1,766
More than five years	3,015	2,075
Total undiscounted lease payments receivable	**6,903**	**4,283**
Less: Unearned finance income	(1,476)	(997)
Net investment in the lease	**5,427**	**3,286**

During the reporting period, finance income recognised on the lease receivables was $276,941 (2025: $63,244).

5.2 Contract assets

Current Contract assets:		
Opening balance	58,864	51,445
Add: Additional costs incurred and recoverable from customers	364,046	335,444
Less: Amounts transferred to receivables	(392,007)	(328,025)
Total contract assets	**30,903**	**58,864**

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.

5.3 Payables

	2026 $'000	2025 $'000
Current Payables:		
Contractual		
Trade payables – unsecured	8,111	45,429
Superannuation payable	7,781	6,536
Accruals	46,653	37,379
Other payables	17,260	13,758
	79,805	**103,102**
Statutory		
GST payable	4,920	(601)
FBT payable	540	262
Other taxes payable	8,434	7,437
	13,894	**7,098**
Total payables	**93,699**	**110,200**
Related party payables (included in Trade payables – unsecured): [(a)]		
DTP	–	485
Other related parties	310	3,151

(a) Refer Note 8.5 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	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
2026						
Trade payables	8,111	6,265	1,251	595	–	–
Superannuation	7,781	–	7,781	–	–	–
Accruals	46,653	–	46,653	–	–	–
Other payables	17,260	17,260	–	–	–	–
Total	**79,805**	**23,525**	**55,685**	**595**	**–**	**–**
2025						
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**	**–**	**–**

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

	2026	2025
	$'000	**$'000**
5.4 Contract Liabilities		
Current contract liabilities:		
Payments received for performance obligations yet to be completed during the period	18,593	–
Total contract liabilities	**18,593**	**–**

Contract liabilities consist of funding received from DTP in advance of performance of rail passenger services, infrastructure maintenance and other services. Invoices will be issued to DTP and revenue recognised once the services are performed (refer Note 2.3 Contributions from Government). At the end of the previous reporting period, V/Line had performed the services but had yet to receive the related funding, therefore the amount was classified as a contract asset (refer Note 5.2 Contract Assets).

	2026	2025
	$'000	**$'000**

5.5 Inventories

Current inventories:		
Materials, at cost	40,295	44,523
Spares and consumables, at cost	2,247	1,855
Spares, at net realisable value	3,860	2,427
Total inventories	**46,402**	**48,805**

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 back $997,574 to the net realisable value of rolling stock spares inventory.

5.6 Other non-financial assets

Prepayments		
Current	19,694	17,836
Non-current	15,946	–
Total other non-financial assets	**35,640**	**17,836**

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. Included in the current year's prepayments is a prepayment of $23,919,060 to a supplier consisting of monthly payments to operate a train maintenance facility for three years to June 2029, to be expensed on a straight-line basis.

5.7 Other financial assets

Current other financial assets		
Fuel hedge derivatives	5,029	–
Total other financial assets	**5,029**	**–**

5.8 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 fair value of the fuel hedge derivatives which have yet to mature are classified as Other financial assets when they are in a net positive (receivable) position and as Other financial liabilities when they are in a net negative (payable) position at the end of the reporting period.

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

	2026	2025
	$'000	**$'000**
6.1 Cash flow information and balances		
Cash at bank	75,738	32,389
Cash on hand	142	144
Total cash and deposits as per balance sheet and cash flow statement	**75,880**	**32,533**

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

	2026	2025
	$'000	**$'000**
Net result for the period	**14,335**	**(1,433)**
Non-cash movements		
Depreciation/amortisation of non-current assets	30,248	32,398
(Writeback)/Writedown of non-current assets	(997)	4,971
Writedown of non-financial assets	574	–
Loss on disposal and write-off of non-current assets	47	5,324
Receipt of intangible assets (SMCs)	(106)	(1,264)
Early termination of lease liabilities	(74)	(91)
Net (gain)/loss from revaluation of LSL liability	(2,417)	708
Interest income accrued	(1,919)	–
Movements in assets and liabilities		
Decrease/(Increase) in trade and other receivables	13,586	(10,523)
Decrease/(Increase) in contract assets	27,961	(7,418)
Decrease/(Increase) in inventories	3,401	(4,269)
Increase in prepayments	(15,885)	(12,255)
(Decrease)/Increase in trade and other payables	(16,500)	1,716
Increase in contract liabilities	18,593	–
Increase in employee-related provisions	12,545	7,167
Net cash flows generated from operating activities	**83,392**	**15,031**

6.2 Lease liabilities

Current lease liabilities [(a)]	14,387	13,269
Non-current lease liabilities [(a)]	55,401	59,322
Total lease liabilities	**69,788**	**72,591**

(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 depots and 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 the comprehensive operating statement 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 is 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 VLocity train rolling stock under the Rolling Stock Module of V/Line's SLA 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 SLA 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
2026							
Lease liabilities	69,788	83,316	1,574	3,092	13,330	43,313	22,007
2025							
Lease liabilities	72,591	87,572	1,455	2,854	12,571	44,884	25,808

(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:

	2026	2025
	$'000	$'000
Interest expense on lease liabilities	4,107	2,589
Expenses relating to short term leases	2,621	2,870
Expenses relating to leases of low value assets	52	54
Total recognised in the comprehensive operating statement	**6,780**	**5,513**

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	18,883	17,261

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**
2026				
Capital expenditure commitments	5,478	–	–	5,478
Coach contract commitments	56,413	241,634	64,527	362,574
Fleet maintenance commitments	184,002	821,053	684,901	1,689,956
Bulk diesel fuel commitments	57,433	98,414	–	155,847
Other commitments payable	236,518	–	–	236,518
Total commitments (inclusive of GST)	**539,844**	**1,161,101**	**749,428**	**2,450,373**
Less: GST recoverable	(49,077)	(105,555)	(68,130)	(222,762)
Total commitments (exclusive of GST)	**490,767**	**1,055,546**	**681,298**	**2,227,611**

Nominal values				
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**

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 SLA 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 relates mainly to fair value determination.

Structure

7.1 Financial instruments

7.2 Contingent assets and contingent liabilities

7.3 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.

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 the documented risk management strategy, V/Line designates 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	Financial assets at amortised cost (AC)	Financial assets/ liabilities measured at fair value through profit/loss (FVTPL)	Financial liabilities at amortised cost (AC)
	$'000	**$'000**	**$'000**	**$'000**
2026				
Financial assets				
Cash and deposits	75,880	–	–	–
Trade and other receivables [a]	–	25,601	–	–
Finance lease receivables	–	5,427	–	–
Hedge derivatives	–	–	5,029	–
Total financial assets	**75,880**	**31,028**	**5,029**	**–**
Financial liabilities				
Trade and other payables [a]	–	–	-	79,805
Lease liabilities	–	–	-	69,788
Total financial liabilities	**–**	**–**	**-**	**149,593**
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**

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

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

	Interest income/ (expense)	Net holding gain/(loss)	Impairment written back	Total
	$'000	**$'000**	**$'000**	**$'000**
2026				
Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	5,240	–	24	5,264
Hedge derivatives	–	11,545	–	11,545
Total contractual financial assets	**5,240**	**11,545**	**24**	**16,809**
Contractual financial liabilities				
Financial liabilities at amortised cost	(4,107)	–	–	(4,107)
Total contractual financial liabilities	**(4,107)**	**–**	**–**	**(4,107)**
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)**

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 2025-26.

Credit quality of financial assets	Government Agencies (AA Credit Rating) **$'000**	Financial Institution (AA Credit Rating) **$'000**	Other (unrated) **$'000**	Total **$'000**
2026				
Financial assets with loss allowance measured at 12-month expected credit loss				
Cash and deposits	–	75,880	–	75,880
Statutory receivables (no impairment loss recognised)	1,019	–	–	1,019
Financial assets with loss allowance measured at lifetime expected credit loss				
Contractual receivables (applying the simplified approach for impairment)	15,435	–	15,593	31,028
Total financial assets	**16,454**	**75,880**	**15,593**	**107,927**
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
Total financial assets	**11,253**	**32,533**	**31,850**	**75,636**

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:

2026

	Current	Less than 1 month	1-3 months	> 3 months	Total
Government-related contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables ($'000)	7,490	2,427	5,518	–	15,435
Loss allowance ($'000)	–	–	–	–	–
Other contractual receivables					
Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables ($'000)	9,641	560	84	5,309	15,594
Loss allowance ($'000)	–	–	–	1	1

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

A reconciliation of the movement in the loss allowance for contractual receivables is as follows:	**2026**	**2025**
	$'000	**$'000**
Balance at the beginning of the year	(25)	(235)
Writeback of allowance recognised in the net result	24	210
Balance at the end of the year	**(1)**	**(25)**

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.

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 3.99 per cent (2025: 4.38 per cent). 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 5.75 per cent (2025: 5.84 per cent).

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 6.01 per cent (2025: 5.54 per cent).

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 2026, V/Line has monthly diesel fuel hedges maturing until May 2027. 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	Nominal Quantity	Notional Principal	Carrying Amount – Fair Value
	cents per litre	**'000 litres**	**$'000**	**$'000**
2026				
Less than 1 year	82.8	48,403	40,083	5,029
2025				
Less than 1 year	83.6	47,358	39,590	(2,251)

Hedge accounting

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

At the inception of the hedging relationship, 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.

	2026	2025
	$'000	**$'000**
Reconciliation of cash flow hedge reserve		
Opening balance	(2,251)	519
Revaluations to fair value	18,825	(6,688)
Gain/Loss on settlement of hedge transferred to net result – other economic flows	(11,545)	3,918
Closing balance	**5,029**	**(2,251)**

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 2026, 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 2026, 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 2025-26 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 is awaiting further information from the Department of Energy, Environment and Climate Action regarding their course of action in relation to threatened flora impacted during maintenance works. However, the likelihood of financial penalties is extremely low.

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 2025-26.

7.3 Fair value determination

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, excluding right-of-use 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:

	2026		2025	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Finance lease assets	5,427	5,373	3,286	3,305
Financial liabilities				
Lease liabilities	69,788	68,739	72,591	71,833

Financial assets and liabilities measured at fair value		Fair value measurement		
	Carrying amount	Level 1	Level 2	Level 3
	$'000	**$'000**	**$'000**	**$'000**
2026				
Hedge derivatives	5,029	–	5,029	–
2025				
Hedge derivatives	(2,251)	–	(2,251)	–

There were no transfers between levels during the reporting period. 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: • 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		Fair value measurement		
	Carrying amount	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
2026				
Rolling stock at fair value	18,700	–	–	18,700
Rolling stock – capitalised improvements at fair value	601	–	–	601
Plant and equipment at fair value [(a)]	25,561	–	–	25,561
Leasehold improvements at fair value	12,005	–	–	12,005
Buildings at fair value [(a)] [(b)]	–	–	–	–
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	–

(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for the reporting period ended 30 June 2026, and are therefore not included in this table. The comparative information for the reporting period ended 30 June 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 8.2.

(b) All of V/Line's buildings in the comparative reporting period consisted of right-of-use assets.

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. In the previous reporting period, assets valued using observable market inputs are categorised within Level 2.

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 approached the end of its useful life. Consequently, the rolling stock assets were not subject to any further independent scheduled valuations.

For plant and equipment and leasehold improvements, which are considered specialised in use, such that they are rarely sold other than as part of a going concern, fair value is determined using the current replacement cost method.

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 2026.

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

Description of significant unobservable inputs to Level 3 valuations

2026 and 2025	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 [(a)]	Market approach	Cost per square metre The remaining term of the lease

(a) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, Buildings right-of-use assets are measured at cost for the reporting period ended 30 June 2026, and therefore the valuation techniques described in this table do not apply. Accordingly, the valuation techniques described in this table relates only to the comparative information for the reporting period ended 30 June 2025, when the Buildings right-of-use assets were stated at fair value.

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 Change in accounting policy
8.3 Responsible persons
8.4 Remuneration of executives
8.5 Related parties
8.6 Remuneration of auditors
8.7 Subsequent events
8.8 Australian Accounting Standards issued that are not yet effective

8.1 Going concern

V/Line provides public transport services in Victoria under the *Transport Integration Act 2010*. The provision of these services is substantially funded by the State Government of Victoria through the SLA with HTfV. Without the provision of this funding V/Line could not continue as a going concern.

The SLA with HTfV is in place until 30 June 2030 and HTfV is legally obligated to provide funding allocations under the SLA to enable V/Line to meet its output obligations. Funding for the year ending 30 June 2027 and for future years has also been set under approved budget allocations.

The financial statements do not show any deficiency in liquidity as at the reporting date and 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 Change in accounting policy

Right-of-use assets

During the reporting period, V/Line changed its accounting policy in relation to the subsequent measurement basis for right-of-use assets arising from market leases from the revaluation model to the cost model, in accordance with the updated requirements of FRD 104.

Previously, V/Line measured all right-of-use assets arising from market leases using the revaluation model, with fair value determined in accordance with AASB 13. Following the change in accounting policy, V/Line measured all right-of-use assets using the cost model, where the right-of-use assets are held at cost less accumulated depreciation and impairment and any adjustments for remeasurement of the lease liability. Periodic revaluations are not required; however V/Line performs annual impairment assessments in accordance with AASB 136.

Upon adoption of the cost model, V/Line has applied the modified retrospective approach, which takes the right-of-use assets' carrying amounts recorded under the revaluation model as at 30 June 2025 as the assets' opening balance upon application of the cost model.

Accordingly, the comparative information presented is not restated and is reported at the previously determined fair value.

Impact on financial statements

On transition to the cost model, there was no material impact on V/Line's financial statements as it had previously adopted depreciated cost as a reasonable proxy for fair value in the measurement of right-of-use assets under the revaluation model. No impairment was identified for right-of-use assets held as at 30 June 2026.

8.3 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 Officer in V/Line are as follows:

Minister for Public and Active Transport	The Hon. Gabrielle Williams	1 July 2025 to 30 June 2026
Treasurer	Hon. Jaclyn Symes	1 July 2025 to 30 June 2026
Chief Executive Officer	William Tieppo	25 August 2025 to 30 June 2026
Acting Chief Executive Officer	Warwick Horsley	1 July 2025 to 24 August 2025

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of V/Line during the reporting period was in the range of $540,000 – $549,999 (2025: $530,000 – $539,999).

Amounts relating to the Ministers are reported in the State's Annual Financial Report.

8.4 Remuneration of executives

The number of senior executive officers, other than the Ministers and Accountable Officer, 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 executives [a] (including key management personnel disclosed in Note 8.5)	**2026**	**2025**
	$'000	**$'000**
Short-term employee benefits	12,158	10,614
Post-employment benefits	1,189	1,087
Other long term benefits	270	246
Termination benefits	149	323
Total remuneration	**13,766**	**12,270**
Total number of senior executives	**48**	**46**
Total annualised employee equivalent (AEE) [b]	**39**	**37**

(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.

8.5 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 (KMP) 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:

		2026	2025
		$'000	$'000
Related party	**Nature of transaction**		
Expenses			
VicTrack	Provision of communication services	24,928	24,653
DTF	Payroll tax	36,139	33,021
Revenue			
DTP	Services payments to V/Line	994,385	896,361
DTP	myki/Ticket sales	38,463	53,733
DTP	Reimbursement of project expenditure	356,556	327,825
TCV	Net realised gain/(loss) on diesel hedge settlement	11,545	(3,918)

KMP of V/Line include the Portfolio Ministers (see Note 8.3), the Accountable Officer and members of the Executive Leadership Team (ELT).

The names of V/Line's Accountable Officer and the members of the ELT are:

Chief Executive Officer	William Tieppo	25 August 2025 – 30 June 2026
Acting Chief Executive Officer	Warwick Horsley	1 July 2025 – 24 August 2025
Executive Director (ED) Corporate Services	Scott Quirke	1 July 2025 – 30 June 2026
ED Assets and Maintenance	Adam Williams	2 February 2026 – 30 June 2026
Acting ED Assets and Maintenance	Brendan Geary	1 July 2025 –30 January 2026
ED People and Safety	Josef Brennan	1 July 2025 – 30 June 2026
Chief Operating Officer / ED Operations	Sussanah Osborne	28 July 2025 – 30 June 2026
Acting ED Operations	Scott Short	1 July 2025 – 27 July 2025
ED – Network Strategy and Planning	Scott Short	28 July 2025 – 30 June 2026
ED Projects	Warwick Horsley	25 August 2025 – 30 June 2026
Acting ED Projects	Melissa Alessandrini	1 July 2025 – 24 August 2025
General Counsel	Robert Pearce	21 April 2026 – 30 June 2026
Acting General Counsel	Sky Mykyta	9 February 2026 – 3 April 2026
Acting General Counsel	Kate McCardel	24 November 2025 – 5 February 2026
General Counsel	Natasha O'Callaghan -Koneska	1 July 2025 – 23 November 2025
ED – Communications and Engagement	Sally Pickering	16 February 2026 – 30 June 2026

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	2026	2025
	$'000	**$'000**
Short-term employee benefits	3,572	2,894
Post-employment benefits	256	215
Other long term benefits	78	56
Total remuneration	**3,906**	**3,165**

8.6 Remuneration of auditors

Victorian Auditor-General's Office		
Audit of the financial statements	142	132

8.7 Subsequent events

Subsequent to 30 June 2026, on 8 and 9 July 2026, a nationwide Telstra communications outage impacted V/Line's ability to undertake regional passenger rail operations. As a result, V/Line was unable to operate regional rail passenger services until communications were restored to a safe operational level during the afternoon of 9 July 2026. During the disruption, supplementary coach services were deployed to support critical travel requirements.

As the outage occurred subsequent to the reporting date of 30 June 2026 and did not provide evidence of conditions that existed at that date, this is considered a non-adjusting subsequent event. Management has assessed the financial impact of the disruption as not material to the financial statements. However, the interruption to V/Line's regional rail operations constituted a material operational event due to its significance and impact on service delivery.

8.8 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2025-26 reporting period. These accounting standards have not been applied to V/Line's financial statements.

- 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*

  AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

  AASB 2022-9 amends AASB 17 to make public sector-related modifications (e.g. it specifies the prerequisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

  AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026.

- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*

  AASB 2024-2 amends AASB 7 *Financial Instruments, Disclosures* and AASB 9 *Financial Instruments*.

  AASB 2024-2 amends the requirements 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

  – 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 amendment applies to annual periods beginning 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.

  AASB 18 applies to annual reporting periods beginning on or after 1 January 2028 for not-for-profit entities.

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 legislation and pronouncements. This index has been prepared to facilitate identification of V/Line's compliance with statutory disclosure requirements.

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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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VICTORIA State Government | Department of Transport and Planning

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