

Annual Report

2023-24

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 Victorian communities. We recognise the importance of strengthening our ongoing relationships with First Peoples, and that self-determination is driven by the First Peoples community.



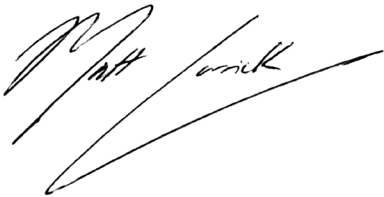
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Responsible body's declaration

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 2024.

A handwritten signature in black ink, appearing to read 'Matt Carrick', with a long, sweeping underline.

Matt Carrick
Chief Executive Officer
V/Line Corporation

24 September 2024



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, and
- Human rights.

Chief Executive Officer's report



The 2023-24 year represented a remarkable year of growth and modernisation for Victoria's regional rail network.

V/Line continues to be Australia's fastest growing regional rail operator, connecting regional communities through safe, reliable and accessible transport.

We are proud of the role we play in connecting our state and understand the importance of these connections to ensuring Victoria and our regions thrive.

During the 2023-24 financial year, we celebrated 40 years of getting Victorians around our state.

The V/Line brand was launched on 21 August 1983 by then-Transport Minister Steve Crabb, with a bright orange train uniform and green and white V/Line logo at Spencer Street Station.

While the V/Line brand and livery has changed style and colour over the years, our commitment to serving the community and connecting Victoria has remained the same.

What has changed is the breadth of our services, our fleet, our patronage and the volume of freight we carry.

V/Line now operates a timetable with more than 2,285 scheduled rail services and more than 1,520 scheduled coach services per week.

In 2023-24, we also marked a significant milestone with 23.8 million trips taken – the highest patronage ever recorded on the V/Line network.

This growth has been spurred by record investment in our network and the introduction of the regional fare cap, which capped the daily price of a regional fare to the price of a metropolitan fare.

Since the introduction of the regional fare cap, patronage on our service has continued to go from strength to strength, with many of our passengers taking advantage of reduced fares to travel around the state for major events and festivals, and to connect with friends and family.

We are embracing this growth and are continuing to evolve and modernise our network to provide the best possible service to our passengers and freight customers.

In recent times, this transformation has been unprecedented, with the Australian and Victorian governments' \$4 billion Regional Rail Revival program upgrading every passenger rail line across the State.

During the year, we made significant progress on a number of these upgrades, including the Shepparton, Gippsland and Warrnambool lines, as well as completion of the Bendigo to Echuca Line Upgrade.

Other highlights during the year include:

- Completing Stage 1 of the \$90 million upgrade to our South Dynon train maintenance facility, which will unlock additional capacity and improve reliability.
- Finalising a landmark 10-year Regional Rolling Stock Maintenance Contract with Alstom to streamline and modernise how we maintain and service our growing train fleet.

- Delivery of an additional 12 new 3-carriage VLOCITY trains.
- Implementing a number of innovative trials and infrastructure improvements which boosted rail freight, including re-opening the Gheringhap Loop.
- Commencing an upgrade to the train stabling facility at Bairnsdale Station, completing major construction on the South Geelong to Waurn Ponds Duplication, progressing delivery of a new modern signalling system between Craigieburn and Seymour and completing four level crossing upgrades.
- Launching accessible reservations so passengers using a mobility aid can now reserve an accessible space on long-distance train services, as well as commencing a package of works to improve accessibility for our passengers.
- Continuing to give back to the communities we serve through a range of community partnerships which strengthen community safety, connection and wellbeing, economic development, and diversity and inclusion.
- Continuing to put safety at the forefront of everything we do, by closely monitoring and managing our risks and critical safety indicators, improving our asset maturity and delivering our maintenance and renewal programs.
- Continuing to deliver a range of diversity and inclusion initiatives which build a respectful and inclusive workplace, ensuring we truly reflects the communities we serve.

Outcomes like the ones outlined in this report cannot be achieved without hard work and commitment. I'd like to acknowledge our dedicated staff, including my Executive Leadership Team, as well as our Advisory Board, Audit and Risk Committee and Procurement Oversight Committee.

I'd also like to acknowledge our colleagues in the Department of Transport and Planning, as well as our many valued stakeholders for their collaboration and support including the Victorian Infrastructure Delivery Agency, Victoria's transport operators, the Public Transport Ombudsman, Victoria Police, our community partners and the many local councils, businesses and community organisations that we work with.

We look forward to building on the achievements outlined in this report in the year ahead and continuing to strive to ensure Victoria's regional communities are thriving, accessible and connected.



Matt Carrick
Chief Executive Officer

Manner of establishment and responsible Ministers

This is the annual report of V/Line Corporation (V/Line).

V/Line is governed by the *Transport Integration Act 2010*, which sets out its objectives and functions. V/Line operates as a not-for-profit corporation. During 2023-24, V/Line was responsible to the Victorian Minister for Public Transport (up to 1 October 2023), Minister for Public and Active Transport (from 2 October 2023) and the Victorian Treasurer.

This report provides a summary of our key activities and financial performance for the period 1 July 2023 to 30 June 2024.

Department of Transport and Planning

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

DTP and its entities work together to deliver an integrated approach to Victoria's transport and planning systems which support inclusive and sustainable community outcomes.

Our shared goal of creating thriving places and connected communities ensures that we are all working together towards a more liveable and prosperous state.

DTP is an integrated department, serving five Ministers and a Parliamentary Secretary bringing together transport, planning, land, precinct and policy functions to support our vision of thriving places and connected communities for all Victorians.

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

V/Line Corporation

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

Effective 1 July 2021, V/Line ceased to be a state business corporation under the *State Owned Enterprises Act* and under a *Transport Restructuring Order* (as defined in the *Transport Integration Act*) became a statutory authority, with the Chief Executive Officer becoming the sole member of V/Line. Matt Carrick was appointed Chief Executive Officer commencing 12 July 2021.

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 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 more than 2,285 rail services between Melbourne and regional centres. Our coaches provide more than 1,520 services per week with nearly 1,000 of these services connecting to our rail network.

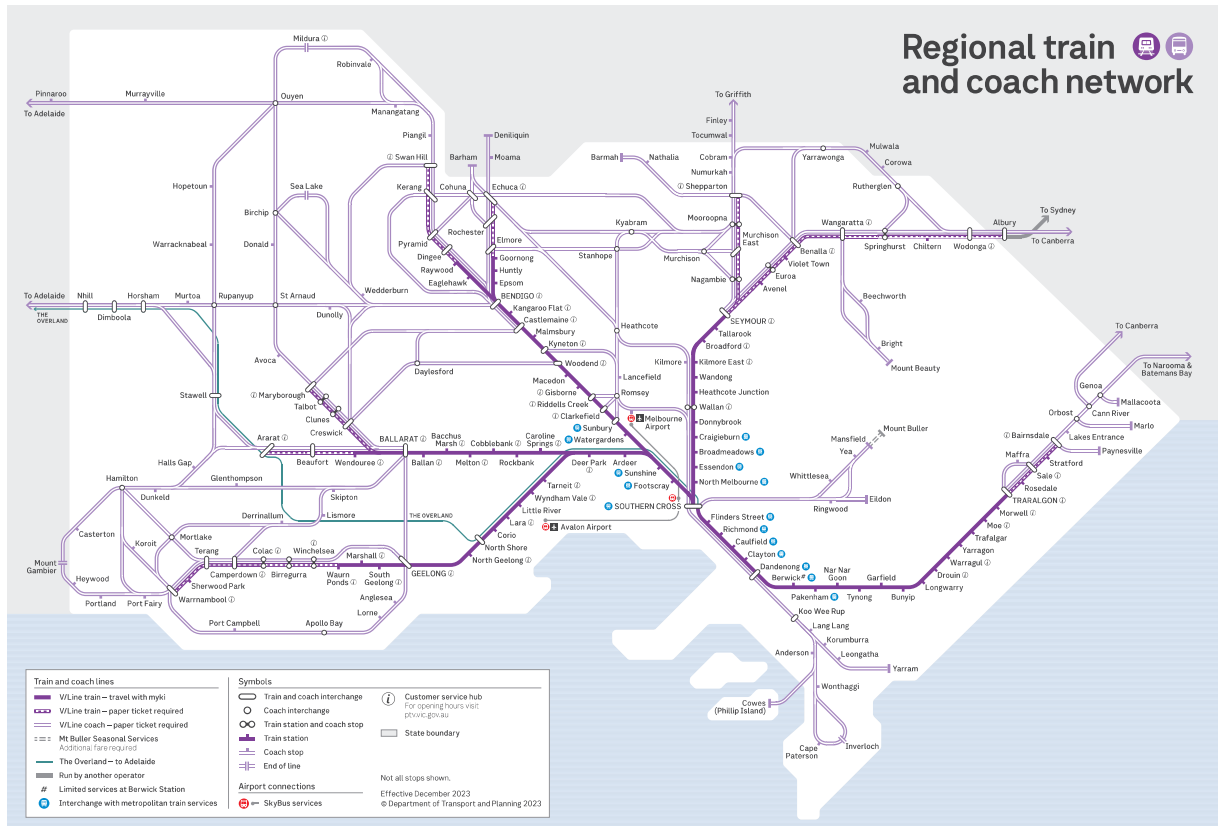
We provide a multi-modal integrated transport system serving regional Victorian communities, while also providing interstate connections to South Australia, New South Wales and the Australian Capital Territory.

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

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

V/Line is a major employer with a workforce of 2,913 people as at 30 June 2024 including many who live and work in regional Victoria.

Passenger network map



Patronage

On 31 March 2023, the Victorian Government introduced the regional fare cap – capping the daily price of a regional fare to the price of a metropolitan fare.

The fare cap has driven significant passenger growth in 2023–24 with 23.8 million trips taken – the highest patronage ever recorded on the V/Line network.

It has also transformed the way people travel around Victoria, with weekends, school holiday and long-distance services proving particularly popular as passengers enjoy the benefits of significantly reduced fares.

V/Line recorded its busiest ever day on the network in 2023–24 with 90,000 trips taken on 24 April (day prior to ANZAC Day).

Particularly notable have been the increases in patronage on long-haul routes, including on the Albury, Echuca, Swan Hill and Warrnambool lines.

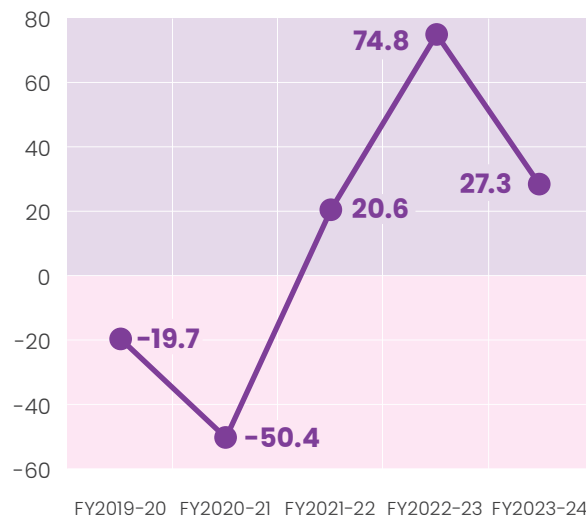
Passengers on these services experienced some of the biggest savings following the introduction of the fare cap. By the end of the 2023–24 financial year, the fare cap had saved passengers \$74,162,714 since its introduction.

Passengers from across the state also took advantage of lower fares to attend various events, with the most significant being the Taylor Swift and P!NK concerts in February and March 2024, which produced some of our highest-ever weekend patronage results.

Coach patronage has also progressively increased throughout the year to the levels observed prior to the pandemic (around 24,000 to 26,000 trips per week).

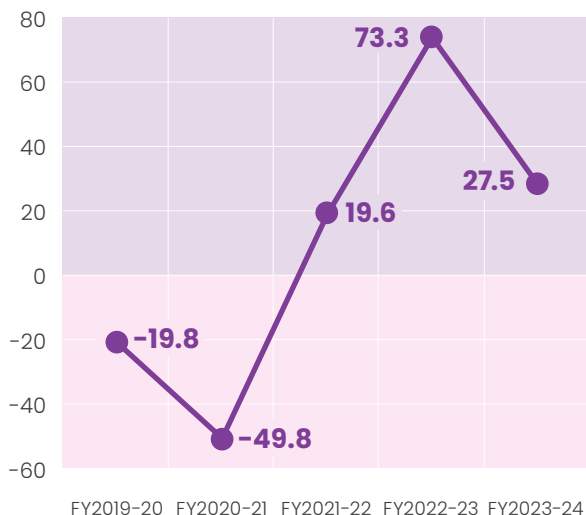
Train passenger trips

% change



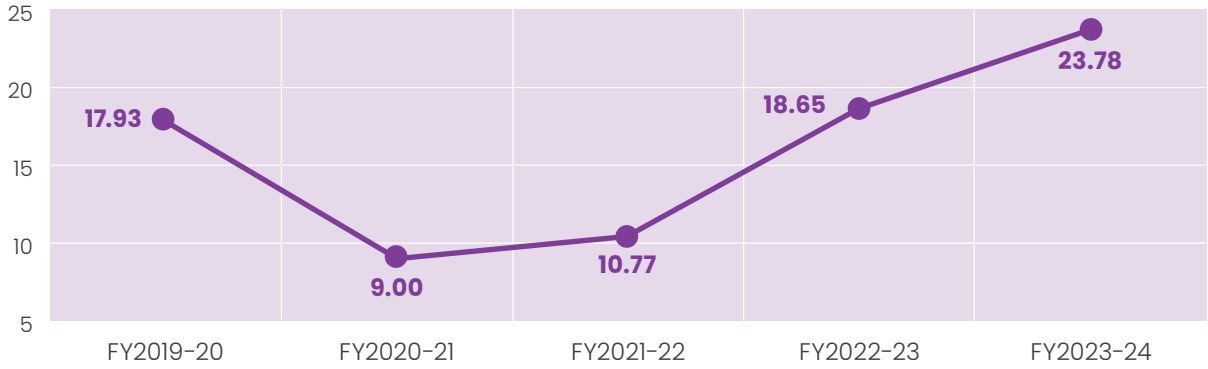
Train and coach passenger trips

% change



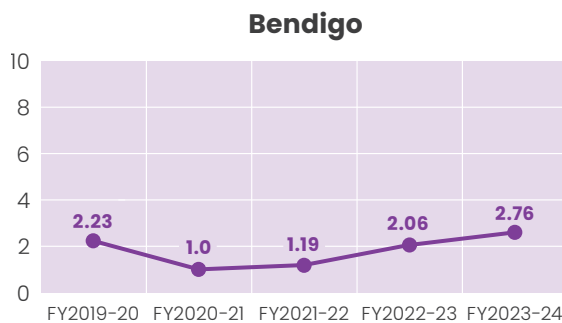
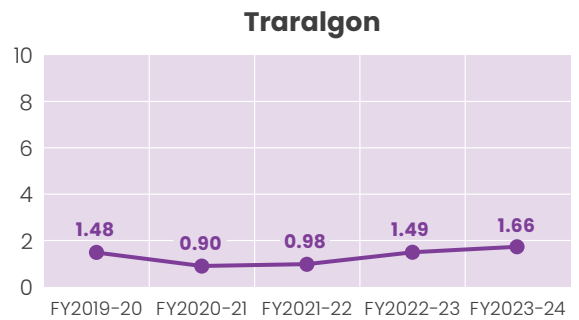
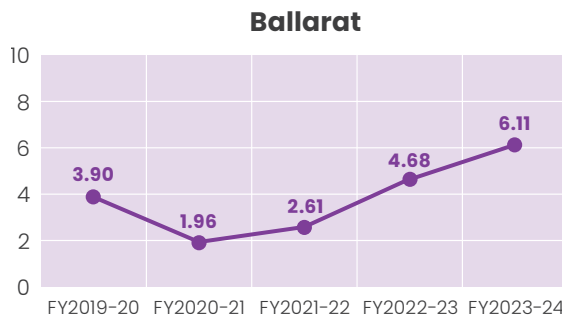
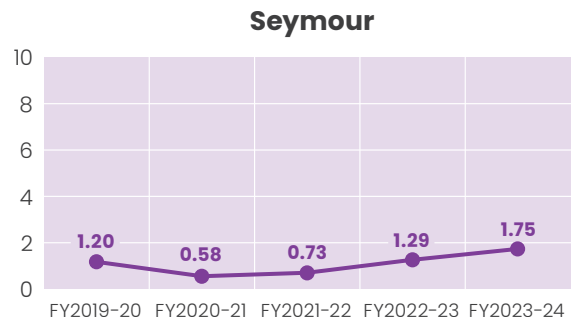
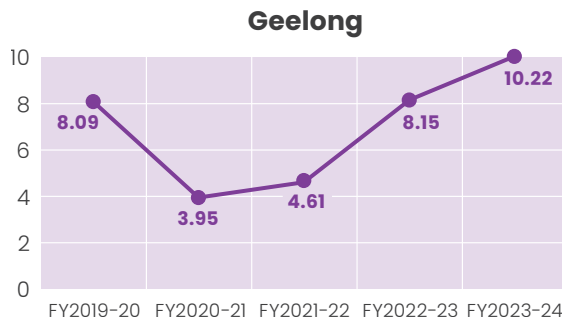
Train and coach patronage

Millions



Rail patronage by line

Millions



Note:

- Patronage by line includes all of the services which operate on that line. For example, 'Seymour' includes Albury services, 'Geelong' includes Warrnambool services, 'Bendigo' includes Echuca services etc.
- Between FY2019-20 and FY2022-23 patronage was variably impacted by COVID-19, with the largest impact occurring during periods of travel restrictions.

Performance overview

Facts and figures	2023-24	2022-23
Total customer trips (rail and coach)	23,777,997	18,652,422
Rail passenger trips	22,497,360	17,665,211
Coach passenger trips	1,280,637	987,211

Stations

Total number of stations*	98	98
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* This total includes stations on the regional network, including Mildura and those on the ARTC Albury Line together with metropolitan stations that have regional platforms and/or regional staff.

Customers

Customer Experience Index ^{##} – trains	78.6	78.5
Customer Experience Index ^{##} – coaches	73.7	75.6
Number of customer information enquiries	227,016	345,969
Number of feedback cases	12,830	10,884
Compulsory monthly performance compensation and discretionary compensation paid to V/Line customers [^]	\$7,218	\$8,107
Ticket sales/farebox revenue [#]	\$58.4 million	\$68.3 million

The reduction in revenue in 2023-24 is due to the full year impact of the fare cap introduced in March 2023.

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.

[^] Discretionary compensation is compensation paid to passengers whose service was delayed by 60 minutes or more in a single journey. Discretionary compensation was not included in the 2022-23 figure.

Finance

Total revenue and income from transactions	\$1.36 billion	\$1.25 billion
Total expenses from transactions	\$1.33 billion	\$1.28 billion
Earnings before interest, tax, depreciation and amortisation (EBITDA) [#]	\$23.6 million	\$18.3 million
Net result after tax ^{###}	\$32.2 million	\$(23.4) million

Excludes significant non-cash and non-recurring items.

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

Employees

Full-time staff	2,693	2,503
Total staff	2,913	2,706

	2023-24	2022-23
Fleet		
VLocity carriages	354	318
Locomotives	33	33
Loco-hauled carriages*	50	110
Sprinters (single unit)	21	21

* The reduction in loco-hauled carriages is due to the retirement of the H-class carriages, as V/Line progressively rolled out new VLocity trains on to the network during the year.

Health, safety and environment

Serious Injury Frequency Rate (SIFR) = Lost Time Injury (LTI) and Medically Treated Injury (MTI) per million hours worked	13.72	20.95
Signals passed at danger (SPAD) per million kilometres (Human Factors + Technical)	3.71	3.13
Signals passed at danger (SPAD) per million kilometres (Human Factors only)	1.29	1.33
Emissions intensity – tonnes per passenger kilometres	0.09 [†]	0.12

[†] Emission results are based on the data available at the time of reporting.

Note: The SIFR definition was reviewed in December 2023 to align with the reporting and notification requirements of external regulators including WorkSafe Victoria, Office of the National Rail Safety Regulator and Energy Safe Victoria. This resulted in minor WorkCover injuries no longer being considered serious which led to a downward trend of the injury rate.

Service delivery

Reliability overall (commuter and long-distance services, average monthly performance) – Target: 96 per cent	96.7	96.3
Reliability – commuter (per cent)	96.4	96.1
Reliability – long-distance (per cent)	98.4	97.4
Punctuality overall (commuter and long-distance services, average monthly performance) – Target: 92 per cent	87.4	89.1
Punctuality – commuter ¹ (per cent)	88.0	89.6
Punctuality – long-distance ² (per cent)	83.6	86.4
Number of services – commuter	90,407	87,987
Number of services – long-distance	15,200	14,279

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 delivered a punctuality result of 87.4 per cent and a reliability result of 96.7 per cent during 2023–24.

The reliability result exceeded the 96 per cent reliability target and increased by 0.4 per cent compared to the previous financial year.

Improvements in the reliability of V/Line train services were due to a reduction in the impacts of adverse weather events, rolling stock faults and infrastructure faults. In particular, the introduction of more modern VLocity trains and the retirement of H-Set carriages improved fleet reliability.

Monthly punctuality has mostly ranged between 86 and 89 per cent since 1 July 2023.

Some of the main reasons for delayed services included trespassers, unruly passengers, track force protection required to support construction of major projects while continuing to operate services, delays in sections of the shared network and temporary speed restrictions.

The past 12 months saw a significant period of construction and improvement works across the regional network as major projects and upgrades continued to progress.

Temporary timetables and speed restrictions were in place on some lines to ensure the safety of workers, while allowing trains to run at the same time.

Importantly, these works have supported the delivery of Stage 1 of the Gippsland Line Upgrade, the North-East Line Upgrade and the Shepparton Line Upgrade, as well as progress towards the completion of Stage 2 of the Warrnambool Line Upgrade.

A continuing focus for improving punctuality is reducing the impacts of trespassers and unruly passengers, temporary speed restrictions, delays on the shared network and the time taken to repair infrastructure faults.

A number of improvement initiatives, commenced in 2023–24 as part of V/Line's Enterprise Performance Improvement Plan, will continue into 2024–25. The Plan seeks to drive continuous and sustainable improvement to V/Line operations, reducing complexity for frontline staff and enhancing the customer experience.

Regional fare cap

As outlined in our Patronage section on pages 10-11, V/Line passengers benefited from a full year of reduced ticket pricing with passengers making the most of the reduced fares. This resulted in record patronage for the year.

V/Line continued to closely monitor patronage and make adjustments across the network to improve the passenger experience. A key adjustment made in 2023-24 was to trial full reservations on Albury Line services and a trial of additional weekend services for Albury passengers. The reservations trial was a success and is now a long-term feature on Albury Line services.

V/Line operated an additional 965 special services with around 108,500 boardings in response to the regional fare cap.

Special events

V/Line operated an additional 1,092 services and supported 176,278 customers to attend special events across 2023-24.

Since the introduction of the regional fare cap, V/Line has continued to see an increase in patronage, especially on weekends. More passengers are also using V/Line services to attend special events as evidenced by several periods across 2023-24 which experienced record patronage driven by major special events, such as the Taylor Swift and P!NK concerts, International Soccer and the AFL finals series including the Grand Final.

Significant planning was undertaken for the AFL finals series with six finals held at the MCG and 38 additional services, 36 carriage build-ups and 34 extra coaches implemented. AFL Grand Final day saw a crowd of more than 100,000 at the MCG and V/Line experience its busiest Saturday in at least five years.

Three consecutive nights of Taylor Swift concerts filled the MCG on 16, 17 and 18 February 2024. These concerts coincided with Protected Industrial Action (PIA),

requiring significant planning and preparedness to be undertaken to support these concerts. P!NK concerts were held across four nights at Marvel Stadium on 23-24 February (which also coincided with industrial action) before she returned for her final two shows on 12-13 March 2024. Australia women's national football team, the Matildas, also played to a sell-out Marvel Stadium crowd in the same time period. Across these eight events, V/Line operated an additional 49 train services and built-up capacity through additional carriages on an extra 33 services.

Other key highlights included the Paul McCartney Tour, Spilt Milk Ballarat Festival, Christmas Day, Boxing Day Test, New Year's Eve, Big Bash League, Bendigo Easter Festival, English Premier League football and All Stars, White Night Ballarat and the National Rugby League State of Origin.

With significant increases in weekend patronage, V/Line was required to adjust its planning processes and considerably increase the number of services and carriages provided pre and post events. Numerous standby coaches were also supplied to supplement and provide contingency for larger scale events.

Supporting major network occupations

Major planned works continued throughout 2023-24 to support Victoria's Big Build and annual works programs, including:

- Gippsland Line Upgrade and works within the metropolitan network
- Waurin Ponds Duplication
- Shepparton Corridor Upgrade
- South Dynon Upgrades
- Inland Rail Project
- West Gate Tunnel Project.

V/Line worked collaboratively with industry stakeholders to facilitate planned works and support passengers during disruptive periods.

Strengthening safety and resilience on the network

V/Line has a zero-tolerance approach towards unruly behaviour, trespassers and other anti-social behaviour.

V/Line undertook a number of activities during the year to improve safety and security including:

- participating in targeted operations with Transit Police and sharing information to target hotspots
- ongoing support for our people to better understand how to manage and report any safety incidents, including V/Line's welfare check process.

V/Line also completed a review and update of all station, office and depot emergency management plans, as well as overseeing continual improvements in disruption and trespasser management procedures.

Customer experience

V/Line rail services recorded strong customer experience results for much of the 2023–24 year with a final Customer Experience Index of 78.6.

V/Line coach services recorded a Customer Experience Index of 73.7.

V/Line's Customer Experience Strategy includes a strong focus on listening to passengers and using this feedback to improve our service.

During the year V/Line:

- completed a comprehensive customer segmentation study
- continued the 'Voice of Customer' program to provide a direct communication and feedback channel between customers and employees
- continued to consult with people with disabilities through our Accessibility Reference Group.

Upgrading our state-of-the-art driver training simulators

V/Line has two permanent train cabin driver simulators, which are a valuable part of our driver training program.

During the year, both simulators had a major upgrade, including the addition of 450 kilometres of new computer-generated imagery of the regional rail corridors.

These simulators help our new trainee drivers gain valuable experience in a realistic, safe and simulated training environment. Our qualified drivers also use the simulators to complete important refresher training.

Improving the accessibility of our network

Providing transport services to people with accessibility needs is a priority for V/Line.

During 2023–24 V/Line continued to progress a number of the key priority areas outlined in the V/Line Accessibility Action Plan 2022 to 2025.

Key achievements in 2023–24 included:

- The launch of accessible reservations so passengers using a mobility aid can now reserve an accessible space on long-distance train services.
- Launching social scripts on the V/Line website to better assist passengers with accessing the network and V/Line services.
- Travellers Aid Australia continuing to provide services at Southern Cross Station, Seymour Station and Ballarat Station, with additional support provided to passengers at various stations during planned disruptions.
- Continuing to support the Hidden Disabilities Sunflower program and providing lanyards to passengers who require them at key locations around the network. Wearing the Hidden Disabilities Sunflower indicates you have a hidden disability and may need a little more time, support or assistance.

- Maintenance of V/Line's Communication Access Symbol accreditation. Our accreditation ensures our employees are trained to support passengers with communication difficulties.
- Ensuring accessibility training continues to be available to frontline staff. Additional training introduced during 2023-24 included new disability awareness and communication access eLearning modules.
- Delivery of Try Before You Ride events at Southern Cross Station, Bendigo Station and Shepparton Station. Try Before You Ride gives passengers the opportunity to try using V/Line services in a low-pressure environment, fostering confidence and independence to travel.
- The commencement of delivering the Disability Standards for Accessible Public Transport (DSAPT) works package which aims to upgrade or install items that improve accessibility across a number of locations. For example, accessible bathrooms, tactile ground surface indicators and seating.

Managing our assets

Several key milestones were delivered by the Network Development, Assets and Maintenance (NDAM) group.

In addition to maintaining and improving the everyday running of the network, highlights from the past year included:

- cementing a landmark 10-year Regional Rolling Stock Maintenance Contract with Alstom to streamline and modernise how we maintain and service our growing train fleet
- bringing into service an additional 12 new, three-car locally-built VLocity trains to provide fast and comfortable passenger journeys
- conducting repairs to track and rail infrastructure following catastrophic weather events that damaged critical parts of the network
- bumper bulk-grain volumes for export markets transported by freight trains, including a 1,500m-long train – one of the longest ever on V/Line's network.

Supporting rail freight growth

V/Line continues to respond to the dynamic and rapidly changing needs of freight customers, helping move more goods efficiently, particularly grain following strong Victorian harvests this year.

During the year, V/Line:

- boosted the number of broad-gauge terminals capable of 20 tonne axle loads from three to nine (of 18)
- re-opened the Gheringhap Loop, allowing longer 840 metres trains to enter the Port of Geelong from eastern grain terminals
- worked in partnership with Pacific National and Seaway Intermodal to facilitate an 86-wagon container train to haul 4,000 tonnes of freight, exceeding the previous longest train by 300 metres
- completed a pipeline of freight improvement projects
- facilitated the first new grain wagons in 16 years on broad gauge.

In the six months to December 2023, grain volumes were up 95 per cent compared to the same period in 2022 and by 57 per cent between July 2023 to March 2024 compared to the previous year. Overall, grain volumes are up 60 per cent on the post-drought average.

V/Line remains committed to improving access for freight operators, aiming to double grain volumes to two-million net tonnes per annum.

V/Line also remains focused on mitigating disruptions to industry by working closely with freight customers, DTP and other stakeholders.

Rail freight innovation

During the year, V/Line delivered axle-load (how much trains can carry safely) capability upgrades at Piangil, Woorinen, Tocumwal, Murchison East, Elmore, Mitiamo, Charlton and Wycheproof, with more improvements planned.

The Merbein supertrain was the highlight of a range of innovative trials, including:

- a trial by freight operator Qube of three quarry services per day, up from two
- a trial by Pacific National of the largest grain train to Tocumwal, comprising 50 wagons – 550 tonnes more grain than a standard 40-wagon train, equal to 50 truckloads
- the longest grain train to Ouyen by Southern Shorthaul Railroad (SSR)
- the longest grain train to Woomelang by SSR.

Maintaining our fleet

The Regional Rolling Stock Maintenance Contract will ensure the ongoing provision of core maintenance activities for V/Line's fleet of trains, including implementation of condition-based maintenance, routine inspections and reactive repair for the next 10 years.

In addition to bedding down the new contract, V/Line:

- completed the installation of Automatic External Defibrillators on more than 140 passenger trains to provide vital assistance in case of emergencies
- took over the lease and operation of an underfloor wheel lathe at Newport Rail Yard, a grinding machine that is used to reprofile train wheels
- installed two 110 kilolitre tanks at the South Dynon fuel depot to fuel trains and get them back into service faster
- leased four surplus locomotives to the private sector for freight use.

Modernising our fleet

A multi-year program to retire V/Line's ageing classic fleet (locomotive-hauled Harris-class cars) saw 60 surplus carriages marked for disposal. It was the end of an era when the remaining H-sets carried passengers for the last time in February 2024.

V/Line also farewelled four surplus N-class diesel-electric locomotives and sets of N-class carriages – first introduced in Victoria between 1981 and 1984. More will be progressively retired over coming years, as V/Line continues to roll out more modern VLocity trains. The four locomotives were leased to a private operator and will be used to haul freight, while N-class carriages have new lives in the heritage sector.

Maintenance and renewal works

V/Line continued to develop and deliver the ongoing Annual Works Plan across the network, delivering over \$345 million of renewals and routine maintenance works across the passenger and freight rail networks.

This included more than 15 track renewals on key lines, including:

- Donnybrook to Seymour
- Dunolly to Inglewood
- Strathmerton to Tocumwal
- Bendigo to Swan Hill.

Other notable achievements included:

- installation of 259,075 concrete sleepers
- 56.65 kilometres of rail renewed or replaced
- installation of 92,627 tonnes of new ballast
- 617.54 kilometres of roads, paths and carparks resurfaced.

Skilled maintenance crews worked to maintain and preserve bridges, buildings and other local landmarks, including the Melton Viaduct.

One of the largest mobile cranes in Australia was used to upgrade the timber-trestle Goulburn River Bridge at Mooroopna – one of the last remaining wooden bridges on the network.

At Wycheproof, in the north of the state, where freight trains travel down the middle of the town's main street, crews repaired damaged road surfaces and rail track.

Flood and bushfire response

Victoria's summer was marked by numerous days of extreme heat, bushfires and floods. Teams from across V/Line worked in partnership to prioritise safety and minimise disruptions to passengers where possible.

In January 2024, V/Line's crews responded to the flood emergency in central and northern Victoria – repairing large sections of washed-away track and flooded stations along the Echuca Line. V/Line commenced asset inspections and repairs as soon as safe access was available.

In late 2023, catastrophic storms and major flooding of the Campaspe and Goulburn rivers had crews clearing more than 100 fallen trees blocking the Shepparton Line. More than 40 instances of damaged track were repaired on the Echuca Line and around flooded Rochester and Bendigo.

Infrastructure Operations

In addition to weather emergencies and ad-hoc call outs, crews were routinely asked to support major infrastructure projects, and planned and unplanned line closures for works.

Our crews also worked on maintaining and keeping the network running by replacing sleepers, removing debris, clearing electrical lines, extending platforms, fixing mudholes, repairing culverts, refurbishing station shelters, and installing next generation signalling and other modern operational rail infrastructure.

Crews maintained lifts and accessibility facilities at stations, upgraded CCTV cameras, installed efficient LED platform lights during station upgrades, and conducted other compliance work to boost security for passengers and staff.

Illustrating the breadth and complexity of work, on the eastern corridor during planned works 700m mudholes were removed, six turnouts rebuilt, 500 sleepers replaced and 60 weld defects fixed.

In the past year, across the network:

- 7,640 civil structures were inspected and repaired, as needed
- 4,880 hours of gardening/vegetation maintenance and pruning of hazardous trees across 76 sites was undertaken
- several level crossings and boom gates were upgraded, with modern signalling technology introduced at specific sites
- critical operational control systems were renewed
- 1,126 fire extinguishers were serviced.

The Office of the Chief Engineer

The Office of the Chief Engineer (OCE) delivered a range of solutions and initiatives to improve safety of pedestrian rail crossings, reduce costs on key maintenance projects, increase speeds on several passenger and freight lines, and boost freight-axle loads.

As well as performing risk assessments and quality verifications, the OCE supported many state projects in design development.

Timetable updates

V/Line released one new public timetable, providing additional services to meet increasing demand on the network, as well as seven sub-timetable changes.

Work continues to build and model future timetables for additional train and coach services, planning for the opening of the new Metro Tunnel, changing travel patterns and realising benefits of Victoria's Big Build.

ISO 55001 re-certification

V/Line achieved ISO 55001 re-certification in October 2023.

ISO 55001 is a critical industry-benchmarking audit verifying ongoing conformity of our business processes, systems and procedures.

Supporting Victoria's Big Build and key projects

V/Line's Projects group is responsible for developing and delivering project-related changes and improvements across the regional rail network.

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

The team of more than 350 project professionals supports Victoria's Big Build, partnering to deliver significant programs, including:

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

Our Projects

The Projects team managed the delivery of more than \$200 million in improvements across the network in 2023-24.

V/Line works closely with agencies that form part of Victoria's Infrastructure Delivery Agency (VIDA) to support and deliver projects that fall under Victoria's Big Build. We continue to work with VIDA on the delivery of the Australian and Victorian governments' investment of more than \$4 billion into the RRR program to upgrade every passenger train line across regional Victoria. V/Line is contracted to deliver several key projects as part of the RRR program and works closely with interface teams to oversee the staged delivery of other upgrades and improvements.

V/Line also works with LXRP to help remove dangerous and congested level crossings, while continuing to deliver a statewide program of level crossing removals in regional areas.

Bairnsdale Stabling

In May 2024, V/Line marked the 20-year anniversary of the return of passenger trains to Bairnsdale. The anniversary came as works commenced on an upgrade to the train stabling facility at Bairnsdale Station, which includes:

- the existing stabling yard being expanded to house two three-carriage VLocity trains overnight, allowing the first and last train to Bairnsdale to run as a modern VLocity
- construction of a track machine siding to accommodate the Track Maintenance team and their equipment
- new cleaning facilities, improved lighting, fencing, gates, CCTV and pathways at Bairnsdale Station.

The Bairnsdale Stabling Yard upgrade project is part of V/Line's ongoing commitment to deliver improved services to communities along the Gippsland Line.

Shepparton Line Upgrade

Significant progress was made on the Shepparton Line Upgrade during the year, with Stage 2 of the project being completed.

Stage 2 of the Shepparton Line Upgrade included:

- station upgrades including platform extensions for longer VLocity trains at Mooroopna, Murchison East and Nagambie
- a crossing loop extension near Murchison East to allow more trains to pass each other, upgrading 59 level crossings between Donnybrook and Shepparton
- the upgrade of 32 of the 59 level crossings on the line to feature boom gates, flashing lights and bells – further increasing safety
- a new stabling facility to house VLocity trains in Shepparton.

Stage 3 of the project is underway and, when complete, this important upgrade will deliver more frequent and reliable services to communities along the Shepparton Line.

As part of work on Stage 3, improvements were made to 13 kilometres of track in Nagambie and Wahring. A total of 535 people worked more than 57,300 hours while coaches replaced trains in March and April, replacing wooden sleepers with 15,000 new concrete sleepers and adding more than 35,000 tonnes of new ballast along the line.

Further improvements included rebuilding the track through four level crossings in Wahring, which followed previous upgrades made to a 26-kilometre section late last year.

Bendigo and Echuca Line Upgrade

The Bendigo and Echuca Line Upgrade was completed in August 2023, changing the way people move around the region.

The project delivered three new stations at Goornong, Huntly and Raywood, giving people in these growing communities better access to train services.

Trains now run faster and more frequently between Bendigo and Echuca, reaching speeds of 130km/h between Epsom and Goornong and 100km/h between Goornong and Echuca.

The upgrade has:

- tripled weekday services on the line
- upgraded 80 kilometres of track
- upgraded 10 level crossings between Bendigo and Eaglehawk, installing better train detection technology to boost safety and enable more services in the future
- installed new signals to enable trains to use the full length of the extended platform at Eaglehawk Station
- paved the way for passengers to save up to 12 minutes on their journeys from Echuca to Bendigo. Further savings of up to seven minutes were delivered as part of a timetable change in November 2023.

Warrnambool Line Upgrade

Significant progress was made on Stage 2 of the Warrnambool Line Upgrade during the year. When complete, the upgrade will allow modern VLocity trains to travel to and from Victoria's south-west for the first time.

During the year, 28 upgrades, using either train detection technology or boom barriers, were completed.

Work is continuing on the final 17 public level crossing upgrades, which will help enable VLocity trains to be introduced on the line for the first time.

Works on an upgrade to stabling at Warrnambool Station to enable VLocity trains to be housed overnight also commenced during the year.

South Geelong to Waurn Ponds Duplication

The South Geelong to Waurn Ponds Duplication project will enable more frequent and reliable services and deliver better stations for passengers on Victoria's busiest regional rail line.

During the year, major construction was delivered on the South Geelong to Waurn Ponds Duplication.

The South Geelong to Waurn Ponds Duplication includes station upgrades at Marshall and South Geelong, new rail bridges at Fyans Street and Surf Coast Highway and duplicated track and signalling.

Gippsland Line Upgrade

The Gippsland Line Upgrade will deliver more frequent and reliable train services to the growing communities of Gippsland.

Significant progress was made on the upgrade during the year, including work to prepare the line for a new signalling system.

In August 2023, more than 350 people worked more than 47,000 hours, boring underground, trenching, and installing pipe along 38km of track between Drouin and Moe while coaches replaced trains.

Crews also hauled more than 800m of cable, installed four signal masts and poured foundations for new signal equipment rooms. Following completion of Stage 2, the new signalling system, in conjunction with track works and station upgrades, will enable additional services and future proof the line.

New infrastructure between Pakenham and Drouin delivered as part of the Gippsland Line Upgrade was made ready for service in May and June while coaches replaced trains.

More than 575 crew members worked a total of 85,000 hours, carrying out complex signalling work, safety testing and driver training.

The new second platforms at Bunyip and Longwarry stations have improved journeys for passengers and provide V/Line with more operational flexibility, boosting reliability.

More than 4.2 kilometers of new rail, 68,000 tonnes of ballast and 1,830 sleepers were installed to complete the duplicate track at the stations.

Mt Derrimut Road Level Crossing Removal Project and Deer Park Station

Following the removal of the level crossing at Mt Derrimut Road, the upgraded Deer Park Station was opened in April 2023.

The main works were completed in late 2023, delivering an air-conditioned waiting room, 150 new and upgraded car parks, lift access to both platforms, a multi-bay bus interchange and pick-up/drop-off zones.

When it opened, Deer Park was the first station to use structural concrete made with recycled plastic, which reduced the carbon footprint of the concrete by 40 per cent.

A further 300 tonnes of carbon will also be saved every year, thanks to hundreds of solar panels on the station's new bus shelters, which help provide an alternative energy source to power the precinct.

Cooling features were also included in the new station precinct to help reduce heat and create a cooler suburb for locals, with more than 500 new and upgraded car parks sealed with CoolSeal, a sealing agent that reduces the heat generated by asphalt surfaces and helps to reduce temperatures.

The precinct also includes Victoria's first rooftop garden on a station building and more than 50,000 new trees, shrubs and grasses were planted across the station precinct, with landscaping improving connectivity for pedestrians and cyclists.

Car Parks for Commuters program

The Victorian Government's Car Parks for Commuters program is building new and upgraded car parks at metropolitan and regional train stations across Victoria, making it easier for commuters to catch the train. The program also delivers improved bicycle parking facilities and other public transport infrastructure at key locations.

Car park upgrades were completed in 2023 at Beaufort, Gisborne, Kyneton, North Shore and Riddells Creek stations.

A bus interchange was installed at Tarneit Station, one of the busiest stations on the V/Line network, to make it safer and easier for passengers to catch the bus and connect to other transport modes.

The new interchange features new passenger information displays, new bicycle parking facilities, lighting, CCTV and bus driver amenities.

Construction on the bus interchange commenced in June 2023 and was completed in November 2023.

South Dynon Upgrade Stage 1

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

In 2023-24, V/Line completed works on Stage 1 of the \$90 million upgrade.

The project included the upgrade of five maintenance roads to VLocity specifications, extensive upgrade and refurbishment of the northern side stabling, with space for 12 trains and wider shunter and driver paths.

New lighting and cutting-edge thermal CCTV systems were also installed to improve safety at the facility.

Stage 2 of the project was funded in the 2023-24 Victorian State Budget, with works scheduled to commence later in 2024.

Double Line Block Removal

Significant progress was made during the year on the delivery of a new modern signalling system between Craigieburn and Seymour.

The new signalling system is an automated, electronic fail-safe system and is another step towards modernising the V/Line network.

This important upgrade replaces the manual double line block signalling, and removes the aerial power and telegraph wires, which have been repeatedly subject to theft and vandalism.

The new system means trains can run closer together, which means the network is better equipped to recover from unplanned disruptions, while continuing to deliver safe and comfortable services.

Statewide Level Crossings Upgrade Program

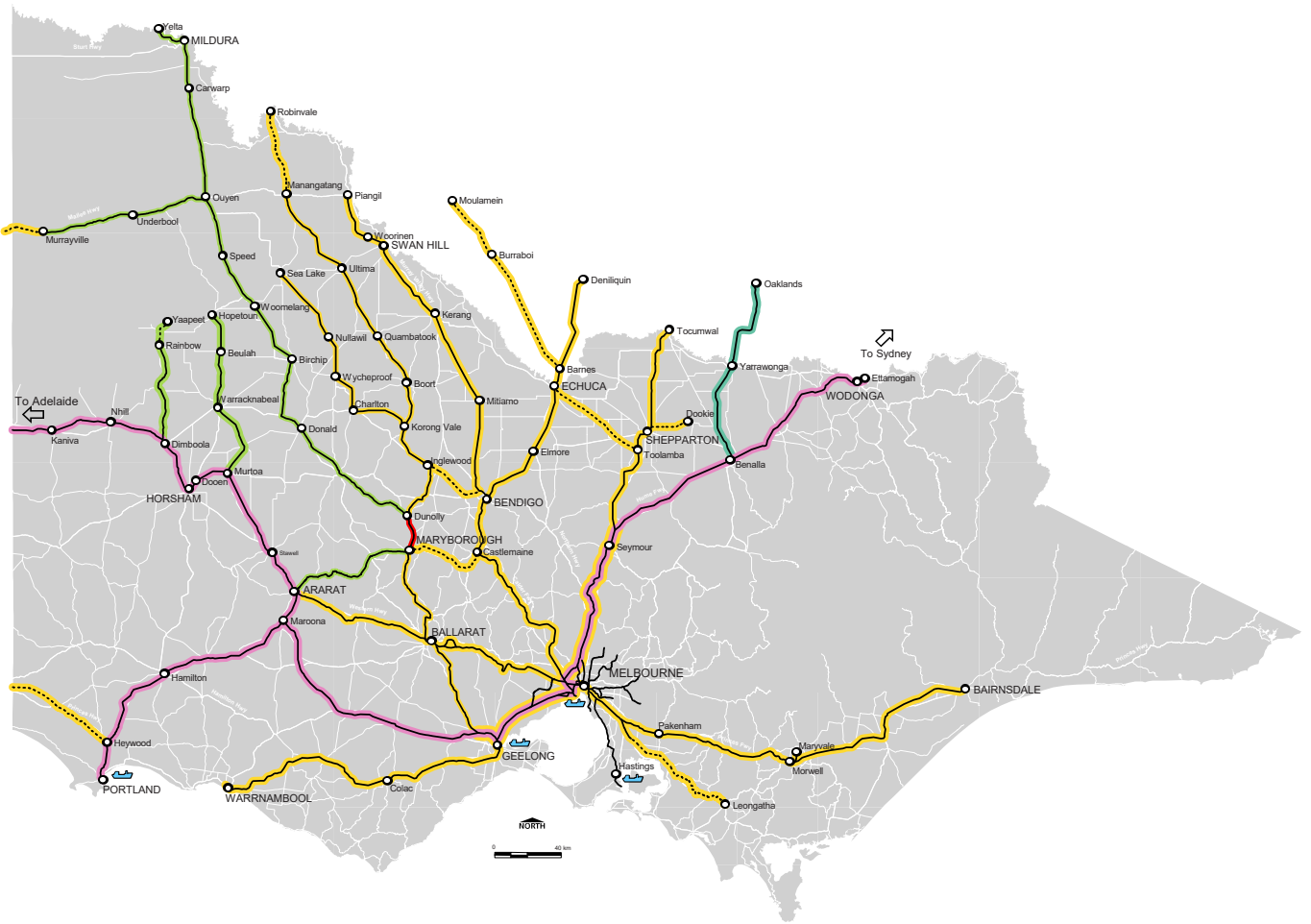
The Victorian Government's Level Crossing Upgrade Program upgrades road and pedestrian crossings across metropolitan and regional Victoria to improve safety.

During the year, V/Line completed four level crossing upgrades as part of the program at the following locations:

- Langi Kal Kal Road, Trawalla
- Waterloo Road, Trawalla
- Windemere-Learmonth Road, Windemere
- Belgrave-Gembrook Road, Gembrook.

By 30 June 2024, V/Line had upgraded 60 level crossings as part of the program to improve safety for trains, motorists and pedestrians. Complex factors including cultural heritage, environmental constraints and the physical separation between sites have been carefully considered throughout each upgrade.

Victorian Rail Network Map



ARTC - Interstate Network

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

V/Line - Regional Infrastructure Lease

- Broad Gauge
- Dual Gauge
- Standard Gauge

- Railway
- Railway out of service
- Port

Community partnerships

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

During the previous 12 months, V/Line worked to strengthen our existing community partnerships and explored new opportunities that will see V/Line continue to invest in partnerships which have a meaningful impact on the Victorian community.

Doxa Youth Foundation

In 2023-24, V/Line continued its long-standing partnership with the Doxa Youth Foundation and renewed its support through to 2026. V/Line has worked with the Doxa Youth Foundation for almost 50 years, with the partnership supporting children and young people from low socio-economic backgrounds with free travel to and from Doxa's Malmsbury and Melbourne camps. V/Line volunteers also took part in a working bee at the Malmsbury camp in November 2023, assisting Doxa with maintenance of their grounds.

AFL Victoria

AFL Victoria and V/Line extended their long-standing partnership, announcing a new three-year deal in June 2024. This takes V/Line's support for country football into a third decade having supported the carnival since 2004. The V/Line Cup is Victoria's premier under 15s representative footy carnival for young people in the regions, with a rich history dating back to 1949. The carnival provides a pathway to higher level talent programs, such as the Coates Talent League, and for some it is a step towards a career in the AFL or AFLW.

The 2023 V/Line Cup carnival took place in Shepparton and Mooropna in September and involved more than 600 players, officials and umpires.

Beacon Foundation

In July 2023, V/Line and the Beacon Foundation celebrated 10-years of working together. This partnership supports Beacon's work readiness program with educational sessions targeting years 9-12 students in low socio-economic areas across regional Victoria. The sessions are designed to prepare and motivate students for a successful transition from education to employment and offer V/Line staff opportunities to mentor and develop young people. With V/Line's support over the last 12 months, Beacon ran educational sessions across eight schools.

Travellers Aid Australia

V/Line's long-standing partnership with Travellers Aid Australia has continued to strengthen, with over 20,000 passengers using connection assistance services at Southern Cross, Seymour and Ballarat stations across 2023-24. V/Line's partnership with Travellers Aid Australia enables support for training, travel support and promotional activities. Through ongoing sponsorship support, V/Line is recognised as a Principal Partner of Travellers Aid Australia volunteers. V/Line also worked with Travellers Aid Australia to provide interchange support to passengers during planned disruptions, including:

- assisting almost 3000 passengers at Seymour Station with extended hours support
- supporting passengers at Tarnet and Wyndham Vale stations during lift closures
- supporting 721 passengers with wheelchair and buggy assistance at Sunbury Station
- supporting 97 passengers at Caroline Springs Station with wheelchair assistance.

V/Line has continued to receive positive passenger feedback on this additional support during service disruptions.

Keep Australia Beautiful Victoria

The Stationeers program continued to provide beautification activities at 30 V/Line railway stations during the year, in partnership with Keep Australia Beautiful Victoria (KABV). V/Line has supported the volunteer program since 2005, working closely with KABV to provide garden supplies and volunteer gardeners to ensure stations are well maintained. A planting day with V/Line staff and community volunteers at Wallan Station brought people together to beautify the station precinct. V/Line staff also helped judge the 2023 Tidy Town competition.

Arts and cultural organisations and events

V/Line also continued to support a number of arts and cultural organisations and programs during the year including:

- Bendigo Art Gallery's *Paris: Impressions of Life 1880–1925*, presented in partnership with Musée Carnavalet – Histoire de Paris.
- National Gallery of Victoria's Melbourne Winter Masterpiece exhibitions *Pierre Bonnard: Designed by India Mahdavi* in June 2023, presented in partnership with the Musée d'Orsay Paris; and *Pharaoh* in June 2024, presented in partnership with the British Museum, London.
- Melbourne Museum's *Fantastic Beasts: The Wonder of Nature*, presented in partnership with the Natural History Museum, London in 2023; and *Victoria the T. rex* exhibition which launched in June 2024.
- DTP's Transporting Arts Pilot Program, which aims to enliven the community experience at tram stops and train stations across Victoria with public art installations. During the year, regionally based artist Margie Balazic installed artwork at Wallan Station. This is the second station on V/Line's network which features artwork as part of the program.

These programs and events provide a significant economic benefit to the state and V/Line is proud to play a role, particularly in promoting the use of public transport to and from these events.

Pride

V/Line once again participated as a major transport partner of the 2024 Pride season, including the Midsumma Carnival and Pride March. V/Line displayed supporting messaging at regional stations for Wear it Purple Day and continued to run the V/Line Pride Train across the network in support of LGBTIQ+ communities.

Performance reporting – financial

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

Five year financial summary	2023-24	2022-23	2021-22	2020-21	2019-20
Income from government	1,273,420	1,161,404	1,106,393	974,355	845,419
Total revenue and income from transactions	1,359,547	1,249,764	1,173,518	1,024,991	950,768
Total expenses from transactions	1,327,979	1,274,830	1,186,852	998,249	931,469
EBITDA [#]	23,632	18,262	45,708	49,981	40,296
Net result for the period after tax	32,191	(23,378)	2,119	20,512	14,345
Net cash flow from operating activities	68,048	(14,396)	53,843	52,836	36,673
Total assets	376,249	365,019	394,575	375,562	302,953
Total liabilities	289,282	313,829	306,158	295,778	252,333

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

Income from government increased in 2023-24 by \$112.0 million with higher funding to support core infrastructure maintenance works and for the delivery and facilitation of major transport projects which are enabling upgrades to the regional rail network. Government funding also included support for the new Regional Rolling Stock Maintenance Contract, the full year impact for the introduction of the fare cap from 31 March 2023, timetable service increases and the operationalisation of new VLocity fleet.

Total revenue and income from transactions increased by \$109.8 million in 2023-24 due to greater contributions from government and project revenue following major transport projects. This was partially offset by lower farebox revenue from the full year impact of the introduction of the fare cap in March 2023, however, this was lessened as a result of increased Government funding.

The earnings before interest, taxes, depreciation and amortisation (EBITDA) generated in 2023-24 of \$23.6 million is broadly in line with the previous year, which reflects the underlying positive outcome in terms of cash and budget management for the year. The result includes the benefit of efficiencies gained from a range of procurement and operational improvement activities undertaken across the organisation. The favourable EBITDA generated by V/Line is being used to fund activities and initiatives to support customer and operational outcomes.

The Net result for the period after tax of \$32.2 million is positive and has been favourably impacted by the strong underlying financial performance coupled with the expiring of the old and new regional rolling stock maintenance contract, and the withdrawal from the National Tax Equivalent Regime (NTER).

The net cash inflows from operating activities of \$68.0 million in 2023-24 was positive due in part to the favourable Net result after tax and ongoing improvement by management of working capital levels. Total assets are higher than last year due to the Regional Rolling Stock Maintenance Contract resulting in an increase in both financial and non-financial assets.

Disclosure of grants and transfer payments

V/Line has not provided financial assistance via grants and/or transfer payments to any companies or organisations during 2023-24.

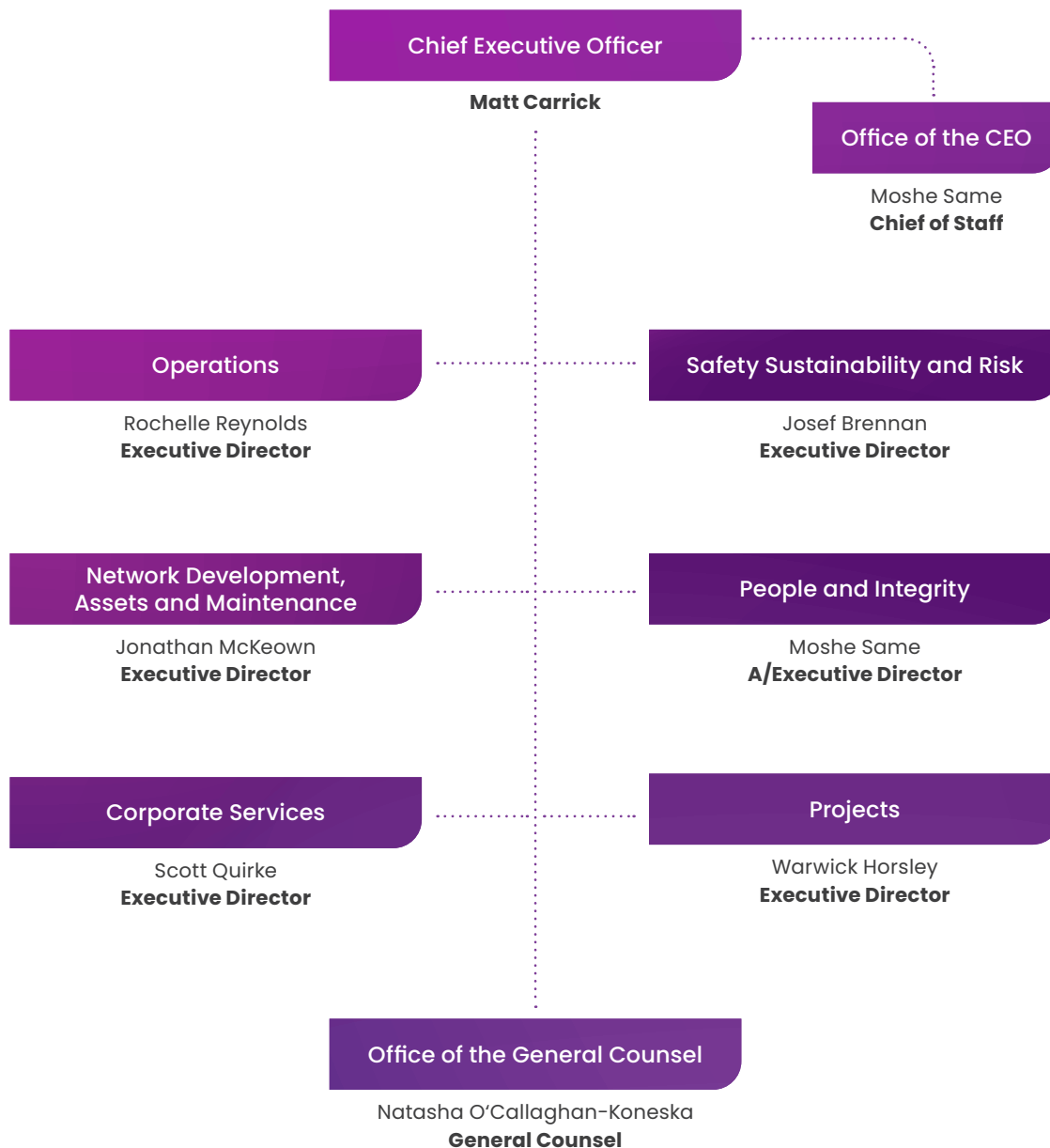
Section 2

Governance and organisational structure



Organisational structure and corporate governance arrangements

Leadership team as at 30 June 2024



Leadership groups

Operations: delivers a user-centred experience for all customers, delivering safe, reliable and punctual rail and coach passenger services that connect Melbourne to inter-urban and regional Victoria. The Operations team covers the entirety of the service delivery supply chain and works as one to ensure our customers get to where they want to go.

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

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

Safety, Sustainability and Risk: enables V/Line to identify, manage and continuously improve its risk profile and safeguards V/Line's 'licence to operate' through compliant, systematic and verifiable processes. It ensures the ongoing health, quality application and compliance of V/Line's management systems and is the custodian for relevant key systems and processes.

People and Integrity (P&I): partners with teams from across V/Line to shape and deliver an exceptional employee experience. With a focus on every aspect of the employee journey, P&I supports V/Line to maintain a skilled and engaged workforce, attract and retain talent, foster a diverse and positive workplace culture, drive employee engagement and ensure our organisation is aware of integrity requirements. Core strategic advisory and support services include people services, payroll, talent, capability, diversity, inclusion and wellness, training and workplace relations.

Corporate Services: provides a range of specialist, strategic enabling support services, policies and systems. These include finance and accounting, information technology and information management, delivery of transformation and reform projects, and enterprise project oversight. Also included are corporate strategy, business planning and reporting, procurement and supplier engagement, along with commercial and contractual advice.

Office of the General Counsel: is the central function within V/Line which is responsible for the management of a wide range of legal and corporate governance matters. The Office of the General Counsel provides strategic and comprehensive advice, support, legal and governance services to V/Line's business units and Executive Leadership Team on all aspects of V/Line's operations. The Office of the General Counsel advises on a range of legislative, regulatory and governance matters.

Office of the CEO: has responsibility for corporate affairs, including policy and stakeholder relations, community and partnerships, ministerial and departmental liaison, media management, disruption communications and corporate communications.

Executive Management Committee membership and roles

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

The Committee is responsible for managing V/Line in a manner that ensures it fulfills its objectives and functions effectively and in compliance with good governance.

As at 30 June 2024, the Committee comprised the following Executive Members:

- Matt Carrick, Chief Executive Officer (Chair)
- Jonathan McKeown, Executive Director Network Development, Assets and Maintenance
- Rochelle Reynolds, Executive Director Operations
- Natasha O'Callaghan-Koneska, General Counsel
- Josef Brennan, Executive Director Safety, Sustainability and Risk
- Warwick Horsley, Executive Director Projects
- Moshe Same, Acting Executive Director People and Integrity.

Advisory Board membership and roles

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

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

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

As at 30 June 2024, 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 financial reporting and performance reporting
- oversee the internal and external audit activities
- review and monitor compliance with legal and regulatory obligations, in particular with the Financial Management Act
- oversee and monitor V/Line's risk management systems and framework
- oversee and monitor systems of internal control
- oversee and monitor V/Line's application of the Asset Management Accountability Framework.

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

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

As at 30 June 2024, the Committee comprised the following independent members:

- Mark Toohey, Chair
- Rachel Thomson
- Sharon Copeland-Smith
- Tom Sargant.

Health and Safety

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

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

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

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

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

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

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

- the continual 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
- 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 eight level crossing incidents over the past 12 months, with four of those at passive crossings and four at active level crossings. V/Line is participating in various Industry Level Crossing Groups in a bid to share lessons and initiatives, including technology improvement options.

Following several consecutive years with upgrades on our passenger network (refer table below), our focus in 2023-24 was reviewing the Swan Hill Line to consider appropriate upgrades where practical.

V/Line has significantly reduced the number of passive non-activated level crossings on the passenger network. At the end of 2023-24, there were 52 passive level crossings on the passenger network – down from 105 in November 2017.

Pleasingly, there was a decrease in V/Line's Signals Passed at Danger (SPAD) rate over the past 12 months. This measure is a critical safety indicator and in 2023-24 the Human Factor SPAD rate was 1.29 incidents per million kilometres, compared with 1.33 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 places V/Line among Australia's best performing rail operators in managing SPADs.

V/Line's OH&S Serious Injury Frequency Rate (SIFR) was 13.7 (including a mid-year reclassification) over the past 12 months against a forecast of 15. This figure includes the continued return of patronage to pre-COVID levels. The rate is trending favourably from the 2022-23 SIFR of 20.95.

HSE Indicator Performance

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

- SIFR for personal injury (per million workhours)
- SPAD for rail safety (per million kilometres travelled) (Human Factors + Technical)
- SPAD for rail safety (per million kilometres travelled) (Human Factors Only).

Serious Injury Frequency Rate (SIFR)	2023-24	2022-23	2021-22
Measure	Actual	Actual	Actual
SIFR	13.72	20.95	14.82
SIFR forecast	19	15	20
SIFR variance	-5.28	+5.95	-5.18
SIFR per cent variance to forecast	-27.8%	39.6%	-25.9%

Signals Passed at Danger (SPAD) (Human Factors + Technical)	2023-24	2022-23	2021-22
Measure	Actual	Actual	Actual
SPAD	3.71	3.13	3.43
SPAD forecast	3.5	2.5	2.5
SPAD variance	+0.21	+0.63	0.93
SPAD per cent variance to forecast	+6%	+25.2%	+37.2%

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

	2023-24	2022-23	2021-22
Measure	Actual	Actual	Actual
HF SPAD	1.29	1.33	1.43
HF SPAD forecast	1.3	1.4	1.4
HF SPAD variance	-0.01	-0.07	+0.03
SPAD per cent variance to forecast	-0.76%	-5%	+2.14%

Hazards and incidents per 100 FTE

The rate of 'Hazards reported' decreased compared to last year, despite the increase in patronage since the introduction of the fare cap. Logged hazards are tracked and reported monthly to all relevant stakeholders, including employee elected health and safety representatives, to ensure all potential hazards are addressed.

The number of claims lodged for the 2023-24 financial year for injuries (not

including hearing loss claims which are considered a permanent impairment not a time loss claim) was 65. This was the same number as the previous year but the cost per injury increased significantly.

The main time loss claims were psychological injuries (50 per cent), back injuries (three per cent), hand/fingers and wrist injuries (eight per cent), knee injuries (nine per cent), shoulder injuries (eight per cent) and ankle injuries (five per cent).

Hazards reported

Year	Per 100 FTE
2023-24	11.61
2022-23	12.39
2021-22	9.54

Incidents reported

Year	Per 100 FTE
2023-24	473
2022-23	427
2021-22	411

Note: Previous years were impacted by COVID-19.

WorkCover – Personal Injury Lost Time Claims	# time loss standard claims	Full-time equivalent (FTE)	Per 100 staff	Average cost per claim
2023-24	65	2,823	2.30	\$103,323
2022-23	65	2,623.1	2.48	\$69,417
2021-22	63	2,421.1	2.60	\$47,690



Section 3

Workforce data

Our people

V/Line employed a workforce of 2,913 compared with 2,706 in 2022-23 and 2,491 in 2021-22.

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 on the technical capabilities, role accountabilities and experience required for the role. V/Line advises its employees on how to avoid conflicts of interest, how to respond to offers of gifts and benefits, and how it manages misconduct.

Integrity

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

During 2023-24, V/Line continued to foster the highest possible standards of integrity and conduct by:

- undertaking regular communication,

education and engagement with our people to ensure they are equipped to detect and prevent integrity issues

- ensuring integrity is reflected in our policies and procedures, including undertaking an integrity maturity assessment of V/Line's policies and supporting materials, systems and processes, culture and communication
- developing a 4-year Integrity Strategy to continue to strengthen V/Line's integrity capabilities
- establishing a systemic integrity review process to detect and prevent emerging risks and issues, ensuring that V/Line processes are in line with best practice.

Recruit and retain the right people

In 2023-24, V/Line recruited 606 vacancies across the organisation, including new and existing roles, with 45 per cent of vacancies filled by internal candidates. Our Operations team accounted for 49 per cent of roles recruited, supporting V/Line's expanding service delivery across the regional network.

Drivers

V/Line has completed nine train driver trainee intakes over during 2023-24, with a total of 86 candidates successfully entering driver training.

Develop and engage our people

V/Line remains committed to developing the capability of our people and engaging them through learning.

During 2023-24, V/Line delivered a significant program of online and in-person learning and training to our people through our:

- Registered Training Organisation (RTO)
- learning management system
- partnerships with organisations that provide professional development.

Registered Training Organisation

V/Line's RTO delivers best-in-industry, nationally recognised training for frontline V/Line employees.

To further support the experience 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, thanks to increased support from operational teams.

The following qualifications were completed through our RTO in 2023-24:

Accredited course name	Completions 2023-24
Certificate IV in Train Driving	50
Certificate IV Rail Signalling SMT	14
Diploma Railway Signalling (V/Line)	4
Diploma Railway Signalling (Metro Trains Melbourne – MTM)	8
Certificate III In Rail Customer Service	143
Certificate III in Rail Infrastructure (Gangers)	8
Certificate II in Rail Infrastructure (Way Maintainers)	27
Structures Skill Set	6
Track Inspector Skill Set	6
Track Force Protection Coordinator	32
TVO1 Track Vehicle Operation (within defined worksite)	23
TVO2 Track Vehicle Operator	7
Handsignaller	25
Total	353

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

Accredited short course name	Completions 2023-24
Safely Access the Rail Corridor (SARC) – Role Requirement	192
Apply Safety Critical Communications	38
Rail Adjustment Skill Set	6
Apply fatigue management strategies.	4
Total	240

V/Line's RTO also began delivering non-accredited training in 2023-24:

Non-accredited course name	Audience	Completions 2023-24
Signal Standards Induction – Signal Technician	External	32
Signal Technician – Supervise Construction Work in Live Locations	External	32
Signalling Principles	Internal	9
Signal Systems Training – Computer Based Train Control	External	4
V/Line ACM200* First Line Maintenance	Internal	3
Frauscher FAdC2* First Line Maintainer Signal Training	Internal	3
Total		83

*Signalling equipment model numbers

Competency and compliance training

During 2023-24, V/Line launched a new capability, competency and learning procedure, and established an internal Competency Management Steering Committee to lead the development of key competency matrices for V/Line job roles. The new procedure and matrices ensure V/Line will continue to meet its training and compliance obligations, with 16 matrices published and nine in development.

We also upgraded our learning management system, Platform 100, to ensure a best-in-class experience for our people. The new Platform 100 went live in June 2024 and functions as a competency management system. This provides more flexibility in managing our competency matrices, and the complex training requirements of our workforce.

V/Line launched five new mandatory eLearning modules to all employees in 2023-24:

- Appropriate Workplace Behaviour
- Fatigue Management
- Environment and Sustainability Awareness
- Cyber Security Awareness
- Integrity Awareness.

V/Line also launched a mandatory Information Governance module for leaders and those in knowledge management roles.

Professional development

At V/Line, Individual Development Plans (IDP) support our people to access professional development opportunities and continue to develop their careers. Over 200 people attended optional IDP workshops to understand how to get the most out of their plans, and over 150 employees received additional one-on-one coaching and feedback.

V/Line expanded its partnership with the Australian Institute of Management to support the professional development of our employees, with 70 employees undertaking courses including:

- New Leader
- Change Management
- People Leadership
- Project Management Fundamentals.

LinkedIn Learning continues to provide our people with on-demand learning, with 476 staff completing 461 courses and viewing more than 800 hours of content.

Early Career Programs

V/Line continued to focus on developing the next generation of rail professionals through mentoring, internships and our graduate program including:

- launching an internal mentoring program in March 2024, with 136 employees participating in the program. The launch follows a successful pilot in 2023
- supporting V/Line's graduates to participate in the Fusion Graduate Development program, which culminated in two graduate-led innovation initiatives
- increasing opportunities to participate in industry run events including Rail Careers Immersion Day
- launching an internship program for students from high school, TAFE and university. The internship program targets:
 - students living in regional areas
 - Aboriginal and Torres Strait Islander students
 - students with disabilities
 - young women interested in pursuing careers in rail and science, technology, engineering and mathematics.

Diversity and inclusion

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

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

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

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

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

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

Diversity Councils

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

Key events on the diversity and inclusion calendar during 2023–24 included:

- International Day of People with Disability
- International Women's Day
- Harmony Day
- National Reconciliation Week
- National Aborigines' and Islanders' Day Observance Committee (NAIDOC) Week
- International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT)
- Midsumma Festival
- Midsumma Pride March
- Wear it Purple Day
- Movember.

Reconciliation and self-determination

V/Line continues to pursue its genuine commitment to reconciliation and self-determination by focusing on engagement, employment and cultural safety for Aboriginal and Torres Strait Islander peoples.

This includes:

- ensuring our activities align with the Transport Portfolio Aboriginal Self-Determination Plan 2020–2023
- participating in the Transport and Planning Portfolio Aboriginal Careers and Cultural Safety Working Group
- participating in the Transport and Planning Portfolio Aboriginal Procurement Working Group
- supporting the Transport and Planning Portfolio First Peoples Scholarship Program
- promoting cultural awareness training
- engaging in activities to increase the representation of Aboriginal and Torres Strait Islander peoples across V/Line
- engaging in activities and awareness to celebrate and recognise Aboriginal and Torres Strait Islander peoples
- building relationships with traditional custodians on the lands on which we operate.

Gender equality

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

In 2023-24, the proportion of women in V/Line's workforce increased to 27.9 per cent, with 40.9 per cent of leadership positions (director-level and above) held by women.

V/Line is recognised as a WORK180 Endorsed Employer for All Women. WORK180 supports, celebrates and connects organisations that have a demonstrated commitment to gender equity, diversity and inclusion with female jobseekers. This initiative, which forms part of our Gender Equality Action Plan, is just one of the many ways we are pursuing greater gender equality at V/Line.

V/Line's Gender Equality Working Group continued to support the implementation of our action plan, raising awareness of the importance of gender equality and celebrating the achievements of women at V/Line.

In 2023-24, the Group facilitated several forums – live, virtual and hybrid events designed to create interactive, meaningful connections and support women to flourish through topics and conversations around career development.

V/Line continues to support and promote the Women in Transport (WiT) and Australasian Rail Association networking programs, which includes mentoring programs and education opportunities to increase possibilities, connections and encourage women's capability in transport now and in the future.

LGBTIQA+

The V/Line LGBTIQA+ Working Group represented V/Line at several community events throughout the 2024 Pride Season, including:

- participating in the Pride March in St Kilda together with staff from across V/Line
- running a stall at the Midsumma Festival.

V/Line has also been active in raising awareness of IDAHOBIT, Pride Month, International Non-Binary Peoples Day and Wear It Purple Day. For Wear It Purple Day, we encouraged staff to wear purple and make announcements at regional stations about the importance of Wear It Purple Day and why staff were wearing purple.

Disability

V/Line maintained memberships of the Australian Network on Disability and the Diversity Council Australia to support V/Line to continue to attract and retain employees with lived experience of disability. V/Line engaged in partnerships and programs throughout 2023-24 to facilitate the creation of an inclusive workplace by breaking down attitudinal barriers.

During 2023-24, V/Line continued its partnership with an A-Plus Employment Program provider to boost V/Line's capacity and understanding to hire, support and retain Autistic talent, and bolster accessible and inclusive workplaces.

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

CALD

V/Line's workforce comprises employees from 63 cultures.

During 2023–24, our CALD Working Group:

- launched an internal podcast, sharing insights from employees from different cultures during Harmony Week in March
- promoted and celebrated a Taste of Harmony, including staff events celebrating different cultures
- promoted days of significance
- celebrated V/Line's diverse culture through a recipe book, comprised of recipes from V/Line staff from different cultures.

Mental health and wellbeing

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

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

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

A total of 76 employees underwent Mental Health First Aid accreditation in 2023–24. The program aims to raise awareness of early mental health issues and provide support and skills to create a safe work environment by recognising the impact of mental illness.

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

For Mental Health Awareness Month in October 2023, V/Line ran weekly virtual interactive mental health awareness sessions focusing on specific topics each week including anxiety, depression, suicide awareness and prevention, and building personal resilience. V/Line also worked with its Employee Assistance Program provider, Assure, to facilitate an interactive financial webinar on exploring financial health.

For World Mental Health Day on 10 October 2023, V/Line hosted an online event with a keynote address on the impacts and strategies of managing burnout and stress by a Beyond Blue Ambassador. The event aimed to raise awareness about anxiety and depression, reduce the associated stigma and raise awareness of the support available at V/Line.

V/Line partnered with Metro Trains Melbourne, Yarra Trams and DTP to support two rail industry challenges:

- One Foot Forward, which encouraged physical activity while increasing awareness of mental illness and the support available.
- Rail-y Big Blood Drive, where a record number of donations were made by V/Line staff.

For Rail R U OK? Day on 18 April 2024, V/Line participated in a hybrid event hosted by Yarra Trams in partnership with Metro Trains Melbourne, TrackSAFE Foundation, R U OK? and DTP. The event featured a panel discussion between rail industry leaders from each of the operators and DTP, along with a keynote address by R U OK? Community Ambassador Leon Ruri. V/Line R U OK? Champions visited regional locations to raise awareness and a range of resources focused on R U OK? conversations were shared with staff.

During 2023-24, the People & Integrity group continued to support the organisation with resilience-building and coping strategies for frontline employees, including the delivery of training developed by the TrackSAFE Foundation and Phoenix Australia to provide a best practice approach to managing trauma in the rail industry and minimising the risk of adverse mental health outcomes.

This year 215 employees completed Coping with Trauma training, while 20 employees completed Providing Support after Trauma training. In line with legislative requirements of the OH&S Act, V/Line continues to promote and review the effectiveness of its *Critical Incident and Trauma Management Framework Guide* and *Mental Health and Wellbeing Policy*, in line with updates from TrackSAFE and proposed changes to Occupational Health and Safety (OHS) legislation.

Staff recognition

A total of 99 staff were recognised during the year for 10, 20, 40, 50 and 60 years of service:

	10 years	20 years	30 years	40 years	50 years	60 years
2023-24	54	16	1	25	2	1
2022-23	47	17	0	10	4	1
2021-22	46	14	2	35	1	1

Industrial Relations

During 2023-24, there was approximately 33 hours lost to industrial action associated with Enterprise Agreement negotiations. There were otherwise nil hours lost to other industrial action and disputation. Overall minimal time was spent in Fair Work Commission proceedings.

V/Line has a full suite of policies to support all employees in the workplace, including recruitment and selection, issue resolution and grievance review, misconduct, probation and fair treatment. These policies are regularly reviewed and updated.

Comparative workforce data

The following tables disclose the head count and full-time staff equivalent (FTE) of all active employees of V/Line, employed in the last full pay period in June 2024, and in the last full pay period in June 2023.

June 2024	All employees		Ongoing			Fixed Term and Casual	
	Number (Headcount)	FTE	Full-time (Headcount)	Part-time (Headcount)	FTE	Number (Headcount)	FTE

Gender

Men	2098	2046.6	1856	108	1916.3	134	130.3
Women	813	774.4	654	99	716.4	60	58
Self-Described	2	2	2	0	2	0	0

Age

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

Classification

Executive ⁺	54	54	0	0	0	54	54
Clerks & Senior Officers	609	595.7	522	39	548	48	47.7
Station Staff	310	285	246	56	278.8	8	6.2
Authorised Officers	29	28.7	28	1	28.7	0	0
Fuel Point Assistants	12	11.7	11	1	11.7	0	0
Conductors	339	314.8	283	48	309.8	8	5
Train Controllers & Signallers	91	89	86	4	88	1	1
Drivers	612	592.1	567	45	592.1	0	0
Passenger Operations	86	85	84	2	85	0	0
Infrastructure Maintenance Workers (Sig & Elec)	109	109	109	0	109	0	0
Infrastructure Maintenance Workers (Track)	202	202	202	0	202	0	0
Apprentices	0	0	0	0	0	0	0
Administrative Band	10	9.2	8	1	8.5	1	0.7
Other Staff	450	446.8	366	10	373.1	74	73.7
Total employees	2913	2823	2512	207	2634.7	194	188.3

⁺ For the purposes of this reporting, an Executive is defined as a person employed under an Executive Contract arrangement.

June 2023

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

Gender

Men	1,975	1,924.6	1,771	107	1,830.4	97	94.2
Women	730	697.5	592	88	648.5	50	49
Self-Described	1	1	1	0	1	0	0

Age

15-24	52	48.4	40	5	42.9	7	5.5
25-34	555	542.8	499	29	516.4	27	26.4
35-44	823	806.9	726	45	755.1	52	51.8
45-54	613	603	544	26	560.3	43	42.7
55-64	539	510.2	459	65	495.5	15	14.7
65+	124	111.8	96	25	109.7	3	2.1

Classification

Executive ⁺	58	58	0	0	0	58	58
Clerks & Senior Officers	561	550.9	504	29	523.4	28	27.5
Station Staff	312	290.3	254	52	285.2	6	5.1
Authorised Officers	28	27.4	26	2	27.4	0	0
Fuel Point Assistants	9	8.4	7	2	8.4	0	0
Conductors	326	303.2	274	48	301	4	2.2
Train Controllers & Signallers	82	80	78	4	80	0	0
Drivers	556	535.5	511	45	535.5	0	0
Passenger Operations	74	72.5	71	3	72.5	0	0
Infrastructure Maintenance Workers (Sig & Elec)	111	111	111	0	111	0	0
Infrastructure Maintenance Workers (Track)	205	205	205	0	205	0	0
Apprentices	0	0	0	0	0	0	0
Administrative Band	12	10.7	9	2	10	1	0.7
Other Staff	372	370.2	314	8	320.5	50	49.7
Total employees	2,706	2,623.1	2,364	195	2,479.9	147	143.2

⁺ For the purposes of this reporting, an Executive is defined as a person employed under an Executive Contract arrangement.

Income Band Table

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

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

2024

Income band (Total Remuneration Package)	Executive	Individual Employment Contracts (IECs)
<\$160,000		169(a)
\$160,000 – \$179,999		95(b)
\$180,000 – \$199,999		106(c)
\$200,000 – \$219,999	6	41(d)
\$220,000 – \$239,999	6	33(e)
\$240,000 – \$259,999	7	3
\$260,000 – \$279,999	13	2
\$280,000 – \$299,999	9	1
\$300,000 – \$319,999	1	
\$320,000 – \$339,999	3	
\$340,000 – \$359,999	3	
\$360,000 – \$379,999	1	
\$380,000 – \$399,999		
\$400,000 – \$419,999	2	
\$420,000 – \$439,999	2	
\$440,000 – \$459,999		
\$460,000 – \$479,999		
\$480,000 – \$499,999		
>\$500,000	1	
Total	54	450

Notes

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

(a) 2 headcount at 0.7 FTE

(b) 4 headcount at 0.7 FTE

(c) 3 headcount at 0.7 FTE

(d) 1 headcount at 0.7 FTE

(e) 1 headcount at 0.7 FTE.

Workforce inclusion policy

V/Line is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve consistent with the *Gender Equality Act 2020*. V/Line has a target of at least 50 per cent women on the executives' gender profile.

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

The following tables outlines V/Line's actual progress against this target in 2023-24.

Workforce inclusion policy initiative	Target	Actual progress in 2023-24	Actual progress in 2022-23
	Executive:	Executive:	Executive:
Gender profile at executive levels ^(a)	50 per cent women 50 per cent men	34 per cent women 66 per cent men	33 per cent women 67 per cent men

+ For the purposes of this reporting, an Executive is defined as a person employed under an Executive Contract arrangement.

Please note, V/Line's overall percentage of women in director-level roles and above is 40.9 per cent.

(a) The self-described category is nil for this entity.

Senior 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.

2024

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

* The Self-described category is nil for this entity.

2023

Total number of Senior Executives for V/Line, broken down into gender	All		Women		Men		Self-described*	
	No.	Var.	No.	Var.	No.	Var.	No.	Var.
Senior Executive Service – 3	4	2	1	1	3	1	0	0
Senior Executive Service – 2	12	-2	5	-2	7	–	0	0
Senior Executive Service – 1	23	-31	9	-5	14	-26	0	0

* The Self-described category is nil for this entity.

Section 4

Other disclosures



Local jobs first

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

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

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

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

Projects Commenced – Local Jobs First Standard

During 2023–24, V/Line commenced eight Local Jobs First Standard projects totaling \$68 million. Of these projects, seven were located in regional Victoria, and one project commenced that occurred statewide. The MPSG was not applied to the eight Local Jobs First Standard Projects as they did not qualify because they either did not exceed the value of \$20 million and/or were not construction projects.

The outcomes expected from the implementation of the Local Jobs First policy to these projects where information was provided are as follows:

- three of the statewide projects provided a commitment of an average of 86 per cent local content, one metro project provided a commitment of an average 55 per cent and 16 regional projects provided a commitment of an average of 100 per cent local content

- a total of 741 jobs Annualised Employee Equivalent (AEE*) were committed, this includes the creation of 318 new jobs and the retention of 423 existing jobs (AEE)
- a total of four positions for apprentices, trainees and cadets were committed, this includes the creation of one new job and the retention of three existing apprenticeships, traineeships and cadets.

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

Projects Completed – Local Jobs First Standard

During 2023–24, V/Line completed 15 Local Jobs First Standard projects totaling \$110 million. Of those projects, 13 were in regional Victoria, and two projects occurred statewide/metro. The MPSG was not applied to the 15 Local Jobs First Standard Projects as they did not qualify.

Projects Commenced and Completed – Local Jobs First Strategic

During 2023–24, V/Line commenced one Local Jobs First Strategic Project totaling \$250 million. The MPSG was not applied as the project did not qualify.

Reporting requirements – grants

No conversations with the Industry Capability Network were held during 2023–24.

Government advertising expenditure

In 2023-24, 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 2023-24, there were 30 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred in 2023-24 in relation to these consultancies was \$14,596,700 (excluding GST).

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

Details of consultancies under \$10,000

In 2023-24, there were no consultancies engaged during the year where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred in 2023-24 in relation to these consultancies was nil (excluding GST).

Reviews and studies expenditure

Details of reviews and studies

During 2023-24, there were no reviews and studies undertaken by V/Line.

Information and communication technology (ICT) expenditure

For the 2023–24 reporting period, V/Line had a total ICT expenditure of \$38.3 million, with the details shown below.

All operational ICT expenditure Business as usual (BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
\$'000	\$'000	\$'000	\$'000
29,320	8,988	nil	8,988

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.

Social Procurement Framework

V/Line's Procurement Policies and Procedures are accredited under the Victorian Government Purchasing (VGPP) framework. This includes requirements around Social and Sustainable Procurement and aligns with the Buying for Victoria Social Procurement Framework.

The Victorian Social Procurement Framework enables government buyers and suppliers to deliver social, economic and environmental outcomes that benefit the Victorian community, economy and environment. Its objectives include:

- opportunities for Victorian Aboriginal people
- opportunities for Victorians with disabilities
- women's equality and safety
- opportunities for disadvantaged Victorians
- supporting safe and fair workplaces

- sustainable Victorian social enterprise and Aboriginal business sectors
- sustainable Victorian regions.

V/Line's activities in relation to the Social Procurement Framework and support of social procurement are focused on the economic support that V/Line can provide to Victorian organisations through our procurement requirements, with consideration given to small and medium sized businesses at both a metropolitan and regional level in all procurement activities.

V/Line is actively working with our staff and communities across key focus areas of social procurement. The Procurement team is represented on several committees, including the DTP Aboriginal Procurement Working Group, the WiT Working Group – Gender Ethical Procurement, the Aboriginal and Torres Strait Islander Diversity Council, and the V/Line Aboriginal Advisory Group. These committees include representatives from DTP which ensures V/Line's alignment to the Victorian Social Procurement Framework.

Freedom of information

The *Freedom of Information Act 1982* (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. 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 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35 a 15 day automatic extension applies. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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

Making a request

FOI requests can be lodged online at ovic.vic.gov.au. An application fee of \$32.70 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

Access to documents can also be obtained through a written request to V/Line's Freedom of Information Officer, as detailed in s17 of the Act.

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

Requests for documents in the possession of V/Line should be addressed to:

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

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

FOI statistics/timeliness

During 2023–24, V/Line received 25 applications. Of these requests, there was one request from Members of Parliament, one from the media, and the remainder from the general public.

V/Line made 23 FOI decisions during the 12 months ended 30 June 2024.

There were 22 decisions made within the statutory time periods. Of the decisions made outside time, one was made within a further 45 days and nil decisions were made greater than 45 days. A total of 23 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. One decision was made after mandatory

extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 30 days.

During 2023–24, there were two requests subject to a review by OVIC. One request progressed to the Victorian Civil and Administrative Tribunal.

Further information

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

Compliance with the *Building Act 1993*

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

	2023–24
Number of major works projects undertaken by V/Line (greater than \$50,000)	8
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 1 certificate of occupancy
Number of emergency orders and building orders issued in relation to buildings	Nil emergency orders Nil building orders
Number of buildings that have been brought into conformity with building standards during the reporting period	Nil All 113 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 are required to set a competitively neutral price, 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 efficiency in the provision of service.

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

Compliance with the *Public Interest Disclosures Act 2012*

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

V/Line does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

V/Line is committed to the aims and objectives of the Act. V/Line has procedures in place to protect people from any detrimental action in reprisal for the making of a public interest disclosure.

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

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

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

By phone: *1300 735 135*

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

Compliance with the *Carers Recognition Act 2012*

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

Compliance with the *Disability Act 2006*

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

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

Reducing barriers to accessing goods, services and facilities

Detailed reporting on how we have continued to reduce barriers to accessing goods, services and facilities can be found on pages 16–25.

Reducing barriers to persons with a disability obtaining and maintaining employment

- Introduced work experience placements for people with disabilities. Some of these placements led to permanent roles at V/Line.
- Detailed reporting on V/Line's diversity and inclusion activities can be found on pages 42–43.

Promoting inclusion and participation in the community

- Delivery of Try Before You Ride events to foster confidence and independence to travel.
- Celebrated International Day of People with Disability with a cross-operator Accessibility Reference Group event, as well as an all-staff forum featuring DTP's Chief Accessibility Advocate, Tricia Malowney.
- V/Line's staff Accessibility Champions continue to be active. Our champions are passionate about accessibility and meet regularly to discuss accessibility issues and improvements.
- Participation in other events which promote inclusion such as Bendigo Be Well Be Connected 2024 and CDC Victoria BusAble Ballarat 2024.

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

- Ensuring accessibility training continues to be available to frontline staff. Additional training introduced during 2023–24 included new disability awareness and communication access eLearning modules.
- V/Line's Accessibility Reference Group continues to meet bi-monthly and is consulted on relevant projects and initiatives. This ensures V/Line is regularly listening to, and responding to, the voices of people with disabilities.
- Operational procedures that relate to accessibility are reviewed regularly to ensure that they continue to be fit for purpose and meet best practice principles.

Disclosure of emergency procurement

In 2023-24, V/Line activated emergency procurement on three occasions in accordance with the requirements of government policy and accompanying guidelines. Two new contracts, valued at or more than \$100,000 (GST inclusive), were awarded in connection with emergencies. Details of V/Line's emergency procurement is shown below.

Nature of Emergency	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency (excluding GST)	Number of new contracts awarded valued at \$100 000 (including GST) or more
Emergency call out for Crane Hire – after hours	17 February 2024	Emergency call out for crane hire to remove vehicle from train line on a level crossing.	\$3,698	0
Emergency Repairs – Broken River Bridge	5 June 2024	Requirement to purchase materials for emergency repairs to the bridge piers due to severe cracking located on the Shepparton Line .	\$150,000	1
Emergency flood works	9 January 2024	Emergency works required to repair flood damage to the network between Bendigo and Echuca.	\$195,558	1

Disclosure of procurement complaints

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

V/Line received no formal complaint through its procurement complaints management system in 2023-24.

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 Emissions Reduction Roadmap includes targets based on examination of V/Line's Scope 1 and 2 emissions. The consumption of diesel fuel accounts for more than 90 per cent of V/Line's carbon emissions and the Roadmap articulates a progressive way to transition to lower and zero emissions technology.

V/Line's Environmental Management System

In the commitment to reducing our environmental footprint, V/Line maintains an ISO 14001:2015 accredited Environmental Management System (EMS), which guides sustainability performance and reduces environmental impacts. As a component of the EMS, V/Line has transitioned to a Sustainability Strategy. This Strategy provides objectives and activities 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 the development of underpinning Action Plans. V/Line is already delivering a Biodiversity Uplift Action Plan and has developed a Sustainability Uplift Action Plan and Pollution and Contamination Action Plan.

Reporting boundary for environmental data

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

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 or 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. V/Line reports only Scope 3 emissions from corporate air travel and waste disposal but is actively working to expand reporting systems.

The consumption of diesel fuel in rolling stock accounts for more than 87 per cent of V/Line's Scope 1, 2 and 3 emissions. V/Line continues to investigate opportunities for emissions reduction in current and future rolling stock, including both engineering solutions and more sustainable fuel options.

V/Line's Scope 1 emissions increased by four per cent in 2022-23 and increased by eight per cent in 2023-24. This is a result of a seven per cent increase in diesel fuel consumption in V/Line's rolling stock in 2023-24.

V/Line's Scope 2 greenhouse gas emissions increased by two per cent in 2022-23 and then decreased by 16 per cent in 2023-24. Electricity data is collected through energy retailer billing information. Data for 2023-24 is based on the most current data available for the period.

V/Line's Scope 3 greenhouse gas emissions from corporate air travel and waste disposal increased by approximately seven per cent in 2022-23 and then decreased by 29 per cent in 2023-24. The decrease is a result of less commercial air travel and waste disposed in 2023-24.

Indicator ^(a)	2023-24	2022-23	2021-22
Total Scope 1 greenhouse gas emissions (Tonnes CO ₂ -e)	134,378	124,796	119,487
Total Scope 2 greenhouse gas emissions (Tonnes CO ₂ -e)	9,912	11,839	11,579
Total Scope 3 greenhouse gas emissions from commercial			
air travel and waste disposal (Tonnes CO ₂ -e)	558	787	733

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

Electricity production and consumption

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

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

In 2023-24, V/Line installed rooftop solar systems at Waurm Ponds and Deer Park stations and Waurm Ponds Stabling Yard.

V/Line also produced electricity at several other sites including Cobblebank and Wendouree stations, Maddingley Siding and Shepparton Stabling Yard. V/Line has rooftop solar systems installed at four other sites across the network. A project is currently underway to track energy production at these sites.

Onsite electricity generation increased by 48 per cent in 2022-23 and 374 per cent in 2023-24. Such a large increase in 2023-24, is a result of improved data collection from V/Line sites with rooftop solar systems. In 2021-22, V/Line exported 2 MWh from rooftop solar systems to the national electricity grid. This increased to 22 MWh in 2022-23 and 26 MWh in 2023-24.

In 2021-22, V/Line purchased 32 MWh of green power as part of the State Government Energy Contract. This increased to 102 MWh in 2022-23 and 113 MWh in 2023-24.

Indicator ^(a)	2023-24	2022-23	2021-22
Total electricity consumption (MWh)	15,500	15,401	14,976
Purchased electricity – consolidated	15,239	15,368	14,941
Self-generated (MWh)	261	55	37
On-site electricity generated (MWh)	261	55	37
Solar PV	261	55	37
Consumption behind-the-meter	234	33	35
Exports	27	22	2
On-site installed generation capacity (MW)	0.19	0.04	0.02
Solar PV	0.19	0.04	0.02
Total electricity offsets (MWh)	113	107	32
Greenpower	113	107	32

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

Stationary fuel use

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

Stationary fuel use increased by four per cent in 2022-23 and decreased by two per cent in 2023-24.

Indicator ^(a)	2023-24	2022-23	2021-22
Total fuels used in buildings and machinery (MJ)	452,576	461,960	443,326
Natural Gas	69,500	71,100	68,000
LPG	6,070	6,095	6,040
Diesel	377,006	384,765	369,286
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO₂-e)	30.4	31.0	29.8

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

Transportation

V/Line's fleet comprises 648 vehicles essential to operating the regional rail network. V/Line encourages its people to use public transport, minimise road travel or hold online meetings where possible. The use of online meeting facilities was prioritised heavily during COVID-19 and flexible working arrangements continue to be supported.

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

Approximately 11.5 per cent of these vehicles are passenger vehicles, 43.6 per cent light commercial, 12.35 per cent heavy commercial and 4.48 per cent excavation equipment. Of these vehicles, 98 per cent are diesel fueled. V/Line's rolling stock is also powered by diesel fuel.

	2023-24	%	2022-23	%	2021-22	%
Number and proportion of vehicles	648	100.00	607	100.00	614	100.0
Road vehicles	470	72.53	428	70.51	434	70.68
Passenger vehicles	75	11.57	75	12.36	82	13.36
Diesel	67	10.34	73	12.03	78	12.70
Petrol	7	1.08	2	0.33	4	0.65
Electric	1	0.15	0	0.00	0	0.00
Light commercial	283	43.67	237	39.04	245	39.90
Diesel	283	43.67	237	39.04	245	39.90
Heavy commercial	80	12.35	80	13.18	81	13.19
Diesel	80	12.35	80	13.18	81	13.19
Excavation	29	4.48	30	4.94	23	3.75
Diesel	29	4.48	30	4.94	23	3.75
Material handling	3	0.46	6	0.99	3	0.49
Diesel	3	0.46	6	0.99	3	0.49
Non-road vehicles	178	27.47	179	29.49	180	29.32
Rolling stock	178	27.47	179	29.49	180	29.32
Diesel	178	27.47	179	29.49	180	29.32

(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 2022-23 and approximately eight per cent in 2023-24.

Total distance travelled by commercial air increased significantly in 2022–23. There were only 36 trips in 2021–22 due to lockdowns associated with COVID-19. This compares to 135 in 2022–23 and 52 in 2023–24. Total distance travelled by commercial air increased from 28,062 passenger kilometres in 2021–22, to 272,024 in 2022–23, as business-as-usual travel activities returned. Total distance travelled by commercial air decreased in 2023–24 to 66,780 passenger kilometers.

Indicator ^(a)	2023-24	2022-23	2021-22
Total energy used in transportation (MJ)	1,922,051,575	1,784,946,969	1,696,637,901
Road vehicles	73,935,454	61,583,692	71,062,861
Petrol	1,340,743	954,865	1,004,903
Diesel	72,594,711	60,628,827	70,057,958
Non-road vehicles	1,848,116,122	1,723,363,276	1,625,575,040
Diesel	1,848,116,122	1,723,363,276	1,625,575,040
Greenhouse gas emissions from vehicle fleet (Tonnes CO₂-e)	135,328	125,675	119,457
Road vehicles	5,202	4,333	5,001
Petrol	91	65	68
Diesel	5,111	4,269	4,933
Non-road vehicles	130,126	121,342	114,457
Diesel	130,126	121,342	114,457
Total distance travelled by commercial air travel (Passenger kilometres)	66,780	272,024	28,062

(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 between 2021–22 and 2022–23.

Total energy use from fuels increased by eight per cent between 2022–23 and 2023–24. These increases were driven by increases in total energy usage from fuels in transportation.

V/Line's use of renewable energy increased by five per cent between 2021–22 and 2022–23. Use of renewable energy increased again in 2023–24 by eight per cent. This energy is produced at 11 sites across the network which have rooftop solar systems.

Indicator ^(a)	2023-24	2022-23	2021-22
Total energy usage from fuels (stationary and transportation) (MJ)	1,922,504,151	1,785,408,928	1,697,081,226
Total energy used from electricity (MJ)	55,702,800	55,443,661	53,912,153
Total energy used segmented into renewable and non-renewable sources (MJ)	1,978,206,952	1,840,852,590	1,750,933,379
Renewable	11,649,994	10,816,525	10,264,656
Non-renewable	1,966,556,958	1,830,036,064	1,740,728,723
Units of energy used normalised by FTE	700,746	701,812	723,227

(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 Stations Environmental and Sustainability Standards. These Standards ensure the construction of all new buildings and the retrofit of old buildings, take advantage of relevant environmental best practice where possible.

V/Line follows the Victorian Government's 2007 Office Accommodation Guidelines 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 an environmental performance rating.

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

Sustainable procurement

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

Water consumption

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

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

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

Water use at V/Line sites decreased by four per cent in 2022-23 and a further four per cent in 2023-24 due to maturing management of water. V/Line obtains water data from billing information received from 12 water companies.

Indicator ^(a)	2023-24	2022-23	2021-22
Total water consumption by V/Line (kilolitres)	51,666	53,975	56,473
Units of metered water consumed normalised by FTE	18	20	23

(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 principal waste contractor, who provides 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.

Waste disposed to landfill decreased by seven per cent in 2022-23 and decreased by 25 per cent in 2023-24 due to maturing management of waste.

Commingled recycling decreased by 47 per cent in 2022-23 and increased by 29 per cent in 2023-24.

Paper and cardboard recycling increased by eight per cent in 2022-23 and decreased by five per cent in 2023-24. Other recovered materials decreased significantly in 2022-23 due to significant amounts of steel recycled in 2021-22. Other recovered materials decreased by 35 per cent in 2023-24.

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)	2023-24	%	2022-23	%	2021-22	%
Total units of waste disposed (kg and %)	467,012	100	583,728	100	784,540	100
Landfill (disposal)	420,380	90.01	531,620	91.07	560,214	71.42
Commingled recycling	16,459	3.52	12,776	2.19	24,278	3.09
Paper and cardboard	14,871	3.19	15,689	2.69	14,548	1.85
Other recovered materials	15,302	3.28	23,643	4.05	185,500	23.64
Total units of waste disposed of normalised by FTE (kg/FTE)	165.43	–	222.53	–	324.04	–
Recycling Rate (%)	9.98	–	8.93	–	28.59	–
Greenhouse gas emissions associated with waste disposal (Tonnes CO₂-e)	546.49	–	691.10	–	728.27	–
Landfill	546.49	–	691.10	–	728.27	–

(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, Matt Carrick, 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.



Matt Carrick
 Chief Executive Officer

Financial Statements



V/Line Corporation

– Financial Statements

V/Line Corporation has presented its audited general-purpose financial statements for the financial year ended 30 June 2024 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 Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive operating statement, Balance sheet, Statement of changes in equity, Cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of the entity at 30 June 2024.

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 30 August 2024.

A handwritten signature in black ink, appearing to read 'Matt Carrick', with a long horizontal stroke extending to the right.

Matt Carrick
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Amy Montalti', with a large, stylized initial 'A' and a long horizontal stroke extending to the right.

Amy Montalti
Chief Financial Officer

Independent Auditor's Report



Independent Auditor's Report

To the Chief Executive Officer of V/Line Corporation

Opinion	<p>I have audited the financial report of V/Line Corporation (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2024 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • declaration in the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Chief Executive Officer's responsibilities for the financial report	<p>The Chief Executive Officer of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 entity'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 entity 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
3 September 2024



Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive operating statement ^(a)

For the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Continuing Operations			
Revenue and income from transactions	2.1	1,359,547	1,249,764
Expenses from transactions			
Operating costs	3.2	439,686	428,708
Employee benefit expenses	3.3.1	404,120	383,319
Administrative expenses	3.5	48,438	44,024
Project expenses and infrastructure renewals	3.6	398,254	386,147
Depreciation/Amortisation	4.2	35,385	29,850
Interest expense	6.2	2,096	2,782
Total expenses from transactions		1,327,979	1,274,830
Net result from transactions (net operating balance)		31,568	(25,066)
Other economic flows included in Net result			
Net loss on non-financial assets ^(b)	3.7 (a)	(4,958)	(5,368)
Net gain on financial instruments ^(c)	3.7 (b)	4,263	11,877
Other gain from other economic flows	3.7 (c)	1,320	1,672
Total other economic flows included in Net result		625	8,181
Net result from continuing operations before income tax		32,193	(16,885)
Income tax expense	3.8	(2)	(6,493)
Net result for the period after income tax		32,191	(23,378)
Other economic flows – Other comprehensive income:			
Items that may be reclassified subsequently to Net result			
Changes in fair value of hedge instruments in cash flow hedge reserve	8.3	3,586	(13,849)
Total other economic flows – Other comprehensive income		3,586	(13,849)
Comprehensive result		35,777	(37,227)

The accompanying notes form part of these financial statements.

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

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

Balance sheet ^(a)

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	44,546	39,049
Receivables	5.1	29,224	20,026
Contract assets	5.2	51,445	64,513
Other financial assets	5.7	519	–
Total financial assets		125,734	123,588
Non-financial assets			
Inventories	5.4	49,508	57,155
Property, plant and equipment	4.1	192,322	176,054
Intangible assets	4.3	3,104	4,949
Other non-financial assets	5.6	5,581	3,273
Total non-financial assets		250,515	241,431
Total assets		376,249	365,019
Liabilities			
Payables	5.3	108,483	125,706
Employee-related provisions	3.3.2	122,263	116,844
Provision for income tax	5.5	–	1,872
Other financial liabilities	5.8	–	3,067
Lease liabilities	6.2	58,536	66,340
Total liabilities		289,282	313,829
Net assets		86,967	51,190
Equity			
Accumulated deficit	8.3	(19,829)	(62,512)
Physical asset revaluation surplus	8.3	106,277	116,769
Cash flow hedge reserve	8.3	519	(3,067)
Net worth		86,967	51,190
Commitments for expenditure	6.3		
Contingent assets and contingent liabilities	7.2		

The accompanying notes form part of these financial statements.

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Cash flow statement ^(a)

For the financial year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Cash flows from Operating Activities			
Receipts			
Receipts from Government		1,404,326	1,259,943
Receipts from tickets sales and other entities		90,727	85,955
Interest received		4,303	2,853
Total receipts		1,499,356	1,348,751
Payments			
Payments to suppliers and employees		(1,383,912)	(1,317,680)
Goods and Services Tax (GST) paid to the ATO ^(b)		(43,427)	(34,232)
Income taxes paid		(1,873)	(8,453)
Interest paid on lease liabilities		(2,096)	(2,782)
Total payments		(1,431,308)	(1,363,147)
Net cash flows from/(used in) operating activities	6.1.1	68,048	(14,396)
Cash flows from Investing Activities			
Purchases of non-financial assets		(48,826)	(11,307)
Net cash flows used in investing activities		(48,826)	(11,307)
Cash flows from Financing Activities			
Repayment of principal portion of lease liabilities ^(c)		(13,725)	(13,279)
Net cash flows used in financing activities		(13,725)	(13,279)
Net increase/(decrease) in cash and cash equivalents		5,497	(38,982)
Cash and cash equivalents at the beginning of the financial year		39,049	78,031
Cash and cash equivalents at the end of the financial year	6.1	44,546	39,049

The accompanying notes form part of these financial statements.

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

(c) 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 ^(a)

For the financial year ended 30 June 2024

	Notes	Physical Asset Revaluation Surplus \$'000	Cash Flow Hedge Reserve \$'000	Accumulated Deficit \$'000	Total Equity \$'000
Balance at 1 July 2022	8.3	130,561	10,782	(52,926)	88,417
Net result for the year	8.3	–	–	(23,378)	(23,378)
Other comprehensive income for the year	8.3	–	(13,849)	–	(13,849)
Transfer from physical asset revaluation surplus to accumulated deficit	8.3	(13,792)	–	13,792	–
Balance at 30 June 2023	8.3	116,769	(3,067)	(62,512)	51,190
Net result for the year	8.3	–	–	32,191	32,191
Other comprehensive income for the year	8.3	–	3,586	–	3,586
Transfer from physical asset revaluation surplus to accumulated deficit	8.3	(10,492)	–	10,492	–
Balance at 30 June 2024	8.3	106,277	519	(19,829)	86,967

The accompanying notes form part of these financial statements.

(a) This format is aligned to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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 2024.

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. Its principal address is:

Level 6, 452 Flinders Street
Melbourne 3000

The functions of V/Line per 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)
- the recognition of deferred tax assets and liabilities (refer Note 5.5)

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 *Financial Management Act 1994* (FMA) and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

2. Funding delivery of our services

Introduction

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	2024	2023
		\$'000	\$'000
2.1 Summary of revenue and income that funds the delivery of our services			
Ticket sales/farebox	2.2	58,439	68,308
Inter-operator revenue		1,557	1,498
Contributions from Government	2.3	895,666	795,302
Project revenue	2.4	387,950	372,048
Access revenue		7,399	5,367
Interest		4,303	2,853
Other income		4,233	4,388
Total revenue and income from transactions		1,359,547	1,249,764

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

Notes	2024	2023
	\$'000	\$'000

2.2 Ticket sales/farebox

myki ticketing system	45,281	46,944
V/Net ticketing system	13,158	21,364
Total ticket sales/farebox	58,439	68,308

The proceeds from train passenger services provided is recognised as farebox revenue. Revenue is recognised 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. Myki revenues are subject to the allocation methodologies of the NTS Revenue Sharing Agreement dated 28 November 2017 with the DTP, Metro Trains Melbourne Pty Ltd and KDR Victoria 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	895,666	795,302
Total contributions from Government	895,666	795,302

HTfV makes services payments to V/Line under a Service Level Agreement, which is considered enforceable and includes sufficiently specific performance obligations. Accordingly, these contributions are accounted for as revenue in accordance with AASB 15 *Revenue from Contracts with Customers*, and are recognised as revenue when the performance obligations are satisfied. These contributions are of an operational nature.

2.4 Project revenue

Government	377,754	366,102
Other entities	10,196	5,946
	387,950	372,048

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 when the performance obligations under the project contract are satisfied. V/Line uses the input method to measure progress based on the costs incurred and revenue is recognised once performance obligations under the Service Level Agreement are met. The related project and infrastructure renewal expenditure is detailed under Note 3.6.

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

3. The cost of delivering our services

Introduction

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

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

Structure

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

	Notes	2024	2023
		\$'000	\$'000
3.1 Expenses incurred in delivery of services (excluding Depreciation/Amortisation)			
Operating costs	3.2	439,686	428,708
Employee benefit expenses	3.3.1	404,120	383,319
Operational expenses		843,806	812,027
Administrative expenses	3.5	48,438	44,024
Project expenses and infrastructure renewals	3.6	398,254	386,147
Total expenses incurred in delivery of services		1,290,498	1,242,198

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

Notes	2024	2023
	\$'000	\$'000
3.2 Operating costs		
Fleet maintenance	175,713	172,760
Fuel costs	57,260	57,144
Access charges	19,508	17,565
Branded coach contract costs	44,922	47,318
Road coach services	29,864	19,379
Repairs and maintenance	47,648	60,761
Customer services	3,708	4,282
Other direct costs	61,063	49,499
Total operating costs (excluding Employee benefits)	439,686	428,708

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 and the foreign currency risk relating to its fleet maintenance contract via cash flow hedges (refer to Note 7.1.3).

2024 2023

\$'000 \$'000

3.3 Employee Benefits

3.3.1 Employee benefit expenses in the Comprehensive operating statement

Salaries and wages	271,336	264,661
Superannuation	43,263	39,242
Annual leave and long service leave expense	52,500	50,866
Other on-costs (payroll tax and WorkCover levy)	37,021	28,550
Total employee benefit expenses	404,120	383,319

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	29,887	28,565
Unconditional and expected to settle after 12 months	7,880	7,462
	37,767	36,027

LSL

Unconditional and expected to settle within 12 months	4,472	4,291
Unconditional and expected to settle after 12 months	44,860	43,792
	49,332	48,083

Other leave

Unconditional and expected to settle within 12 months	3,517	3,706
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Other employee-related provisions

1,089 1,249

Provisions for on-costs

Unconditional and expected to settle within 12 months	7,630	6,631
Unconditional and expected to settle after 12 months	8,549	7,304
	16,179	13,935

Total current provisions for employee benefits	107,884	103,000
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	2024	2023
	\$'000	\$'000
Non-current provisions:		
Employee benefits – Long service leave	12,458	12,197
On-costs	1,921	1,647
Total non-current provisions for employee benefits	14,379	13,844
Total provisions for employee benefits	122,263	116,844

Reconciliation of movement in provisions	Employee Benefits	On-costs	Total
	\$'000	\$'000	\$'000
2024			
Opening Balance	101,262	15,582	116,844
Net additional provisions recognised and reductions arising from payments/other sacrifices of future economic benefits	4,025	2,714	6,739
Unwind of discount and effect of changes in the discount rate	(1,124)	(196)	(1,320)
Closing Balance	104,163	18,100	122,263

(i) Wages, salaries and annual leave

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

The liability for salaries and wages are recognised in the Balance sheet at remuneration rates which are current at reporting date. As V/Line expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts. The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as V/Line does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as it is non-vesting. As such, an expense is recognised in the Comprehensive operating statement as it is taken.

(ii) Long service leave

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

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

The components of this current LSL are measured at either:

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

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

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

(iii) Employee benefits on-costs

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

Superannuation on-costs associated with the annual leave provision has been applied to 94% of the employee benefit provisions before on-costs. The remaining 6% of the provision does not attract superannuation payment obligations due to estimated terminations.

3.4 Superannuation contributions

Employees of V/Line 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 of V/Line in relation to superannuation is employer contributions for members of both defined benefit and defined contribution plans that are paid or payable during the reporting period.

V/Line does not recognise any defined benefit liability in respect of the plan because it has no legal or constructive obligation to pay future benefits relating to its employees. Its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

Fund	Paid contribution for the year		Contributions outstanding at year end	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Defined benefit plans ^(a)				
Emergency Services and State Super	6,663	7,331	514	574
Defined contribution plans				
Various funds	33,557	29,060	2,937	2,535
Total superannuation plans	40,220	36,391	3,451	3,109

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

	2024 \$'000	2023 \$'000
3.5 Administrative expenses		
Administrative expenses are made up of the following expense categories:		
Information technology and communication	17,823	16,670
Motor vehicle	5,739	5,710
Insurance	2,866	2,646
Utilities	4,447	3,827
Other administration	14,907	12,515
Total administration	45,782	41,368
Selling	1,034	892
Marketing and communication	1,622	1,764
Total administrative expenses	48,438	44,024

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

2024 2023

\$'000 \$'000

3.6 Project expenses and infrastructure renewals

Project expenses	212,531	213,436
Infrastructure renewals	185,723	172,711
Total project expenses and infrastructure renewals	398,254	386,147

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

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

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

3.7 Other economic flows included in Net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

(a) Net loss on non-financial assets

Loss on disposal and write-off of property, plant and equipment	(1,948)	(3,801)
Writedown of property, plant and equipment	(3,010)	(1,567)
Total net loss on non-financial assets	(4,958)	(5,368)

(b) Net gain on financial instruments

Allowance for impairment losses of contractual receivables	(35)	(14)
Bad debts written off	(61)	-
Net realised gain on diesel hedge	4,330	11,988
Net realised gain/(loss) on foreign currency hedge	29	(97)
Total net gain on financial instruments	4,263	11,877

(c) Other gain from other economic flows

Net gain arising from revaluation of LSL liability	1,320	1,672
Total other gain from other economic flows	1,320	1,672

	2024	2023
	\$'000	\$'000
3.8 Income tax expense		
Net result from continuing operations before income tax	–	(16,885)
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2023: 30%)	–	(5,065)
Derecognition of deferred tax assets/liabilities from prior years	–	4,621
Derecognition of deferred tax asset	–	6,937
Income tax expense	–	6,493
The components of tax expense comprises:		
Current tax		
– current year provision	–	1,872
– under-provision in prior years	2	–
Deferred tax	–	4,621
Total tax expense	2	6,493
Effective tax rate	–	(38.5%)

No provision for income tax on net profit has been recognised for this financial year as a result of V/Line's withdrawal from the National Tax Equivalent Regime (NTER) with effect from 1 July 2023 (refer to Note 5.5 for details).

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

2024 **2023**

\$'000 **\$'000**

4.1 Property, plant and equipment

4.1.1 Carrying amounts

Rolling stock

At fair value	81,110	90,460
Accumulated depreciation	(34,471)	(24,459)
Net carrying amount	46,639	66,001

Rolling stock – capitalised improvements

At fair value	8,045	8,851
Accumulated depreciation	(4,762)	(3,780)
Net carrying amount	3,283	5,071

Plant and equipment ^(a)

At fair value	96,211	90,610
Accumulated depreciation	(44,727)	(39,194)
Net carrying amount	51,484	51,416

Leasehold improvements

At fair value	9,805	9,943
Accumulated depreciation	(4,980)	(5,664)
Net carrying amount	4,825	4,279

Buildings ^(a)

At fair value	56,849	56,429
Accumulated depreciation	(26,591)	(21,140)
Net carrying amount	30,258	35,289

Capital works-in-progress	55,833	13,998
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Total property, plant and equipment	192,322	176,054
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(a) The carrying amounts include right-of-use assets.

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

	2024	2023
	\$'000	\$'000
Plant and equipment		
At fair value	51,920	49,360
Accumulated depreciation	(29,344)	(23,270)
Net carrying amount	22,576	26,090
Buildings		
At fair value	56,849	56,429
Accumulated depreciation	(26,591)	(21,140)
Net carrying amount	30,258	35,289
Total right-of-use assets	52,834	61,379

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 V/Line's non-financial physical assets has been determined by reference to the asset's current replacement cost, adjusting for the associated depreciation.

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2024.

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

2024 2023

\$'000 \$'000

4.1.2 Reconciliation of movement in carrying amounts

Rolling stock at fair value

Carrying amount at beginning of year	66,001	78,527
Disposals	(1,791)	(2,692)
Writedown	(2,974)	(1,330)
Depreciation expense	(14,597)	(8,504)
Carrying amount at end of year	46,639	66,001

Rolling stock at cost – capitalised improvements

Carrying amount at beginning of year	5,071	7,557
Disposals	(66)	(159)
Writedown	(36)	(237)
Depreciation expense	(1,686)	(2,090)
Carrying amount at end of year	3,283	5,071

Plant and equipment

Carrying amount at beginning of year	51,416	38,419
Additions	5,363	7,880
Transfers from Capital works-in-progress	5,171	15,888
Remeasurements	93	(41)
Disposals	(18)	(659)
Write off	(55)	(175)
Depreciation expense	(10,486)	(9,896)
Carrying amount at end of year	51,484	51,416

Leasehold improvements

Carrying amount at beginning of year	4,279	3,935
Additions	568	889
Transfers from Capital works-in-progress	690	207
Write off	(19)	(115)
Depreciation expense	(693)	(637)
Carrying amount at end of year	4,825	4,279

Buildings

Carrying amount at beginning of year	35,289	36,631
Additions	–	120
Remeasurements	1,047	4,627
Depreciation expense	(6,078)	(6,089)
Carrying amount at end of year	30,258	35,289

2024 2023

	\$'000	\$'000
Capital works-in-progress		
Carrying amount at beginning of year	13,998	21,563
Additions	47,696	8,773
Transfers to property, plant and equipment	(5,861)	(16,095)
Transfers to intangible assets	–	(243)
Carrying amount at end of year	55,833	13,998
Total property, plant and equipment		
Carrying amount at beginning of year	176,054	186,632
Additions	53,627	17,662
Remeasurements	1,140	4,586
Disposals	(1,875)	(3,510)
Written off	(74)	(290)
Written down	(3,010)	(1,567)
Depreciation expense	(33,540)	(27,216)
Transfers to Intangible assets	–	(243)
Carrying amount at end of year	192,322	176,054
Included in the movement of property, plant and equipment above is the following movement of right-of-use assets:		
Plant and equipment		
Carrying amount at beginning of year	26,090	28,784
Additions	4,801	6,237
Remeasurements	93	(41)
Disposals	(18)	(659)
Depreciation expense	(8,390)	(8,231)
Carrying amount at end of year	22,576	26,090
Buildings		
Carrying amount at beginning of year	35,289	36,631
Additions	–	120
Remeasurements	1,047	4,627
Depreciation expense	(6,078)	(6,089)
Carrying amount at end of year	30,258	35,289
Total right-of-use assets		
Carrying amount at beginning of year	61,379	65,415
Additions	4,801	6,357
Remeasurements	1,140	4,586
Disposals	(18)	(659)
Depreciation expense	(14,468)	(14,320)
Carrying amount at end of year	52,834	61,379

4.1.3 Rolling stock

The rolling stock fleet comprises diesel electric locomotives, carriages, diesel multiple units (known as Sprinters) and power vans. Repairs and maintenance work on the rolling stock is scheduled in accordance with V/Line's rolling stock management plan and rail safety management standards. Scheduled maintenance examinations on rolling stock are determined at set intervals depending on the type of rolling stock.

The refurbishment program, as part of the rolling stock management plan, consists of major examinations and overhauls of rolling stock. V/Line treated these examinations as significant upgrades, which extend the useful life of the rolling stock. The refurbishment program allows for the fleet to operate to the current useful life profile. The refurbishment program also includes the replacement of major units such as traction and locomotive motors, generators, wheel sets and bogies. These items were capitalised and are now depreciated over their useful life, and their carrying values are taken into consideration when adjusting the carrying value of rolling stock to fair value. V/Line had ceased the capitalisation of these refurbishment costs as the rolling stock fleet was assessed as approaching the end of its useful life and that these ongoing maintenance costs no longer served to extend their useful life. All other maintenance examinations and minor work are treated as repairs and maintenance and expensed when incurred.

Non-financial physical assets, including rolling stock, are measured at fair value in accordance with FRD 103 Non-financial physical assets. V/Line undertook an independent revaluation of its rolling stock as at 30 June 2020 in line with the five-year revaluation cycle based on the assets' Classification of the Functions of Government (COFOG) classification. An independent valuer, the Valuer General

of Victoria (VGV) was used to conduct the scheduled revaluation. In between the scheduled revaluations, V/Line conducts roll-forward valuations for financial reporting purposes, which are determined in accordance with the requirements of the FRDs. Revaluations may occur more frequently if fair value assessments indicate material changes in value.

V/Line has adopted current replacement cost as the valuation basis for the rolling stock rather than a market comparison or income approach, as the market for the rolling stock lacks sufficient depth due to the specialised nature of the assets and the small population and volume traded, and the rolling stock assets lack separately identifiable cash flows. The calculation of current replacement cost involves establishing the gross current replacement cost of the assets, and then depreciating this value to reflect the anticipated effective working life of the asset from new, the age of the asset and the estimated residual value at the end of the asset's working life.

For the year ended 30 June 2024, in conducting its managerial valuation assessment of the fair value of rolling stock assets consistent with the requirements of FRD 103, V/Line assessed that the current useful life used for depreciation under the current replacement cost basis no longer reflected the fleet retirement profile of the rolling stock. As a result, V/Line has revised the useful life estimates for the rolling stock during the financial year. V/Line considers that the net carrying value of the rolling stock as at 30 June 2024, subsequent to this change in estimates, is a reasonable approximation of its fair value.

During the year, certain units of rolling stock were removed from service, with an intention to either dispose or scrap these assets. As a result, these rolling stock assets and their related capitalised improvements were written down to their expected recoverable value from disposal.

4.1.4 Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvement.

In general, the fair value of those assets is measured at the current replacement cost. There are limitations and restrictions imposed on those assets' use and/or disposal which may impact the fair value of these assets and should be taken into account when the fair value is determined.

	2024	2023
	\$'000	\$'000
4.2 Depreciation/Amortisation and impairment		
Charge for the period		
Rolling stock	14,597	8,504
Rolling stock – capitalised improvements	1,686	2,090
Plant and equipment ^(a)	10,486	9,896
Leasehold improvements	693	637
Buildings ^(a)	6,078	6,089
Intangible assets (amortisation)	1,845	2,634
Total depreciation and amortisation	35,385	29,850

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

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

Plant and equipment	8,390	8,231
Buildings	6,078	6,089
Total depreciation on right-of-use assets	14,468	14,320

Depreciation/Amortisation

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

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

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

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

Estimated useful lives of property, plant and equipment

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

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

Reassessment of estimated useful lives of rolling stock

During the financial year, in conducting its managerial valuation assessment, V/Line has reassessed the estimated useful lives of rolling stock to reflect the current fleet retirement profile. As a result, the total useful life of certain classes of rolling stock and their related capitalised improvements have decreased from 12 years to 7 years. This change in estimates has been recognised prospectively, with the net financial effect of this reassessment in the current financial year being an increase in depreciation expense of \$7,443,000. The effect of this change in estimates in future years is expected to approximate \$5,143,000, until such time when these assets are fully depreciated.

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.

2024 2023

\$'000 \$'000

4.3 Intangible assets

Gross carrying amount

Opening balance	27,045	26,802
Transfer from property, plant and equipment	–	243

Closing balance	27,045	27,045
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Accumulated amortisation

Opening balance	(22,096)	(19,462)
Amortisation of intangible assets	(1,845)	(2,634)

Closing balance	(23,941)	(22,096)
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Net book value at end of financial year	3,104	4,949
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Intangible assets consist of computer software and are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected the additional future economic benefits will flow to V/Line.

Amortisation

Intangible assets with finite lives are amortised on a systematic (straight line) basis over the asset's useful life. Computer software intangible assets 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.

Impairment

Intangible assets are assessed annually for indications of impairment.

5. Other assets and liabilities

Introduction

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

Structure

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

	2024	2023
	\$'000	\$'000
5.1 Receivables		
Current Receivables:		
Contractual		
Trade receivables	12,214	15,611
Other receivables	15,313	2,740
Allowance for impairment of contractual receivables	(235)	(200)
	27,292	18,151
Statutory		
Fuel rebate receivable from the ATO	1,932	1,875
Total receivables	29,224	20,026
<i>Related party receivables (included in contractual receivables) ^(a)</i>		
DTP	8,082	10,789
Other related parties	346	23
Total related party receivables	8,428	10,812

(a) Refer Note 8.6 Related parties.

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

5.2 Contract assets

Current Contract assets:

	2024	2023
	\$'000	\$'000
Opening balance	64,513	40,473
Add: Additional costs incurred and recoverable from customers	387,950	372,048
Less: Amounts transferred to receivables	(401,018)	(348,008)
Total contract assets	51,445	64,513

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.

2024 2023

\$'000 \$'000

5.3 Payables

Current Payables:

Contractual

Trade payables – unsecured	27,002	50,080
Superannuation payable	5,444	4,896
Accruals	57,183	51,352
Other payables	10,926	13,215
	100,555	119,543

Statutory

GST payable	327	1,319
FBT payable	195	1,778
Other taxes payable	7,406	2,907
WorkCover payable	–	159
	7,928	6,163

Total payables	108,483	125,706
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Related party payables (included in Trade payables – unsecured): (a)

DTP	335	–
Other related parties	10	2,724

(a) Refer Note 8.6 Related parties.

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

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

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

Maturity analysis of contractual payables ^(a)

	Maturity Dates					
	Carrying amount \$'000	Less than 1 month \$'000	1-3 months \$'000	3 months – 1 year \$'000	1-5 years \$'000	Over 5 years \$'000
2024						
Payables:						
Trade payables	27,002	20,708	5,644	650	–	–
Superannuation	5,444	–	5,444	–	–	–
Accruals	57,183	–	57,183	–	–	–
Other payables	10,926	10,926	–	–	–	–
Total	100,555	31,634	68,271	650	–	–

2023**Payables:**

Trade payables	50,080	46,070	2,711	1,299	–	–
Superannuation	4,896	–	4,896	–	–	–
Accruals	51,352	–	51,352	–	–	–
Other payables	13,215	13,215	–	–	–	–
Total	119,543	59,285	58,959	1,299	–	–

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

2024 2023

\$'000 \$'000

5.4 Inventories**Current Inventories:**

Materials, at cost	38,692	47,866
Spares and consumables, at cost	10,816	9,289
Total inventories	49,508	57,155

Inventories include goods and other property held for consumption in the ordinary course of business operations. Inventories are measured at the lower of cost and net realisable value.

V/Line has a contract with a supplier for the supply of various spare parts for rolling stock maintenance which are to be made

available upon request. This practice is considered by industry to be best practice as it has the lowest storage costs. These spare parts, which are expected to be used within 12 months, are valued using the weighted average cost formula. Stock of fuel is also measured using the weighted average cost formula.

2024 2023

\$'000 \$'000

5.5 Taxes

Provision for income tax

Current tax liability	–	1,872
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Deferred tax balances

The balance comprises temporary differences attributable to:

Employee entitlements	–	36,729
Other provisions	–	1,548
Derecognition of deferred tax asset	–	(20,059)

Total deferred tax assets	–	18,218
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Deferred tax liability

The balance comprises temporary differences attributable to:

Accelerated depreciation for taxation purposes	–	18,218
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Total deferred tax liability	–	18,218
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Net deferred tax asset/(liability)	–	–
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Movement in deferred tax asset/(liability)

Opening balance	–	–
Charged to equity	–	4,621
Current year deferred tax expense	–	6,937
Derecognition of deferred tax asset	–	(11,558)

Aggregate deferred tax asset/(liability)	–	–
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Amount charged directly to equity

Cash flow hedge reserves	–	4,621
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Total amount charged to equity	–	4,621
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By direction of the Treasurer of Victoria, V/Line entered the NTER on 10 June 2004. Any NTER expense payable is calculated on operating profit or loss adjusted for temporary differences between NTER income and accounting income. On 1 May

2024, the Treasurer approved V/Line's application to withdraw from the NTER with effect from 1 July 2023. In view of this withdrawal, V/Line has not recognised any liability for taxation in its financial statements for the current financial year.

The following applied to the recognition of taxes in the previous financial year:

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Based on the NTER arrangements, tax payments (if any) are made to DTF.

Deferred Tax

Deferred tax is calculated in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. No deferred income tax will be

recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the Comprehensive operating statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets were recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Based on management's judgement, no net deferred tax assets were recognised in the financial statements in 2023 due to the uncertainty of future taxable profits being generated.

	2024	2023
	\$'000	\$'000
5.6 Other non-financial assets		
Current other non-financial assets		
Prepayments	5,581	3,273
Total other non-financial assets	5,581	3,273

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.

2024 2023

\$'000 \$'000

5.7 Other financial assets

Current other financial assets

Fuel hedge derivatives	519	–
Total other financial assets	519	–

5.8 Other financial liabilities

Current other financial liabilities

Fuel hedge derivatives	–	3,077
Foreign currency hedge derivatives	–	(10)
Total other financial liabilities	–	3,067

To reduce cash flow volatility and to provide increased certainty over its commodity and foreign currency risk exposures, V/Line has entered into diesel fuel and foreign currency hedges with Treasury Corporation of Victoria (TCV).

As at 30 June 2024, all of V/Line's foreign currency hedge derivatives had matured, with no contracts outstanding. The amount recognised in Other financial assets as at 30 June 2024 represents the fair value of the fuel hedge derivatives.

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 specific financial instrument disclosures.

Structure

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

	2024	2023
	\$'000	\$'000
6.1 Cash flow information and balances		
Cash at bank	44,400	38,904
Cash on hand	146	145
Total cash and deposits as per Balance sheet and Cash flow statement	44,546	39,049

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*

	2024	2023
	\$'000	\$'000
Net result for the period	32,191	(23,378)
Non-cash movements		
Depreciation/amortisation of non-current assets	35,385	29,850
Writedown of non-current assets	3,010	1,567
Loss on disposal and write-off of non-current assets	1,948	3,802
Early termination of lease liabilities	(19)	(683)
Tax expense	2	6,493
Movements in assets and liabilities		
(Increase)/decrease in trade and other receivables	(9,198)	6,335
Decrease/(increase) in contract assets	13,068	(24,040)
Decrease/(increase) in inventories	7,648	(19,816)
(Increase) in prepayments	(2,308)	(277)
(Decrease)/increase in trade and other payables	(17,225)	8,408
Increase in employee-related provisions	5,419	5,796
Cash generated from/(used in) operating activities	69,921	(5,943)
Income taxes paid	(1,873)	(8,453)
Net cash flows generated from/(used in) operating activities	68,048	(14,396)

6.2 Lease liabilities

Current lease liabilities ^(a)	13,399	12,812
Non-current lease liabilities ^(a)	45,137	53,528
Total lease liabilities	58,536	66,340

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

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

- (i) lease of office premises, with lease terms ranging from three to 10 years
- (ii) lease of motor vehicles and plant and equipment, with lease terms ranging from three to eight years.

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

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

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

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

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

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

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

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

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

Maturity analysis of lease liabilities ^(a)

	Maturity Dates						
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Over 5 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024							
Lease liabilities	58,536	63,964	1,336	2,655	11,401	44,913	3,659
2023							
Lease liabilities	66,340	73,434	1,305	2,602	11,118	46,245	12,164

(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:

	2024	2023
	\$'000	\$'000
Interest expense on lease liabilities	2,096	2,782
Expenses relating to short term leases	2,204	1,801
Expenses relating to leases of low value assets	54	54
Total amount recognised in the Comprehensive operating statement	4,354	4,637

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	15,821	16,061
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6.3 Commitments for expenditure

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

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

	Less than 1 year \$'000	1-5 years \$'000	Over 5 years \$'000	Total \$'000
Nominal values				
2024				
Capital expenditure commitments	2,081	–	–	2,081
Coach contract commitments	51,709	223,443	184,819	459,971
Fleet maintenance commitments	212,015	703,361	981,544	1,896,920
Bulk diesel fuel commitments	63,070	193,921	–	256,991
Other commitments payable	176,667	–	–	176,667
Total commitments (inclusive of GST)	505,542	1,120,725	1,166,363	2,792,630
Less: GST recoverable	(45,958)	(101,884)	(106,033)	(253,875)
Total commitments (exclusive of GST)	459,584	1,018,841	1,060,330	2,538,755

Nominal values

2023

Capital expenditure commitments	5,184	–	–	5,184
Coach contract commitments	51,411	227,142	258,519	537,072
Fleet maintenance commitments	106,061	–	–	106,061
Other commitments payable	273,680	–	–	273,680
Total commitments (inclusive of GST)	436,336	227,142	258,519	921,997
Less: GST recoverable	(39,667)	(20,649)	(23,502)	(83,818)
Total commitments (exclusive of GST)	396,669	206,493	235,017	838,179

Coach contract commitments are commitments for service fees payable under contracts which various coach operators have with HTfV, where all the rights and obligations under the respective contracts have been assigned to V/Line under the Service Level Agreement with HTfV. These coach contracts commenced on 1 July 2022 for an initial period of seven years, with an option for V/Line to extend the contracts for a further three years. Fleet maintenance commitments are commitments under the new 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 recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks), as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for V/Line related mainly to fair value determination.

7.1 Financial instruments specific disclosures

Introduction

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.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the 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, and the assets are not designated as fair value through Net result.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently

Structure

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

measured at amortised cost using the effective interest method less any impairment.

V/Line recognises cash and deposits and contractual receivables in this category.

Categories of financial liabilities

Financial liabilities at amortised cost

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

V/Line recognises its contractual payables, deposits held, advances received and lease liabilities in this category.

Derivative financial instruments

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

In line with its documented risk management strategy, V/Line designates its derivative financial instruments as cash flow hedges and applies hedge accounting to these transactions (refer to Note 7.1.3 – Hedge accounting) where the hedges are effective.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the Balance sheet only when V/Line has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- V/Line retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- V/Line has transferred its rights to receive cash flows from the asset and has either transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where V/Line has neither transferred nor retained substantially all the risks and rewards or has transferred control, the asset is recognised to the extent of V/Line's continuing involvement in the asset.

Derecognition of financial liabilities

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

Reclassification of financial instruments

Subsequent to initial recognition, reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through Net result, fair value through Other comprehensive income and amortised cost only when V/Line's business model for managing its financial assets has changed, such that its previous model would no longer apply. However, V/Line is generally unable to change its business model.

If under rare circumstances an asset is reclassified, the reclassification is applied prospectively from the reclassification date and previously recognised gains, losses or interest should not be restated.

7.1.1 Financial instruments: categorisation

	Cash and deposits \$'000	Financial assets at amortised cost (AC) \$'000	Financial assets/liabilities measured at fair value through profit/loss (FVTPL) \$'000	Financial liabilities at amortised cost (AC) \$'000
2024				
Financial assets				
Cash and deposits	44,546	–	–	–
Trade and other receivables ^(a)	–	27,292	–	–
Hedge derivatives	–	–	519	–
Total financial assets	44,546	27,292	519	–
Financial liabilities				
Trade and other payables ^(a)	–	–	–	100,555
Lease liabilities	–	–	–	58,536
Total financial liabilities	–	–	–	159,091

2023

Financial assets				
Cash and deposits	39,049	–	–	–
Trade and other receivables ^(a)	–	18,151	–	–
Total financial assets	39,049	18,151	–	–
Financial liabilities				
Trade and other payables ^(a)	–	–	–	119,543
Hedge derivatives	–	–	3,067	–
Lease liabilities	–	–	–	66,340
Total financial liabilities	–	–	3,067	185,883

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

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

	Interest income/ (expense) \$'000	Net holding gain \$'000	Impairment loss \$'000	Total \$'000
2024				
Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	4,303	–	(96)	4,207
Hedge derivatives	–	4,359	–	4,359
Total contractual financial assets	4,303	4,359	(96)	8,566
Contractual financial liabilities				
Financial liabilities at amortised cost	(2,096)	–	–	(2,096)
Total contractual financial liabilities	(2,096)	–	–	(2,096)

2023

Contractual financial assets				
Financial assets at amortised cost – other than on derecognition	2,853	–	(14)	2,839
Total contractual financial assets	2,853	–	(14)	2,839
Contractual financial liabilities				
Financial liabilities at amortised cost	(2,782)	–	–	(2,782)
Hedge derivatives	–	11,891	–	11,891
Total contractual financial liabilities	(2,782)	11,891	–	9,109

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

- for financial assets at amortised cost (consisting of cash and deposits and receivables), the net gain/(loss) is calculated by taking the interest income earned during the year, minus any impairment recognised in the Net result
- 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.

7.1.3 Financial risk management objectives and policies

As a whole, V/Line's financial risk management program seeks to manage its financial risks and the associated volatility of its financial performance.

The main purpose in holding financial instruments is to prudentially manage V/Line's financial risks within the Victorian Government policy parameters.

V/Line's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and commodity price risk. V/Line manages these financial risks in accordance with its financial risk 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 refers to the possibility that the counterparty will default on its financial obligations as and when they fall due. V/Line's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to V/Line. 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 main debtors are Victorian public sector entities. For debtors other than the Government, it is V/Line's policy to deal with entities with good credit history.

V/Line does not engage in hedging the credit risk related to its contractual financial assets and obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. In such cases, V/Line's policy is to only deal with banks with high credit ratings.

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.

Provision for impairment for contractual financial assets is recognised when there is objective evidence that V/Line will not be able to collect a receivable. Such objective evidence includes financial difficulties of the debtor, default payments and debts that are more than 90 days overdue.

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

There has been no material change in V/Line's credit risk profile in 2023-24.

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

2024

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

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

Financial assets with loss allowance measured at lifetime expected credit loss

Contractual receivables (applying the simplified approach for impairment)	8,610	–	18,682	27,292
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Total financial assets	10,542	44,546	18,682	73,770
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2023

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

Cash and deposits	–	39,049	–	39,049
Statutory receivables (no impairment loss recognised)	1,875	–	–	1,875

Financial assets with loss allowance measured at lifetime expected credit loss

Contractual receivables (applying the simplified approach for impairment)	10,932	–	7,219	18,151
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Total financial assets	12,807	39,049	7,219	59,075
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Impairment of financial assets

V/Line records the allowance for expected credit loss for the relevant financial instruments using the Expected Credit Loss approach. Financial assets subject to AASB 9 impairment assessment include V/Line's cash and deposits, contractual receivables 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 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:

2024

Government-related contractual receivables

	Current	Less than 1 month	1-3 months	> 3 months	Total
Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables (\$'000)	7,343	–	1,267	–	8,610
Loss allowance (\$'000)	–	–	–	–	–

Other contractual receivables

Expected loss rate	0.0%	0.0%	0.0%	97.9%	
Gross carrying amount of contractual receivables (\$'000)	17,053	1,199	425	240	18,917
Loss allowance (\$'000)	–	–	–	235	235

2023

Government-related contractual receivables

Expected loss rate	0.0%	0.0%	0.0%	0.0%	
Gross carrying amount of contractual receivables (\$'000)	10,707	2	223	–	10,932
Loss allowance (\$'000)	–	–	–	–	–

Other contractual receivables

Expected loss rate	0.0%	0.0%	0.0%	99.1%	
Gross carrying amount of contractual receivables (\$'000)	6,448	274	495	202	7,419
Loss allowance (\$'000)	–	–	–	200	200

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

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	(200)	(778)
Increase in the allowance recognised in the Net result	(35)	(14)
Reversal of allowance for receivables written off during the year as uncollectible	–	592
Balance at the end of the year	(235)	(200)

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. Bad debt is written off by mutual consent and is classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk

Liquidity risk arises from being 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 by closely monitoring forecast cash flows to ensure that adequate funding is maintained at all times.

DTP has agreed to provide adequate cash flow support via a Letter of Support to enable V/Line to meet its current and future operational obligations as and when they fall due for a period up to September 2025, should this be required. This assurance from DTP for financial support only applies while V/Line remains in full State ownership.

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

Market risk

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

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. V/Line is exposed to cash flow interest rate risk through its cash deposits placed with banks which are held at floating rate. However, V/Line's interest rate risk exposure is minimal as these balances are not significant on a day-to-day basis, as it maintains only sufficient cash flow for working capital requirements. Cash deposits are held with banks within the State government's centralised banking system arrangements and interest rate movements are centrally monitored by DTF. During the reporting period, the weighted average interest rate earned on these deposits was 4.41% (2023: 3.08%).

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 3.96% (2023: 3.83%).

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, largely due to demand and supply factors, and could affect the Comprehensive operating statement.

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 highly probable

future transactions (diesel fuel purchases).

V/Line hedges 95 per cent of its forecast diesel fuel usage. 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 2024, V/Line has monthly diesel fuel hedges maturing until May 2025. The cash flow impact will be incurred in the month that the hedges mature. At the end of the reporting period, the details of outstanding diesel hedging contracts are as follows:

	Average fixed diesel fuel price cents per litre	Nominal Quantity '000 litres	Notional Principal \$'000	Carrying Amount – Fair Value \$'000
2024				
Less than 1 year	94.7	40,978	38,816	519
2023				
Less than 1 year	93.3	38,747	36,160	(3,077)

Foreign currency risk

Foreign currency risk is the risk that the future cash flows from a highly probable forecast transaction will fluctuate because of changes in foreign exchange rates. V/Line does not hold any foreign currency monetary items nor is it exposed to transactions denominated in foreign currencies. However, V/Line was indirectly exposed to foreign currency risk through its fleet maintenance program, which includes a foreign currency adjustment component for movements in the AUD/EUR and AUD/GBP exchange rates.

In order to manage this risk, V/Line entered into a series of foreign currency forward contracts with TCV in order to hedge its forecasted exposure to foreign currency risk arising from its fleet maintenance program. The hedges are classified as effective when an economic relationship exists between the foreign currency forward contracts (hedging instrument) and the foreign currency risk inherent in the fleet maintenance program as a result of fluctuations in the AUD/EUR and AUD/GBP exchange rates (risk being hedged). Sources of hedge ineffectiveness include mismatches in the forecasted maintenance costs against actual outcomes and basis differences in foreign exchange rates.

V/Line has no outstanding foreign currency forward contracts as at 30 June 2024, as its current fleet maintenance contract expired on that date and there is no foreign currency risk exposure inherent in V/Line's new fleet maintenance contract. During the financial year, the cash flow impact were incurred in the month that the hedges mature. At the end of the reporting period, the details of outstanding forward contracts are as follows:

	Weighted average exchange rate	Notional Principal \$'000	Carrying Amount – Fair Value \$'000
2024			
Contracts denominated in EUR	–	–	–
Contracts denominated in GBP	–	–	–
		–	–
2023			
Contracts denominated in EUR			
Less than 1 year	0.6100	3,198	(26)
Contracts denominated in GBP			
Less than 1 year	0.5378	1,532	36
		4,730	10

V/Line is also exposed to the AUD/USD exchange rate fluctuations through its exposure to diesel fuel. The foreign currency risk on the diesel fuel purchases is mitigated through the diesel fuel hedges.

Hedge accounting

V/Line uses diesel swap contracts and foreign currency forward contracts as cash flow hedges of its exposure to commodity price risk and foreign currency risk respectively.

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

Where a hedge is effective, changes in the fair value of the derivative hedge contracts are initially recognised in the Cash flow

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

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

Reconciliation of Cash flow hedge reserve

	Diesel swap hedge contracts \$'000	Foreign currency forward hedge contracts \$'000	Total \$'000
2024			
Opening balance	(3,077)	10	(3,067)
Revaluations to fair value	7,926	19	7,945
Loss on settlement of hedge transferred to Net result - Other economic flows	(4,330)	(29)	(4,359)
Closing balance	519	-	519

2023

Opening balance	10,919	(137)	10,782
Revaluations to fair value	(6,688)	109	(6,579)
Loss on settlement of hedge transferred to Net result - Other economic flows	(7,308)	38	(7,270)
Closing balance	(3,077)	10	(3,067)

No amount was removed from equity during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence was a hedged highly probable forecast transaction.

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 2024, 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 2024, 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 V/Line's 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 2023-24 V/Line investigated all potential environmental incidents associated with V/Line's activities, including self-reporting where required and where applicable, worked with State and Federal environmental regulators to come to a resolution.

V/Line does not have any current open regulatory notices with any environmental regulator.

V/Line's Scope 1 emissions are to be reported under the National Greenhouse and Energy Reporting (NGER) Act with effect from 1 July 2023. V/Line is currently in the process of applying to the Clean Energy Regulator for a Production Adjusted Baseline for emissions. As at financial year end, V/Line's liability to meet compliance obligations via the purchase of carbon offsets is dependent on the outcome of this application.

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- hedge derivatives
- non-financial physical assets

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

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

Fair value hierarchy

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

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

For the purpose of fair value disclosures, V/Line has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, 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 liabilities measured at amortised cost are different from the carrying amounts:

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Financial liabilities				
Lease liabilities	58,536	55,520	66,340	63,671

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

	Carrying amount \$'000	Fair value measurement		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2024				
Hedge derivatives	519	–	519	–

2023

Hedge derivatives	(3,067)	–	(3,067)	–
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There were no transfers between levels during the year. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

Valuation techniques and inputs used to measure level 2 fair values

	Valuation technique	Inputs used
Diesel fuel swap contracts	Income approach using discounted cash flow methodology	Forward curves for diesel prices and AUD/USD exchange rates
Foreign exchange forward contracts	Income approach using discounted cash flow methodology	Forward Foreign currency points for AUD/EUR and AUD/GBP exchange rates

7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy	Carrying amount \$'000	Fair value measurement		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
2024				
Rolling stock at fair value	46,639	–	–	46,639
Rolling stock – capitalised improvements at fair value	3,283	–	–	3,283
Plant and equipment at fair value	51,484	–	22,576	28,908
Leasehold improvements at fair value	4,825	–	–	4,825
Buildings at fair value	30,258	–	30,258	–
2023				
Rolling stock at fair value	66,001	–	–	66,001
Rolling stock – capitalised improvements at fair value	5,071	–	–	5,071
Plant and equipment at fair value	51,416	–	26,090	25,326
Leasehold improvements at fair value	4,279	–	–	4,279
Buildings at fair value	35,289	–	35,289	–

There have been no transfers between levels during the period.

V/Line's non-financial physical assets are mostly 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 V/Line's non-financial physical assets has been determined by reference to the asset's current replacement cost, adjusted for the associated depreciation.

As depreciation adjustments are considered as significant, unobservable inputs in nature, it is considered that V/Line's non-financial physical assets would be categorised within Level 3 of the fair value hierarchy.

For plant and equipment and leasehold improvements, which are considered specialised in use, such that it is rarely

sold other than as part of a going concern, fair value is determined using the current replacement cost method. For plant and equipment right-of-use assets acquired via leases, the depreciated cost of the assets approximate the current replacement cost after taking into consideration the assets' residual values at the end of the lease term after adjusting for wear and tear.

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

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

There were no changes in valuation techniques throughout the period to 30 June 2024.

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

Description of significant unobservable inputs to Level 3 valuations

2024 and 2023	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	Current replacement cost	Cost per square metre The remaining term of the lease

During the financial year, V/Line had reassessed the depreciation useful life of its rolling stock and their related capitalised improvements to align with the current fleet retirement profile, in order to ensure that the assets' depreciated replacement cost continue to reflect their fair value. Other than this, significant unobservable inputs have remained unchanged since June 2023.

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

8.1 Not-for-profit

V/Line qualifies as a not-for-profit entity since the primary obligation of V/Line is the delivery of subsidised public transportation services in Victoria, which is consistent with FRD 108 *Classification of entities as for-profit*. V/Line is party to a Service Level Agreement with HTfV, which determines the services that V/Line provides, and the payments received for those services. Hence, V/Line's funding level is based on covering its cash operating and capital costs, and generally its financial results are a function of timing differences between when funding is received and when the related costs are incurred. Neither the mission nor corporate strategies of V/Line are profit-motivated. V/Line has been deemed to have a not-for-profit status and accordingly those accounting standards applicable to not-for-profit entities have been applied.

8.2 Going concern

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

Each year V/Line undertakes the budget processes that form part of the State Government of Victoria's forward budget estimates. Funding allocations are made to enable V/Line to meet its output obligations under the Service Level Agreement with HTfV, which is in place until 30 June 2025. Once the budget allocation is approved, the funding available to V/Line under the Service Level Agreement is updated for that year. Funding for the year ending 30 June 2025 has been set under an approved budget allocation.

DTP formally agrees annually to provide adequate cash flow support to enable V/Line to meet its current and future operational obligations each year as and when they fall due. This support extends to September following the budgeted year of operation to ensure continuity of funding into the next budget period. This support is formalised via a Letter of Support from DTP. This assurance from DTP for financial support only applies while V/Line remains in full State ownership.

V/Line meets regularly with DTP to provide continual updates on performance, finalise any outstanding budget matters, and deal with any subsequent matters that may arise from the ongoing operations.

Notwithstanding the deficiency in net current assets of \$48.9 million (2023: \$62.4 million) these financial statements have been prepared on a going concern basis as V/Line is financially subsidised by its ultimate parent entity, the State Government of Victoria, pursuant to the Service Level Agreement with HTfV.

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

8.3 Equity

	2024	2023
	\$'000	\$'000
Accumulated deficit		
Balance at beginning of the year	(62,512)	(52,926)
Net result	32,191	(23,378)
Transfer from physical asset revaluation surplus	10,492	13,792
Balance at end of the year	(19,829)	(62,512)
Physical asset revaluation surplus ^(a)		
Balance at beginning of the year	116,769	130,561
Transfer to accumulated deficit	(10,492)	(13,792)
Balance at end of the year	106,277	116,769
Cash flow hedge reserve ^(b)		
Balance at beginning of the year	(3,067)	10,782
Net increase/(decrease) in cash flow hedge reserve	3,586	(13,849)
Balance at end of the year	519	(3,067)

(a) The physical asset revaluation surplus arises on the revaluation of the classic fleet rolling stock. Transfer to accumulated deficit during the financial year related to revaluation surplus of rolling stock disposed during the year.

(b) The cash flow hedge reserve arises from recording the valuation of hedge transactions.

8.4 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	2 October 2023 to 30 June 2024
Treasurer	Mr Tim Pallas, MP	1 July 2023 to 30 June 2024
Minister for Public Transport	The Hon. Ben Carroll, MP	1 July 2023 to 1 October 2023
Chief Executive Officer	Matt Carrick	1 July 2023 to 30 June 2024

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 \$530,000 – \$539,999 (2023: \$510,000 – \$519,999).

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

8.5 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.

In the current year, V/Line has revised its definition of senior executives for disclosure purposes within this note to include all persons to whom the Victorian Government's Public Entity Executive Remuneration Policy applies, in order to align with the basis used in the Report of Operations in V/Line's annual report. Comparative information has also been restated to align with this revised definition.

Remuneration of senior executive officers (including key management personnel disclosed in Note 8.6)^(a)	2024	2023
	\$'000	\$'000
Short-term employee benefits	10,746	9,561
Post-employment benefits	990	845
Other long term benefits	259	218
Termination benefits	–	–
Total remuneration	11,995	10,624
Total number of executives^(a)	45	45
Total annualised employee equivalent (AEE)^(b)	40	38

(a) The total number of senior executive officers includes persons who meet the definition of key management personnel under AASB 124 *Related Party Disclosures* and are also reported within the related parties disclosure note (Note 8.6).

(b) Annualised employee equivalent is based on the time fraction worked during the reporting period. This is calculated as the total number of days the employee is engaged to work during the week by the total number of full-time working days per week (generally five full working days per week).

8.6 Related parties

V/Line is a Victorian statutory authority and is a controlled entity of the State of Victoria.

Related parties of V/Line include:

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

- all Cabinet Ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Significant transactions with government-related entities

Significant transactions with government-related entities during the year are as follows:

Related party	Nature of transaction	2024	2023
		\$'000	\$'000
Expenses			
DTP	Call centre costs	2,710	3,497
VicTrack	Provision of communication services	20,901	18,922
Revenue			
DTP	Provision of funding to V/Line	895,666	795,302
DTP	myki/Ticket sales	45,281	46,944
DTP	Reimbursement of project expenditure	377,331	364,924
VicTrack	Reimbursement of project expenditure	421	1,178

Key management personnel (KMP) of V/Line include the Portfolio Ministers (see Note 8.4), the Accountable Officer and members of the Executive Leadership Team (ELT).

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

Chief Executive Officer	Matt Carrick	1 July 2023 – 30 June 2024
Executive Director (ED) Corporate Services	Lisa Williams	1 July 2023 – 18 September 2023
ED Corporate Services	Scott Quirke	12 September 2023 – 30 June 2024 (includes period when acting in the role)
ED Safety, Sustainability and Risk	Josef Brennan	1 July 2023 – 30 June 2024
ED Network Development, Assets and Maintenance	Jonathan McKeown	1 July 2023 – 30 June 2024
ED Operations	Rochelle Reynolds	1 July 2023 – 30 June 2024
ED People and Integrity	Ann-Michel Greenwood	1 July 2023 – 13 June 2024
Acting ED People and Integrity	Moshe Same	17 May 2024 – 30 June 2024
ED Projects	Warwick Horsley	1 July 2023 – 30 June 2024
General Counsel	Natasha O'Callaghan- Koneska	22 January 2024 – 30 June 2024

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	2024	2023
	\$'000	\$'000
Short-term employee benefits	3,195	2,438
Post-employment benefits	207	194
Other long term benefits	70	61
Termination benefits	–	–
	3,472	2,693

Short-term employee benefits in the current financial year included payment of accrued leave entitlements on cessation of employment of certain KMPs.

Transactions and balances with KMPs and other related parties

Given the breadth and depth of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and the Codes of Conduct and Standards issued by

the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with V/Line, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.7 Remuneration of auditors

2024 2023

\$'000 \$'000

Victorian Auditor-General's Office

Audit of the financial statements	125	120
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8.8 Subsequent events

There were no matters or circumstance not otherwise dealt with in the financial statements, which have the potential to significantly affect the operations of V/Line, the results of those operations or the state of affairs of V/Line in subsequent financial years.

Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate cash inflows.

Among other things, this Standard:

- Specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose;
- Clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;

8.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2023-24 reporting period. These accounting standards have not been applied to V/Line's financial statements. V/Line is reviewing its existing accounting policies and assessing the potential implications of these accounting standards, which includes:

- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* – AASB 2022-10 amends AASB 13

- Specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- Provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

V/Line is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

The following new standard and related amending standards have been issued that apply to future reporting periods, but are considered not to have any significant impact on V/Line's reporting:

- AASB 17 *Insurance Contracts*, AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments* and AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*, which are applicable for annual periods beginning on or after 1 July 2026.

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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Standing Directions and Financial Reporting Directions

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Declaration

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FRD 11	Disclosure of Ex gratia Expenses	N/A
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Note: (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.

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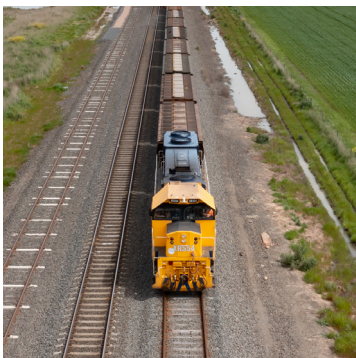
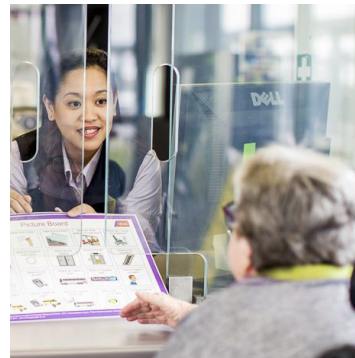
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