

2024–25

Annual Report



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VicTrack

VicTrack is the custodial owner of Victoria's rail land, buildings and infrastructure. We protect and enhance the value of these assets and reinvest into the public transport system to benefit all Victorians.

Acknowledgement of Country



We proudly acknowledge Victoria's First Nations people and celebrate their enduring connection to Country, community, and culture. We pay our respects to Traditional Owners and their Elders past and present and recognise their continuous relationship with the land and waters where we work and live.



Tram on St Kilda Road

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Section 1:

Year in review

Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Rail Track (VicTrack) Annual Report for the year ended 30 June 2025.



Paul Hardy
Chair, VicTrack Board
9 September 2025





VicTrack staff

About VicTrack

VicTrack is the custodial owner of Victoria's rail land, buildings and infrastructure. We protect and enhance the value of these assets and reinvest into the public transport system to benefit all Victorians.

With much of the asset portfolio dedicated to transport our focus is on strategic asset management and supporting the delivery of better transport solutions.

Our job is to ensure the state's assets continue serving Victoria now and well into the future.

We bring a strong commercial focus to driving greater investment back into transport and communities and supporting other non-commercial activities including community projects, and environmental and heritage preservation.

Vision

As a part of the transport portfolio, we share a common vision as defined in the *Transport Integration Act 2010* (TIA):

"To meet the aspirations of Victorians for an integrated and sustainable transport system that contributes to an inclusive, prosperous and environmentally responsible state".

In realising this vision, we are working towards a transport system that promotes:

- social and economic inclusion
- economic prosperity
- environmental sustainability
- integration of transport and land use
- efficiency, coordination and reliability
- safety, health and wellbeing.

Purpose

VicTrack enhances Victoria's rail transport assets to safely connect people, places and opportunities.

Mission

To protect and grow our rail transport assets and drive reinvestment to service Victorians now and into the future.

Values



Professional

We make decisions with integrity and respect. By behaving professionally and ethically we win the trust of our colleagues, stakeholders and customers.



Collaborate

We collaborate to get things done efficiently and effectively. We have greater opportunity through leveraging our collective knowledge, building stronger bonds and respecting each other.



Achieve

We perform our roles with integrity and skill. We hold ourselves accountable for delivering what is needed and own both our successes and mistakes.



Innovate

We embrace all new ideas that bring about change that adds value. We become more efficient, effective and competitive.

Chair's report



Paul Hardy, Chair

VicTrack is a government agency with a commercial focus, playing a unique role in Victoria's transport landscape by combining public service with business expertise across our telecommunications and property portfolios.

In 2024–25, we remained focused on delivering essential telecommunications services that underpin public transport, while generating commercial returns to reinvest into the transport system. We supported key government initiatives such as Victoria's Housing Statement and Victoria's Big Build and secured strategic commercial agreements, including the lease of the Melbourne Markets site to the Port of Melbourne.

We delivered strong financial results and continued to invest in our people, recognising that success depends not only on what we achieve, but how we achieve it. We continued to invest in our people through training and development, and maintained an excellent health and safety record throughout the year.

Our round the clock commitment to maintaining our transport telecommunications network and assets ensured we continued to meet our obligations under the TIA.

We also took time to reflect on VicTrack's strategic direction and long-term transformation. The Board worked closely with management to explore what VicTrack could become and considered how our capabilities, culture and commercial focus can evolve to meet the future needs of Victoria's transport system. These conversations reinforced our commitment to building a resilient, forward-looking organisation.

The Directors are proud of the progress made in 2024–25 and acknowledge the dedication of our people. We look forward to building on these strong foundations in the years ahead.

A handwritten signature in dark ink, appearing to read 'Paul Hardy'.

Paul Hardy
Chair, VicTrack Board

Manner of establishment and responsible Ministers

Victoria's *Transport Integration Act 2010* sets out the objectives and functions for each transport sector agency.

As outlined in the Act, VicTrack's objectives include:

- acting as the custodial owner of the state's transport-related land, infrastructure and assets consistent with the Act's vision and transport system objectives
- ensuring that the state's transport-related land, infrastructure and assets are developed and used:
 - to support the transport system
 - to support government policy
 - only for commercial gain if the development or use will not compromise the current or future transport system.

Responsible Ministers

VicTrack is accountable to the following shareholder Ministers.

The Hon. Gabrielle Williams

Minister for Public and Active Transport (Responsible Minister)
Minister for Transport Infrastructure (Responsible Minister)

The Hon. Jaclyn Symes

Treasurer (Shareholder Minister)

VicTrack's core functions

Our core functions include:

- delivering telecommunications services and network infrastructure to support public transport
- managing transport-related land, including sale and development of surplus land
- supporting the delivery of rail infrastructure projects and upgrades
- managing transport facilities and assets, including the open access Dynon Rail Freight Terminal
- managing heritage buildings
- preserving the environment.

VicTrack is the custodial owner of most of Victoria's tourist and heritage (T&H) assets, supporting the T&H sector and holds the role of T&H Railway Registrar. This function compiles and maintains:

- the sector's asset register
- a register of lease agreements granted by VicTrack
- a group register for tourist railway groups.

Victoria's integrated transport portfolio

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

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

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

VicTrack and its initiatives are vital contributors to the transport and planning portfolio.

Organisational structure

Our business is made up of two specialist delivery groups – Property and Telecommunications – supported by Corporate Services, Strategy & Transformation and the Office of the Chief Executive. Each business group contributes to asset management and service delivery.

The organisational chart below represents positions held between 1 July 2024 and 30 June 2025.



¹ Part year.

Optimising our rail assets



Carrum Station

Property development and sales

VicTrack holds a large and diverse property portfolio in metropolitan Melbourne and regional Victoria. Leasing, developing or divesting land not needed for transport helps us to generate revenue to reinvest back into Victoria's transport system and contribute to government initiatives, including Victoria's Housing Statement.

Gardiner Nursery

In August 2024, Village@Glen Iris, a subsidiary of epc.Pacific, purchased a strategically located parcel of VicTrack land, adjacent to Gardiner Station in Glen Iris. The site, positioned within one of Melbourne's most sought-after inner-eastern suburbs, will be transformed into a boutique townhouse enclave comprising 15 architecturally designed residences comprising one two bedroom and 14 four bedroom townhouses.

Supporting Victoria's Housing Statement

VicTrack has continued to work with other government agencies this financial year to progress a range of sites that are suitable for the development of housing, as part of Victoria's Housing Statement.

The government announced in March 2025 that surplus VicTrack land in Bendigo and Geelong will be unlocked to help deliver new homes in regional Victoria. The parcels of land were among six government-owned sites in the second tranche of the Small Sites program.

VicTrack land – located on McLaren Street in Bendigo and McCurdy Road in Herne Hill in the Geelong region, were identified as suitable for new homes close to existing schools, hospitals, jobs, and transport.

An Expression of Interest (EOI) campaign will be run for these sites, seeking interest from developers with experience in delivering apartment and townhouse developments.

In November 2024, we invited expressions of interest from property developers to build homes on rail land at Footscray and Oakleigh stations with the potential to deliver around 240 homes.

EOI submissions were evaluated and shortlisted developers asked to take part in a Request for Proposal (RfP) process.

The successful bidders will determine the type of housing offered at each site and will be required to start construction within 18 months.

Land at Grange Road, Alphington, was released as part of the Small Sites Pilot program with an EOI managed by Development Victoria.

Land sales

Land sales are an important source of funds for VicTrack to support transport reinvestment. During 2024–25 the land sales program delivered 14 projects totalling \$28.5 million.

Commercial property

Commercial leases

The 2024–25 period marked the initial year of CBRE's appointment as VicTrack's managing agent. During this time, CBRE introduced substantial improvements to operational processes and established a framework designed to support long-term service delivery goals outlined in its contract. This included 475 site inspections, executing 58 new leases, discovering unrecovered costs, reducing leases in overholding by 13 per cent and identifying approximately \$2.4 million in leasing opportunities across locations including Dandenong, Melbourne Markets, and Macaulay.

The commercial property portfolio reported revenue five per cent above budget projections for this financial year, reflecting a ten per cent increase in revenue compared to the previous year.

Key site developments

South Dynon

VicTrack finalised a long-term new lease with Pacific National for the South Dynon Freight Terminal, securing their operations through to 2050. The ongoing role for rail freight at this critical site is supported by the *Victorian Freight Plan 2025-30: Victoria Delivers*.

Melbourne Markets

A 42-year lease with the Port of Melbourne was finalised for the old Melbourne Market site in the reporting period. The lease is scheduled for formal handover to the Port of Melbourne in 2026, following the departure of major transport projects currently occupying the site. The Port of Melbourne will develop a new freight precinct at the site for port and urban freight and logistics activities until 2066.

Billboards and car parks

The billboard portfolio consists of two contracts focusing on metro and regional billboards.

The metro portfolio's digital advertising footprint is set to improve with two screen upgrades at Richmond and Clifton Hill and further develop with four digital billboards planned to change from static to digital. Once complete and operational these improvements will generate an increase in annual revenue.

In regional Victoria, static billboards continued to predominate; a pipeline of digital billboards in Bendigo, Ballarat and Echuca has been progressing to support future revenue growth.

Billboard revenue experienced a 13 per cent decrease compared to the prior year, due to the impact of project delays related to the installation and upgrade of new boards.

Car parks

VicTrack introduced a new car park at Melbourne Yard, contributing to a modest increase in revenue following its opening in April 2025. However, total car park revenue saw a reduction compared to the previous year due to the transfer of a site to the commercial lease program.

Delivering statewide telecommunications services

Myki transition

VicTrack continued to support Conduent Victoria Ticketing System (CVTS) with its new Account Based Ticketing System (ABTS) development. VicTrack has set up the required wireless mobile, fixed and cloud network for the new system and successfully assisted CVTS with the testing of its new equipment.

Transport network availability

Network performance met expectations and achieved 99.98 per cent transport network availability – comparable to the previous year's results for our transport operators and delivering on a 'stretch' target.

VicTrack network maintenance prioritises both planned and unplanned time to improve network resilience and reliability, and minimises service downtime. In 2024–25, the team maintained the network and completed 100 per cent of the preventative maintenance program (target: 85 per cent).

Service restoration

The Telecommunications Operations team manages incidents and network changes, ensuring service restorations. In 2024–25, 3,648 incidents were logged and resolved. This surpassed the key performance indicators (KPI) for service restoration, achieving 99.64 per cent (target: 92.5 per cent), a 1.14 per cent improvement. In addition, there were 4,834 Network Changes and Permit to Work applications closed during 2024–25, with a success rate of 97.97 per cent (KPI target: 95 per cent).

Network management centre

VicTrack's 24/7 Network Management Centre (NMC) serves as the backbone for monitoring network performance. In 2024–25, the NMC handled a total of 125,671 calls (2023–24: 126,179). This included 88,713 incoming calls (2023–24: 84,044), and 36,958 outbound calls (2023–24: 42,135).

Telecommunications commercial products

In 2024–25, we progressed the commercialisation of our telecommunications network, expanding sales and business development activity to other Victorian Government agencies and wholesale telecommunication providers, and signing several new customers.

Internally, a continual improvement program has commenced to streamline processes and upgrade systems to strengthen VicTrack's market position commercially. This will positively impact the customer experience through faster response times and more efficient communication and establishes the foundations for future automation.

Working closely with our partners, VicTrack has continued to extend network connectivity options beyond its fibre footprint along the rail corridor in both metropolitan, regional and remote locations in Victoria working with NBN, Aussie Broadband and other third-party providers to better serve the needs of customers with multiple sites. In addition, product proof of concept trials have commenced for Software-Defined Wide Area Network (SDWAN) and satellite.

VicTrack presented at the CommsDay Wholesale Congress in Melbourne in October 2024, and the Government Innovation Showcase May 2025, successfully introducing VicTrack to new audiences and showcasing our capability to these new target markets.

Supporting Victoria's Big Build and transport infrastructure

As rail infrastructure and land owners, VicTrack is an integral partner in delivering many of Victoria's major transport projects, including significant projects under Victoria's Big Build.

We play a broad range of roles across projects delivered by the Victorian Infrastructure Delivery Authority, including the Metro Tunnel Project, Regional Rail Revival, the Level Crossing Removal Project, and North East Link, ranging from managing telecommunications infrastructure to project delivery.

Level Crossing Removal Project

The LXRP is removing 110 dangerous and congested level crossings across Melbourne by 2030. As at 30 June 2025, 86 of those level crossings have now been removed.

At each project site, we provide critical support for crossing removals by making necessary changes to the existing telecommunications network. This enables the construction of new stations and rail infrastructure while ensuring the continued delivery of essential telecommunications services.

In 2024–25, VicTrack contributed to six level crossing removals at:

- Coolstore Road, Croydon
- Dublin Road, Ringwood East
- Parkers Road, Parkdale
- Station Street, Beaconsfield
- Warrigal Road, Mentone
- Old Calder Highway, Diggers Rest.

Metro Tunnel

The Metro Tunnel will create a new end-to-end rail line from Sunbury to Cranbourne/Pakenham, which features bigger and more modern trains and five new underground stations.

VicTrack's telecommunications network is integral to connecting the new tunnels and stations with the existing train network. In 2024–25, VicTrack delivered critical support services to the Metro Tunnel Project ahead of its opening to passengers.

Regional Rail Revival

The Regional Rail Revival program is upgrading every regional passenger rail line in Victoria, delivering more frequent, reliable services on modern trains.

In 2024–25, VicTrack continued its support for this program, and contributed to the relocation and delivery of critical telecommunications infrastructure on several key projects, including the Shepperton Line Upgrade, Gippsland Line Upgrade, Murray Basin Rail Project and the South Geelong to Waurin Ponds Duplication.

South Geelong to Waurin Ponds Duplication

The South Geelong to Waurin Ponds Duplication project successfully removed two dangerous and congested level crossings and delivered upgraded stations for passengers on Victoria's busiest regional rail line. VicTrack successfully delivered all planned telecommunications works. This included the relocation of assets, provision for new signalling services and installation of new and upgraded UHF systems at Geelong, South Geelong and Marshall.

In addition, VicTrack completed the delivery of Operational Control System (OCS) services at the newly constructed stations in South Geelong and Marshall. The final commissioning activities were completed as scheduled. We have continued to support the project team through to the closure of the project to ensure the successful transition of services into operations.

Warrnambool Line Upgrade

As part of Stage 2 of the Warrnambool Line Upgrade, VicTrack undertook civil installation works at eight level crossings between Colac and Warrnambool, at the following sites:

- Settlement Road, Stonyford
- Koallah Pomorneit Road, Pomorneit
- Occupational Crossings 228 and 229, Terang
- Laang Road, Garvoc
- Sampson Ford Road, Garvoc
- Heath Marsh Road, Panmure
- Panmure Laang Road, Panmure.

These sites were among more than 60 level crossings that needed to be upgraded to enable modern VLocity trains to safely run to and from Warrnambool. The modern trains began travelling on the line in late 2024.

Upgrade works delivered by VicTrack included the civil construction of combined service route, drainage, retaining walls, boom barrier foundations and location case foundations. These works supported improvements to train detection and level crossing safety through the installation of axle counters and boom barriers.

VicTrack procured All Systems Contractors to undertake the civil installation works on the crossings. All works have been successfully completed.

North East Link

The North East Link is a major road project being delivered under Victoria's Big Build. VicTrack is involved in supporting the North East Link where the road project comes in contact with the rail corridor, including between Watsonia and Greensborough stations, where a 500-metre rail tunnel is being constructed.

VicTrack has continued to assist the project by relocating and commissioning new telecommunications infrastructure, including the planned commissioning of a Distributed Antenna System (DAS) within the Greensborough tunnel. VicTrack will maintain its support through the commissioning and occupation phase, expected in October 2025, as well as the subsequent handover, acceptance and ongoing maintenance of the assets into operations.

Supporting communities and protecting our heritage

Retired Trams Strategy

The implementation of VicTrack's Retired Trams Strategy continues, following the expression of interest process that was conducted in 2018 when 132 retired trams were offered to the community. As at 30 June 2025, 119 trams have been rehomed including 22 that left the Newport Workshops over the past financial year.

Three Art trams also left Newport to be rehomed with Ballarat Tramway Museum, the artist Lesley Dumbrell and Yass Railway Heritage Centre for operational use.

Heritage Victoria

In July 2024 Heritage Victoria released a report setting out its recommendations to amend the heritage registration for the Newport Railway Workshops.

Following submissions it received, the Heritage Council held a registration hearing in May 2025.

As at 30 June 2025, VicTrack was waiting for the Heritage Council's determination following the hearing.

Removal of Hitachi trains from Newport

A total of 35 retired Hitachi carriages are being progressively relocated from the Newport Railway Workshops to be refurbished and repurposed.

As at 30 June 2025, 16 of these carriages had been relocated, with 19 scheduled to leave over the next financial year.

Community Use of Vacant Rail Buildings

The Victorian Government's Community Use of Vacant Rail Buildings program is conducted on behalf of the Victorian Government and restores disused station buildings in regional towns so they can be used by local community groups.

The program's benefits include bringing the station buildings back to life and providing the community with new spaces to enjoy.

In 2024–25 the restoration of the Lethbridge Station building was completed, with the building officially opened in April 2025 by Member for Eureka Michaela Settle MP.

Restoration works on the bluestone building included structural repairs and refurbishment, as well as installing a kitchenette and accessible toilet so the building can be used for community events and meetings. Lethbridge Bluestone Train Station Inc. subleases the building from Golden Plains Shire Council and manages it as a multi-purpose community arts and cultural hub.

During 2024–25, construction was completed on the Little River Station building. VicTrack signed a lease for the building with the City of Wyndham, who is finalising the lease with the subtenant.

Construction is underway to restore the Lal Lal Station building. Once complete, the building will become a community hub. Planning for restoration works on the Casterton Station building continued during the financial year.

Community Grants Program

Last financial year VicTrack distributed over \$500,000 in funding to 53 community groups as part of VicTrack's Community Grants Program.

The community groups lease rail land, buildings, and other assets from VicTrack for community purposes, and received funds to complete small maintenance projects such as painting, gardening or landscaping, or to help them meet heritage and environmental obligations.

Applications for grants were opened in August 2024. Following an assessment process, 39 VicTrack community tenants were awarded \$10,000 each and 14 tourist and heritage rail groups shared in a total of \$202,679.

VicTrack contributed \$211,345 of the grants funding, with a further \$300,000 coming from the Department of Transport and Planning (DTP).

Community leases

VicTrack land and buildings, which are no longer required for transport, are made available to community organisations through our community leasing program. Community groups are charged an affordable rent to continue to utilise and maintain these assets.

Community leases support activities and programs including Tourist & Heritage rail and tram operations, rail trails, arts programs, sporting groups and tourism, and social inclusion activities, such as men's and women's sheds.

There are 435 leases in our community lease portfolio. In 2024–25 we processed 15 new leases plus five lease renewals. Examples of the these leases are Macaulay Lot 72 leased to Vision Australia for five years to support the training and exercise of Seeing Eye Dogs, and the Korumburra's Women's Shed and Gallery set up in the former railway Goods Shed. This group offers practical and artistic courses to women including welding, carpentry and how to use power tools.

Bridge naming competition

Three bridges in the City of Wyndham were officially named after prominent women who lived in the area, following a community bridge naming competition.

The road bridges over the railway line at Dohertys Road, Davis Road, and Leakes Road have been named Mary Michelin Bridge, Dulcie Shanahan Bridge and Gwen Hames Bridge respectively. Naming the bridges helps pin point a location in case emergency services are required. The three bridges were built as part of the Regional Rail Link Project.





Art Group, Beaufort

Tarneit Station car park

Access routes named after prominent locals are helping passengers and emergency services navigate the 1,500 space Tarneit Station car park.

VicTrack named the routes in collaboration with Ambulance Victoria to help emergency services find people more easily in an emergency.

The routes – named Buggy Loop, Jack Circuit, Beatrice Way and Beasley Loop – were chosen using names from a community naming competition.

Lilydale heritage station building project

VicTrack is refurbishing a heritage building at Lilydale Station for future use by the local community.

The LXRP completed structural and heritage works on the station building after the new Lilydale Station opened in November 2021.

VicTrack took over the management of the building from Metro Trains Melbourne in 2024 and has started design and scoping works on a project to refurbish the building’s interior.

Over the next financial year, VicTrack will commence design work, seek necessary permits and award a construction contract.

When refurbishment is completed, Yarra Ranges Shire Council will lease the building from VicTrack.

Community partnerships

Station Volunteer Program

The Station Volunteer Program (formerly Stationeers) enables groups of volunteers to beautify their local railway station precinct by carrying out activities including planting, mulching, clearing rubbish, vegetating and weeding.

VicTrack jointly funds the program with partners DTP, Metro Trains and V/Line.

Keep Australia Beautiful Victoria managed the program on behalf of the four transport partners until 31 March 2025, when its contract expired. The program was transitioned to VicTrack from 1 April 2025. A Community Partnerships Lead was appointed to oversee the program.

The transport partners remain committed to funding the program and supporting the work of volunteer groups to improve Victoria’s station precincts.

Landcare

VicTrack’s partnership with Landcare Australia continued to support local community Landcare organisations across Victoria to protect and enhance native vegetation areas on railway and other land. The funding VicTrack provides through Landcare Australia has helped local Landcare groups to achieve significant environmental and community outcomes. These include the protection of native flora and fauna species, raising awareness within their local communities of the importance of natural resource management works, and the control of pest species.

In 2024–25, VicTrack funded six projects:

- 1. The Great Victorian Rail Trail Project (Upper Goulburn Landcare Network)
- 2. Operation Weed Control (Stanhope-Girgarre Landcare Group)
- 3. Bush Regeneration and Community Engagement along the Bellarine Rail Reserve (Bellarine Catchment Network)
- 4. Blackberry control (Whittlesea and Surrounds Blackberry Action Group)
- 5. War on Weeds (Bungower to Oakbank Roads (Mornington Environment Association Inc.)
- 6. Improving connectivity and resilience of the Southern Brown Bandicoot (Gippsland Threatened Species Action Group).

Across the projects:

- 2,300 plants were established
- 189 hectares of weed control completed
- 160 community events undertaken
- 432 volunteers participated in activities on VicTrack land
- 1,254 volunteer hours were contributed to the conservation and management of VicTrack land
- 20 surveys completed.

The projects contribute to the protection of significant native grasslands including the endangered or vulnerable Grassy Woodland, Coastal Moonah Woodland and Damp Sand Herb Rich Woodland. Activities support habitat improvement for rare or endangered species such as the Southern Brown Bandicoot, Bibron's Toadlet, Brown Treecreeper and Crested Shrike-tit.



Environmental management

VicTrack continued to identify, manage and monitor environmental risks associated with its activities during 2024–25. Where VicTrack identified risks, we prioritised and implemented management controls.

Work included:

- Conducting 44 contaminated land investigations in accordance with VicTrack's Contaminated Land Management Plan.
- Carrying out an additional 13 soil assessments and barrier management at two sites as part of our Sensitive Sites program, which assesses sites used for a sensitive purpose, such as residential, childcare or playgrounds, to ascertain if the land contains potentially contaminating materials.
- Completing 679 detailed report summaries for 249 precincts under the Contaminated Land Hazard Assessment and Mapping Program.
- Screening 145 precincts to determine if, and under what circumstance(s), notifiable contamination triggers the Environment Protection Regulations 2021 (Vic).
- Completing 48 Duty to Notify notifications for contamination to the Environment Protection Authority (EPA).
- Addressing requirements of two Environmental Action Notices from the EPA to undertake further environmental assessment at the Preston Tram Workshop, and to engage an Environmental Auditor to prepare an environmental audit scope for North Geelong (Former Gasworks). Works also commenced associated with a third Environmental Action Notice to clean up stockpiles of material in Brooklyn.
- Conducting due diligence assessments in support of future land use opportunities, such as Victoria's Housing Statement, including eight contamination assessments and four geotechnical assessments.
- Conducting three rail operator site inspections as part of a rail operator environmental assurance and compliance review.
- Managing significant biodiversity at 31 sites across 12 railway precincts, and the development of a Biodiversity Management Plan to manage significant biodiversity values at one precinct.
- Completing 14 biodiversity surveys to confirm the presence and condition of biodiversity values and management requirements under legislation, including eight to support sites with involvement by Landcare.
- Completing asbestos and hazardous materials surveys on 40 assets as part of our five-year rolling asbestos survey program to manage asbestos risk.
- Carrying out destructive hazardous material audits on eight assets and 11 trams.
- Undertaking asbestos removal and remediation works at 24 sites.
- Undertaking occupational hygiene services including asbestos compliance inspections at five sites, sampling of suspected asbestos-containing material at five sites (as emergency works), provision of asbestos clearance certificates (19 sites) and development of or updating site-specific asbestos management plans (three sites).

2024-25 Audited financial statements



Declaration by the Chair, the Accountable Officer and the Chief Financial Officer

The attached financial statements for Victorian Rail Track ("VicTrack") (as an individual entity and the Consolidated Entity comprising VicTrack and its Controlled Entities) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position as at 30 June 2025 of VicTrack and the Consolidated Entity.

As at the time of signing we are not aware of any circumstance that would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 9 September 2025.

Paul Hardy

Chair

Dated: 9 September 2025

Chris Jones

Acting Chief Executive

Dated: 9 September 2025

Simon McLennan

Chief Financial Officer

Dated: 9 September 2025

Comprehensive operating statement for the year ended 30 June 2025

		Consolidated		Parent	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Continuing operations					
Revenue from transactions					
Telecommunication services revenue		86,314	78,843	86,314	78,843
Infrastructure management revenue		25,794	46,025	25,794	46,025
Property related revenue		69,777	68,165	69,777	68,165
Government contributions towards capital & related work		7,191	8,765	2,669	4,243
Other revenue		10,196	9,346	9,816	9,225
Total revenue from transactions		199,272	211,144	194,370	206,501
Expenses from transactions					
Employee benefits		66,562	66,515	66,562	66,515
Infrastructure management expense		26,135	46,063	26,135	46,063
Depreciation & amortisation	4.1.2	1,447,006	1,108,996	1,202,973	886,445
Finance costs		2,840	2,540	1,424	950
Supplies & services		35,298	29,464	35,298	29,464
Other expenses from ordinary activities		29,391	53,507	29,111	53,321
Total expenses from transactions		1,607,232	1,307,085	1,361,503	1,082,758
Net result from continuing operations before tax		(1,407,960)	(1,095,941)	(1,167,133)	(876,257)
Tax equivalent benefit	3.1.1	149,492	133,645	142,294	124,227
Net result		(1,258,468)	(962,296)	(1,024,839)	(752,030)
Other economic flows - other comprehensive income					
Items that will not be reclassified to net results					
Changes in physical asset revaluation surplus (net of tax)		26,886,656	(2,773)	25,353,328	1,361
Total other economic flows - other comprehensive income		26,886,656	(2,773)	25,353,328	1,361
Comprehensive result		25,628,188	(965,069)	24,328,489	(750,669)

The comprehensive operating statement should be read in conjunction with the accompanying notes to the financial statements.

Balance sheet as at 30 June 2025

		Consolidated		Parent	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets					
Financial assets					
Cash & deposits		85,638	66,215	84,125	64,887
Trade & other receivables		83,617	83,715	83,617	83,415
Total financial assets		169,255	149,930	167,742	148,302
Non-financial assets					
Property, infrastructure, plant & equipment	4.1	88,063,190	48,140,333	80,342,240	42,713,390
Total non-financial assets		88,063,190	48,140,333	80,342,240	42,713,390
Total assets		88,232,445	48,290,263	80,509,982	42,861,692
Liabilities					
Trade & other payables	5.4	175,375	175,793	174,606	174,804
Employee related provisions		13,544	12,897	13,544	12,897
Other provisions		2,708	5,925	2,708	5,925
Borrowings	5.1	49,011	56,158	26,862	30,908
Deferred tax liability	3.1.2	14,949,357	3,607,226	14,129,302	3,437,115
Total liabilities		15,189,995	3,857,999	14,347,022	3,661,649
Net assets		73,042,450	44,432,264	66,162,960	39,200,041
Equity					
Contributed capital		39,368,339	36,348,727	32,819,807	30,147,765
Physical asset revaluation surplus		45,086,905	18,237,862	43,159,308	17,843,593
Accumulated surplus / (deficit)		(11,412,794)	(10,154,325)	(9,816,155)	(8,791,316)
Net worth		73,042,450	44,432,264	66,162,960	39,200,041

The balance sheet should be read in conjunction with the accompanying notes to the financial statements.

Statement of changes in equity for the year ended 30 June 2025

	Contributed capital	Physical asset revaluation surplus	Accumulated surplus / (deficit)	Total equity
	\$'000	\$'000	\$'000	\$'000
Consolidated 2024				
Balance as 1 July 2023	33,612,413	18,286,235	(9,237,629)	42,661,020
Net result for the year	-	-	(962,296)	(962,296)
Transfers	-	(45,600)	45,600	-
Other comprehensive income/(expense) for the year (net of tax)	-	(2,773)	-	(2,773)
Transactions with owners in their capacity as owners				
Contributions by owners during the year	2,736,314	-	-	2,736,314
Balance at 30 June 2024	36,348,727	18,237,862	(10,154,326)	44,432,264
Consolidated 2025				
Balance as 1 July 2024	36,348,727	18,237,862	(10,154,326)	44,432,263
Net result for the year	-	-	(1,258,468)	(1,258,468)
Other comprehensive income/(expense) for the year (net of tax)	-	26,886,656	-	26,886,656
Impairment of assets relating to level crossing removals	-	(37,613)	-	(37,613)
Transactions with owners in their capacity as owners				
Contributions by owners during the year	3,019,612	-	-	3,019,612
Balance at 30 June 2025	39,368,339	45,086,905	(11,412,794)	73,042,450

The statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements

	Contributed capital	Physical asset revaluation surplus	Accumulated surplus / (deficit)	Total equity
	\$'000	\$'000	\$'000	\$'000
Parent 2024				
Balance as 1 July 2023	27,992,165	17,842,232	(8,039,286)	37,795,111
Net result for the year	-	-	(752,030)	(752,030)
Other comprehensive income/(expense) for the year (net of tax)	-	1,361	-	1,361
Transactions with owners in their capacity as owners				
Contributions by owners during the year	2,155,600	-	-	2,155,600
Balance at 30 June 2024	30,147,765	17,843,593	(8,791,316)	39,200,041
Parent 2025				
Balance as 1 July 2024	30,147,765	17,843,593	(8,791,316)	39,200,041
Net result for the year	-	-	(1,024,839)	(1,024,839)
Other comprehensive income/(expense) for the year (net of tax)	-	25,353,328	-	25,353,328
Impairment of assets relating to level crossing removals	-	(37,613)	-	(37,613)
Transactions with owners in their capacity as owners				
Contributions by owners during the year	2,672,042	-	-	2,672,042
Balance at 30 June 2025	32,819,807	43,159,308	(9,816,155)	66,162,960

The statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Cash flow statement for the year ended 30 June 2025

		Consolidated		Parent	
	Note	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash flows from operating activities					
Receipts					
Receipts from government & other entities		199,751	216,274	194,030	211,504
Total receipts		199,751	216,274	194,030	211,504
Payments					
Suppliers (inclusive of GST) & employees		(166,326)	(204,315)	(163,890)	(202,170)
Total payments		(166,326)	(204,315)	(163,890)	(202,170)
Net cash flows from operating activities	5.2	33,425	11,959	30,140	9,334
Cash flows from investing activities					
Acquisition of property, infrastructure, plant & equipment		(24,305)	(43,347)	(24,305)	(43,347)
Proceeds from sale of property, plant & equipment		17,132	17,224	17,132	17,224
Net cash used in investing activities		(7,173)	(26,123)	(7,173)	(26,123)
Cash flows from financing activities					
Government capital contributions		-	9,966	-	9,966
Loan drawdown		-	20,000	-	20,000
Repayment of borrowings & principal portion leases liabilities		(6,829)	(5,615)	(3,729)	(2,694)
Net cash flows (used in) / from financing activities		(6,829)	24,351	(3,729)	27,272
Net increase in cash & cash equivalents		19,423	10,187	19,238	10,483
Cash & cash equivalents at the beginning of the financial year					
Cash & cash equivalents at the beginning of the financial year		66,215	56,028	64,887	54,404
Cash & cash equivalents at the end of the financial year					
Cash & cash equivalents at the end of the financial year		85,638	66,215	84,125	64,887

The cash flow statement should be read in conjunction with the accompanying notes to the financial statements.

1. About this report

This report represents the audited general-purpose financial statements for VicTrack and its controlled entities (“The Consolidated Entity”) for the year ended 30 June 2025. The Consolidated Entity is a public statutory body established under section 8 of the *Rail Management Act 1996* and continued in existence under section 116 of the *Transport Integration Act 2010*. The purpose of the report is to provide users with information about the Consolidated Entity's stewardship of resources entrusted to it. The nature of the operations and principal activities of the Consolidated Entity are described in the Report of Operations, which does not form part of these financial statements.

The principal address is: Level 8, 1010 La Trobe Street, Docklands Victoria 3008.

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.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Consolidated Entity.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 also in future periods that are affected by the revision. Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: ‘Significant judgement or estimates’.

Leases

AASB 16 *Leases* is effective for annual reporting periods commencing on or after 1 January 2019. The Consolidated Entity adopted AASB 16 for the reporting period beginning 1 July 2019 using the full retrospective method of transition. Consequently, the impact of the new standard has been calculated as if the standard had always applied, subject to the practical expedients permitted on transition.

Previously, the Consolidated Entity accounted for leases in accordance with AASB 117 *Leases* and AASB Interpretation 4 determining whether an arrangement contains a lease. The Consolidated Entity has elected to apply the grandfathering practical expedient on transition to AASB 16. Given this, the transition and new requirements of AASB 16 *Leases* only apply to arrangements entered into, or modified after, 1 July 2019.

Lessor accounting in accordance with AASB 16 is substantially unchanged from the requirements pursuant to the previous standard. Lessors continue to classify all leases using the same classification principles pursuant to the previous standard. In contracts where the Consolidated Entity is a lessor, the Consolidated Entity determines whether the lease is an operating lease or finance lease at the inception of the lease.

In November 2024, the Department of Transport and Planning (DTP) entered into a new tram franchise agreement, appointing Yarra Journey Makers as the operator for the metropolitan tram network. The Consolidated Entity, together with Head, Transport for Victoria, entered into new lease agreements relating to tram rolling stock, infrastructure and systems (Tram Contracts). The original Rolling Stock Head Lease contracts for trains remains in effect and unchanged. The Tram Contracts constitute a new or modified lease agreement and have been reassessed.

The Consolidated Entity has considered professional advice and the views of key stakeholders, and through the application of significant judgement has concluded that the Tram Contracts should be classified as an operating lease as it does not transfer substantially all the risks and rewards incidental to ownership of the tram assets.

As a result, the Consolidated Entity has continued to classify both train and tram infrastructure leases as operating leases consistent with the approach taken in prior years.



Basis of consolidation

In accordance with AASB 10 *Consolidated Financial Statements* the consolidated financial statements of the Consolidated Entity incorporates assets and liabilities of all reporting entities controlled by the Consolidated Entity as at 30 June 2025, and their income and expenses for that part of the reporting period in which control existed.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements. In the process of preparing consolidated financial statements for the Consolidated Entity, all material transactions and balances between consolidated entities are eliminated. Entities consolidated into the Parent Entity are listed in Note 7.3 Related Parties.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business operations and the realisation of assets and settlement of liabilities in accordance with the normal course of business. The ability of the Consolidated Entity to continue paying its debts as and when they fall due is dependent on existing contractual arrangements for the provision of services to customers, acquisition of new rolling stock and payments to financiers with respect to rolling stock previously acquired under lease or finance, continuing to operate as originally intended. In respect of rolling stock previously acquired under lease or finance, the arrangements whereby the DTP makes all payments to the lessors or financiers on behalf of the Consolidated Entity is confirmed by the Letter of Support provided by the DTP dated 30 June 2025 covering the period until 30 September 2026. The funding of support is based on approved budget targets and applies while the Consolidated Entity remains in full state ownership.

On the basis of the above factors, the Directors are of the opinion that the Consolidated Entity is a going concern and can pay its debts as and when they fall due.

Rounding of amounts

All amounts shown in the financial statements are expressed by reference to the nearest thousand dollars unless otherwise specified.

Compliance information

These general-purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and Australian Accounting Standards (AAS), which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The entity is a not-for-profit entity for reporting purposes under Australian Accounting Standards and FRD 108 *Classification of entities as for profit*. Where appropriate, those AAS's 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

To enable the Consolidated Entity to fulfil its objectives and provide outputs, it receives revenue from telecommunication services, management of land set aside for transport purposes, including development and sale of land no longer required for transport, project management and civil engineering services for rail infrastructure projects.

Revenues that fund delivery of the Consolidated Entity services are transactions that have been determined as revenue from contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers*.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Consolidated Entity recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods and services to the customer are satisfied.

- Revenue from property services, advertising, and the property leasing portfolio is recognised when the contractual performance obligations have been satisfied by the Consolidated Entity.
- Revenue from the rendering of telecommunication services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

3. The cost of delivering services

3.1 National Tax Equivalent Regime

By direction of the Treasurer of Victoria under the *State-Owned Enterprises Act 1992*, the Consolidated Entity is subject to the National Tax Equivalent Regime (NTER), but limited to the income tax component of the NTER.

3.1.1 Tax equivalent benefit

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Income tax				
Current income tax (expense) / benefit	-	-	-	-
Deferred income tax	149,492	133,645	142,294	124,227
Total income tax benefit	149,492	133,645	142,294	124,227
Income tax reconciliation				
Accounting profit / (loss) before tax	(1,407,960)	(1,095,941)	(1,167,133)	(876,257)
Income tax benefit at company tax rate of 30%	422,388	328,782	350,140	262,877
Current period unbooked tax losses	(227,863)	(190,766)	(162,811)	(134,279)
Prior year's income tax adjustments & non-allowable items	(45,033)	(4,371)	(45,035)	(4,371)
Total income tax benefit	149,492	133,645	142,294	124,227
Deferred income tax revenue / (expense) included in income tax expense				
(Increase) / decrease in deferred tax liabilities	7,007	9,602	(191)	184
Increase / (decrease) in deferred tax assets	142,485	124,043	142,485	124,043
Total income tax benefit	149,492	133,645	142,294	124,227
Amounts charged directly to equity				
Revaluation reserves				
Revaluation of property, infrastructure, plant & equipment	(11,491,622)	3,133	(10,834,481)	1,361

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 substantively 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.

Deferred tax

Deferred income tax is provided on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3.1.2 Deferred tax balances in the Balance Sheet

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Significant judgement:

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

The carrying amount of deferred tax assets are reassessed at the end of each reporting period. They are reduced to the extent that it is no longer probable that sufficient taxable profit will be available, and unrecognised deferred tax assets are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Management has assessed that it is not probable that taxable profit will be available against which unused tax losses can be utilised. On this basis, the deferred tax asset for carried forward losses of \$1,887m (2023–24: \$1,640m) has not been recognised.

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Deferred tax assets				
The balance comprises temporary differences attributable to:				
Finance lease liability	17,660	18,103	17,660	18,103
Accrued leave	4,322	4,303	4,322	4,303
Provisions	870	2,439	870	2,439
Doubtful debts	39	20	39	20
Accelerated depreciation	1,235,677	1,091,218	1,235,677	1,091,218
Total deferred tax assets	1,258,568	1,116,083	1,258,568	1,116,083
Deferred tax liabilities				
The balance comprises temporary differences attributable to:				
Revaluation of property, infrastructure, plant & equipment	(16,207,925)	(4,723,309)	(15,387,870)	(4,553,198)
Total deferred tax liabilities	(16,207,925)	(4,723,309)	(15,387,870)	(4,553,198)
Net deferred tax assets / (liabilities)	(14,949,357)	(3,607,226)	(14,129,302)	(3,437,115)
Movement in deferred tax assets / (liabilities)				
Opening balance	(3,607,226)	(3,744,003)	(3,437,115)	(3,562,702)
Charged to income tax expense	149,492	133,645	142,294	124,227
Charged to equity	(11,491,622)	3,133	(10,834,481)	1,361
Closing balance	(14,949,357)	(3,607,226)	(14,129,302)	(3,437,115)

4. Key assets available to support service delivery

The Consolidated Entity controls transport and communications assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources the Consolidated Entity utilises for delivery of its services.

Significant judgement:

In contracts where the Consolidated Entity is a lessor, it determines whether the lease is an operating lease or finance lease at the inception of the lease – unless there is a modification to the lease that requires a reassessment. The Consolidated Entity has entered into leases on its infrastructure. The Consolidated Entity has determined that it retains substantially all the significant risks and rewards of ownership of the infrastructure. Thus, at inception, the Consolidated Entity has classified the leases as operating leases. Lessor accounting in accordance with AASB 16 *Leases* is substantially unchanged from the requirements pursuant to the previous standard. Lessors continue to classify all leases using the same classification principles pursuant to the previous standard (refer to Note 1 Basis of Presentation).

4.1 Total property, infrastructure, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying value	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Consolidated						
Land	10,590,458	9,409,846	-	-	10,590,458	9,409,846
Buildings & structures	21,883,788	13,873,753	-	(254,303)	21,883,788	13,619,450
Track	16,634,039	6,546,959	-	(232,088)	16,634,039	6,314,871
Earthworks	19,607,626	6,976,820	-	-	19,607,626	6,976,820
Signals & communications	6,720,459	4,588,998	-	(359,120)	6,720,459	4,229,878
Plant & equipment	4,827,663	2,166,956	(1,086)	(123,706)	4,826,577	2,043,251
Rolling stock	7,720,951	6,245,911	-	(818,966)	7,720,951	5,426,944
Intangible - software & licences	427,229	303,340	(402,516)	(274,154)	24,713	29,186
WIP	54,579	90,088	-	-	54,579	90,088
Net carrying amount	88,466,792	50,202,671	(403,602)	(2,062,337)	88,063,190	48,140,333
Parent						
Land	10,590,458	9,409,846	-	-	10,590,458	9,409,846
Buildings & structures	21,883,788	13,873,753	-	(254,303)	21,883,788	13,619,450
Track	16,634,039	6,546,959	-	(232,088)	16,634,039	6,314,871
Earthworks	19,607,626	6,976,820	-	-	19,607,626	6,976,820
Signals & communications	6,720,459	4,588,998	-	(359,120)	6,720,459	4,229,878
Plant & equipment	4,827,664	2,166,957	(1,086)	(123,706)	4,826,578	2,043,251
Intangible - software & licences	427,229	303,340	(402,516)	(274,154)	24,713	29,186
WIP	54,579	90,088	-	-	54,579	90,088
Net carrying amount	80,745,842	43,956,761	(403,602)	(1,243,371)	80,342,240	42,713,390

Reconciliation of carrying amounts at the beginning and end of the year

	Land	Buildings & structures	Track	Earthworks	Signals & communications	Plant & equipment	Rolling stock	Intangible - software & licences	Right-of-use asset	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2025											
Carrying amount at 1 July 2024	9,409,846	13,619,450	6,314,871	6,976,820	4,174,767	2,043,251	5,426,944	29,186	55,111	90,088	48,140,333
Additions	6,620	1,102,463	255,872	509,543	661,043	144,220	347,570	-	-	31,864	3,059,195
Disposals	(11,815)	(21,856)	-	-	(16,783)	(762)	-	-	-	(9,746)	(60,962)
Revaluation movement	1,185,807	7,445,742	10,902,382	12,146,207	2,135,912	2,365,111	2,190,470	-	-	-	38,371,631
Depreciation charge for the year	-	(263,735)	(206,904)	-	(409,686)	(192,268)	(244,033)	(128,362)	(2,018)	-	(1,447,006)
Transfers	-	1,724	(632,182)	(24,944)	122,113	467,026	-	123,890	-	(57,627)	-
Carrying value at 30 June 2025	10,590,458	21,883,788	16,634,039	19,607,626	6,667,367	4,826,578	7,720,951	24,713	53,093	54,579	88,063,190
Consolidated 2024											
Carrying amount at 1 July 2023	9,405,206	12,694,245	6,387,564	6,583,482	4,006,741	1,951,013	5,074,687	35,518	57,129	324,957	46,520,542
Additions	8,773	-	-	-	-	-	-	-	-	2,766,072	2,774,845
Disposals	(4,133)	-	-	-	(1,043)	(579)	(5,906)	-	-	(34,396)	(46,057)
Depreciation charge for the year	-	(244,959)	(224,340)	-	(294,666)	(114,111)	(222,551)	(6,351)	(2,018)	-	(1,108,996)
Transfers	-	1,170,164	151,647	393,338	463,735	206,928	580,714	19	-	(2,966,545)	-
Carrying value at 30 June 2024	9,409,846	13,619,450	6,314,871	6,976,820	4,174,767	2,043,251	5,426,944	29,186	55,111	90,088	48,140,333

Reconciliation of carrying amounts at the beginning and end of the year

	Land	Buildings & structures	Track	Earthworks	Signals & communications	Plant & equipment	Intangible - software & licences	Right-of-use asset	WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent 2025										
Carrying amount at 1 July 2024	9,409,846	13,619,450	6,314,871	6,976,820	4,174,767	2,043,251	29,186	55,111	90,088	42,713,390
Additions	6,620	1,102,463	255,872	509,543	661,043	144,220	-	-	31,864	2,711,625
Disposals	(11,815)	(21,856)	-	-	(16,783)	(762)	-	-	(9,746)	(60,962)
Revaluation movement	1,185,807	7,445,742	10,902,382	12,146,207	2,135,912	2,365,111	-	-	-	36,181,161
Depreciation charge for the year	-	(263,735)	(206,904)	-	(409,686)	(192,268)	(128,362)	(2,018)	-	(1,202,973)
Transfers	-	1,724	(632,182)	(24,944)	122,113	467,026	123,890	-	(57,627)	-
Carrying value at 30 June 2025	10,590,458	21,883,788	16,634,039	19,607,626	6,667,366	4,826,578	24,713	53,093	54,579	80,342,240
Parent 2024										
Carrying amount at 1 July 2023	9,405,206	12,694,245	6,387,564	6,583,482	4,006,741	1,951,013	35,518	57,129	324,957	41,445,855
Additions	8,773	-	-	-	-	-	-	-	2,185,358	2,194,131
Disposals	(4,133)	-	-	-	(1,043)	(579)	-	-	(34,396)	(40,151)
Depreciation charge for the year	-	(244,959)	(224,340)	-	(294,666)	(114,111)	(6,351)	(2,018)	-	(886,445)
Transfers	-	1,170,164	151,647	393,338	463,735	206,928	19	-	(2,385,831)	-
Carrying value at 30 June 2024	9,409,846	13,619,450	6,314,871	6,976,820	4,174,767	2,043,251	29,186	55,111	90,088	42,713,390

Initial recognition

All non-financial physical assets are recognised initially at cost and subsequently 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 non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or their estimated useful lives.

Right-of-use asset acquired by lessees – Initial measurement

The Consolidated Entity has identified right-of-use assets in the form of controllable access to 12 fibre cores of the Aussie Broadband network through the Aussie Broadband swap deal. The Consolidated Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Right-of-use asset – Subsequent measurement

The Consolidated Entity depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, infrastructure, plant and equipment. The right-of-use assets are also subject to revaluation but are not material.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Intangible – Software & licences

Purchased intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. 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.

Subsequent measurement

Property, infrastructure, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category above.

Where an independent valuation has not been undertaken at balance date, VicTrack performs a managerial assessment to estimate possible changes in fair value of property, infrastructure, plant and equipment since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices. An adjustment is recognised if the assessment concludes that the fair value has changed by 10% or more since the last revaluation. Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. If the assessment indicates a change equal to or in excess of 40%, VicTrack would obtain an interim independent valuation prior to the next scheduled independent valuation.

2025 Revaluation

An independent valuation of non-financial physical assets was performed at 30 June 2025 by the VGV resulting in an overall increase in the fair value of \$38.3bn, consisting of increases to infrastructure assets \$34.9bn, land \$1.2bn, and rolling stock \$2.2bn. The key drivers for the increases include: -

- Improvements to underlying asset data within the VicTrack fixed asset register that has resulted in greater accuracy of fair value estimates. The VGV were able to apply the direct costing methodology to 80% of the asset base (2020: 66%) resulting in more accurate application of cost data;
- greater access to comparable project costings has also contributed to an increase in fair value. Significant works undertaken by VicTrack and DTP has resulted in greater availability and accuracy of project cost datasets to be applied to the VicTrack asset base;
- stronger market conditions and inflationary factors, particularly in construction with impacts to raw materials and labour, have impacted numerous asset classes (primarily Earthworks, Buildings and structures, and Tracks) since the last full revaluation in FY20; and
- amendments to AASB 13 that allow the inclusion of demolition, disruption and restoration costs to be considered in the replacement cost, which were previously not allowed.

AASB 13 Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

Amendments to AASB 13 were applicable in FY25 for the revaluation process. While the amended AASB 13 provides clarifications on how to measure fair value of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows, judgements still need to be exercised when applying the requirements of the amended standard in the valuation process. The following key judgements were made in the scheduled valuation effective 30 June 2025.

- Current use of VicTrack's non-financial assets are the highest and best use by default, unless a government decision mandates alternative use;
- Disruption costs are intrinsically linked to acquisition or construction of the subject asset. For rail specific projects, this includes the replacement bus program;
- Restoration costs of third-party assets should only be included in the subject asset valuation if they are controlled by non-related entities;
- A non-financial asset should be valued at its existing location, where reference asset is assumed to be hypothetically acquired or constructed under the cost approach;
- The subject asset under valuation is not considered to be an "unwanted structure", which is to be demolished for the hypothetically construction of reference asset; and
- Market-based evidence of vacant land sales is reflective of demolition type site preparation costs. The site preparation costs are, therefore, implicitly included in the land value and should be excluded from the fair value measurement of asset on the land.

Based on the application of these amendments, it was anticipated that the asset values will increase as the VGV include indirect costs, particularly disruption and demolition, within their valuation previously not allowed.

Specialised land

The Consolidated Entity recognises two major classes of land – rail corridor land and non-rail corridor land. Non-rail corridor land is used for commercial purposes whilst rail corridor land is used as a rail reserve.

Rail corridor land is based on the assessed market value of the land and is discounted in accordance with the VGV's Community Service Obligations. The basis of the valuation of non-rail corridor land is market value, with adjustments being made, where appropriate, for variations in the size and quality of each land parcel.

Estimated cost of environmental contamination remediation is included in the value of the land (where it is expected to enhance the value of the land by providing future economic benefits) and a corresponding liability or provision is recognised when the obligation for remediation arises and can be reliably estimated.

An independent valuation of the specialised land and specialised buildings was performed by the VGV. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2025.

Specialised buildings, infrastructure assets, earthworks, and plant and equipment

Specialised buildings, infrastructure assets and plant and equipment assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

Assets pledged as security

Security has been granted on certain rolling stock and motor vehicles that are subject to financing.

4.1.1 Total service concession assets

	Gross carrying amount		Accumulated depreciation		Net carrying value	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Consolidated						
Plant & equipment	62,206	145,646	-	(29,462)	62,206	116,184
Rolling stock	2,023,000	1,537,650	-	(108,947)	2,023,000	1,428,703
Intangible - software & licences	241,881	241,880	(237,049)	(235,804)	4,831	6,076
Net carrying amount	2,327,087	1,925,176	(237,049)	(374,213)	2,090,037	1,550,963
Parent						
Plant & equipment	62,206	145,646	-	(29,462)	62,206	116,184
Intangible - software & licences	241,881	241,880	(237,049)	(235,804)	4,831	6,076
Net carrying amount	304,087	387,526	(237,049)	(265,266)	67,037	122,260

Service Concession Assets (SCA) (Under AASB 1059 – Service Concession Assets: Grantor)

Initial measurement

The Consolidated Entity initially recognises service concession assets at current replacement cost in accordance with the cost approach to fair value AASB 13 *Fair Value Measurement*.

Subsequent measurement

After initial recognition, SCAs are measured by applying the revaluation model for the Consolidated Entity's non-financial physical assets (Note 4.1), fair value determination (Note 6.1) and intangible assets (Note 4.1).

No liabilities have been recorded for service concession assets within the Consolidated Entity. All payments will be paid by DTP on behalf of the State and the liabilities will continue to be recognised in DTP's financial statements. Upon completion of the construction of the assets, DTP, on behalf of the State, will transfer the assets to the Consolidated Entity.

High Capacity Metro Trains (HCMT) Project

Operator: Evolution Rail Consortium (Evolution Rail)

Concession period: 30 years

Operational funding: Partial Service Payment (PSP), Quarterly Service Payments (QSP)

In November 2016, the State entered into a project agreement with Evolution Rail. Under the contract, the operator will design, build, commission and finance a fleet of 65 high capacity trains, a depot at Pakenham East (including a train maintenance facility (TMF) and a stabling yard), a light service facility (LSF) at Calder Park and two simulators. The stabling yard was returned to the State in July 2020 for on-going maintenance, while Evolution Rail will be responsible for the maintenance of other constructed assets for a period of 30 years, until 2053.

The State is contracted to make PSP payments (represents pro-rata payments to Project Co during the phased delivery of the HCMTs) commencing on 28 Feb 2021, which is the date the fifth HCMT entered service, until commencement of the QSP at provisional acceptance of all 65 HCMT sets.

In October 2021, a settlement agreement was executed by the State and Evolution Rail to amend the original project agreement. The variation amended the contractual terms of the original Project Deed and released the State from claims made by Evolution Rail.

As part of the agreement, the State has also committed to purchase an additional five train sets.

Public Transport Ticketing Services

Operator: Conduent Victoria Ticketing System Pty Ltd (Conduent)

Concession period: 15 years (inclusive of a 5 year option)

Operational funding: Monthly Service Payments (MSP)

In May 2023, the state entered into an agreement with Conduent to provide public transport ticketing services to public transport users for a period of 15 years commencing on 1 December 2023.

Conduent will develop a new account based ticketing system to replace the existing card based Myki system. Prior to commissioning of the new system, Conduent will provide ticketing services using the existing Myki system. The State will make monthly service payments to Conduent for managing and operating the ticketing system.

Metropolitan Tram Service

Operator: Yarra Journey Makers (YJM)

Concession period: 9 years plus options to extend for a total of up to 3 years

Operational funding: MSP

In June 2024, the state entered into an agreement with YJM to provide Metropolitan Tram service to public transport users for a period of 9 years plus 3 years option period commencing on 1 December 2024.

YJM will operate Metropolitan tram network on behalf of the State. The State will make monthly service payments to YJM for managing and operating the Metropolitan tram network.

4.1.2 Depreciation and amortisation charge for the period

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Buildings & structures	263,735	244,959	263,735	244,959
Track	206,904	224,340	206,904	224,340
Signals & communications	411,704	296,685	411,704	296,685
Plant & equipment	192,268	114,111	192,268	114,111
Rolling stock	244,033	222,551	-	-
Intangibles – software & licences	128,362	6,351	128,362	6,351
Total depreciation & amortisation	1,447,006	1,108,996	1,202,973	886,445

Estimation of useful lives

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

All infrastructure assets, property, plant and equipment, and other non-financial physical assets (excluding items under leases, assets held for sale, land and earthworks) that have finite useful lives are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's fair 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. The typical range of depreciation rates used for each class of asset is as follows:

Asset class	Depreciation rates	Useful life
Buildings & structures	1.0% to 3.3%	30 to 100 years
Track	1.0% to 6.6%	15 to 100 years
Signals & communications	2.0% to 14.3%	7 to 50 years
Plant & equipment & leased plant & equipment	1.25% to 7.5%	13 to 80 years
Intangible – Software & licences	3.0% to 20%	5 to 33 years
Rolling stock	2.5% to 4.0%	25 to 40 years

Indefinite life assets

Land and earthworks, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

4.1.3 Impairment of non-financial physical assets

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 *Impairment of Assets* does not apply to such assets that are regularly revalued.

5. How we financed our operations

5.1 Borrowings

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Secured loan	45,728	52,556	23,579	27,306
Lease liability	3,283	3,602	3,283	3,602
Total borrowings	49,011	56,158	26,862	30,908

‘Borrowings’ refer to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria (TCV), finance leases and other interest-bearing arrangements.

The loans in the Rolling Stock Holdings entities are secured by way of fixed charge over the assets.

Recognition and measurement of leases

Leases of property, infrastructure, plant and equipment are classified as either finance leases or operating leases.

Leases of property, infrastructure, plant and equipment where the Consolidated Entity as a lessee has substantially all of the risks and rewards of ownership are classified as finance leases. Finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments are apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Assets held under other leases are classified as operating leases and are not recognised in the Consolidated Entity's balance sheet. Operating lease payments are recognised as an operating expense in the consolidated comprehensive operating statement on a straight-line basis over the lease term.

Leases relating to the introduction of new rolling stock have an average lease term of 15 years (2024: 15 years).

The lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statement as disclosed in Note 4.1 Property, infrastructure, plant and equipment, and revert to the lessor in the event of default.

5.2 Cash flow information

Reconciliation of net result for the reporting period to net cash flow from operating activities

For the purpose of the cash flow statement, cash includes short-term deposits that are readily convertible to cash on hand and which are subject to an insignificant risk of changes in value, net of outstanding cheques yet to be presented. The Consolidated Entity had no non-cash financing and investment activities during the year.

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Net result for the period after tax	(1,258,468)	(962,296)	(1,024,839)	(752,030)
Adjustments for non-cash movements:				
Depreciation & amortisation of non-current assets	1,447,006	1,108,996	1,202,973	886,445
(Gain) / loss on disposal of non-current assets	(17,132)	17,172	(17,132)	17,172
Changes in assets / liabilities				
- Increase / (decrease) in tax liability	(149,492)	(133,645)	(142,294)	(124,227)
- Increase / (decrease) in provisions	2,352	1,286	2,569	1,286
- (Increase) / decrease in receivables	(267)	3,337	(566)	3,199
- Increase / (decrease) in payables	9,426	(22,891)	9,429	(22,511)
Net cash flow from operating activities	33,425	11,959	30,140	9,334

5.3 Commitments

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

Service Concession Arrangements

For arrangements within the scope of AASB 1059 *Service Concession Arrangements: Grantors*, at initial recognition the Consolidated Entity records a Service Concession Asset (SCA) at current replacement cost in accordance with the cost approach to fair value under AASB 13 *Fair Value Measurement*, with a related liability, which could be a financial liability, an accrued revenue liability (referred to as the ‘Grant Of A Right To The Operator’ or GORTO liability) or a combination of both.

The Consolidated Entity has reviewed all of its arrangements and determined that it has no service concession arrangement commitments as at 30 June 2025 (2024: nil). The Consolidated Entity has no associated liability as at 30 June 2025 (2024: nil).

5.4 Trade and other payables

	Consolidated		Parent	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade & other payables	64,205	62,309	63,436	61,320
ABB Swap accrued revenue	55,585	56,742	55,585	56,742
ABB Swap lease payable	55,585	56,742	55,585	56,742
Total trade & other payables	175,375	175,793	174,606	174,804

VicTrack entered into a fibre swap agreement with Aussie Broadband Limited (ABB) whereby ABB leases cores of its fibre network to VicTrack and VicTrack leases Wavelengths of its fibre network to ABB. The lease term is 30 years with an initial period of 10 years with two renewal options of 10 years each. This has resulted in VicTrack disclosing a lease receivable and payable on the balance sheet, the creation of a right-of-use asset and accrued revenue. Given the swap arrangement, these amounts net to zero on creation.

6. Risks, contingencies and valuations

The Consolidated Entity is exposed to risk from its activities and outside 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 the Consolidated Entity related mainly to fair value determination.

6.1 Fair value determinations

Significant judgement: 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 the Consolidated Entity.

This section sets out information on how the Consolidated Entity 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 Consolidated Entity's property, infrastructure, plant and equipment assets are carried at fair value.

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

The Consolidated Entity determines the policies and procedures for determining 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; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Consolidated Entity 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.

The VGV is the Consolidated Entity's independent valuation agency.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

Fair value of non-financial assets

	Carrying amount	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2025					
Land	10,590,458	-	1,081,945	9,508,513	10,590,458
Buildings & structures	21,883,788	-	-	21,883,788	21,883,788
Track	16,634,039	-	-	16,634,039	16,634,039
Earthworks	19,607,626	-	-	19,607,626	19,607,626
Signals & communications	6,720,459	-	-	6,720,459	6,720,459
Rolling stock	7,720,951	-	-	7,720,951	7,720,951
Plant & equipment	4,826,578	-	-	4,826,578	4,826,578
Total non-financial assets	87,983,899	-	1,081,945	86,901,954	87,983,899
Parent 2025					
Land	10,590,458	-	1,081,945	9,508,513	10,590,458
Buildings & structures	21,883,788	-	-	21,883,788	21,883,788
Track	16,634,039	-	-	16,634,039	16,634,039
Earthworks	19,607,626	-	-	19,607,626	19,607,626
Signals & communications	6,720,459	-	-	6,720,459	6,720,459
Plant & equipment	4,826,578	-	-	4,826,578	4,826,578
Total non-financial assets	80,262,948	-	1,081,945	79,181,003	80,262,947

	Carrying amount	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2024					
Land	9,409,846	-	657,167	8,752,679	9,409,846
Buildings & structures	13,619,450	-	-	13,619,450	13,619,450
Track	6,314,871	-	-	6,314,871	6,314,871
Earthworks	6,976,820	-	-	6,976,820	6,976,820
Signals & communications	4,229,878	-	-	4,229,878	4,229,878
Rolling stock	5,426,944	-	-	5,426,944	5,426,944
Plant & equipment	2,043,251	-	-	2,043,251	2,043,251
Total non-financial assets	48,021,060	-	657,167	47,363,893	48,021,060
Parent 2024					
Land	9,409,846	-	657,167	8,752,679	9,409,846
Buildings & structures	13,619,450	-	-	13,619,450	13,619,450
Track	6,314,871	-	-	6,314,871	6,314,871
Earthworks	6,976,820	-	-	6,976,820	6,976,820
Signals & communications	4,229,878	-	-	4,229,878	4,229,878
Plant & equipment	2,043,251	-	-	2,043,251	2,043,251
Total non-financial assets	42,594,116	-	657,167	41,936,949	42,594,116

The Consolidated Entity's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. There were no transfers in and out of level 3 measurements during the year.

Valuation techniques used to determine fair values

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the Community Service Obligation (CSO) where applicable to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer’s assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets. Lands that are not subject to CSO have been classified as Level 2 assets.

For the majority of the Consolidated Entity’s specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Consolidated Entity’s specialised land and specialised buildings was performed by VGV. The valuation was performed using the market approach, and where applicable land adjusted for CSO. The effective date of the valuation is 30 June 2025 (refer note 4.1).

Infrastructure assets: Infrastructure assets are valued using the current replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

An independent valuation of the Consolidated Entity’s infrastructure assets was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2025 (refer note 4.1).

Plant and equipment: Plant and equipment is held at fair value. When plant and equipment is 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.

An independent valuation of the Consolidated Entity’s plant and equipment was performed by VGV. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2025 (refer note 4.1).

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

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

Fair value measurements (level 3)

The following table presents the changes in level 3 and level 2 items for recurring fair value measurements:

Parent & Consolidated						
	Land	Buildings & structures	Track	Earthworks	Plant & equipment	Signals & communications
	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Opening balance 1 July 2024	9,409,846	13,619,450	6,314,871	6,976,820	2,043,251	4,174,767
Additions	6,620	1,102,463	255,872	509,543	144,220	661,043
Disposals	(11,815)	(21,856)	-	-	(762)	(16,783)
Revaluation movement	1,185,807	7,445,742	10,902,382	12,146,207	2,365,111	2,135,912
Depreciation	-	(263,735)	(206,904)	-	(192,268)	(409,686)
Transfers	-	1,724	(632,182)	(24,944)	467,026	122,113
Total	10,590,458	21,883,788	16,634,039	19,607,626	4,826,578	6,667,367

	Parent Rolling stock	Consolidated Rolling stock
	2025 \$'000	2025 \$'000
Opening balance 1 July 2024	-	5,426,944
Additions	-	347,570
Disposals	-	-
Revaluation movement	-	2,190,470
Depreciation	-	(244,033)
Transfers	-	-
Total	-	7,720,951

Parent & Consolidated						
	Land	Buildings & structures	Track	Earthworks	Plant & equipment	Signals & communications
	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000	2024 \$'000
Opening balance 1 July 2023	9,405,206	12,694,245	6,387,564	6,583,482	1,951,013	4,006,741
Additions	8,773	-	-	-	-	-
Disposals	(4,133)	-	-	-	(579)	(1,043)
Depreciation	-	(244,959)	(224,340)	-	(114,111)	(294,666)
Transfers	-	1,170,164	151,647	393,338	206,928	463,735
Total	9,409,846	13,619,450	6,314,871	6,976,820	2,043,251	4,174,767

	Parent Rolling stock	Consolidated Rolling stock
	2024 \$'000	2024 \$'000
Opening balance 1 July 2023	-	5,074,687
Additions	-	-
Disposals	-	(5,906)
Revaluation movement	-	-
Depreciation	-	(222,551)
Transfers	-	580,714
Total	-	5,426,944

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See above for the valuation techniques adopted.

Description	Valuation technique	Significant unobservable inputs
Parent & consolidated – Land	Market approach	Sales evidence, Unit of value by comparative basis (\$ per m²)
		Discounted by Community Service Obligation
		Rail corridor land – 75% to 95%
		Non-Rail corridor land – 5% to 95%
Parent & consolidated – Buildings & structures	Current replacement cost	Direct cost per square metre
		Useful life of buildings & structures
Parent & consolidated – Track	Current replacement cost	Cost per unit of construction
		Useful life of track
Parent & consolidated – Earthworks	Current replacement cost	Cost per unit of construction
Parent & consolidated – Signals & communications	Current replacement cost	Cost per unit of construction
		Useful life of signals & communications
Parent & consolidated – Plant & equipment (including Rolling stock)	Current replacement cost	Cost per unit of construction
		Useful life of plant & equipment

6.2 Contingent assets and contingent liabilities

The Consolidated Entity has no contingent assets as at 30 June 2025 and 30 June 2024.

There are no known material contingent liabilities.

Environmental and property contingent liabilities

Upon the Consolidated Entity’s establishment, and in subsequent asset allocations, the former Public Transport Corporation did not grant indemnities in relation to any consequences of environmental contamination of land and property or compliance with building code regulations that may have been transferred along with the ownership of the land and property.

An action plan has been prepared to address environmental contamination at a number of high priority sites. The Consolidated Entity does not have a present obligation (legal or constructive) as a result of a past event and is unable to reliably estimate future expenditure levels that are expected to be required to address environmental issues, including remediation activities. Due to the absence of a present obligation and the uncertainty regarding the actual quantum of expenditure, no provision for these costs has been included in the financial statements.

Indemnities

Infrastructure leases with the Director of Public Transport (now Head, Transport for Victoria)

Created in 1997, VicTrack is a state-owned business operating under the *Transport Integration Act 2010* (Vic) (TIA). VicTrack owns Victoria’s railway land, infrastructure and assets, including Victoria’s transport telecommunications network (Assets). Through its subsidiaries, the Rolling Stock Holdings group of companies, VicTrack also owns much of the State’s rolling stock. Rolling Stock Holdings (RSH) owns the majority of the State’s rolling stock (trains and trams). Pursuant to the TIA, the Department of Transport and Planning (DTP) transfers ownership of transport-related assets to VicTrack which are accounted for and recorded as equity contributions.

VicTrack leases a substantial portion of the Assets to Transport for Victoria (TfV), known previously as Public Transport Victoria (PTV). The staff, statutory functions and powers of PTV (now TfV) have been transferred or delegated to the DTP under relevant statutory instruments under the TIA and the *Public Administration Act 2004* (Vic). TfV in turn sub-leases the same Assets to the State’s train and tram franchisees – Metro Trains, Yarra Trams, V/Line (Franchisees). VicTrack leases certain regional Assets to TfV who then subleases those Assets to the Australian Rail Track Corporation. RSH leases rolling stock to TfV under an overarching lease. TfV then subleases the rolling stock to the Franchisees under individual rolling stock leases.

We note that VicTrack’s insurer, the Victorian Managed Insurance Authority (VMIA) does not recommend the inclusion of indemnity or insurance clauses when VMIA clients deal with each other. This is on the assumption that common law will apply and that each VMIA client is sufficiently covered for foreseeable losses and liabilities that may come about. Under the lease terms with TfV, VicTrack grants an indemnity in favour of TfV against liabilities and claims arising from a pre-existing contamination in VicTrack land or failure by VicTrack to comply with its obligations under a clean-up notice with respect to any such pre-existing contamination. VicTrack considers such grant of indemnity reasonable on the basis that the Franchisees, who are end-users of the Assets, are private entities, even if they may also be a client of VMIA.

Subject to the note below relating to current litigation and other indemnities, the Directors of the Consolidated Entity are unaware of any circumstances that would lead them to believe that these contingent liabilities will result in any material actual liability, and consequently no provisions are included in the financial statements in respect of these matters.

The Consolidated Entity is currently involved in a number court proceedings and/or formal litigation or arbitral proceedings. The majority of these relate either to third party public liability claims for personal injury arising from use of or access to VicTrack owned station and rail infrastructure, or to disputes arising under contracts for works.

At this stage, it is too early to predict the outcome of these actions and whether any significant liabilities will be incurred by the Consolidated Entity as a result. Generally, the exposure to a number of these claims is limited by the excess stated in the relevant insurance policy that is held with the VMIA. The maximum financial effects in all the above cases cannot be reasonably estimated at the time of print.

6.3 Financial instruments

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. Due to the nature of the Consolidated Entity's activities, certain financial assets and financial liabilities arise under statute rather than a contract – e.g. taxes. Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

As a whole, the Consolidated Entity’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

The Consolidated Entity's main financial risks include credit risk, liquidity risk and interest rate risk. The Consolidated Entity manages these financial risks in accordance with its financial risk management policy.

The Consolidated Entity uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with management of the Consolidated Entity.

Interest rate risk

Interest earned on cash assets is equivalent to the 11.00am cash rate less a fixed premium agreed by the Consolidated Entity and the bank. There were no funds on deposit at 30 June 2025 (2024: nil).

Credit risk

Credit risk associated with the Consolidated Entity's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the Consolidated Entity will only deal with entities where recoverability is considered high, supported by collateral or credit enhancements where appropriate, and an assessment of bad and doubtful debts is performed on an annual basis.

In addition, the Consolidated Entity does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, the Consolidated Entity’s policy is to only deal with banks with high credit ratings.

There has been no material change to the Consolidated Entity’s credit risk profile in 2024–25.

Liquidity risk

The ability of the Consolidated Entity to continue paying its debts as and when they fall due is dependent upon existing contractual arrangements continuing to operate as originally intended. Such agreements ensure sufficient contributions are made by the Victorian Government to cover the Consolidated Entity’s contractual commitments. There are no financial liabilities that are past due.

7. Other disclosures

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

7.1 Responsible Persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

The names of persons who were Responsible Persons of the Consolidated Entity at any time during the financial year and until the date of this report are as follows:

Responsible Ministers

The Hon Gabrielle Williams, Minister for Transport Infrastructure (part year)

The Hon Gabrielle Williams, Minister for Public and Active Transport

The Hon Jaclyn Symes MP, Treasurer (part year)

The Hon Timothy Pallas MP, Treasurer (part year)

The Hon Danny Pearson, Minister for Finance (part year)

The Hon Danny Pearson, Minister for Transport Infrastructure (part year)

Directors

Director	Appointment	Term concluded
Paul Hardy (Chair)	1 January 2024	
William (Bill) Kuszniarczyk (Deputy Chair)	1 January 2024	
Laurinda Gardner	1 January 2024	
Katrina Lai	1 January 2024	
Rosemary Martin	1 January 2024	
Ramaswamy (Narayan) Prasad	1 January 2024	
Paul White	1 September 2021	31 August 2024

Accountable Officer

The position of Chief Executive is the Accountable Officer.

Remuneration of Responsible Persons

Remuneration paid or payable to Responsible Persons during the year was:

Income Band	Consolidated		Parent	
	2025 No.	2024 No.	2025 No.	2024 No.
Less than \$10,000	-	1	-	1
\$20,000 to \$29,999	1	5	1	5
\$30,000 to \$39,999	-	3	-	3
\$40,000 to \$49,999	-	1	-	1
\$50,000 to \$59,999	-	2	-	2
\$60,000 to \$69,999	5	-	5	-
\$100,000 to \$109,999	1	-	1	-
\$540,000 to \$549,999	-	1	-	1
\$560,000 to \$569,999	1	-	1	-

Total remuneration of responsible persons: \$996,290 (2024: \$944,481).

Responsible Persons’ remuneration shown in aggregate above includes Directors’ fees and superannuation contributions paid on behalf of Directors by the Consolidated Entity. The amount excludes insurance premiums paid by the Consolidated Entity in respect of Directors and Officers insurance contracts. The Accountable Officer's remuneration for the 30 June 2025 year is included the total salary package received during the year.

7.2 Executive Officers' remuneration

The number of Executive Officers, other than the Ministers and the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent 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, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave, bonuses 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.

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 long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of Executive Officers, resigned in the past year.

The Executive Officer's remuneration amounts for the Consolidated Entity and the Parent Entity are the same.

Total remuneration		
	2025 \$'000	2024 \$'000
Remuneration of Executive Officers		
Short-term employee benefits	6,577	6,213
Post-employment benefits	681	607
Other long-term benefits	139	134
Termination benefits	416	320
Total remuneration	7,813	7,274
Total number of executives	28.0	28.0
Total annualised employee equivalents	24.0	23.4

7.3 Related parties

VicTrack is a wholly owned and controlled statutory corporation of the State of Victoria.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Percentage of equity interest held by the Consolidated Entity			
Name	Country of incorporation	2025	2024
Rolling Stock Holdings (Victoria) Pty Limited	Australia	100%	100%
– Rolling Stock (Victoria - VL) Pty Limited	Australia	100%	100%
– Rolling Stock (VL-1) Pty Limited	Australia	100%	100%
– Rolling Stock (VL-2) Pty Limited	Australia	100%	100%
– Rolling Stock (VL-3) Pty Limited	Australia	100%	100%

Related parties of the Consolidated Entity 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; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

Significant transactions with government-related entities

The Consolidated Entity received assets from DTP in the form of contributed equity during the year of \$3,020m (2024: \$2,736m).

The company also has the below insignificant transactions:

- Loans with TCV; and
- Telecommunication and other services provided to V/Line Corporation.

Key management personnel

The Ministers and Directors (as listed in Note 7.1) and senior management forms part of the key management personnel of the Consolidated Entity.

Senior management during the financial year and until the date of this report are as follows:

Name	Position
Chris Olds	Chief Executive (part year)
Chris Jones	Acting Chief Executive (part year)
Chris Jones	General Counsel (part year)
Olivia Jones	General Counsel (part year)
Andrew Santana	Executive General Manager Property (part year)
Antony Borgese	Executive General Manager Property (part year)
Deanne Leaver	Executive General Manager Property (part year)
Anna Vourtsis	Executive General Manager Strategy & Transformation
Kristen Georgakopoulos	Executive General Manager Corporate Services
Andrew Peel	Executive General Manager Telecommunications
James O’Brien	Government & Stakeholder Director

Chris Olds resigned from the position of Chief Executive Officer effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive Officer at that date.

Key management personnel compensation

Compensation of KMPs	2025 \$'000	2024 \$'000
Short-term employee benefits	2,714	3,037
Post-employment benefits	243	266
Termination benefits	184	128
Other long-term benefits	58	58
Total compensation of KMPs	3,199	3,489

The compensation for key management personnel for the Consolidated Entity and the Parent Entity are the same.

Transactions and balances with key management personnel

No Director or other key management personnel have entered into a material contract or other material transactions with the Consolidated Entity since the end of the previous financial year and existing at 30 June 2025 (2024: nil).

7.4 Audit fees

Audit fees paid or payable to the Victorian Auditor-General's Office for the audit of the financial statements were \$322,950 (2024: \$306,200) for the Consolidated Entity and \$192,100 (2024: \$179,000) for the parent entity.

7.5 Subsequent events

Chris Olds resigned from his position of Chief Executive Officer effective 25 August 2025 and Chris Jones was appointed as Acting Chief Executive Officer at that date. No other events have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

7.6 Other accounting policies

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of GST recoverable from, or payable to, the ATO.

Dividends

No determination was received from the Treasurer requiring the Consolidated Entity to make a dividend payment in respect to the years ended 30 June 2024 and 30 June 2025.

Physical asset revaluation surplus

The physical asset revaluation surplus is used to record increases and decreases in the fair value of property, infrastructure, plant and equipment.

7.7 New accounting standards and interpretations issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2024–25 reporting period. These accounting standards have not been applied to the Financial Statements. The Consolidated Entity is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 improves how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The key presentation and disclosure requirements established by AASB 18 are:

- the presentation of newly defined subtotals in the statement of profit or loss;
- the disclosure of management-defined performance measures; and
- enhanced requirements for grouping information (i.e. aggregation and disaggregation).

These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability.

AASB 18 will replace AASB 101 *Presentation of Financial Statements*.

For not-for-profit private sector entities, not-for-profit public sector entities and superannuation entities applying AASB 1056, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is also permitted for these entities.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Consolidated Entity's reporting.

Independent Auditor’s Report



To the Board of Victorian Rail Track

Adverse Opinion	I have audited the consolidated financial report of Victorian Rail Track (the entity) and its controlled entities (together the consolidated entity), which comprises the: - consolidated entity and entity balance sheet as at 30 June 2025 - consolidated entity and entity comprehensive operating statement for the year then ended - consolidated entity and entity statement of changes in equity for the year then ended - consolidated entity and entity cash flow statement for the year then ended - notes to the financial statements, including material accounting policy information - declaration by the Chair, the Accountable Officer and the Chief Financial Officer. In my opinion, because of the significance of matters discussed in the Basis for Adverse Opinion section of my report, the consolidated financial report does not present fairly, in all material respects, in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards, the: - financial positions of the consolidated entity and the entity as at 30 June 2025, and - financial performance and cash flows of the consolidated entity and the entity for the year then ended.
Basis for Adverse Opinion	The entity is the custodial holder of the State of Victoria's operational transport assets including land, stations, track, rolling stock and signalling systems. The entity leases all operational transport assets to the Department of Transport and Planning, which uses these assets to run the State's transport network. The lease arrangements are significantly below market terms and conditions to enable the Department of Transport and Planning to meet its objectives. As explained in Note 4 and Note 1, the entity has classified the arrangements as operating leases under AASB 16 <i>Leases</i> for 30 June 2025. Consistent with the prior year, I have assessed these leases as finance leases under AASB 16 because the Department of Transport and Planning has substantially all the risks and rewards of ownership of these assets. If the finance lease requirements of AASB 16 had been applied, the entity would be required to: - de-recognise the operational transport assets leased to the Department of Transport and Planning and all related transactions and balances from its comprehensive operating statement and balance sheet, and - recognise a receivable at an amount equal to the net investment of the lease, which is insignificant at 30 June 2025 because the arrangement is below market terms and conditions. The balances and transactions that should not be recognised in the consolidated financial report are: Comprehensive Operating Statement (Consolidated) - Government contributions towards capital and related work - Depreciation and amortisation - Tax equivalent benefit - Changes in physical asset revaluation surplus Balance Sheet (Consolidated) - Property, infrastructure, plant and equipment - Deferred tax liability - Physical asset revaluation surplus.

Basis for Adverse Opinion (continued)	The impact of not removing the operational transport assets and all related transactions and balances from the consolidated financial report is material and pervasive. Further, I have not been able to identify all individual assets from the collective operational transport assets leased to the Department of Transport and Planning because of limitations in the underlying asset records at the entity. Based on the above, the value of the operational transport assets and all associated transactions and balances in the consolidated financial report cannot be relied upon as they do not present fairly in all material respects. 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 Consolidated Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity and the consolidated 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 (including Independence Standards)</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. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.
Other information	The Board is responsible for the “other information” included in the entity’s Annual Report for the year ended 30 June 2025. The other information in the Annual Report does not include the consolidated financial report and my auditor’s report thereon. My opinion on the consolidated financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial report, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
Board’s responsibilities for the consolidated financial report	The Board of the entity is responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the consolidated financial report, the Board is responsible for assessing the entity’s and the consolidated 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.

Auditor’s responsibilities for the audit of the consolidated financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the consolidated 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 consolidated 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 consolidated 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 and the consolidated entity’s internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board’s 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 and the consolidated 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 and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial report, including the disclosures, and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the entity and the consolidated entity. I remain solely responsible for my audit opinion.

I communicate with the Board 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.



Paul Martin
as delegate for the Auditor-General of Victoria

MELBOURNE
18 September 2025



Section 2:

Governance and

organisation

Board role and responsibilities

VicTrack’s Board of Directors is responsible for the strategic oversight of our affairs, including corporate governance practices and overall business performance. Directors are appointed by the Governor-in-Council and are accountable to the:

- Minister for Public and Active Transport (Responsible Minister)
- Minister for Transport Infrastructure (Responsible Minister)
- Treasurer Shareholder Minister. (Shareholder Minister)

A formal Board Charter outlines the Board’s role and responsibilities.

VicTrack is the parent entity of the Rolling Stock Holdings group of companies.

Each subsidiary company within the Rolling Stock Holdings group of companies has a Board of Directors responsible for the relevant company. The composition of the Board of Directors of each subsidiary company is aligned with the composition of VicTrack’s Board.

Board composition

As at 30 June 2025, the Board comprised the following six independent, non-executive Directors:

- Paul Hardy (Chair)
- Bill Kuszniarczyk (Deputy Chair)
- Laurinda Gardner
- Katrina Lai
- Rosemary Martin
- Narayan Prasad

Each Director has wide experience across various sectors and organisations, and together they bring a diverse range of knowledge and business expertise to VicTrack.

Paul White was a director of VicTrack until his term concluded on 31 August 2024.

Meetings held

The VicTrack Board held 15 meetings during the financial year.

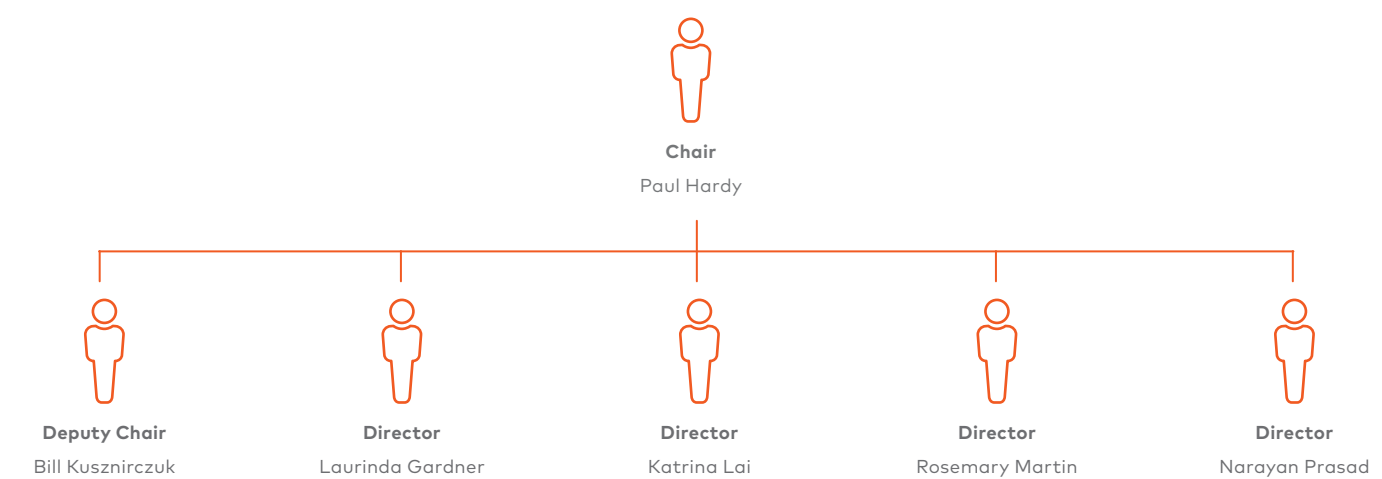
Board performance

As per the Board Charter, the Board conducted an annual review to evaluate its performance.

Delegation to management

Day-to-day management of VicTrack is delegated to the Chief Executive and other senior managers pursuant to a formal delegation policy and the delegations are set out in the accompanying Authorisations Register. Any amendments to policy and/or the delegations set out in the Authorisations Register are approved by the Board.

Board organisational chart



Board members

Paul Hardy

BE, MEngSci., GAICD, FIEAust

Chair

Paul has over two decades of board experience with expertise in the infrastructure, engineering, healthcare, sport, education and not-for-profit sectors.

At board level, he is passionate about driving growth and performance, having led one of the world’s leading engineering, project delivery, advisory and technical services companies and advising startup companies in the pharmaceutical, health, technology, AI and social investments sectors.

As an investor, Paul partners with the PAN Group which invests in and drives the commercialisation of start-ups. Paul is a director on the boards of Citywide and Grampians Wimmera Mallee Water Corporation, and is also a Member of Council of La Trobe University.

Previously he was the Global CEO of Aurecon, managing 80 offices in 22 countries, leading a three-way merger and managing the subsequent strategy, structure and culture alignment along with the five-year strategic roadmap and overseeing multi-billion-dollar projects.

Paul holds a Master of Engineering Science and is a Graduate of the Australian Institute of Company Directors.

He has also been recognised by Engineers Australia as one of Australia's 100 most influential engineers (2009–13) and received a Monash University Distinguished Alumni Award in 2019.

W.R. (Bill) Kuszniczuk

BA(UrbStud) FIT; GradDip(UrbPlg) FIT; CPP, MPIA, MAAP, MVPELA, AFAIM, MBDAV, MAPA, MEIANZ, MAICD, MUDIA →

Deputy Chair

Bill Kuszniczuk is a leading Urban and Regional Planner in Australia. He has extensive experience and knowledge spanning over 35 years in all aspects of planning, building, property development and how cities, regional and rural areas should look in the future.

He is the founder and Managing Director of Clement-Stone Town Planners.

Bill Kuszniczuk was the inaugural Chief Commissioner of the VBA in 2013 regulating an industry contributing in excess of A\$39 billion of economic benefit to the State by over 40,000 registered building and plumbing professionals. As Chair, he oversaw the most significant overhaul in the history of Victoria’s building and plumbing industry.

Bill is a Trustee of the Melbourne and Olympic Parks Trust. He is chair of the People and Culture Committee.

He is an advisor to the Victorian State Government on infrastructure and delivery as a member of the Office of Projects Victoria Advisory Board. He also provides expert advice on better building, planning and environmental regulation in Victoria.

He was the former Chair of the Building Advisory Council, Deputy Chair of the Victorian Planning Authority, Board Member of the Growth Areas Authority and the Metropolitan Planning Authority.

Bill also brings his experience in strategic and business planning, project management, stakeholder engagement, finance, risk and corporate governance.

He is a Certified Practising Planner and Associate Fellow of the Australia Institute of Management. He also provides his knowledge to the community, charities and not-for-profit Boards.

Bill is an Australia Day Ambassador to Victoria.

Laurinda Gardner

BA (hons), GAICD, FIPAA

Director

Laurinda is a board director, organisational reform and change management consultant and career coach.

Laurinda has over 25 years' senior executive experience and was formerly a Deputy Secretary with the Victorian Department of Treasury and Finance and a Director at the City of Melbourne.

She has led large operational teams in diverse areas including strategic and business planning, HR, IT, communications, town planning, stakeholder engagement, finance and risk.

Laurinda has performed the role of trusted adviser to several CEOs, was an Administrator at the City of Greater Geelong, and is currently a member of the Victorian Independent Remuneration Tribunal.

Laurinda also serves on several remuneration, and audit and risk committees.

Katrina Lai

BA/LLB (Hons), MBA, GAICD

Director

Katrina has an extensive career as a strategy advisor, with a focus on telecommunications, digital transformation and innovation.

For over a decade, she was a consultant and senior executive at Telstra, and led the company's product and innovation strategy for five years.

Katrina has also worked as an independent advisor to state and federal government on telecommunications strategy and project management.

Katrina is an experienced non-executive director with over 16 years of service on government boards in the health, education and water sectors.

She currently serves on the boards of Bendigo Kangan Institute and Gippsland Water and chairs the audit and risk committee of both boards.

Katrina has previously worked as a corporate lawyer and is a graduate of the AICD Company Directors course.

Rosemary Martin

BA (Hons), LLB (Hons), LLM, GAICD

Director

Rosemary is an experienced Non-Executive Director with a particular expertise in corporate governance. She brings to the Board deep experience in a range of industries.

Previously Deputy Chair at Parks Victoria, Rosemary also sits on the board of the CFA, is a non-executive Director of Merri-Bek Affordable Housing and is Company Secretary of the Rippon Lea Endowment Fund. Rosemary is a graduate of the Australian Institute of Company Directors and is a trained mediator.

Rosemary has over three decades’ experience in legal practice across the public and private sectors. She has held General Counsel roles at Public Transport Victoria, Covid-19 Quarantine Victoria and the EPA (Victoria) as well as senior leadership positions across other Victorian Government agencies.

She is admitted to the High Court of Australia, the Supreme Court of Victoria and the Supreme Court of New South Wales.

In addition to her legal and leadership skills, Rosemary brings risk management, audit, mediation, stakeholder engagement, decision-making and regulatory expertise.

Previous appointments include the role of Senior Commissioner of the Land and Environment Court of NSW with a focus on planning, land use and environmental issues.

Narayan Prasad

MBA, FCPA, GAICD

Director

Narayan has extensive finance management experience in the private and not-for-profit sectors.

Narayan is currently a member of RMIT Council and a Director on the Boards of Peter MacCallum Cancer Centre and Cancer Council Victoria. He is also a member of the Victoria Police's Audit & Risk Committee. Narayan has previously served as a Director on the Board of Linfox Australia Pty Ltd.

Prior to his career as a non-executive director, Narayan has served in senior finance management positions in the private sector and in not-for-profit organisations.

Finance management positions held include Chief Financial Officer at Linfox Australia Pty Ltd, GM Commercial Services at Linfox, Chief Financial Officer at Yooralla (Disability Services) and Group Planning Manager at Toyota Motor Corporation Australia Ltd.

Board committees

Six Board committees assisted the Board to perform its role during the financial year. The membership of each committee consists of directors only, and each committee has an appointed chair. Each committee has a formal charter setting out its roles and responsibilities.

Active Board committees

As at 30 June 2025, there were three active Board committees:

Audit & Risk Management Committee (ARMC)

Membership

- Katrina Lai (Chair) (appointed Chair with effect from 19 February 2025)
- Paul Hardy
- Narayan Prasad (appointed Chair until 18 February 2025)
- Laurinda Gardner (appointed 1 January 2025)
- Paul White (term concluded 31 August 2024)

Role

The ARMC assisted the Board to fulfil its obligations in regard to financial reporting and governance, as well as overseeing the internal and external audit functions. The Committee also oversees the processes, structures and reporting for risk management, compliance and internal controls.

Meetings held

The ARMC held five meetings during the financial year.

Transformation & Growth Committee (TGC)

The TGC was formed on 1 January 2025.

Membership

- Paul Hardy (Chair)
- Bill Kuszniczuk
- Katrina Lai
- Rosemary Martin

All appointments were made at the time of the creation of the committee.

Role

The TGC assisted the Board by overseeing the transformation of VicTrack being undertaken to improve how the business operates, competes, and delivers value to the State of Victoria with the aim of creating and resulting in a resilient, competitive and customer focused high performing organisation for the long term.

Meetings held

The TGC held two meetings during the financial year.

Performance & Capability Committee (PCC)

The PCC was formed on 1 January 2025.

Membership

- Bill Kuszniarczyk (Chair)
- Laurinda Gardner
- Rosemary Martin
- Naryan Prasad

All appointments were made at the time of the creation of the committee.

Role

The PCC assisted the Board by overseeing the success measures that have been adopted by the Board for VicTrack’s Transformation Plan, and also to oversee organisational performance and capability.

Meetings held

The PCC held three meetings during the financial year.

Disbanded Board committees

While no longer existing on 30 June 2025, the following three Board committees existed during the financial year.

Remuneration, Human Resources & Integrity Committee (RHRIC)

This committee was disbanded on 1 January 2025.

Membership

- Laurinda Gardner (Chair)
- Bill Kuszniarczyk
- Rosemary Martin

Role

The RHRIC assisted the Board by overseeing VicTrack’s strategic workforce management and the remuneration, bonus and incentive frameworks for our Chief Executive and employees. It had promoted integrity and accountability within VicTrack and in doing so oversaw management’s response to any incidents of, or investigations into, corrupt, inappropriate or unethical activities.

Meetings held

The RHRIC held one meeting during the financial year.

Property, Environment & Heritage Committee (PEHC)

This committee was disbanded on 1 January 2025.

Membership

- Bill Kuszniarczyk (Chair)
- Laurinda Gardner
- Rosemary Martin

Role

The PEHC assisted the Board by overseeing VicTrack’s strategic management of property assets, heritage assets and environmental management.

Meetings held

The PEHC held two meetings during the financial year.

Delivery & Network Committee (DNC)

This committee was disbanded on 1 January 2025.

Membership

- Katrina Lai (Chair)
- Paul Hardy
- Narayan Prasad
- Paul White (term concluded 31 August 2024).

Role

The DNC assisted the Board by overseeing VicTrack’s construction, maintenance, usage and commercialisation of its telecommunications network as well as the delivery of other projects.

Meetings held

The DNC held two meetings during the financial year.

Board and committee meetings report

Member	Board	ARMC	TGC ¹	PCC ²	PEHC ³	RHRIC ⁴	DNC ⁵
Paul Hardy	15/15	5/5	2/2	-	-	-	2/2
Bill Kuszniarczyk	15/15	-	1/2	3/3	2/2	1/1	-
Laurinda Gardner ⁶	14/15	2/5	-	3/3	2/2	1/1	-
Katrina Lai	13/15	5/5	2/2	-	-	-	2/2
Rosemary Martin	14/15	-	2/2	3/3	2/2	1/1	-
Narayan Prasad	15/15	5/5	-	3/3	-	-	2/2
Paul White ⁷	2/15	2/5	-	-	-	-	1/2

1 TGC was formed on 1 January 2025.
2 PCC was formed on 1 January 2025.
3 PEHC was disbanded on 1 January 2025.
4 RHRIC was disbanded on 1 January 2025.
5 DNC was disbanded on 1 January 2025.
6 Laurinda Gardner was appointed a member of ARMC on 1 January 2025, and she attended all ARMC meetings after her appointment.
7 Paul White's term as a director and also as a member of ARMC and DNC concluded on 31 August 2024 and he attended all Board, ARMC and DNC meetings until his term concluded.

Ministerial declarations and orders in council

Six notices were received relating to the revision of remuneration of Directors.

Corporate Plan

VicTrack is required, under the *Transport Integration Act 2010* (TIA) and the *State Owned Enterprises Act 1992*, to prepare a corporate plan for Ministerial approval. The purpose of the plan is to give effect to the shared and integrated vision of the TIA, which aligns to VicTrack’s mission, purpose and values.

Our Corporate Plan 2025–29 outlines how we will deliver objectives, functions and Ministerial expectations, providing a strategic framework for VicTrack to deliver priority initiatives.

Our plan meets the corporate plan requirements of the Department of Treasury and Finance Resource Management Framework. It is reviewed each year to reflect changes in our operating environment.

Occupational Health and Safety (OHS) report

Summary of VicTrack OHS performance



Measure	Notes	2024–25 (FTE 437.5)	2023–24 (FTE 423)	2022–23 (FTE 425)
Incidents	Number of incidents	114	94	100
	Rate per 100 full time equivalent (FTE)	26	22	30.73
	Number of incidents requiring first aid and/or further medical treatment	10 (8 first aid, one medical treatment and one lost time injury)	10 (all first aid only)	8
Claims	Number of standard claims	1	0	0
	Rate per 100 FTE	0.23	0	0
	Number of lost-time claims	1	0	0
	Rate per 100 FTE	0.23	0	0
	Number of claims exceeding 13 weeks	0	0	0
	Rate per 100 FTE	0	0	0
Fatalities	Fatalities	0	0	0
Claim costs	Average cost per standard claim	\$0	\$0	\$0
Return to work	Percentage of claims with return-to-work plan >30 days	0%	0%	0%
	Evidence of OHS policy, OHS objectives, regular reporting to senior management on OHS, and OHS plans (signed by CEO or equivalent).	Twenty-nine health and safety (H&S) procedures were reviewed and updated following consultation with stakeholders.	Twenty-four H&S procedures were reviewed and updated following consultation with stakeholders. Updated H&S Strategy (2023–26) was approved by the Executive Committee/Board.	Three policies have been reviewed and approved by the ELT/Board. 32 H&S procedures were reviewed and updated following consultation with stakeholders.
Management commitment	Evidence of OHS criteria in purchasing guidelines (including goods, services and personnel).	389 total contractors (64 high risk) were pre-qualified in the Avetta system and approved for use.	432 total contractors (84 high risk) were pre-qualified in the Avetta system and approved for use by the business.	324 total contractors (85 high risk) were pre-qualified in the Avetta system and approved for use by the business.
Consultation and participation	Evidence of agreed structure of designated workgroups (DWGs), Health & Safety Representatives (HSRs), and issue resolution procedures.	100% – Four meetings scheduled and four meetings held; there were six DWGs and 10 HSRs; all HSRs received refresher training in relation to their obligations.	100% – Four meetings scheduled and four meetings held; there were six DWGs and eight HSRs; all HSRs received refresher training in relation to their obligations.	There were six DWGs and eight HSRs and the HSR Consultative Forum was shifted to a quarterly meeting format.
	Compliance with agreed structure on DWGs and HSRs.	100% – Four meetings scheduled and four meetings held.	100% – Four meetings scheduled, and four meetings held.	100% – Four meetings scheduled and four meetings held.
	Number of quarterly H&S Steering Committee Meetings.	4	4	4

Reporting of noteworthy incidents

The following table summarises noteworthy incidents that occurred during 2024–25, together with comparatives. The current reporting period includes 10 notifiable incidents to the Office of the National Rail Safety Regulator (ONRSR), one notifiable incident to WorkSafe Victoria and one lost-time injury.

	2024–25	2023–24	2022–23
ONRSR notifiable occurrence	10	10	10
WorkSafe notifiable occurrence	1	2	1
Lost-time injuries	1	0	0

H&S Strategy initiatives

Initiatives implemented throughout 2024–25 in support of the H&S Strategy included:

H&S Leadership Fundamentals

One of the primary H&S initiatives that VicTrack implemented during 2024–25 was the delivery of a comprehensive program to uplift our senior managers in relation to H&S leadership obligations. Training was delivered to over 100 managers/supervisors across the organisation, many of which are directly responsible for coordinating the activities of employees undertaking a range of potentially high-risk tasks on behalf of the organisation.

The leadership training communicated a range of important information, including:

- a summary of legal obligations under both Victorian OHS legislation and Rail Safety National Law
- a deep dive into the 13 ISO 45001 leadership requirements that incorporate many of the most critical aspects of the H&S management system
- an overview of mandatory information that must be communicated to new employees as part of the onboarding process
- an overview of VicTrack’s H&S Management system, including governance processes, risk management activities, training programs, communication pathways, employee consultation and assurance processes
- a comprehensive review of the objectives and targets that have been set by VicTrack’s Board and Executive Committee as part of the H&S Strategy, which acts as a roadmap for the continual improvement of the H&S management system.

The above training was delivered in a face-to-face format focused on small group learning to ensure that all participants were provided the opportunity to ask questions directly of the H&S Team.

Overall, the training was well received by the business and has resulted in a noticeable improvement in H&S culture across the organisation.



Section 3: Workforce data



Employment and conduct principles

VicTrack engages and promotes employees based on the following principles:

- **Merit:** An employer should select a person because they most closely fit the technical skills, soft skills/behaviours, experience, abilities or characteristics required to undertake the role and have a healthy motivation for wanting the role. An employer should avoid measuring a person against any unlawful or unethical criteria.
- **Equity:** An employer should measure all candidates against the same selection criteria, in a similar process and allow them all to have a fair chance.
- **Evidence-based:** Selection decisions should be based on the information available through resumes, interview responses, referee answers and other data such as aptitude tests. It should not be based on assumptions or personal bias.
- **Candidate care:** Any recruitment process is an opportunity to build our connection with the community. Many applicants will be unsuccessful, but still tell others about their perceptions of VicTrack. Candidates should be treated with respect and care in the process.

In applying equity principles when recruiting and selecting staff, VicTrack is committed to implementing the obligations of the *Gender Equality Act 2020*. Rigorous selection processes and probity checks ensure that we assess and evaluate applicants fairly based on key selection criteria and other accountabilities without discrimination.

Employees have been classified in VicTrack's workforce data collection system. VicTrack has implemented the Victorian Public Sector Commission's model policy on executive employment, including misconduct checks.

Highly capable, resilient and engaged workforce

VicTrack seeks to attract and retain highly capable leaders and staff to deliver better outcomes for Victorians. We achieve this by strengthening our workforce and leadership capabilities, while strategically implementing initiatives for both sustained and long-term success.

Workforce inclusion policy

At VicTrack, our core values shape a collaborative and respectful workplace culture where every individual is empowered to thrive. We are deeply committed to fostering an inclusive environment – one that is safe, equitable, and free from discrimination, bullying and harassment. Diversity is not only embraced at VicTrack; it is actively celebrated as a strength that enriches our organisation.

In alignment with the *Gender Equality Act 2020*, VicTrack is implementing its Gender Equality Action Plan to drive meaningful change. Through these efforts, we have significantly reduced the gender pay gap and are actively working to develop an equitable remuneration framework, with gender equity as a guiding principle. Our initiatives also aim to promote gender equity across all levels of the workforce and eliminate workplace sexual harassment.

We support inclusion through dedicated focus groups such as our Wellbeing Focus Group and Diversity and Inclusion Working Group. These groups play a vital role in raising awareness, enhancing cultural safety, and deepening our understanding of the experiences of underrepresented communities.

VicTrack is also a proud member of the Women in Transport network, collaborating across the transport sector to address systemic discrimination and promote inclusive practices industry-wide.

The following table outlines VicTrack's actual progress against this target in 2024–25.

Workforce inclusion policy initiative	Target	Actual progress in 2024–25	Actual progress in 2023–24
Gender profile at executive levels(a)	Executive Officers	Executive Officers	Executive Officers
	Currently gender targets have not been set for executive officers	32% women 68% men	44% women 56% men

Public administration values and employment principles

VicTrack adheres to and upholds the values, principles and conduct outlined by the Victorian Public Sector Commission (VPSC). VicTrack employment practices are underpinned by the VPSC Code of Conduct, which articulates the values and principles of Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights.

The following six VPSC standards underpin VicTrack's policies, and they define essential elements of our employment principles:

- Fair and reasonable treatment
- Merit in employment
- Equal employment opportunity
- Human rights
- Reasonable avenue of redress
- Career public service.

We work continuously to support and implement these principles.

Comparative workforce data

As at June 2025								As at June 2024							
All employees			Ongoing			Fixed and casual		All employees			Ongoing			Fixed and casual	
	Number (Headcount)	FTE	Full time (Headcount)	Part time (Headcount)	FTE	Number (Headcount)	FTE		Number (Headcount)	FTE	Full time (Headcount)	Part time (Headcount)	FTE	Number (Headcount)	FTE
Demographic data	Gender														
	Women	138	135	113	9	119.8	16	15.2	125	121.6	97	10	103.6	18	18
	Men	304	302.5	267	4	270.4	33	32.1	302	299.9	251	4	254	47	45.9
	Self-described	0	0	0	0	0	0	0	1	1	1	0	1	0	0
		442	437.5	380	13	390.2	49	47.3	428	422.5	349	14	358.6	65	63.9
	Age														
	15–24	0	0	0	0	0	0	0	1	1	0	0	0	1	1
	25–34	38	37.8	34	1	34.8	3	3	41	40.8	36	1	36.8	4	4
	35–44	165	162.5	141	7	146.4	17	16.1	161	157.3	132	8	137.2	21	20.1
	45–54	130	129.4	111	1	111.8	18	17.6	127	126.6	107	1	107.6	19	19
Classification data	56–64	94	93	83	3	85.4	8	7.6	86	85	67	4	70	15	15
	65+	15	14.8	11	1	11.8	3	3	12	11.8	7		7	5	4.8
	VPS 1–7 grades	415	410.5	380	13	390.2	22	20.3	396	390.5	349	14	358.6	33	31.9
	VPS 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	VPS 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	VPS 3	24	23.4	19	1	19.4	4	4	15	15	11	0	11	4	4
	VPS 4	50	49	44	3	46.4	3	2.6	44	42.8	38	3	39.8	3	3
	VPS 5	165	164.6	156	2	157.6	7	7	129	128.2	111	2	112.2	16	16
	VPS 6	160	157.7	146	6	151	8	6.7	195	192.1	178	8	184	9	8.1
	VPS 7	16	15.8	15	1	15.8			13	12.4	11	1	11.6	1	0.8
	Senior employees	27	27	0	0	0	27	27	32	32	0	0	0	32	32
	STS	5	5	0	0	0	5	5	14	14	0	0	0	14	14
	PS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SMA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	SRA	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Executive	22	22	0	0	0	22	22	18	18	0	0	0	18	18
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total employees		442	437.5	380	13	390.2	49	47.3	428	422.5	349	14	358.6	65	63.9

Annualised salary

Income band (salary)	Executive Officers	STS
<\$160,000	-	-
\$160,000–\$179,999	-	-
\$180,000–\$199,999	-	-
\$200,000–\$219,999	-	3
\$220,000–\$239,999	9	-
\$240,000–\$259,000	4	2
\$260,000–\$279,999	2	-
\$280,000–\$299,999	3	-
\$300,000–\$319,999	-	-
\$320,000–\$339,999	1	-
\$340,000–\$359,999	1	-
\$360,000–\$379,999	1	-
\$380,000–\$399,999	-	-
\$400,000–\$419,999	-	-
\$420,000–\$439,999	-	-
\$440,000–\$459,999	-	-
\$460,000–\$479,999	-	-
\$480,000–\$499,999	-	-
\$500,000–\$519,999	-	-
\$520,000–\$539,999	1	-
\$540,000–\$599,999	-	-
Total	22	5

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

Executive data

Total number of Senior Executive Service (SES) at VicTrack, broken down into gender, together with the variation in number (movement) from 2023–24.

All			Women		Men		Self-described	
Class	Number	Variation	Number	Variation	Number	Variation	Number	Variation
SES-3	1	0	0	0	1	n	n	n
SES-2	8	0	2	-1	6	3	n	n
SES-1	13	-1	5	0	8	2	n	n
Total	22	-1	7	-1	15	5	0	0

Note – n = not applicable

Reconciliation of executive numbers

	2025	2024
Executives	21	17
Accountable Officer	1	1
Separations (Less)	5	3

Section 4: Other disclosures



Government advertising expenditure

In 2024–25, VicTrack conducted no government advertising campaigns with a total media spend of \$100,000 or greater, and therefore, has nothing to disclose.

Compliance with the Building Act 1993

VicTrack is continuously managing its buildings and assets in accordance with the *Building Act 1993*. VicTrack’s asset management system includes a robust compliance program to meet these requirements and relevant guidelines.

Data-Vic Access

During 2024–25 VicTrack has not released, or identified for release, any dataset or database under the DataVic Access Policy.

VicTrack received no direct requests to release data during the past financial year.

VicTrack investigated opportunities to release data sets under the policy. No opportunities were identified as suitable for release or could not be made available in the required machine-readable format.

Relevant VicTrack data, including information about rail lines, corridors and rail trails, have been made available via DataVic by Vicmap, the Department of Energy, Environment and Climate Action (DEECA), DTP, and the Department of Jobs, Skills, Industry and Regions.

Engagement of consultants

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

In 2024–25, there were 61 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2024–25 in relation to these consultancies was \$3,282,461 (excluding GST). Details of individual consultancies are published on our website at <https://victrack.com.au/about/publications>.



Details of consultancies valued at less than \$10,000

In 2024–25, there were 28 consultancies engaged during the year, where the total fees payable to the consultancies was less than \$10,000. The total expenditure incurred during 2024–25 in relation to these consultancies was \$131,839 (excluding GST).

Disclosure of major contracts

During 2024–25 VicTrack did not enter into any contracts greater than \$10 million in value.

In accordance with the requirements of government policy and accompanying guidelines VicTrack discloses all contracts greater than \$10 million in value. Details of any such contract has been disclosed in the Victorian Government Contracts Publishing System and can be viewed at www.tenders.vic.gov.au

Disclosure of emergency procurement

In 2024–25 VicTrack activated Emergency Procurement on one occasion in accordance with the requirements of government policy and accompanying guidelines. One new contract valued over \$100,000 (GST inclusive), was awarded in connection with the emergency. Details our 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	Number of new contracts awarded valued at over \$100 000 (incl. GST)
RRCN – mitigation of hardware failures to prevent further transport service outages (V/Line)	16 May 2025	HCI Hardware replacement	\$1,567,762.39	1

Note: This emergency activity had not been finalised by 30 June 2025 and has been carried over to 2025–26.

Disclosure of procurement complaints

During 2024–25 VicTrack received one complaint through its procurement complaints management system. On review, the complaint was found to have been received in error and found to be unrelated to any procurement activities. It was subsequently resolved through other business units.

To mitigate further instances of sales and other complaints being received into Procurement in error, the procurement complaint process has been subsequently separated from other complaint processes on our website.

Reviews and studies expenditure

During 2024–25, there were 13 reviews and studies undertaken with the total cost of \$242,000. Details of individual reviews and studies are outlined below¹

Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and URL
Compliance obligations review (VicTrack)	Undertaken as the initial stage of the Compliance Uplift program, aimed to improve VicTrack’s compliance maturity.	Identify all key compliance obligations that are relevant to VicTrack’s operations.	Full listing of compliance requirements across all VicTrack business groups to ensure management as per VicTrack’s risk-based compliance management framework.	10,998.90	10,998.90	N
HCI Cluster Review (VicTrack)	HCI Cluster Review for VicTrack.	3rd Review and validate the finding of the hardware failure from HCI infrastructure that Dell and VMware reported.	Validate Dell and VMware finding regarding the HCI hardware failure and provide report regarding best possible solution and recommendations to prevent this issue in the future.	42,319.99	57,600.00	N
Property Management Portfolio Review (VicTrack)	Property Management Leasing Services.	Manage the transition from previous service provider BGIS to new service provider CBRE.	Ensure smooth transition with most efficient processes defined.	76,710.00	87,348.13	N
Board Governance Review (VicTrack)	To review the Board’s administration of the governance function.	Conduct a review of those obligations, processes, duties or functions that filter to the Board for consideration to ensure the governance practices: • are fit for purpose and efficient • support the: - best use of the Board’s time and focus - efficient management of the business.	More efficient management of governance practices.	15,000.00	15,000.00	N
Alphington Transport Impact Assessment (VicTrack)	Alphington Transport Impact Assessment Report	Investigate options for site access that is fit for purpose.	More informed decision-making on future site access.	4,953.75	5,000.00	N
Alphington - MTM Swept Path Assessment (VicTrack)	Alphington - MTM Swept Path Assessment	Investigate alternative access for rail operations.	More informed decision-making on future asset investments.	4,911.25	6,000.00	N
Bendigo carpark traffic assessment study - May 2025 (VicTrack)	Traffic assessment for housing statement site.	Investigations into use of car park.	Understanding the impact of development for Victoria’s Housing Statement.	27,750.00	27,750.00	N
Developer Agreement Calculations Review (VicTrack)	Appointing KPMG for Margin Scheme Assessment for Hampton settlement.	Advice on GST treatment.	More accurate calculations of GST treatment between parties.	10,515.60	45,000.00	N
GST Margin Scheme Review (VicTrack)	Appointing KPMG for Margin Scheme Assessment for Hampton settlement.	Review and approve Margin Scheme calculations for settlement.	Provide accurate GST calculations for settlement.	15,000.00	15,000.00	N
Technical review for MOT tracks as-built (VicTrack)	Technical review of rail interfaces with West Gate Tunnel Project (WGTP).	Inspection and review carried out by independent engineer.	Recommendations provided by independent engineer.	750.00	750.00	N
Footscray DTRS tower study (VicTrack)	To assess relocation options for DTRS tower.	Include desktop study for DTRS relocation. Followed by meetings with MTM and Nokia, to determine the best course of action.	More informed decision-making on future asset investments.	18,794.83	24,020.00	N
West Melbourne - Architectural (VicTrack)	To meet future demand and growth.	Investigate options for a new site that is fit-for-purpose.	More informed decision-making on future asset investments.	7,250.00	49,453.00	N
West Melbourne - Feature & Level (VicTrack)	To meet future demand and growth.	Investigate options for a new site that is fit-for-purpose.	More informed decision-making on future asset investments.	7,200.00	49,453.00	N

¹ Table does not include reviews or studies that may be Commercial-in-Confidence or commercially sensitive, or where the release may be detrimental to Government operations (e.g. by pre-empting the finalisation of policy decisions prior to their announcement by Government).

Local jobs first

The *Victorian Industry Participation Policy Act 2003* requires departments and public sector bodies to report on the implementation of the Local Jobs First – Victorian Industry Participation Policy (Local Jobs First – VIPP). Departments and public sector bodies are required to apply the Local Jobs First – VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

During 2024–25, VicTrack was engaged in four projects with Local Jobs First, with combined value of \$15 million. These projects include one Strategic Major Projects Skills Guarantee activity based in South-East Melbourne which commenced prior to this year.

Region	Commenced	Ongoing	Completed	Total projects	Value (ex. GST)
Metro	2	–	–	2	\$12,800,000
Regional	2	–	–	2	\$2,213,501
Grand total	4	–	–	4	\$15,013,501

Table 1 Total contract value by region

All projects are located across Melbourne and Western Victorian regional areas, with a commitment of 95 per cent of overall local content. Based on the data provided via the Industry Capability Network Victorian Management Centre (ICN-VMC), the outcomes created from the implementation of the Local Jobs First – VIPP to the projects, where information was provided, did not meet the commitment made last year:

- An average of 86 per cent of local content was achieved across all projects reported.
- No jobs (annualised employee equivalent [AEE]) were created, with one existing jobs (AEE) retained.

Region	Local content	Vic created AEE	Vic retained AEEs
Metro	–	–	–
Regional	86%	0.146761	0.934211
Grand total	86%	0.146761	0.934211

Table 2: Local content and employment values by region - All

Reporting for Local Jobs First was incomplete for 2024–25, as insufficient data was provided by one contractor, and a second had not commenced works before 30 June 2025.

During 2024–25, there were no ongoing or completed Local Jobs First – VIPP applicable projects undertaken by VicTrack.

Social procurement

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994*.

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

Social procurement framework

During 2024–25, VicTrack progressed the second year of its initial Social Procurement Strategy in line with the Victorian Social Procurement Framework (SPF). We prioritised the following for our first two-year strategy period:

- opportunities for Victorian Aboriginal people
- sustainable Victorian social enterprise and Aboriginal business sectors
- sustainable Victorian regions.

Social procurement achievements

During 2024–25, we:

- engaged four social benefit suppliers spending a total of \$24,000, including certified social enterprises and Aboriginal businesses
- engaged 15 suppliers located within Victorian areas of entrenched disadvantage, at a combined value of \$5.06 million
- established one contract with Victorian Government suppliers that included social procurement commitments.

During 2024–25, VicTrack also continued several initiatives to support its Social Procurement Strategy which included:

- continued participation in the DTP First Nations procurement working group and DTP Kinaway Aboriginal Procurement pilot program, working with the Kinaway Aboriginal Chamber of Commerce to foster business relationships between VicTrack stakeholders and Aboriginal businesses
- providing refreshed education and training to procurement staff to increase awareness of social procurement.

ICT expenditure

For the 2024–25 reporting period, VicTrack had a total Information and Communications Technology (ICT) expenditure of \$501.816 million with the details shown below.

Expenditure	\$'000
Business as usual ICT expenditure	482,462
Non-business as usual ICT expenditure	-
Operational expenditure	-
Capital expenditure	19,354

Freedom of Information report

The *Freedom of Information Act 1982* (Vic) (FOI Act) allows the public a right of access to documents held by VicTrack. The purpose of the FOI 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 FOI Act.

An applicant has a right to apply for access to documents held by VicTrack. This comprises documents both created by VicTrack or supplied to VicTrack by an external organisation or individual, and may also include text messages, maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by VicTrack is available on our website.

The FOI Act allows VicTrack 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 where disclosure would be contrary to the public interest; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to VicTrack in-confidence and information that is confidential under another Act.

Under the FOI Act, the FOI processing time for requests received is 30 days. However, where a deposit is required to be sought in order to continue processing the request, the 30 days restarts when the deposit is paid. In addition, when external consultation is required under ss 29, 29A, 31, 31A, 33, 34 or 35, VicTrack may seek the applicant's agreement to extend processing time by no more than 30 days. 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 does not agree, VicTrack may extend the time by 15 days to complete those required consultations.

If an applicant is not satisfied by a decision made by VicTrack, under s 49A of the FOI 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 by sending an email to foi.requests@victrack.com.au, or by post to VicTrack, GPO Box 1618, Melbourne Vic 3001.

An application fee of \$33.60 applies from 1 July 2025. The application fee usually changes every financial year. The application fee for the 2024–25 financial year was \$32.70.

Access charges may also be payable and if they are payable, they must be calculated in accordance with the FOI Act and a deposit notice may be required to be sent to confirm whether the applicant wishes to proceed with the request.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/ documents are being sought and be accompanied by the application fee (or a waiver or reduction of the application fee on hardship grounds as confirmed by VicTrack).

General information about how to make an FOI request is available at <https://ovic.vic.gov.au/freedom-of-information/for-the-public/find-and-request-access-to-information/>

Enquiries can be made to VicTrack's FOI officers via email at foi.requests@victrack.com.au.

FOI statistics/timelines

During 2024–25, VicTrack received 10 applications which were processed in accordance with the FOI Act. Of these requests, all were from members of the general public.

VicTrack did not receive any request which it transferred to another agency under s 18 of the FOI Act.

During the year ended 30 June 2025, VicTrack made three decisions on requests not finalised during the year ended 30 June 2024 and made three decisions on requests received after 1 July 2024. Seven requests received before 30 June 2025 were not finalised, as at that date, they were still being finalised.

There was one decision made within the statutory time periods. Of the decisions made outside the statutory time period, four were late by no more than 45 days after the statutory due dates and one was late by more than 45 days after the statutory due date.

Four FOI access decisions were made where access to documents was granted in full or in part. One decision was a 'nil documents' decision where a diligent and thorough search revealed VicTrack did not have any documents described by the FOI request. One decision was made refusing any access to the requested documents.

Five decisions were made after mandatory extensions were imposed or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over the statutory time (including extended timeframes) to decide the request was 47 days.

During 2024–25, one VicTrack FOI decision was referred to the OVIC for external review. It did not proceed to review by the Victorian Civil and Administrative Tribunal. Two requests were subject to complaints regarding delays in processing time to OVIC. Both complaints were resolved before 30 June 2025.

Further information regarding VicTrack's accountabilities and procedures is available on our website at victrack.com.au/about/policies-and-disclosures

Compliance with Public Interest Disclosures Act 2012

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

VicTrack’s policy and procedure details the framework for receiving, investigating and addressing allegations of criminal, dishonest or unethical behaviour where that behaviour concerns the activities of VicTrack or current and former officers, agents, employees and contractors of VicTrack.

VicTrack is committed to creating, promoting and maintaining a culture of compliance and ethical behaviour in which VicTrack employees are responsible and accountable, behave with the highest standards of integrity and are actively encouraged to raise concerns about unlawful, unethical or inappropriate conduct without fear of reprisal.

VicTrack encourages all of our employees to report any instances of suspected unethical, illegal, fraudulent, or improper conduct involving VicTrack’s operations. VicTrack will ensure that those persons who make a report can do so without fear of intimidation, disadvantage or reprisal.

Depending on the nature of the disclosure, disclosures of improper conduct or detrimental action by VicTrack or any of its employees and/or officers can be made to a number of regulatory bodies. Following amendments made to the *Corporations Act 2001* (Cth) (Corporations Act) in 2019, a disclosure by an eligible whistleblower of misconduct or an improper state of affairs or circumstances about VicTrack that is made to an eligible recipient, may trigger the whistleblower protections under the Corporations Act.

The Public Interest Disclosures Coordinator (who is VicTrack’s General Counsel) is authorised by VicTrack to receive Protected Disclosures under the Corporations Act. The General Counsel can be contacted by:

- email: generalcounsel@victrack.com.au
- telephone: 03 9619 0630

Alternatively, disclosures about VicTrack or one of its employees in respect of misconduct and/or an improper state of affairs, can be made directly to the Australian Securities and Investment Commission or the Australian Prudential Regulation Authority.

All other public interest disclosures are required by the PID Act to be made directly to the Independent Broad-based Anti-Corruption Commission (IBAC) in accordance with its procedures and guidelines. IBAC’s contact details are as follows:

The Independent Broad-based Anti-Corruption Commission

Level 1 North Tower

459 Collins Street

Melbourne VIC 3000

Telephone: 1300 735 135

Information required to be published

VicTrack’s procedure for the protection of persons from detrimental action in contravention of s 45 of the PID Act taken by VicTrack, or members, officers, or employees of VicTrack, is detailed on our website at victrack.com.au/about/policies-and-disclosures

National Competition policy

Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that the benefits of the restriction to the community as a whole outweigh the costs, or alternatively, the objectives of the legislation can only be achieved by restricting competition.

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector, any advantage arising solely from their government ownership be removed if they are not in the public interest. Government businesses are required to cost and price services as if they were privately owned and thus be fully cost reflective.

VicTrack’s own Competitive Neutrality Policy explicitly sets out VicTrack’s approach to the implementation of the Victorian Government’s principles on Competitive Neutrality. VicTrack also periodically reviews its other policies and processes to ensure alignment with the Victorian Competitive Neutrality Policy.

Reporting of environmental data

VicTrack is committed to environmental sustainability in its operations and continued to monitor the environmental impacts during the 2024–25 reporting period.

VicTrack implemented its Environmental Sustainability Strategy for 2021–25. The strategy reflects our commitment to protecting the environment and meeting legislative obligations, while also broadening the focus to consider the positive opportunities that more sustainable practices can unlock. The four strategic objectives are:

1. Protect, conserve and enhance our natural assets.
2. Manage environmental risks and obligations.
3. Embed sustainability in the way we work.
4. Future proof VicTrack.

Highlights for 2024–25 include:

- procuring new adaptive power technology to optimise power consumption based on load in our telecommunication network
- donating tram heritage items, plans and photos to the Hawthorn Tram Museum, Melbourne Fire Museum, Newport Railway Museum, Alexandra Museum, RSL, Masons Society, and Melbourne University for preservation
- recycling metals, e-waste, paper/cardboard and other materials to reduce landfill
- ensuring appropriate resource management and value recovery through recycling batteries, including 5,470 communication batteries, resulting in a recouped value of over \$3,000
- recycling, reusing and repurposing telecommunications and rail equipment and materials
- reusing construction materials, including clean soil and ballast at multiple sites
- donating rail equipment, carriages and materials to tourist and heritage groups for reuse
- ongoing use of digital signatures and e-forms to reduce the need for printing
- participating in Clean Up Australia Day 2025 held at the North Dynon Freight Terminal
- planting 200 native plants in Moorooduc on rail land leased to the Mornington Railway at VicTrack’s planting day
- continuing to adopt circular economy principles in our ways of working.

VicTrack Environmental Management System

VicTrack continues to maintain an Environmental Management System (EMS) in alignment to the international standard AS/NZS ISO 14001:2016: Environmental Management Systems. The EMS is used to incorporate environmental and sustainability considerations into VicTrack’s processes, ensure that where reasonable and practicable our impact to the environment is minimised, and to influence external stakeholders.

The Environmental Sustainability Strategy 2021–25, part of the EMS, includes targets and key performance indicators to improve VicTrack’s environmental performance, across four strategic objectives:

- protect, conserve and enhance our natural assets
- manage environmental risks and obligations
- embed sustainability in the way we work
- future proof VicTrack.

The VicTrack Sustainability Working Group continues to be an effective component of embedding sustainability into VicTrack’s culture. This working group comprises staff members from across the organisation. The group meets on a bi-monthly basis and is an important mechanism to progress the Environmental Sustainability Strategy and related actions.

VicTrack has established and maintained procedures to align with AS/NZS ISO 14001:2016 which included:

- identifying environmental risk from activities and operations
- outlining management of environmental risk to prevent environmental harm
- monitoring performance of environmental controls
- defining and documenting roles and responsibilities to facilitate effective environmental management and establishing an environmental awareness program to equip relevant personnel with environmental management knowledge
- having regular and documented management reviews of the EMS to ensure its continued effectiveness and improvement.

Reporting boundary for environmental data

All VicTrack operations and activities are included within the organisational boundary. Emissions of third parties leasing VicTrack assets or services are not included in the report. The reporting period for environmental data is 1 June 2024 to 30 May 2025, due to availability of data.

VicTrack’s greenhouse gas inventory has been prepared using the DEECA Environmental Data Reporting Tool, based on Australia’s Department of the Environment and Energy’s National Greenhouse Accounts Factors, updated in September 2024.

Climate-related risk disclosure statement

VicTrack is continuing to build on its understanding of climate-rated risks and assess their potential impacts on assets. To support this, VicTrack completed its first climate change risk assessment. This will be used to inform future asset management plans.

Greenhouse gas emissions

VicTrack reports its greenhouse gas emissions broken down into emissions ‘scopes’ consistent with national and international reporting standards. Scope 1 emissions are from sources that VicTrack owns or controls, such as burning fossil fuels in its vehicles and use of generators. Scope 2 emissions are indirect emissions from VicTrack’s use of electricity from the grid, which still uses coal and gas-fired power generation.

VicTrack’s Scope 1 greenhouse gas emissions decreased by 25 per cent from 2023–24 to 2024–25. This decrease has been driven by a reduction in vehicles in VicTrack’s fleet and reduced vehicle use associated with the departure of VicTrack’s Project Delivery Group, a reduction in Telecommunication field staff and decrease in field support to Victoria’s Big Build Projects. The decrease is also attributed to a reduction in the use of field generators.

VicTrack’s Scope 2 greenhouse gas emissions increased by three per cent from 2023–24 to 2024–25. The increase in electricity usage is attributable to:

- expansion of VicTrack’s data centre capacity and increased telecommunication offerings
- increased power needs at the Sunshine Warehouse
- increased staff working from the VicTrack departmental offices
- increased power use in common spaces at 1010 La Trobe Street associated with recent refurbishments, including the addition of a gym, meeting spaces and screens in the foyer.

Indicator	2024–25	2023–24	2022–23
Total Scope 1 greenhouse gas emissions (Tonnes CO2-e) [Indicator G1]	411	550	479
Total Scope 2 greenhouse gas emissions (Tonnes CO2-e) [Indicator G2]	2,499	2,415	2,670

Notes:
The reporting period does not include emissions from waste, paper and air travel, as these are Scope 3 emissions and are not required to be reported under FRD24.
The reporting period is based on the 12-month period over June 2024 to May 2025.

Electricity production and consumption

Energy use at VicTrack departmental offices (directly purchased) in 2024–25 increased by two per cent compared to the previous year. This result is likely due to a slight increase in staff working from the office as part of the hybrid way of working compared to 2023–24.

Energy use in common areas of departmental offices (not directly purchased) increased by 39 per cent compared to 2023–24. This is due to the addition of new lighting and screens in the foyer, as well as the addition of common meeting room spaces and a gym as a result of refurbishment works at 1010 La Trobe Street completed at the end of 2023.

In 2024–25, energy consumption at operational facilities increased by seven per cent. Increased energy consumption at the warehouse (Sunshine) operational facility is due to additional permanent power supply to maintain running temperature for equipment (radio spares for the Digital Train Radio System network), as well as multiple new power supplies for load bank and battery strings to alleviate battery failures on site.

Energy consumption at data centres and telecommunication infrastructure has increased by four per cent and two per cent respectively compared to 2023–24. This reflects enhancing our data centre capacity through increasing footprint to offer more services to customers, and increased power to modernise infrastructure to keep critical assets and systems for transport communications running and safe from cyber security threats.

Energy consumption at non-tenanted properties fell by 10 per cent in 2024–25 compared to the previous year. This is likely due to the completion of refurbishment programs, such as Community Use of Vacant Rail Buildings and Leasing Portfolio uplift program, early in 2024–25, handing over the non-tenanted assets to tenants.

In 2024–25 VicTrack migrated all of VicTrack’s remaining Telecommunications infrastructure sites, miscellaneous infrastructure and Property leasing (non-tenanted) sites to purchase five per cent of its total electricity from green energy renewable sources, increasing greenpower sourced electricity by over 55 per cent compared to the previous reporting period.

Indicator	2024–25	2023–24	2022–23
Total electricity consumption (MWh) [Indicator EL1] ^(a)	3,992.1	3,814.3	3,671.7
Purchased electricity – consolidated			
Department offices ^(b)	944.4	921.8	862.2
Operational facilities ^(c)	74.8	70.1	52.8
Data centres	1,833.6	1,764.8	1,771.0
Other telecommunication infrastructure ^(d)	783.0	765.5	690.0
Miscellaneous infrastructure ^(e)	91.4	88.0	96.2
Property Leasing (non-tenanted) ^(f)	33.7	37.5	36
Not directly purchased but from outside the organisation (MWh)			
Department offices ^(g)	231.2	166.5	163.4
On-site installed generation capacity (MWh)			
Diesel backup generator	0.0	0.0	0.0
Total electricity offsets (MWh)			
Greenpower ^(h)	169.3	109.1	11.1

Notes:

(a) Electricity consumption is based on the 12-month period over June 2024-May 2025.

(b) Base building apportioned electricity use consumption is calculated from net lettable area. With VicTrack occupying three floors and a portion of the ground floor at 1010 La Trobe Street, our apportioned value is 35 per cent and one floor at 595 Collins Street our apportioned value is 1.5 per cent.

(c) Includes Telecommunications warehouse (Sunshine), North Dynon Freight Terminal and the VicTrack portion of Newport Workshops. Electricity consumption data estimated for part of the North Dynon Freight Terminal for May 2025 based on the average consumption of available data per month in 2024–25.

(d) Other Telecommunications Infrastructure includes data huts, communication rooms and towers. Electricity consumption data was estimated for infrastructure with data unavailable at the time of reporting based on the average consumption of available data per month in 2024–25.

(e) Miscellaneous infrastructure sites refer to infrastructure that remains in VicTrack’s control, including Batman Bridge, Dudley Street, a railway platform in Norlane and Stanthorpe Street. Electricity consumption data was estimated for infrastructure with data unavailable at the time of reporting based on the average consumption of available data per month in 2024–25.

(f) Vacant Lots with power supply due to maintenance, planned upgrades or refurbishment programs including at Korumburra, Lethbridge and Banana Alley, and lighting in access in common areas including at Ballarat. Electricity consumption data was estimated for infrastructure with data unavailable at the time of reporting based on the average consumption of available data per month in 2024–25.

(g) Energy consumption from department offices not-directly purchased includes energy used in common areas of VicTrack’s Collins Street and 1010 La Trobe Street buildings, billed based on area occupied under the lease agreement. Collins Street data estimated for Oct 2024 to May 2025 based on the average consumption of available data per month in 2024–25.

(h) Newport Workshops transferred to five per cent green power purchased in May 2025, while remaining sites have five per cent green power for the entire reporting period.

Stationary fuel use

Diesel backup generators for critical data centre facilities and diesel generators (machinery) for field use are sources of emissions from stationary fuel. Data has been collected primarily through billing information from fuel suppliers.

In 2024–25, while backup generator usage in buildings increased 16 per cent, generator use overall significantly decreased and as a result there was a reduction by 79 per cent in greenhouse gas emissions from stationary fuel sources compared to 2023–24. The decrease is due to a change in the supply of machinery-based generators during power outages related to Victoria's Big Build projects, as during 2024–25 generator services for these projects were outsourced to an external third-party supplier.

Indicator	2024–25	2023–24	2022–23
Total fuels used in buildings and machinery (MJ) [Indicator F1]	49,620	232,143	35,790
Buildings ^(a)	48,824	41,920	28,950
Natural gas	0	0	0
Diesel	48,824	41,920	28,950
Petrol	0	0	0
Machinery ^(b)	798	190,223	6,840
Diesel	798	190,223	6,840
Greenhouse gas emissions from stationary fuel consumption (Tonnes CO2-e) [Indicator F2]	3.483	16.3	2.5

Notes:

(a) VicTrack operates a backup generator at each of its data centre sites and three at the Spencer Street Bunker. Building generator fuel use is based on estimates over the period of June 2024 to May 2025.

(b) VicTrack operates portable generators for field use. Data is based on fuel usage over the period of June 2024 to May 2025.

Transportation

VicTrack uses a fleet of passenger vehicles for operational requirements, including operating its telecommunications network and managing its assets. The fleet comprises a mix of diesel-fuelled six-cylinder and four-cylinder vehicles, including four-wheel drive (4WD) models and petrol-fuelled standard and hybrid vehicles.

The number of vehicles used in VicTrack's fleet over the 2024–25 period decreased by 13 compared to the previous year. At the end of the reporting period, VicTrack’s fleet comprised 89 vehicles, with 24 leases terminated and 10 new leases commenced in the preceding 12 months.

Of the passenger vehicles, 93 per cent were internal combustion engines, and seven per cent were hybrid vehicles.

The use of passenger vehicles based on distance travelled fell by 17 per cent from 2023–24 to 2024–25. This reduction led to a 24 per cent decrease in energy consumption for transport fuel and a corresponding drop in greenhouse gas emissions. These decreases are attributed to the cessation of the Project Delivery Group, reduction in Telecommunication field staff and a reduced demand for support work related to Victoria's Big Build projects.

Indicator	2024–25	%	2023–24	%	2022–23	%
Number and proportion of vehicles ^(a) [Indicator T2]	103	100	116	100	106	100
Road vehicles	103	100	116	100	106	100
Passenger vehicles	103	100	116	100	106	100
Internal combustion engines	96	93	105	91	94	89
Petrol	1	1	2	2	1	1
Diesel/biodiesel	95	92	103	89	93	88
Hybrid	7	7	11	9	12	11

Notes:

(a) Vehicle numbers and proportions reported are for the 12-month period over June 2024 to May 2025. The number of vehicles is representative of the total number of unique vehicles used over the reporting period, not the total number of vehicles in use at any one time.

Indicator	2024–25	2023–24	2022–23
Total energy used in transportation (MJ) ^(a) [Indicator T1]	5,803,783	7,589,835	6,782,243
Road vehicles	5,803,783	7,589,835	6,782,243

Passenger vehicles			
Petrol (total energy used MJ) ^(b)	284,684	407,039	401,200
Diesel (total energy used MJ)	5,519,099	7,182,796	6,381,043
Electricity (MWh)	-	-	-
Greenhouse gas emissions from vehicle fleet (Tonnes CO2 e) ^(a) [Indicator T3]	407.85	533.3	476.4
Road vehicles (greenhouse gas emissions (Tonnes CO2 e)	407.85	533.3	476.4

Passenger vehicles			
Petrol ^(b) (greenhouse gas emissions (Tonnes CO2 e) ^(b)	19.25	27.5	27.1
Diesel (greenhouse gas emissions (Tonnes CO2 e)	388.60	505.7	449.3

Notes:
(a) Vehicle energy consumption, and greenhouse gas emissions data are for the 12-month period, comprising available data from 1 June 2024 to 31 May 2025.
(b) Includes hybrid vehicles.

Total energy use

VicTrack’s overall energy use has decreased by six per cent in 2024–25 when compared to 2023–24. The decrease in energy use is attributable to a 25 per cent decrease in energy use from fleet vehicles and generators in 2024–25 compared to 2023–24.

Energy used from electricity has increased five per cent. To mitigate growing energy needs from electricity, VicTrack continues to review energy efficiency improvements and invest in renewable energy. Renewable energy use has increased by nine per cent in 2024–25 compared to 2023–24.

VicTrack will look for additional ways to reduce its environmental footprint through implementation of the Sustainability Action Plan 2025–26.

Indicator	2024–25	20023–24	2022–23
Total energy usage from fuels (stationary and transportation) (MJ) [Indicator E1]	5,853,403	7,821,978	6,818,033
Total energy used from electricity (MJ) [Indicator E2]	14,371,416	13,731,372	13,218,131

Total energy used segmented into renewable and non-renewable sources (MJ) [Indicator E3]			
Renewable	3,265,318	2,996,156	2,497,211
Non-renewable	16,959,502	18,557,193	17,538,953
Total energy use (MJ)	20,224,819	21,553,350	20,036,164
Units of energy used normalised by FTE [Indicator E4]	46,228	50,954	47,155

Sustainable buildings and infrastructure

VicTrack has implemented the following sustainability initiatives in its building and infrastructure works for the 2024–25 period:

- reusing construction materials including soil and ballast at multiple sites
- installing climate positive flooring with 98 per cent natural raw materials at multiple community buildings
- reusing and repurposing of telecommunications and rail equipment and materials
- utilising soil and planted vegetation as a natural barrier instead of erecting fencing at Lethbridge
- adopting circular economy principles in our ways of working
- selecting power efficient equipment and infrastructure, where possible
- procuring new adaptive power technology to optimise power consumption based on load in our telecommunication network.

VicTrack leases its head office premises, 1010 La Trobe Street, Docklands. This building is a NABERS energy 5 Star building.

Sustainable procurement

VicTrack has embedded a Recycled First Policy tender schedule for all construction procurement tenders, to encourage the use of recycled materials in construction. VicTrack’s prequalification supplier Avetta has a sustainability questionnaire to encourage VicTrack’s suppliers to provide information on sustainable practices and share key reporting metrics.

VicTrack considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian Government departments and agencies when they procure goods, services and construction. More details of VicTrack’s implementation of the Social Procurement Framework are contained in the social procurement report on page 93.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained and are available to relevant Ministers, Members of Parliament and the public on request, subject to the provisions of the FOI 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 VicTrack or a subsidiary
- c) details of publications produced by VicTrack itself and how these can be obtained
- d) details of changes in price, fees, charges, rates and levies charged by VicTrack
- e) details of any major external reviews carried out on VicTrack
- f) details of major research and development activities undertaken by VicTrack
- 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 VicTrack to develop community awareness of VicTrack 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 VicTrack and details of time lost through industrial accidents and disputes
- k) a list of major committees sponsored by VicTrack, the purposes of each committee and the extent to which the purposes have been achieved
- l) details of all consultancies and contractors, including consultants and contractors engaged, services provided, and expenditure committed to for each engagement.

The information is available on request.

VicTrack Financial Management Attestation Statement

I, Paul Hardy, on behalf of the Responsible Body, certify that VicTrack has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Chair
Victorian Rail Track (VicTrack)
9 September 2025

Appendix 1

Disclosure index

VicTrack’s Annual Report 2024–25 has been prepared in accordance with all relevant legislation and pronouncements. This index has been prepared to facilitate identification of VicTrack’s compliance with statutory disclosure requirements.

Ministerial Directions

Report of operations Charter and purpose

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FRD 22	Purpose, functions, powers & duties	7 and 10
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Appendix 2

List of abbreviations

AARNet	Australian Academic and Research Network
ABTS	Account Based Ticketing System
AEE	Annualised employee equivalent
ARMC	Audit & Risk Management Committee
CVTS	Conduent Victoria Ticketing System
Corporations Act	<i>Corporations Act 2001</i> (Cth)
DTP	Department of Transport and Planning
DWGs	Designated workgroups
EOI	Expressions of interest
EPA	Environment Protection Authority
FOI Act	<i>Freedom of Information Act 1982</i> (Vic)
FTE	Full time equivalent
H&S	Health and safety
HSRs	Health & Safety Representatives
IBAC	Independent Broad-based Anti-Corruption Commission
KPI	Key performance indicators
Local Jobs First – VIPP	Local Jobs First – Victorian Industry Participation Policy
LXRP	Level Crossing Removal Project
PID Act	<i>Public Interest Disclosures Act 2012</i> (Vic)
NMC	Network Management Centre
OHS	Occupational Health and Safety
ONRSR	Office of the National Rail Safety Regulator
OVIC	Office of the Victorian Information Commissioner
PCC	Performance & Capability Committee
PEHC	Property, Environment & Heritage Committee
RHRIC	Remuneration, Human Resources & Integrity Committee
RRCN	Regional Rail Communication Network
SES	Senior Executive Service
SPF	Social Procurement Framework
TGC	Transformation & Growth Committee
TGSN	Transport and Government Secure Network
VPSC	Victorian Public Sector Commission

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VicTrack

Level 8, 1010 La Trobe Street
Docklands VIC 3008 Australia
T +61 3 9619 1111
victrack.com.au