Submission to
SELECT COMMITTEE INTO TRAIN SERVICES

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May 2009

Overview

This submission focuses on the metropolitan train system; however, it is also relevant to V/Line, since most delays to V/Line services occur on the metropolitan system. The question of train reliability is complex and involves much detail. To simplify matters, this submission focuses on the underlying causes.

The principal reason for the poor reliability of the metropolitan train system is a dramatic decline in efficiency that began around three decades ago, but has been intensified and institutionalised in the last decade. Those managing the rail system, in Connex and the Department of Transport, lack the organisational structures, the skill base and the morale to address the problems that are creating unreliability. Instead, they have been content to propagate a series of excuses for poor performance that do not stand up to serious scrutiny.

Unfortunately, until the establishment of this select committee, there has been no public, independent opportunity to subject the excuses currently being offered for poor performance to rigorous scrutiny. The committee has the opportunity to remedy this situation and uncover the real problems, and I would be happy to provide any assistance that it might require in this task.

The metropolitan rail system is operating at only half its design capacity. It carries fewer trains in peak period than it did when the City Loop was planned: indeed, it carries significantly fewer trains than it did 80 years ago. Despite the doubling of central city capacity provided by the City Loop, together with the modernisation of rolling stock and signalling, those operating the suburban rail system now claim they cannot even match the performance levels achieved in the 1920s, let alone those envisaged by the planners of the 1960s.

Supporting documents

I have attached to this submission the following documents that provide detailed discussion of the key issues:

2. Infrastructure constraints or poor service planning? Increasing service to Melbourne’s City Loop and Dandenong rail corridor – September 2007. This peer-reviewed paper was presented at the Australasian Transport Research Forum, held in Melbourne that year. Interestingly, since I presented it, Connex and the Department of Transport have dropped their claim that the suburban rail system cannot handle more trains without a third track on the Dandenong line. The third track proposal does not appear in the Victorian Transport Plan, released in December.


The following is a summary of the main points arising from the three papers, and a discussion of their relevance to the reliability of the metropolitan rail system.

The decline in operating efficiency

By the late 1920s, following the electrification of the suburban rail system and the quadruplication of the viaduct between Flinders Street and Southern Cross (formerly Spencer Street) stations, Melbourne’s suburban rail system was among the most efficiently-operated anywhere in the world. It combined high train throughput with excellent reliability – but importantly, those operating the system were confident that it could handle many more trains and passengers.

The rise of the motor car and the Great Depression reduced patronage, and while numbers recovered during World War II, shortages of materials and manpower prevented service increases. It was not until the late 1950s that significant capital was available to invest in the suburban system. By this time, rolling stock and signalling had become outdated, but high skill levels and morale ensured that reliable service was maintained.

During the 1960s, as part of the process that led to the 1969 Melbourne Transportation Plan, the Victorian Railways prepared detailed plans to modernise the suburban rail system, replace outdated rolling stock and expand capacity through construction of a city underground railway that would create a ‘city loop’.

The City Loop was designed to allow at least 200 suburban trains an hour – twice the current number – to enter Flinders Street Station in the busiest hour of the peak, and to do so reliably. A Melbourne Underground Rail Loop Authority (MURLA) video made during the loop’s construction, available on the Department of Transport website along with a transcript, confirms this:

At the moment Flinders Street Station handles about 100 trains an hour during peak periods. When the Loop comes into operation, the five-station city terminal will be able to cope efficiently with twice as many trains and twice as many people.¹

Construction of the city loop took place through the 1970s and early 1980s, a period that saw a massive decline in suburban rail patronage. By 1981, the year the first section of the loop opened, patronage was only half the level of the early 1960s, and less than a third the level the loop’s planners had anticipated (see figures 3 and 4, attachment 1). The Victorian Transport Study (also known, after its chairman, as the Lonie Report) reported that the loop had not been needed and recommended closure of large sections of the rail system, to eliminate excess capacity.

In such an environment, it is hardly surprising that morale deteriorated, and along with it the Victorian Railways’ skill base. The reduced patronage and service levels, combined with the dramatically increased capacity, meant that the timetabling and scheduling skills, and the operating culture, developed in previous decades to allow intensive use of infrastructure while maintaining reliability were no longer needed. At a time when the best overseas urban rail systems were re-inventing themselves to achieve higher performance levels, Melbourne’s rail operator was becoming steadily less efficient.

The decline in efficiency can be illustrated by the attitude of system managers to late-running and cancellations. In decades past, each significant service disruption triggered an investigation into the causes. The idea was that problems are opportunities to learn, to improve procedures and prevent recurrences. By the early 1990s, this approach had been allowed to lapse, to the point where the idea of investigating disruptions with a view to eliminating the causes has now disappeared from corporate memory.

By the end of the 20th century, operational efficiencies that railway planners of the 1920s believed could be bettered were regarded as impossibly difficult. Melbourne’s rail operating culture had changed from being one of the most dynamic and efficient in the world, to one of the least.

**Franchising institutionalises the problem**

The Kennett government’s ‘public transport reform program’ of 1993-7 focused mainly on reducing the government subsidy to the Public Transport Corporation. This was achieved through a mixture of genuine efficiency improvements, such as rationalisation of railway workshops, and service cuts and closures (mainly affecting regional V/Line services). However, the reform program also sought to improve reliability levels, which had deteriorated during the early 1990s. The Auditor-General’s 1997 report on the program concluded that modest reliability improvements had occurred, and that more progress was possible.²

Instead, the government decided to privatise the rail and trams systems, using the UK government’s ‘franchising’ of British Rail as a model. The intention was to reduce public subsidies and improve service quality, including reliability, but the results have been very different. It is not the object of this submission to apportion blame, especially since the current system is the work of the present and previous governments, but one thing is clear. The franchising system has not worked as it was intended to, and the system has been in a state of crisis for around eight years now.

The collapse of the 1999 arrangements led to new franchise agreements that were signed in 2004, but the problems remain.

The privatisations of 1999 and 2004 have produced at least four lasting problems:

• They have created confused and complex lines of accountability, along with secrecy arising from commercial-in-confidence issues. The result is that nobody is accountable for delivering a quality rail service.

• They accelerated the de-skilling and loss of corporate memory that had been underway for two decades. Experienced staff left and were not replaced; the Department of Transport recruited staff with experience in contract monitoring and administration, rather than rail operations and planning. The Department and Connex are now unable to rectify the problems, because they have nobody left with sufficient expertise to train replacements.

• The system of performance fines and bonuses, together with other practices such as the referral of major incidents to the Public Transport Safety Victoria\(^3\), has institutionalised the culture of accepting poor performance. Instead of fixing the problems, the Department of Transport announces that Connex has been fined again.

• The fact that the key staff behind both the 1999 franchising and the 2004 bailout occupy key positions in the Department of Transport, including that of Secretary, creates a strong resistance to criticism, no matter how constructive. The Department treats any suggestion that performance could be improved as an attack to be repelled, rather than an opportunity to be embraced.

**Self-defence of incompetence**

The result is a system that offers an extreme case of a general problem that can arise in public transport systems. In the words of Professor Vukan Vuchic of the University of Pennsylvania, possibly the world’s leading authority on urban public transport:

> With time organisations have a tendency to develop a pattern of operation that is convenient for personnel, rather than for passengers and long-term operating efficiency … This pattern of operations is not easy to change, because in an organization a resistance to change develops that may be designated as “self-defense of incompetence” … The less competent employees are, the more they resist any changes … Management must undertake energetic steps to break the pattern of service deterioration, decreasing economic efficiency, and resistance to innovations. In some cases, to introduce changes, management may need support of political leaders, external advisors, citizen advisory groups, and other bodies to get a better perspective on the conditions of service, needed improvements, and obstacles that should be overcome.\(^4\)

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3 I am not arguing against PTSV investigating safety issues; rather, I argue that Connex and the Department have used PTSV as an excuse for not conducting rigorous investigations of their own.

This is the situation we are now in with Melbourne’s trains. Inexcusably poor performance is defended, rather than fixed, with increasingly lame excuses proffered as time goes by and some of the original rationalisations are shown to be bogus. For example, the reliability problems on the train system in January this year were initially blamed on hot weather, despite the fact that they started at least a fortnight before any really hot days were recorded. When this tactic was questioned, train drivers were blamed. At no point has there been any indication that the real problems will be addressed.

Another example is provided by the extensively-repeated claim, made until about 18 months ago, that the principal problem on the suburban rail network was the lack of a third track on the Dandenong line. This was supposedly the number one issue that had to be dealt with to fix crowding, cancellations and late-running. I demonstrated on a number of occasions (see, for example, attachment 2), that the problem was due to poor timetabling rather than the lack of a third track. Although I was vilified for pointing this out, the Department and Connex have quietly dropped the third track plan and adopted a modified version of my proposal. The obvious, but unanswered, question is: if the third track to Dandenong turns out not to have been needed after all, how can the community trust any other claims made by the parties who said it was needed?

Towards a solution

The problems of the suburban rail system are primarily the result of organisational, skills and ‘cultural’ deficiencies. Although investment is obviously required, especially to expand the rail system, this is unlikely to produce useful results in the absence of change in the areas identified.

The main changes required are:

• Replacement of the current franchising system with a regional public transport authority, of the kind found in Perth (home to Australia’s most efficient rail system) and overseas cities like Zurich and Vancouver. What is needed is a dynamic, highly-skilled body that focuses on fixing problems rather than making excuses. Such a body should be kept accountable to the public through open processes, strong ministerial attention to problems, and independent review of performance and key decisions.

• The establishment of a competent, skilled rail operator reporting to the regional agency. This can be a division of the agency (as in Perth), a public subsidiary company owned by the agency (as in Vancouver), or a separate public agency (as in Zurich). In theory, it may be possible for a private firm to take this role, but supporting examples are rare, and confined mainly to Japan. The critical point is that the public transport authority, not politicians, should decide this question, based on evidence rather than ideology.

• Introduction of a small team of expert rail managers drawn from the world’s best public transport systems to comprehensively audit the system’s current problems and prepare solutions. Such a team could start work even before the establishment of the
regional agency, and would then report to it. The team would also be able to offer useful advice on the necessary reforms to create a skilled operating body.

I would be happy to expand on any aspect of this submission.