

CORRECTED VERSION

SELECT COMMITTEE ON TRAIN SERVICES

Inquiry into the factors leading to and causes of failures in the provision of metropolitan and V/Line train services

Melbourne — 6 October 2009

Members

Mr B. Atkinson
Mr G. Barber
Mr D. Drum
Ms J. Huppert

Mr S. Leane
Mr E. O'Donohue
Mr M. Viney

Chair: Mr B. Atkinson
Deputy Chair: Mr S. Leane

Staff

Executive Officer: Mr R. Willis
Research Assistant: Mr A. Walsh

Witnesses

Mr R. Barnett, chief executive officer,
Mr G. Wilson, manager network systems and performance, and
Ms U. McGinnes, general manager stakeholder relations, V/Line.

The CHAIR — I extend a warm welcome to Mr Barnett, Ms McGinnes and Mr Wilson to today's hearings of the Select Committee on Train Services. As you are probably aware, today's hearings are in relation to the factors leading to and causes of failures in the provision of metropolitan and V/Line train services. All evidence taken at this hearing is protected by parliamentary privilege under the Constitution Act 1975. There is also some privilege afforded under the Legislative Council standing orders. However, if you were to repeat evidence that you give in this hearing outside of the hearing itself, then that privilege would not necessarily apply.

A couple of days after the hearing has concluded you will receive a transcript of the evidence. You will be able to make any corrections to that record, but obviously you cannot change any of the substantial evidence or material presented.

I propose, at this point, to invite you to make some introductory remarks — we have your submission, and we thank you for that — and then we will proceed to ask some questions.

Mr BARNETT — Thank you for the opportunity to address the committee and to explain the role that V/Line has in the Victorian community and how we perform day in and day out to move millions of people around the state safely and efficiently. More particularly, this committee provides a public forum to explain how we perform when our rail system is under extreme pressure and the enormous efforts that the V/Line team invests into ensuring that people get to where they are going, regardless of the circumstances. With these aims in mind, we have prepared an opening introduction with accompanying slides to start the proceedings, if that is acceptable to the committee.

The CHAIR — Yes.

Mr BARNETT — Today I have two colleagues with me to assist with the presentation: Mr Greg Wilson, V/Line's manager for network services and performance, who will talk technically about our operations; and to my right is Ms Ursula McGinnes, the general manager stakeholder relations, who can address the customer-facing issues.

Overheads shown.

Mr BARNETT — We will now go to our slide presentation. Let me put on the record that we take our role as Victoria's leading regional transport provider very seriously, and we are very proud of our achievements and of our history. As many of you would know, V/Line is Australia's largest regional public transport operator in terms of passenger numbers. We are fully owned by the Victorian state government, and like the Melbourne transport operators we have a franchise agreement set by the director of public transport.

We operate train services along five main lines, as you can see on the map: Bendigo to Swan Hill and Echuca, Ballarat to Ararat, Geelong to Warrnambool, Seymour to Shepparton and Albury-Wodonga, and the Gippsland line to Traralgon and on to Bairnsdale. There is an extensive network of V/Line branded coach services that covers the state and beyond into New South Wales and South Australia. These coach services are contracted directly to the director of public transport through a range of coach companies. Our role is to manage the day-to-day customer service experience.

We serve three tier markets. The first is commuters leaving outer lying areas of Melbourne such as Melton and Sunbury, and the main regional cities such as Ballarat, Bendigo and Geelong and the surrounding country townships. The second is the discretionary market, who travel from main regional hubs as well as outer regional areas such as Warrnambool, Bairnsdale and the Wimmera for a range of reasons such as medical appointments, visiting family and friends, study or entertainment. The third market is the Melburnian market — people who want and need to travel to regional Victoria for work, leisure and to see family members.

You can imagine that it is a tricky blend balancing the needs of what has become a mass transit system on the one hand with those of tailored and discretionary long-distance travel requirements on the other hand. However, our recent growth across all of these markets indicates that we are doing something right in providing an essential community service that contributes hugely to the economic growth of regional centres.

V/Line employs 1382 people to get people to where they want to go. This involves running 1400 train services and 600 coach services every week. We also operate 83 stations across our network and run an extensive fleet of trains. We are a track manager as well, charged with maintaining 3700 kilometres of rail track that is used by

both passenger services and freight services. This role is relatively new following the Victorian government's buyback of the regional network from Pacific National and its transfer to V/Line in May 2007. We believe this was a wise decision, and already we are seeing benefits from the integration above and below the railway.

Over the past three years there has been a continuing improvement in our punctuality in the regional network: 93.5 per cent on time to 5 minutes in 2006–07 through to 94.5 per cent on time in 2007–08, and now in 2008–09, 95.2 per cent. Since this change V/Line has become a state-owned entity, and we now report to the state's Treasurer as well as to the Minister for Public Transport.

In 2008–09 a record 13.17 million passenger trips were made on our services, more than at any other time in our history. This is a strong endorsement from our customers and communities. Between June 2005 and June 2009 we have experienced 82 per cent growth in patronage which, from my understanding, is unprecedented amongst any transport operator in Australia. While this growth is reassuring, it brings its own difficulties on how to manage the capacity and maintain our service levels. V/Line was fortunate that the government had established a train production pipeline at Bombardier in Dandenong and we have been receiving one new carriage every month. As a result we are constantly addressing our capacity issues by adding extra seating into the network as it is required.

As you can see from the slide that is up now, the substantial growth has been across our four main lines upgraded through the regional fast rail project that was completed in 2006: the Geelong, Ballarat, Bendigo and Gippsland corridors, with Gippsland experiencing the greatest growth within recent times. This patronage growth reflects the increasing strength of regional towns such as Ballarat, Bendigo and Geelong. Again, this is counter to trends elsewhere in Australia where inland regional towns and cities are diminishing rather than developing into economic centres in their own right. We believe that transport infrastructure plays a key role in this development. If you look at a map of Victoria and its major growth areas, without exception there is a railway running through it.

The origin of this recent growth is unquestionably the regional fast rail. While publicly a much-maligned project at the time, it has more than delivered on its promise to Victoria. Regional fast rail was a generational change in the regional train network that was much needed. Without it, train services would have been under threat in regional areas due to the lack of investment in infrastructure that was rapidly deteriorating. Regional fast rail provided 38 new V/Locity trains travelling at speeds of up to 160 kilometres per hour, 500 kilometres of upgraded track, 400 new and upgraded railway signals, 460 000 plus concrete sleepers, 170 upgraded level crossings and new rail safety systems.

Most importantly, regional fast rail paved the way for a new V/Line timetable that delivered the benefits across the state. As we said in our customer material, it provided more services more often at times when people wanted to travel. In short, the new timetable added more than 400 services every week into regional centres, new flagship services that have proved incredibly popular, a more regular timetable with shoulder-peak services, hourly off-peak services and late evening trains, and increased seating capacity in new, comfortable and modern trains.

Major infrastructure improvements are essential to maintaining rail services. Build it and they will come, so they say, and RFR has certainly proved that to be true. We believe that the regional rail link is the next step change for our network, and we welcome it so that we can steadily meet the growing needs of Victoria.

Over the past five years we have also had a much-talked-about return of services to the Bairnsdale and Ararat communities. These projects have been incredibly successful, with patronage increasing by 71 per cent and 55 per cent respectively from the first year that services were returned. Very quickly the V/Line service became integral to these local communities as demonstrated by the well-attended fifth anniversary celebrations held at both locations earlier this year. Through the Victorian transport plan Maryborough is set to be the next location where passenger services are returned; that is currently planned for mid-2010.

Of course there have been other contributing factors encouraging train usage. The government's 20 per cent decrease in fares in 2007 quickly followed by escalating petrol prices gave greater impetus to this patronage growth. Train travel is now competitive with the car, not just for the individual but also for the family group. Even with petrol prices dropping and then stabilising in recent times, our patronage has held up and continues to grow, and that is because when people start travelling with us they realise that it is a better alternative to the car.

It is hassle-free — usually — with the opportunity to do other things, whether working, socialising, reading or often just taking a nap.

Now if we turn to the extreme weather which occurred in January and February of this year and was the catalyst, in my understanding, for the starting up of this committee, let me say at the outset that we did experience operating difficulties during the heat, which was particularly difficult when the ferocious bushfires occurred in February. They stopped many of our services, and they burnt out two corridors that we operated around the township of Wandong on the Seymour corridor and at Camperdown on the Geelong–Warrnambool line. This period certainly tested our systems. It tested our rolling stock, our infrastructure and most especially our people, but we were ready for the task and we met the challenges of the time.

Several of you on the committee represent people in the northern region of Victoria and know that places such as Swan Hill, Echuca and Albury-Wodonga experience many more days over 40 degrees than the five that we experienced here in Melbourne. This was not peculiar to 2009. We are prepared for the heat when it happens because in regional Victoria it happens every summer. In hot weather we apply speed restrictions to our network; they are called wallows. We slow down train running when the heat climbs. This means that some trains may take longer to reach their destination. It also means that some train services may also run short and connect with road coaches. We impose these restrictions for safety reasons. Still tracks expand in extreme heat, and this can force sleepers to move sideways, creating track buckles. Speed restrictions are applied to reduce the forces applied by passing trains and also to allow the trains the chance to stop in the event of a buckle on the track.

I am sure I heard earlier from the deputy chair how interesting it was for some of you to travel at the front of the trains where you see how quickly things come to the driver. There is not much time to stop at all, and hence that is why in the hot weather we slow the network down to provide the driver a greater comfort level of safety. We are not the only operator in the country to slow trains down. It is common practice with all railways across Australia, and for that matter across the world. The key difference with Victoria is that we have variable summer weather. Unlike in Queensland, not all summer days are hot in Victoria, with some regions such as Warrnambool and Gippsland really experiencing extreme temperatures. This is why we do not introduce the summer timetable. We only slow the trains down when there is a safety need to do so. Between October 2008 and March 2009 we had 49 days of speed restrictions out of a total of 182 days.

There is much discussion about whether concrete sleepers make the difference with heat speed restrictions. I can tell you that speed restrictions are applied to both concrete and timber sleepers, but typically the restrictions are more severe and introduced at lower temperatures with timber sleepers. Once air temperatures exceed 40 degrees on all rail infrastructure the restrictions become quite severe. Because heat speed restrictions occur every year we talk to our customers about what this means for their travel experience. We have information and posters available at our stations. We work with regional media outlets so that people know to plan extra time for their journeys. Working with informed customers makes it easier, and customer inquiries have dropped on this issue since we have started this information program. We have also introduced our SMS disruption notification program, called V/Line Inform, so we can tell people ahead of time if there are any changes to their services.

Turning to January and February 2009, we had an operational plan ready for the summer and we put it into place. We had one unifying principle: that despite the challenges that extreme weather presented we would get our customers to where they were going with minimal inconvenience, regardless if this was by train or by replacement coach.

In terms of our operational performance between 13 January and 7 February of this year, when the temperatures were extreme, we ran 93 per cent of our 5341 scheduled services. Only 362 train services were cancelled. The majority of these services were replaced by coaches. We used 1665 coaches across the state for this task. Less than 1 per cent of all services were not replaced. In most cases this was during the extenuating bushfire period when it was unsafe to use coaches due to extreme conditions and road closures. There were 53 cancellations due to air conditioning failures on our trains. Of these 53 cancellations, 93 per cent were on our loco-hauled trains. This was a good outcome considering the number of services that we operated. Air conditioning on our newer trains, the V/Locities and the Sprinters, which form the vast majority of our fleet, performed well with very few breakdowns. It is interesting to note that we had fewer customer complaints about air conditioning in 2009 than we did in 2008.

At times we struggled with the on-ground communication at Southern Cross station and the metropolitan stations when it was unclear what was happening. This is an area we certainly need to improve. At the time we tried to overcome this by increasing the number of people on the ground and using our new SMS notification system to tell customers what was happening in advance. We also published regular service updates on our Web and our customers became adept at checking before travelling. Our call centre also played an essential role in supporting the travelling public with up-to-date information. Crucial to our communication efforts was the regional media, particularly the ABC during the bushfires, broadcasting transport information ahead of time and embedding it into regular news bulletins.

What are we doing this summer? While we managed last summer well, there is always room for improvement. To this end we have pulled together our strategy for approaching the summer period this year. Some of the activities include fire preparation across 3700 kilometres of railway reserve. This involves putting vegetation management and fire plans in place early, working with local councils, local CFA groups and the DSE.

We are refining our operational plan for heat-disrupted services and we know the importance of putting it in place early. Some of the continuous improvement programs that were initiated in recent months will support operational performance improvement this summer. These include nightshift maintenance for quicker train turnarounds and increased supervision in our yard operations at Southern Cross station.

Internal communication at the front line was an area identified for improvement. We have focused on strengthening communication processes between the Southern Cross yard and the station control room. This means that staff on the ground will have more accurate and timely information so they can better guide customers.

Staff safety is essential at all times and we have identified the need to strengthen our heat exhaustion protocols, ensuring adequate hydration and sun protection for our regional staff. This is particularly true for our track workers who experienced extreme conditions, particularly through the last bushfire season.

While air conditioning problems were limited to our older train sets, we have implemented a new servicing regime and we are making modifications to further reduce the number of failures. Of course we will build on our advanced communication program for customers. We have already started to update our heat speed restriction campaign, adding in travel tips about travelling in extreme heat. We will actively encourage people to sign up to our SMS notification program, V/Line Inform, from October, and we will have live service updates feeding directly to our website from December. We will continue to work with regional news outlets, including the ABC, embedding travel information into weather and road reports so that the broad community is aware of the travel conditions and arrangements at the time. Fundamentally we will maintain the underlying principle deployed in earlier years of getting people to where they want to go as quickly and as safely as possible.

We appreciate the time to make the opening introduction to you and now welcome your questions.

Mr BARBER — In your annual report you talk about your on-time performance, which is generally between 93 and 97 per cent before you hit the city, and then you show that when you hit the city that typically drops by about 10 per cent. Can you explain to me what happens when you hit the city and either you are running late or Connex trains are running late? How exactly do we get things back on track?

Mr BARNETT — The metropolitan network of course is managed by the metropolitan operator — in this case Connex. There are grid protocols with Connex as to how the network controller manages the traffic.

Mr BARBER — What do those protocols look like? Is it first come, first served?

Mr BARNETT — Sometimes it does, I think, but by and large it depends on whether the train is what is called healthy. If the train is healthy — that is, it is within its window; and I think I have read on previous transcripts that you understand the window has got some plus or minus minutes in it — I think the controller has his own judgement to try to get the network back on time as quickly as he can. Some of that is about his own skills and experience.

Mr BARBER — Connex gave us data on 12 000 of their trains that were cancelled or delayed — it was 2000 a month over six months. They have what they call cause codes and fault codes. For 2400 of these they say the fault code is V/Line, and about 1400 of that 2400 is your train being late rather than perhaps other

mechanical issues that might come up along the way. How can a system be better so that there are more recovery strategies, if you like, so that you are not delaying them so much and they are not delaying you so much, because I cannot get a clear picture as to how that could be improved?

Mr BARNETT — Clearly there is a myriad of reasons for why trains become late, be it from ill customers to mechanical issues with the train itself to other human factors on the service. In the first place you get performance improvement for free by trying to eliminate those issues, and no doubt that is what we and Connex both are doing. I think it is fair to say that if you look at the performance in the recent past — certainly the last few months — the performance is on an upward swing, and I attributed that to some of those continuous improvement efforts.

Mr BARBER — In terms of them or in terms of you?

Mr BARNETT — I think both are improving. As I said in our introductory remarks, if you look at the improvement of our punctuality on our regional network, over the last three years it has improved; therefore if the number of variations to our performance is reducing, which is what that is indicating, that will have a knock-on effect onto the network as well.

Mr BARBER — Let me ask you something slightly different. When you measure customer satisfaction you are really measuring the gap between their expectations and what you can deliver; would you agree? So how do you go about measuring their expectations which, no matter how good you get, they will always improve so that those rising expectations can be a driver for your next round of performance improvements?

Mr BARNETT — I would put to you that V/Line is relatively unique in regard to some of our customer interactions. To some degree that is about the fact that we like to think of ourselves as being almost boutiquey, because we have a relatively small customer base over a small number of services for the commuter area. We have a monthly program where I go out with most of the senior management team on pre-announced selected trains. We sit and talk to our customers for the entire length of the journey, so we get very detailed firsthand feedback every month. Just last week that was to Traralgon. Next week we are off to Seymour. This is done every month. It is in our annual report. I think last year there were 13 such events, and they are done both ways: we do it in the evening and we stay overnight, often meeting with local councils and other folks at the regional town, and we come back and repeat it the next day, hopefully with different people on the train. We think we have very good information about our customers. Would you agree?

Ms McGINNES — We have got a wide range of techniques about gathering customer expectation, but it is what they think we should be doing as opposed to what it is that we do. We have got monthly on-train consultations. There is also an independent satisfaction index which is run by the department, and on that we actually come out as the top operator in Victoria in terms of customer satisfaction. Yes, we might have taken a slight dip in this year, partially due to some of the difficulties that we experienced over that January–February period.

We also run our own customer benchmarking survey, where we do exactly what we talk about. We talk to and ask people about their expectations and we compare that to what it is that we can deliver. From there we actually then derive the three or four key things that the organisation is going to focus. For example, one of those has been information — real-time information on the ground. People are actually very understanding that things happen in day-to-day operational life. What they do not understand is when you do not give them the information. That is one area where we have sought to improve. That is about giving our staff the right information and better processes internally — our V/Line Inform SMS notifications, Web and a whole host of other things that we have put in place which are particularly important during that summer period. We have a very rigorous program about looking at that satisfaction level and how we can improve.

Mr LEANE — Rob, you spoke just briefly in answer to Mr Barber about some of the causes of delays and cancellations. There was an interesting in one of the Melbourne papers — I cannot remember whether it was the *Age* or the *Herald Sun* — going back probably two or three months ago regarding delays to V/Line caused by livestock getting onto the track through whatever means, such as unmaintained fences. This is something that we have spoken to a few witnesses about — protocols. I know you would not drive at excessive speed with half a cow hanging off the train, and I sympathise with the driver after having that experience; I have been in the

front too. I understand it takes a kilometre to stop, so if there is a cow, a sheep or a goat or a llama on the track — —

The CHAIR — They will not get on the track!

Mr LEANE — They are going to hit them. What is the protocol, and how long does it take usually?

Mr BARNETT — The other key piece of livestock you missed were the kangaroos. The type of animals that we come into contact with, interestingly, varies across the state. If you head down to the Western District, on the Warrnambool line or the Ararat line, it will be mainly sheep; on the Bendigo line, where Mr Drum comes from, there are lots of kangaroos. The protocols are all the same.

We stop the vehicle, which is often in the middle of nowhere. The driver will do an inspection to look for damage. If he cannot see any damage and his instruments are telling him that he is safe, we will continue the train, we will try to get our customers to their destination, and on arrival at their destination the train will be taken out of service and taken, at the moment, to the Newport facility for cleaning. It has got to be taken to a special facility to capture the materials which need to be treated. Often, as part of our process, we may very well lose that train for potentially 24 or 48 hours, right?

Mr WILSON — Yes.

Mr O'DONOHUE — Thank you, Mr Barnett, for your evidence today. I want to talk about what procedures you have in place when a driver or conductor calls in sick because I note that in August you had 36 trains cancelled, with staff shortages as the reason given. What sorts of things are those staff shortages related to and is it, indeed, someone calling in sick at the last minute? What happens if that happens?

Mr BARNETT — Our data indicates that if we look at our absenteeism in V/Line, the numbers are actually reasonably low. It is quite good. If you look at the essential question, it is how do we establish the number of people we need to run our operation? What we have is clearly that the timetable drives our rosters, and through the population of rosters plus a number of backup employees, if you like, that determines the headcount.

Essentially the rosters, when they are built at budget times, may not have figured into them things that we do not know about. A good example is recently a number of drivers have been involved in training on the Australian Rail Track Corporation network to do with operating the train from Sydney. We take over the driving of many of those trains from Junee and there have been some changes to infrastructure. That has created a large number of driver shifts that have been taken out of our roster to fulfil that training requirement. That is one example, but there will be many examples of that.

For instance, Wendouree station was reopened, so there is a significant retraining of the drivers that drive the Ballarat-to-Ararat corridor, in order to train them for the new infrastructure. Again when we initially built our budget together we would not have planned to do all of that. Those events rob us of available hours to drive trains.

Mr O'DONOHUE — Was that driver training the reason behind many of those cancellations in August?

Mr BARNETT — I can come back and give you those specifics, if you need them, but generally speaking it is those events that will drive that sort of activity. Generally they are one-off events. It is unusual; we do not have big amounts of absenteeism, do we?

Mr WILSON — No, we do not. We only get handfuls of drivers who go off sick at any one time. It depends on how much notice you get of those drivers going off sick, as to how quickly you can replace them, or juggle the rosters around on that given day. Generally if you have a day's notice you can cover the rosters, but it is the short-term ones who ring up at lunchtime for the evening peak when you do struggle to actually cover that service and run a train.

Mr DRUM — Can I pick up on that point? In all walks of life, we do not know we are going to be sick tomorrow; we know we are going to be sick when we wake up in the morning, or we know we are going to be sick tonight, at about lunchtime. Would we not have contingencies in place for 3 or 4 hours that would actually enable the service to continue? I can understand if someone rings up half an hour before they are due to come to

work, it would be difficult to cover them, but if you are saying you are getting 4 hours notice and you still cannot create a contingency, does that mean we have not got enough drivers in the pool?

Mr BARNETT — No, we do not believe so. At the moment our current driver requirement is 301. We are not yet implementing Warrnambool driver-only. Warrnambool is the only corridor in our network where we operate two drivers at the front of the train. Everywhere else is what is called 'driver-only'. Warrnambool will go to single driver, we hope, in the next couple of months. That will bring our requirement to 294. We currently employ 320 drivers; 23 of the 320 are in training. It says that we actually have enough to meet our commitments provided things happen as you would expect. By and large in our rostering we do have a number of spares, and people available step up, so that they are always there for the roster. But if you get a significant event happen, it is hard to cover that. The staff, by and large, are also very good. They help to manage some of their own replacements, and that is all part of the spirit of the company because people recognise it is an essential service, and that if we do not provide the service people cannot get to work, or wherever they are going.

Mr DRUM — But these 36 cancellations in one month due to staff shortages is a significant amount.

Mr BARNETT — For 36 in that month I assume we would have provided 6000 to 6500 services, so in percentage terms it is a very small, in perspective.

The CHAIR — Can I check the geography of the drivers? Do they live at the ends of the runs? In other words, they are not all Melbourne-based drivers, are they?

Mr BARNETT — Correct, they are both. So we have depots across most of our major corridors.

The CHAIR — Yes, and that would add some difficulty to replacing drivers.

Mr BARNETT — And that is what can happen, yes.

The CHAIR — Somebody falls sick on one of the lines, you have got them on another line but not there.

Mr BARNETT — Correct, it depends where it happens. Obviously our biggest depot is Melbourne, Southern Cross, and you can get to smaller depots where there are only handfuls of people there.

Ms HUPPERT — This follows on from a question asked by Mr Barber earlier about the interaction of the V/Line services with the metropolitan services. We have heard a variety of views from some of the witnesses that have presented to us over the last few days about the wisdom, or otherwise, of some of the infrastructure projects being planned. Could I get V/Line's view on the regional rail link project and the impact that will have on some of the issues that we have been discussing in terms of delays caused by interaction and the value of that project to the whole network?

Mr BARNETT — We certainly believe the regional rail link is an extremely important project for us. This is because it enables us to, firstly, run more trains. Right now the number of paths for us into the metropolitan area at the busiest time of day are restricted. Quite frankly, we cannot get any more paths into Melbourne. The regional rail link provides us with our own dedicated railway for three main corridors, so it is extremely important for us. We think it will deliver increased services in our busiest time and improve our punctuality.

Mr DRUM — Whether we allow 6 minutes for our short-term trips or 11 minutes for our longer term trips, our targets for Geelong have been unable to be met for about three years; our targets for Ballarat have not been able to be met for about two years; and Bendigo for about a year and a half. What does that say about our punctuality? You are on record as saying that our performance in relation to timing remains high, but the statistics would not say that it is remaining high. We do not have a very good record. Are you saying that if we can get to 92 per cent of our services turning up within 11 minutes or 6 minutes, that is on time? We have not been able to do that for one and a half years, or two or three years, and yet you say that our on-time performance remains high. Can you please explain that?

Mr BARNETT — Good question. The first issue is to correct what targets are. They are 92 per cent on time to 5 minutes and 59 seconds for the inter-urban journeys.

Mr DRUM — Six minutes.

Mr BARNETT — Inter-urban journeys are journeys from Geelong, Ballarat, Bendigo, Seymour and so on. They are 10 minutes and 59 seconds for the intercity journeys from the furthest parts of our network. The target of 92 per cent is interesting; the history of the target is quite interesting. Where did it come from? I am an engineer and, typically, you do not achieve targets by plucking numbers. The system has to be capable of delivering you the number. The history of the V/Line target goes back to the ending of the National Express franchise. Fundamentally it was a metropolitan target; that is where it came from. You can sit back and say that V/Line has not achieved its target for some years, but the issue is was the target ever achievable?

We are quite pleased. If you look at what happens on the regional network, which we control, we are achieving somewhere between 94 per cent to 96 per cent on time in the regional network, so we do very, very well in the areas of the network over which we have absolute control, and obviously the traffic is less. We do show signs of achieving that 92 per cent target in some areas. You quoted Ballarat. For us, recently Ballarat has been the most rewarding because for the last three months we have achieved our 92 per cent target on the Ballarat corridor for the first time since RFR started.

Mr DRUM — Yes.

Mr BARNETT — Performance is in the eye of the beholder. If we look at other railways that look like V/Line, what are their targets? In Australia, unfortunately, there is only one other regional railway that publicly reports its performance, and that is CountryLink. They are the only people we can measure ourselves against. At CountryLink they measure their performance on time to 10, and their target is around 77 per cent at the moment; that is what they are achieving.

Mr DRUM — New South Wales.

Mr BARNETT — Yes. CountryLink being in New South Wales.

Mr DRUM — Most things in New South Wales are not great.

Mr BARNETT — It is all relative. Is your glass half full or half empty? We think we are doing well, and we are demonstrating that we are improving. We think we have active programs to drive performance improvement. Are we happy with where we are? No, we are not. We need to do better, we want to do better, and we can do better.

Mr DRUM — Just recently you have added another 3 minutes to some of your destination travel times, is that right?

Mr BARNETT — Timetables are only changed as a result of changes in infrastructure or changes of circumstances.

Mr DRUM — Right.

Mr BARNETT — The timetable is adjusted because something has happened. We cannot arbitrarily change the timetable; it is the director of public transport who changes the timetable.

Mr DRUM — I thought that without anything happening to the system we have just had a nearly universal 3 minutes added on to all of our travel times.

Mr WILSON — No. There were some services that got some extra time put in, but that was a result of a network change which was primarily driven by the Connex network. The additional Werribee services going into the system on the northern route had a flow-on effect on our ability to get in and out of the metro area, thus extending the journey times of the services and the crossing loops north into the regional area. It was a whole balancing act: the trains coming in and out of the metro area and what happens beyond that with the single-line sections and all of that infrastructure.

The CHAIR — We might have inadvertently discovered the whole problem. You are about the third or fourth person today who has claimed to be just an engineer. That is what is wrong with the system; they are all engineers.

Mr O'DONOHUE — Just to follow up on Ms Huppert's question about the regional rail link; that will not assist Gippsland line commuters, and I note your comment and her answer that as it is there will be no additional slots into the metropolitan rail network. Does that mean that for Gippsland line commuters the services they have now will be the services they have for the foreseeable future, notwithstanding the population growth that line is experiencing?

Mr BARNETT — I cannot forecast what the service patterns might look like. They are issues for the department.

Mr O'DONOHUE — But did you not say in response to Ms Huppert that without the regional rail link there would be no additional services into the metropolitan network?

Mr BARNETT — Certainly, as a result of the regional rail link, through the Ballarat, Bendigo and Geelong corridors we will be able to provide additional services.

Mr O'DONOHUE — But did you say there would be no additional — —

Mr DRUM — They had no service for a while.

Mr O'DONOHUE — Did you say there would be no additional slots into the metropolitan network without the regional rail link?

Mr BARNETT — On that part of Melbourne, yes.

Mr O'DONOHUE — But you said in response to my question that that is a matter for the department.

Mr BARNETT — That is true. They decide that.

Mr O'DONOHUE — Are those two statements not contradictory?

Mr BARNETT — How do you think?

Mr O'DONOHUE — If it is for the department to determine who gets slots and how many slots there are, it is feasible that there may be some reallocation of slots to preference V/Line or they may be able to, for efficiency, generate additional slots and therefore additional services may be provided on the existing infrastructure.

Mr BARNETT — Yes, but the regional rail link is non-electric, so if V/Line does not run, I am not sure what would run.

Mr O'DONOHUE — Sure, but I am just looking at the existing infrastructure and the comments you made about there being no additional slots.

Do you have any other comment about the Gippsland line services? I know there has been a lot of talk about services terminating at Flinders Street. That has been clarified by some comments. But do you want to make any comment about it?

Mr BARNETT — In regard to what is happening on the eastern corridor, again I think they are issues for the department as distinct from V/Line. We do not make those decisions.

Mr VINEY — Yes. I want to talk about Gippsland too. I happened to be in Bairnsdale when the last train out of there during the Kennett government was hijacked — —

Mr O'DONOHUE — That is the fourth time he told us that.

Mr VINEY — I was there in the period there were no slots in development; none at all — zero. Can I just ask, as someone who uses that service quite a lot — I have noticed the increased patronage and I have noticed your data here that reflects that — what are your predictions for that growth, and how do we cope with it?

Mr BARNETT — I think forecasting patronage is probably very difficult in terms of there are a variety of factors that drive patronage growth — not only the quality of the service but the relative competitive position of

the service compared to the car, for instance. I guess our experience is, and regional fast rail and the return of services to Bairnsdale and Ararat support us, that our offering is very competitive. Our business up until the end of the last financial year is growing at around 10 per cent, which is remarkable if you think about it. The history of the railways is really at low, single-digit GDP-type growth at best. So what we are seeing is unprecedented times. We see no reason it will not continue.

Mr VINEY — How are we going to manage that? I know we have moved from the two-car V/Locity trains to the three-car system, which obviously carries a lot more passengers. Are all those sorts of passengers a lot better to be on one of them? Are we programming in more of those?

Mr BARNETT — In terms of V/Line strategy at the moment, we are very fortunate the government has the order pipeline through Bombardier at Dandenong. That will continue through to 2012, I believe. We will continue to take one car every three to six weeks starting in June 2010. Through that period we will continue to build trains longer. That is our current strategy. As additional pathways are provided to us, we will create new trains.

Mr VINEY — So the way of coping with the demand growth at the moment is to expand train capacity, and then what you are saying is that over the longer term, as time slots become available, you will look at putting on additional services?

Mr BARNETT — Correct.

Mr BARBER — What was your role in working with the government to develop the Tarneit line proposal for the Victorian transport plan?

Mr BARNETT — We have not had a huge amount of involvement in the lead-up to the announcement of the plan. Certainly once the plan has been announced we will be involved in some of the operational planning.

Mr BARBER — So it has decided the project and then it has worked out how to run it. Then it came and asked you, 'How are we going to run this thing?'. Did it not seek your input with respect to patronage growth, running times, the very service itself, the origin and destination and people's demand for the service?

Mr BARNETT — The department is well informed of those things. It is far better resourced than we are. We provide all of our information regularly to the department on how our performance is and where our patronage is at. But it has all of that information.

Mr BARBER — It sounds like you are being very clear that you are not really a planning organisation; you are an operational organisation and you plan your operations. But the future growth, the future number of paths and the ongoing demand, if it were to increase at the same rate indefinitely — that is something that is in the hands of the department rather than you?

Mr BARNETT — By and large, yes. We have our views of these things. But it is far better resourced to know that than we do.

Mr BARBER — Your appointment comes from the board, does it not?

Mr BARNETT — Correct.

Mr BARBER — Rather than either of those ministers.

Mr BARNETT — Yes.

Mr DRUM — We have heard a lot of evidence in this inquiry in relation to connectivity to the other modes of transport. For instance the metro system, that you said you interact with, how you integrate into that system, your connectivity to bus services and so forth. For instance, what role do you have in that? We heard the situation last week where the Gippsland train that slots into the metropolitan system hits Dandenong 10 minutes behind a metro train that is stopping all stations. It effectively finds its way in behind the stopping-all-stations metropolitan Connex train. Would you have a role in trying to work with Connex to try to eradicate that type of confusion?

Mr BARNETT — At the very low-level detail, yes, we do. People such as Greg meet regularly with Connex on at least a monthly basis to work through those really low-level detailed conflicts and how we can improve the network. In terms of low level, those things are going on all the time. We had quite close relationships with Connex through various levels, through myself as CEO, to the general manager of operations and to Ursula's group — they are right across the network. We work very closely at that level. But at the broader planning level, that is back at the department.

Mr DRUM — Does it surprise you in 2009 when you hear examples of something like what I have just explained to you? Because it certainly surprised us that a service could fly all the way down from Gippsland and be making good time and then slip into the metro system behind a stopping-all-stations service without actually stopping but just slowing down?

Mr BARNETT — I think it is fair to say improvements can always be made to the system, but I think improvements can always be made to the planning tools. To that end the department has invested in a new set of planning tools for operators to use. We are actually involved in a project with Connex at the moment deploying some new planning tools that will integrate timetabling, rostering and the deployment of vehicles. In my mind it links to some of the things I said earlier. There are still elements of continuous improvement to eke out of the system that will give, I think, quite reasonable benefits as well as some of the big-bang projects that are coming, so I think that is a reasonable strategy.

Mr DRUM — Just as an aside, do you think Victoria will ever be serviced by a genuine fast rail?

Mr BARNETT — Define 'fast rail'.

Mr DRUM — Like what we would call international fast rail.

Mr BARNETT — Claims of 300 kilometres per hour?

Mr DRUM — As opposed to a fast rail system that is actually slower than what we had before we got the fast rail.

Mr BARNETT — I think that is a bit unfair.

Mr DRUM — Well, half the services are faster and half the services are slower.

Mr BARNETT — There is no doubt that trains are running at 160 kilometres an hour, and they have never done that in the history of Victoria.

Mr DRUM — How long do they run — —

Mr VINEY — What has happened is it has doubled because they are getting there quicker and better — that is why.

Mr BARNETT — I think the issues that we have in this country are that we have a reasonable size land mass and a small population, and it is hard to get past the economics. It is what we as a community I think are prepared to pay.

Mr DRUM — We have experiences from overseas, in Spain, with similar populations that are able to operate a genuine fast rail, and there are other similar populations that are able to run fast rail — maybe Sydney–Melbourne, coming through Victoria.

Mr BARNETT — I think it is outside of my area of competence.

Mr BARBER — Get Warren Truss down here and announce a policy.

Mr BARNETT — I do not think I can help you with that.

Mr DRUM — Just in relation to the heat-affected time, which is a bane for all of regional Victorians, especially in the north — 49 days are affected by heat, according to your evidence. Would we not be better served by simply on those days when you know the estimated temperature is going to be over 33 or 35, wherever you can be reasonably assured that we are going to be affected, to switch to a separate timetable for

that day, because then people would at least know what is going on. Early in the morning they would know, and they would have the two timetables on the fridge, but certainly the way it is at the moment you ring up and hope.

Mr BARNETT — I think you make a good point. We essentially do elements of that. Where we know in advance what the temperature of the day is going to be, we make those calls early so that people have certainty around what is happening. The issues that we have are that I think by and large people want to travel on the train; they do not want to travel on the coach. I think history says to us — and we saw it when the original fast rail networks were closed and being upgraded — that patronage drops dramatically when it goes to a coach, because if people have a choice, they have their own car and they will say, ‘I might as well drive so I have got some element of control’. Our experience is that people by and large want to travel on the train and we need to try and provide that experience where it is absolutely possible.

Mr DRUM — Wouldn’t you think it is more the certainty?

Ms McGINNES — Certainty is really important. It drives quite often whether people will travel with you or not. That is one area I think where we are getting better. What we did just in the summer past is that we had a communication program. We encouraged people every morning to check on the web, and on the web we would tell them, ‘Today this is the temperature in your part of the world and this is the kind of timetable that we are running’, so between midday and 8 o’clock if you are travelling, say, from Swan Hill, you are probably going to need an extra 30 minutes, and this is what you are going to experience’. I think we have kind of moved much more to what you are talking about, and we are now getting people who are living further away from Melbourne to sign up to our SMS system so we can send them a text message and tell them. It means that they can plan, ‘Do I want to allow those extra 30 minutes or not?’. So I think we are moving very much to what it is you are talking about — being able to give that certainty before a person travels and they do not turn up and suddenly find out that it is going to be 30 minutes longer or they will be on a coach.

Mr VINEY — Just in relation to the Gippsland service and when it bumps into the metropolitan system from Dandenong — and as someone who travels on the train I have not been surprised by any such evidence — can I ask: my understanding is that the principal cause of that is if either the V/Line train misses its timeslot or the metropolitan system somehow gets out of its normal synch, what happens is the V/Line train gets behind a met service and, because there are only two tracks from Dandenong to Caulfield, essentially the train cannot pass the metropolitan service. I would have thought that is probably a 150-year-old problem, but I am intrigued as to whether that understanding is correct. The second part of the question is: are the works that are planned for Westall as a spin-off going to be able in some instances to alleviate that problem?

Mr WILSON — Primarily you are correct in what you are saying. If the V/Line train turns up late by X number of minutes, it has technically lost its slot and should follow the suburban train. We have buffers set in the timetable to ensure or to try and ensure that they hit the boundary on time and therefore they get their correct slot. Ultimately you do get out-of-course running on the metropolitan network and their services are out of kilter and we end up following a Connex train. To give you an example, to stop a Connex train to let a V/Line train pass at certain parts where you can do that, it stops the Connex train for 10 minutes. It has to stop at a platform for basically 10 minutes to get the V/line train past it and then getting going again, so it is a significant delay to a Connex train and, given their frequency, they have probably got the next Connex train right behind, so in practical terms it is probably not feasible to do that.

As to the Westall project, I am not really across the Westall project to know exactly what benefits to V/Line it is going to be. I know there is some extra trackage going in there, but whether that will give us the ability to pass a Connex train or a suburban train, we are not sure on that as yet.

Mr O’DONOHUE — Mr Barnett, has your organisation done any modelling of the impact of the regional rail link on the Geelong and Warrnambool timetables and travel times?

Mr BARNETT — No. Our involvement at the moment is we are working hard trying to understand what happens at Southern Cross station with the regional rail link at this point in time.

The CHAIR — I think that concludes the — —

Mr DRUM — I would like to have one more question.

Going through a range of monthly performance reports in relation to some of the delays, a reasonably large percentage of them are listed as 'other' or 'miscellaneous' causes. Could you be a little more specific on what is involved in some of those ones?

Mr BARNETT — Sure, in fact they are generally myriad small numbers. That is why they are aggregated. Do you want to mention what they are, Greg?

Mr WILSON — They could be anything from striking an animal and causing a delay or a tree across a line. It could be a suicide on another network. All those are bunched up into the 'other' category.

Mr DRUM — Could we have a list of those?

Mr BARNETT — Yes, we could give you a list. Generally speaking, our monthly releases on our performance will give a reasonable breakdown, but we could do that.

Mr DRUM — Could I just ask one more question in relation to connectivity? It is not so much in working with the other Connex trains, but in effect do you look at an individual's desire to simply travel from Bendigo and end up in Dandenong or end up in Berwick or end up in Olinda? Do you look at that individual's needs and say, 'Righto, if they catch this train to Southern Cross station, what are the options available to get to Olinda? When is the next train going out that way? When is the next bus going out that way?'. When they get to a certain part of the train line, do you look at that individual's needs and say, 'For anybody wanting to get to a specific area, we have what is in a sense a seamless transition through a series of modes'.

Mr BARNETT — It is a good question. Our system at the end of the day is a mass transit system, so it is designed for the great bulk of where people want to go. At the individual level people have myriad choices. Unfortunately, to be able to line everything up is not so easy. That is why we have software tools on our websites, such as ours or Metlink's, where people can go in and create their individual journey plan. I think those tools are fabulous. You can go in there and you can say, 'Where do I want to go? How do I want to get there?', and it just prints it all out — whether it is by walking, on the train or on the tram. Do we plan at that micro level? No, because I think it is almost impossible. But the tools are there for the individuals to choose to do whatever they wish.

The CHAIR — We would like to thank you for coming in and for the evidence that you have provided and your answers to the questions today. As I indicated, the transcript will come to you for you to make small corrections but not to substance. Thank you very much for your input to the inquiry.

Committee adjourned.