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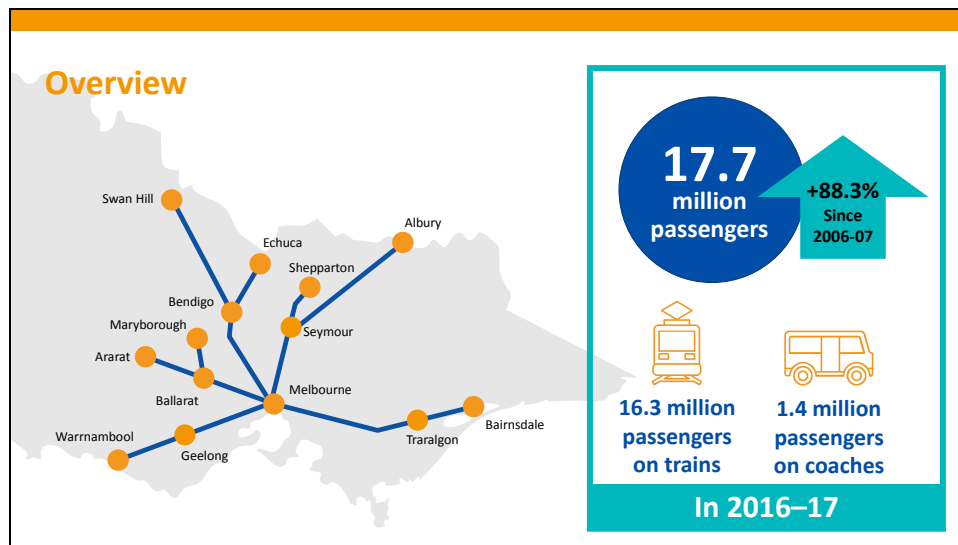

V/Line Passenger Services

Tabled 9 August 2017

VAGO

This presentation provides an overview of the Victorian Auditor-General's report *V/Line Passenger Services*.

Reliable and efficient public transport services are vital to link Melbourne and regional Victoria. Closer to Melbourne, V/Line services many rapidly growing outer suburbs.

In 2015–16, V/Line carried 17.7 million passengers—16.3 million on trains and 1.4 million on coaches—an increase of 88.3 per cent since 2006–07 and well beyond V/Line's expectations.

The growth in patronage has been due to a range of factors including the completion of the Regional Fast Rail project in 2006, the opening of the Regional Rail Link (RRL) in 2015 and population growth in outer Melbourne and regional areas. This has put pressure on V/Line's services to incorporate features of an urban commuter network alongside its regional transport services.
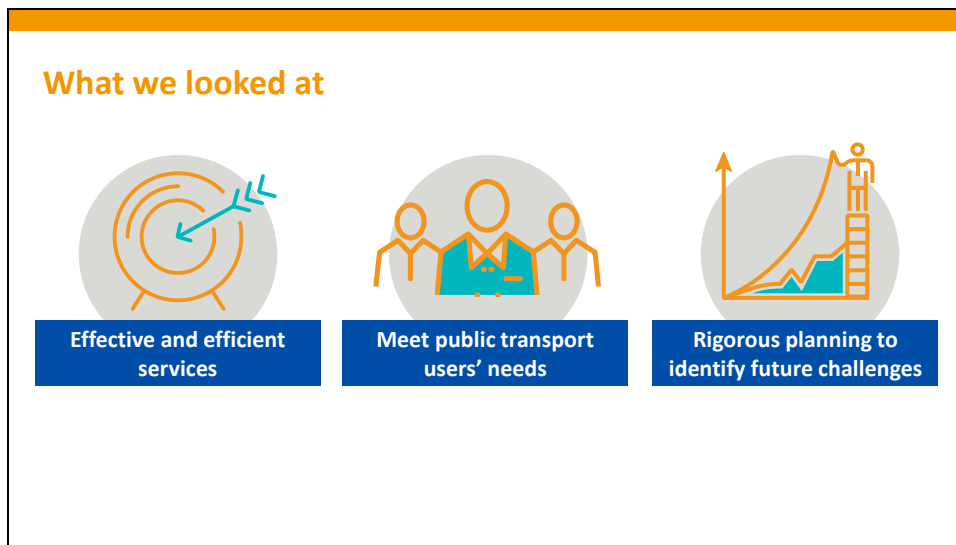
Our objectives were to assess:
- how effectively and efficiently V/Line delivers public transport services,
- whether these services meet the needs of public transport users, and
- whether its planning is rigorous and effective in identifying and managing current and future performance challenges.

We also examined Public Transport Victoria's (PTV), the Department of Economic Development, Jobs, Transport and Resources' (DEDJTR) and the Department of Treasury and Finance's (DTF) roles in overseeing and monitoring V/Line's performance.

Operational performance

V/Line has mostly fallen short of targets and community expectations

Key factors

- Failure to **arrive at metropolitan boundary** on schedule
- Conflict between **regional and metropolitan rail networks**
- Failure of **Regional Rail Link** to improve performance
- Lack of comprehensive **performance analysis and data**

V/Line has not successfully dealt with the challenges it has faced over the past decade. However, it has recently started to turn this situation around and is now better informed about the risks and challenges facing its operations.
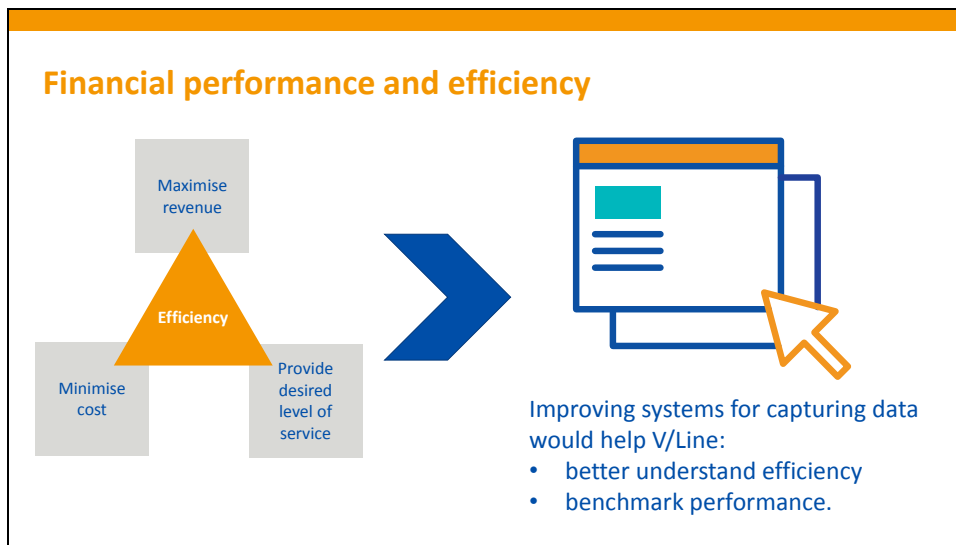
V/Line must meet key service criteria for operational performance of its passenger services, which include the punctuality and reliability of train services, and customer satisfaction with train and V/Line-branded coach services.

V/Line's performance has mostly fallen short of its targets and community expectations, despite infrastructure improvements and timetable changes.

This is due to a range of factors including:
- V/Line trains failing to arrive at the metropolitan boundary in time to make their scheduled paths
- conflicts between regional rail and metropolitan networks, and
- the failure of the RRL to deliver the expected performance improvements.

Until recently, performance analysis has not been comprehensive enough to inform V/Line's management decisions and processes. The reliability of its data varies and the basis of the thresholds and targets for performance measures is unclear.

Financial performance and efficiency

Maximise revenue

Efficiency

Minimise cost

Provide desired level of service

Improving systems for capturing data would help V/Line:
- better understand efficiency
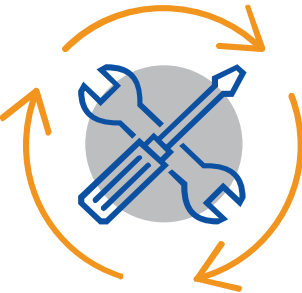- benchmark performance.

To be efficient, V/Line needs to maximise revenues and minimise costs, while providing the desired level of service. However, V/Line does not have the systems to accurately capture data across the different types of passenger services it delivers.

Improved systems for capturing data would enable it to better understand opportunities for efficiency and to benchmark performance against railways with similar characteristics.

Although V/Line has not actively measured or benchmarked the efficiency of passenger services since 2013, its continued focus on achieving cost savings has improved efficiency across a number of indicators.

V/Line manages and maintains the regional rail network—a significant state asset. Incomplete knowledge of the condition of its assets has limited V/Line's ability to develop sound, long-term asset management strategies and to make evidence‑based decisions on how to fund and prioritise maintenance and renewal work.

In 2015, V/Line began to address these deficiencies by adopting a whole-of-life asset management approach, completing condition assessments across its network and fleet assets, and identifying its maintenance backlog. It can now prioritise investment according to criticality and risk. However, V/Line must continue to increase its capacity to actively identify and manage assets and maintain infrastructure.

Governance

Complex governance structure

- Complicated reporting and funding arrangements
- Lack of clarity on roles and responsibilities

Recent establishment of Transport For Victoria should help V/Line focus on planning and strengthening governance.

V/Line is hampered by the transport portfolio's complex governance structure, with its complicated reporting and funding arrangements and lack of clarity in agencies' roles and responsibilities. The recent establishment of Transport For Victoria, with its focus on planning, should strengthen governance in the transport portfolio.

Recommendations

4 recommendations for V/Line

Relating to its performance monitoring processes, systems to collect and analyse operation and financial performance and benchmarking its performance

2 recommendations for PTV

To address how it monitors, manages and reports on V/Line's performance

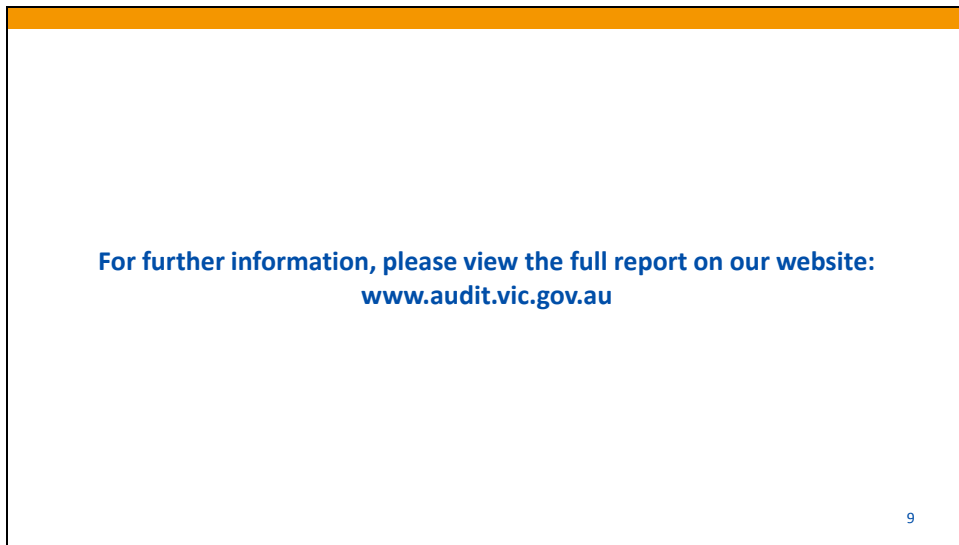**2** recommendations for DEDJTR

To address the need:
- for a better understanding of the impact of the shared metropolitan and regional network on V/Line's punctuality and developing train-loading standards
- to clarify the roles of key agencies

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We made four recommendations for V/Line to strengthen its monitoring processes for measuring train punctuality, improve its systems for data collection, conduct performance benchmarking, and improve understanding of how community service obligations affect V/Line's performance.

We made two recommendations to PTV to improve how it monitors and manages V/Line's performance and to work with V/Line to more accurately measure V/Line's performance and reflect customer experience in its public reporting.

We made two recommendations to DEDJTR to work with PTV and V/Line to better understand factors affecting V/Line's punctuality, the level of overcrowding on passenger trains and service demand, and to review the transport portfolio governance framework to clarify the roles and reporting of key agencies.

Slide 9

For further information, please view the full report on our website:
www.audit.vic.gov.au

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