

# TRANSCRIPT

## STANDING COMMITTEE ON THE ECONOMY AND INFRASTRUCTURE

### Inquiry into infrastructure projects

Melbourne — 9 February 2016

#### Members

Mr Joshua Morris — Chair

Mr Khalil Eideh — Deputy Chair

Mr Nazih Elasmr

Mr Bernie Finn

Ms Colleen Hartland

Mr Craig Ondarchie

Ms Gayle Tierney

#### Staff

Secretary: Dr Christopher Gribbin

#### Witnesses

Mr Gary Liddle, Interim Chief Executive Officer, V/Line;

Mr Jeroen Weimar, Acting Chief Executive Officer, Public Transport Victoria; and

Mr Andrew Lezala, Chief Executive Officer, and

Mr Paul O'Halloran, Interim Director, Metro Trains Melbourne.

**The CHAIR** — Good morning, everybody. I will begin by declaring open the public hearing of the Standing Committee on Economy and Infrastructure, and I extend a warm welcome to all the members of the public, the media and our witnesses who are here before us today. The committee is hearing evidence today in relation to the infrastructure inquiry, and the evidence is being recorded. This hearing is to inform the second of at least six reports into the infrastructure projects, and witnesses present may well be invited to attend future hearings as the inquiry continues.

All evidence taken today is protected by parliamentary privilege; therefore you are protected for what you say in here today, but if you go outside and repeat the same things those comments may not be protected by this privilege. I invite our witnesses to introduce themselves and the capacity in which they are presenting today, and then we will go to some introductory comments, which we would be pleased to hear for up to about 10 minutes so that the committee has enough time to ask some questions as well. Mr Liddle, would you like to begin?

**Mr LIDDLE** — Mr Gary Liddle, interim chief executive officer of V/Line.

**Mr WEIMAR** — Jeroen Weimar, acting chief executive of Public Transport Victoria.

**Mr LEZALA** — Andrew Lezala, the chief executive of Metro Trains.

**Mr O'HALLORAN** — Paul O'Halloran, interim director of Metro Trains.

**The CHAIR** — I invite whomever is going to take over to begin.

**Mr WEIMAR** — Thank you, Chair, and thank you for the opportunity to discuss these issues with the committee today. Following your invitation we have prepared a few comments with regard to probably the two most significant issues affecting our regional rail network over the last three to four weeks, notably the challenge we have had around the train detection issue, particularly on the Pakenham corridor, which continues to impact on a significant number of our V/Line passengers every day, and separately, an issue with regard to accelerated wheel wear on our V/Locity regional trains, which is also impacting on services on a number of our regional train corridors.

I will provide a short overview of the issues that we are currently facing. I will then invite Andrew Lezala from Metro Trains and his colleague Paul O'Halloran to particularly discuss the train detection issues on the Pakenham corridor so we can understand the technical challenge behind that. I will then invite Gary Liddle, the interim chief executive of V/Line, to explain particularly the accelerated wheel wear challenges we have with V/Locity trains and the rectification plans we are putting in place to address those services, and with your consent we will carry forward.

**The CHAIR** — Certainly.

**Mr WEIMAR** — We have provided a short presentation pack to you. I apologise for walking that in with me this morning, but we have had quite a lot of work to do to get it pulled together, so I will just go through and really give you just a brief context around the Victorian railway sector and how we operate. Public Transport Victoria, which I represent, is a state agency, and our role is to provide oversight of the Victorian public transport network, particularly the railway sector. We do that particularly through a franchise agreement with Metro Trains for the provision of train services within the Melbourne area and with a service level agreement with V/Line for the provision of regional rail services. It is important to note that both Metro Trains and V/Line are independently accredited railway transport operators, so they have a responsibility to deliver services and infrastructure in as safe as is reasonably practicable way, and to ensure themselves that they are providing a safe and effective service to their passengers.

They are, in turn, regulated by the Office of the National Rail Safety Regulator, ONRSR, which ultimately ensures that their safety practices are consistent with Australian practice and that we are operating in the right way. So the responsibility of both of our operators both extend to the provision of actual train services but also the maintenance of infrastructure. The situation we have particularly within the metropolitan Melbourne area is that the provision of infrastructure — tracks — is provided by Metro Trains Melbourne predominately for the use of their own trains, but of course they also have an access agreement with V/Line for the provision of regional train services. So the safety responsibility with regard to the regional trains running within Melbourne

is shared between Metro Trains Melbourne and V/Line, and they work very closely together to ensure that we are providing a safe service to our passengers at the end of the day.

The PTV role in this space of course is that we oversee both organisations to ensure that they are operating in the right way and in line with both the commercial framework with regard to Metro Trains and the service agreement with V/Line. PTV also funds network improvements. So the duty of both my operators is to provide services consistent with the existing infrastructure and network they have. It is PTV's role to put the funding case to government and to drive through any network improvements and additional investment. In terms of the two issues that I outlined at the beginning, we have an issue with regard to train detection, which is a particular issue for the V/Locity trains operated by V/Line on the metropolitan train network, and wheel wear. I will turn now first to the train detection issue.

On slide 5 is a very simplistic overview of the background and context of this story which I will ask Andrew and Paul in a moment to go through in more detail. It is important to note at the outset that we see, as we do in other jurisdictions, that there are on occasions some challenges with regard to trains being detected via the signalling infrastructure. My colleagues will explain in more detail how that takes place. With regard to the metro train network we had some issues in late 2011 and 2012 where we saw some V/Locity trains failing to properly trigger the boom gates at level crossings. The failure mode that we experienced was that boom gates were down when the train approached a level crossing, but they lifted early in a small number of incidents. At that point a number of mitigation measures were put in place, particularly the very regular maintenance and cleaning of track, a lot more data monitoring of particular V/Locity trains going through the network and a lot of close working between Metro Trains and V/Line with the safety regulator to ensure those measures were in good place and were effective.

We saw no recurrence of that until 14 January of this year when we saw a similar failure mode happen at Progress Street junction. What that indicated to us, and what it indicated particularly to Metro, who have the responsibility for safety on that part of the corridor, is that the previous mitigation measures that we put in place were clearly not working as effectively anymore as we thought they were, and further reviews were put in place and a series of actions were taken as a result of that. As such, we have now committed to a series of improvements and actions to address those failures that we identified three and a half weeks ago.

We also had some issues in early 2015 on the Stony Point line on track again maintained by Metro trains, operated by separate diesel locomotives, and we fixed those programs by introducing axle counters in an accelerated program and that enabled us to deal with those particular issues at that particular point in the line.

So that is the broader context, which I thought the committee might find helpful. I will now hand over to Andrew Lezala from Metro Trains to give us a bit more detail on their responsibilities and the work around the train detection issues.

**The CHAIR** — Just before you continue, Mr Lezala, I am just cognisant that this is quite a lengthy document. If we were to go through this in detail, there would be very little time for any questions, so I would just ask that you take that into consideration and ensure as we go through that you go through this as quickly as possible.

**Mr LEZALA** — Yes, Chair, of course. Good morning. As Jeroen has mentioned, MTM is an authorised accredited rail operator, accredited by the National Rail Safety Regulator. We are the custodian of the network effectively. We are managing this network on behalf of government via PTV. We are under a franchise contract: we are the operator, we are the asset manager and we are the safety accountable body, so we have to take that responsibility very seriously. The networks of ours is a large network and quite extensive, and it covers everything you see under electric wires — under the overhead wires — so if it has got a wire over it, it is ours generally, and we have all of the electric trains to operate. In light of your comments, Chair, I will keep that very brief and we will get into the detail via Paul.

**The CHAIR** — Thank you.

**Mr LEZALA** — Paul is our engineering director, but he is responsible not just for engineering but the asset management system, for all of the maintenance of infrastructure and of the rolling stock, so he is our subject matter expert here today.

**Mr O'HALLORAN** — Okay, so I will be brief. There is a bit to this, but I will go as fast as I can. So what lies behind V/Line trains having incidents at our level crossings on the Melbourne metropolitan network? It is an issue with train detection of V/Line DMU — which is a diesel multiple unit — train types and certain types of our signalling equipment at level crossings. There have been several cases of booms lifting premature at these certain types of level crossings. No single factor is to blame from our investigations, but it is an overlap of a combination of causal factors, being the wheel-rail interface — how they sit together and are electrically bonded — the DMU fleet types and the signalling system that we have to protect the level crossings.

I will talk about track circuits a little bit. On the next diagram it is a very simple way of explaining it — page 10. Imagine that you have a battery — in the corner here. It runs a current up one rail into a light and then back along the next rail, back to the battery — a very simple circuit. On the next slide you will see that when an axle of a train enters it short-circuits that and the light goes to red and it says that the circuit is occupied. That is the very simple way of describing how the signalling system works on much of our network.

**Mr LEZALA** — Sorry, if I may, and so it is absolutely essential that the wheel connects the circuit. If the wheel for any reason is insulated, then the circuit is not activated.

**The CHAIR** — Right.

**Mr O'HALLORAN** — So Metro put in place post-February 2013 a number of mitigations to prevent this from happening again. We introduced new testing procedures for new V/Locity trains coming onto the network. We continued with a lot of investigation and testing. We built a 'golden track', as we called it. It was the perfect bit of track at Sunshine to test the traffic of trains, to monitor, to see how they performed going forward. We tried different things with modifying the suspension of the trains to improve the wheel-rail interface, but they came to nothing. We reprofiled all the level crossing approaches on our network to have their rail profile being precise, and then on a monthly basis we scrubbed all of the level crossing approaches on our network so that they were free of contamination. We installed monitoring equipment around the network so we could see trains passing over continuously — V/Locity trains — and we managed the incident vehicles that had been in these previous incidents in 11 and 12 so that they were coupled together with a good train, so that we would not see issues on our network.

We then set about a program of permanently eliminating this issue by installing a signalling system that did not rely on the wheel-rail interface, which I described before, to activate — they are called axle counters. We did the Stony Point line by June 2015 because we had issues there that Jeroen alluded to, and then we are in the process of design procurement for the electrified network where we are having problems now with the V/Locity trains. We kept ONRSR up to date with our mitigations progress as we were going on. Then on 14 January we had another incident at Progress Street level crossing near Dandenong. Basically that incident challenged our confidence in the effectiveness of the mitigations that I have just described. Now I have, Metro has, an ethical obligation to our customers, to our staff and to the general public who do not use our network but cross our network at level crossings. We also have a legal obligation, so under rail safety law there are very high personal and corporate accountabilities that we wear, and we must demonstrate that everything that we do on the network is safe so far as reasonably practicable. There was no defensible alternative other than to suspend V/Locity trains on the network once we had lost confidence that the mitigations we had in place were effective. The same accountability underpins our decision to suspend traffic on the Stony Point line in about March 2015, because the mitigations we had in place were not working there either. We suspended traffic until axle counters were installed. We then set about a process of restoration of V/Locity services by undertaking safety assurance cases with ONRSR. Effectively that comprised short-term installation of trap track circuits, which I will get to very quickly, and then the longer term solution of installing axle counters, which I have spoken about before.

I will skip the next slide, and I will go straight to slide 15. A trap track circuit works by forcing the booms down as soon as a train enters a level crossing approach and not releasing again until it is detected leaving the section. It is crude but effective. It is not the long-term solution, because it is not sustainable; it has other operational impacts with performance. The long-term solution is to install axle counters. An axle counter is a head that sits on the rail that detects a fluctuation in the magnetic field as a wheel passes over. It counts all the wheels in, and it counts all the wheels out. It is a fail-safe way of controlling level crossings. They are very reliable. They are used extensively internationally. Importantly they do not rely on the wheel-rail interface, so they are the long-term solution. They will take six months to install. The date for the installation of those on our program is 20 July.

I have then got three quick slides that talk about each of the corridors which are affected. We were able to return services on the Saturday after the incident on the Sunbury corridor because there are only two 50-hertz AC protected corridors on the Sunbury corridor — Sunbury running up to Bendigo. It is important to say that the Geelong and Ballarat corridors were not affected because they do not come onto our network. We reinstated traffic there very quickly, uninhibited.

On the Craigieburn corridor there were more crossings, and we began an assurance case with the regulator where we put trap tracks in and had to do something more complicated with another. So we had to do an assurance case with the regulator, and we returned a reduced service to the Craigieburn corridor almost straightaway, a week after the incident. We are now going through a safety case with the regulator to return an uninhibited or unrestricted service on the Craigieburn corridor out to Seymour.

The Pakenham corridor has 21 crossings which are controlled by 50-hertz AC crossings, and also South Gippsland Highway and Progress Street level crossings, where the more recent incidents have been. It presents a high-risk profile, so the regulator has agreed with us that we cannot return a service there of V/Locity until all of the trap tracks are installed, and that will be by 11 March. Then we will see a service return. The axle counter rollout program has already begun. We will install as a priority on the Pakenham corridor, then the Craigieburn corridor and then the Seymour corridor. That will give us the long-term solution, and all of these mitigations will be able to be removed.

**Mr WEIMAR** — That was a brief technical overview of the complexities we are dealing with with regard to the train detection issue. As we sit here today, it means we are able to run normal V/Line services to Bendigo and with some restrictions on the routes up towards Seymour. We can only run the older fashioned fleet, the classic fleet, and the sprinter fleet down towards Traralgon. So the restrictions on V/Locity trains until 11 March will continue to be in place, and that is why we have an interim timetable in place for that purpose.

Our plan is very clear that by 11 March we will have completed the interim solution. At that point we will be able to at least open the corridors again to V/Line V/Locity trains, and we will then be working on the longer term solution of axle counters in parallel with running those services. That was the first issue.

The second issue obviously we need to discuss with you is around the accelerated wheel-wear issue, which I will pass to Gary Liddle, the interim chief executive of V/Line, to present.

**Mr LIDDLE** — Just quickly, Chair, to talk to that, I think one of the things we wanted to emphasise is that from June last year at V/Line we have seen a massive increase in our passenger numbers, so about a 30 per cent increase in passenger numbers, and that is as a result of the additional services we have been able to introduce, which ultimately means that we are running more kilometres with the trains. This really successful introduction that we have had, growing passenger numbers and more services have resulted in more train kilometres being travelled with our fleet. I think it is important as part of this for the committee to know that we actually forecast an increase in wheel wear as a result of those increased kilometres that we are travelling but as part of what we saw in December that was much greater — it had become much greater. So we were forecasting an increase, and we planned to manage that increase, but in December that increase was substantially more than we had forecast.

I think it is also important to know that wheel wear, track wear, is a normal process. Steel on steel means that things do wear, and they do wear out, so it is not like this is unusual for wheels to wear out. That is a normal process, but over the last couple of months we have seen an increased wheel wear over what we were forecasting, and that is what has led to what we are managing today. It is also important, I think, that we understand that this is not a unique circumstance in Victoria. This is something that has been experienced in other jurisdictions around the world, and it is something that every now and again crops up, and it needs to be managed. Wheel wear is normal, and rail wear is normal. Yes, we have seen an increased wear rate over what we expected, and that is what we are dealing with now.

It is important to know, though, that we took the safety first precautionary approach to this. Once we became aware of the increased wheel-wear rate, we actually started inspecting trains more regularly. Once we got that standard of 19 millimetres as the minimum thickness of flange, those trains were taken out of service. Safety first was something that drove our behaviour to more frequent inspections, and when we got to that Australian standard of 19 millimetres, those trains were taken out of service.

There is a slide there just explaining this interaction between wheels and rail. The bit that is wearing out is the vertical part of the wheel. The flange is the piece of the wheel that is wearing out at a greater rate. It starts at a thickness, and as I say, once it gets down to 19 millimetres, that wheel has to be taken off and replaced or reprofiled.

What have we done to date? Just very quickly, as I said, we undertook more frequent inspections to make sure we were on top of wheels that needed to be taken out of action and trains that as a result needed to be sidelined until we could replace the wheels. The things that we are doing have seen a reduction in the wheel-wear rate: we have started to increase the lubrication on the track, we have reduced speeds on critical parts of the track and some sections of track have been replaced. All of those things have led to a reduction in wheel wear over the last month, and initial indications are that that is continuing. We are seeing that wheel-wear rate come down.

The other thing that I want to emphasise is that there has been great cooperation between all the parties. Bombardier, our normal maintenance supplier, have gone out of their way to ensure that they can put on extra shifts. They have also ensured that they can actually have more wheel presses available to put these wheels back onto the trains, and we have been able to access additional wheel lathes. So there are two options with the wheels: you can actually reshape the wheel to get back to the original profile, which requires a wheel lathe; or, once the wheel gets to a certain scale, you actually take the wheel off and replace it. Again, we have had access to increased wheel lathe capacity in Melbourne. It was really pleasing that we are expecting our first delivery of new wheels this week, after the Christmas shutdown of the foundry. The first shipment of 60 wheels actually arrived on Sunday, and that means we can actually get onto the job of replacing wheels now.

I just wanted to mention that we are clearly trying to identify the cause of this, so we have commissioned the Institute of Railway Technology at Monash to do a piece of work for us. They are looking at all of the possible causes of this. It is a very complex interaction between the wheel and the track, climatic conditions — there is a whole range of things that we are asking them to look at so that as we introduce the measures to mitigate against that and get to a sustainable level we are clear that we are actually dealing with the right issues. That piece of work is expected in March.

Just quickly on the time frames: January was all about getting in place a stable timetable that we could actually run for the period while we are dealing with these issues and to actually make sure we had all the wheels supply, the wheel presses in place. January has been about lining up all of those things that are needed to address this issue. February: the orders for the replacement wheels are starting to come through, and now we are actually getting the trains in the right place to have those wheels replaced at the proper time. We will have a report in March about the key issues that have led to this, and obviously from April through to midyear we will be getting back to restoring that full timetable.

From my point of view, I just really wanted to close by saying that of the 298 services that V/Line runs as regional rail services every week, 80 per cent of those services are still being delivered by rail and 20 per cent by replacement buses. So this is a very, very big issue that we are dealing with, and we do want to apologise to our passengers that are having to use replacement coaches. But to note that 80 per cent of services are still being delivered by train and 20 per cent overall by coaches. That 20 per cent by coaches is about 10 per cent of our passengers are moving using those replacement coaches. As I say, we are very apologetic about this happening, but we are trying to make sure that we deliver the most services that we can by rail as we deal with this issue.

I guess in closing, from my point of view the key point for me is that the three organisations that are represented at the table are working on this issue collectively because it takes all of us to actually make the solutions for this work. I do not know whether either Jeroen or Andrew wanted to say something, but we are working together to solve the issue.

**Mr LEZALA** — Absolutely, so the focus is on restoring services as quickly as possible and safely, and all organisations are doing as much as possible to do that together.

**Mr WEIMAR** — That concludes our opening presentation.

**The CHAIR** — Thanks, gentlemen. We will start with some questions. I will start with some questions and then maybe the Deputy Chair after me, and then we will move around the committee and have some questions there.

Mr Liddle, I just wanted to ask you a question about something that you mentioned earlier about the successful introduction of the new timetable on 21 June 2015. Now I speak to a lot commuters who are in regular contact with me. I am not quite sure any of those commuters would have described the new timetable as ‘the successful introduction of a new timetable’. Indeed, the Premier came to Ballarat to apologise for the rollout of the new timetable. I was just wondering your thoughts on whether or not indeed this has been a successful rollout of a new timetable or not.

**Mr LIDDLE** — From my point of view, I would say the success is reflected in the numbers of people that are actually using the service. Certainly there are some of those timetabled services that we acknowledge are busier than we expected, and we need to address that. But I think the success is that we are carrying, as I say, 30 per cent more people on regional rail services, and we have more trains that have been ordered and will be delivered next year to help us address that success, in a sense, of the additional people that are using rail services.

Tarneit and Wyndham Vale are the second and third most busy stations on the regional network in Melbourne. Those are largely people that are coming to rail and using rail for the first time, and that is a real success. We are actually getting more people using regional rail as their means of travelling to their jobs in the city. I would be the first to acknowledge, though, that we have congested services and we need to find ways of dealing with those congested services, but I would still describe it as a success that we are actually getting more people to use rail than we had before and actually reducing congestion on our roads. So I would say it is successful in that sense.

**The CHAIR** — Thanks, Mr Liddle, in terms of success, I have not seen a Premier come to apologise for a service that has been successful. I mean in terms of what we have seen, particularly in Ballarat, punctuality targets have not been hit since this timetable was rolled out. I see you are being very optimistic in terms of the numbers of passengers using this service, but in terms of punctuality, in terms of the capacity for people to get to work on time, to get home on time, this new timetable has been a disaster, which is why I was rather surprised to hear it being described it as a success.

In terms of maintenance and indeed the cause of the wheel wear, we have heard a lot about this wheel wear, but in terms of the cause of it, we have heard rumours about what it may be — what indeed is causing this wheel wear? I have spoken to engineers who talk about predictive maintenance, who say, ‘This is not unheard of. This should have been known of prior to the new services being introduced’. Where is this wheel wear coming from? Why has predictive maintenance not ensured that V/Line was prepared for it?

**Mr LIDDLE** — As I indicated in my presentation, Chair, certainly we forecast increased wheel wear above what we had been experiencing before June last year, so we actually were forecasting and recognised that there would be increased wheel wear because of the increased number of kilometres the trains are travelling. We are still waiting on the report from the Institute of Railway Technology to actually get to the bottom of it. I think it has been reported tighter curves, lubrication — those things are clearly things that we are working on to reduce the accelerated wheel wear. They are things that we would say need to be dealt with, but we had an incredibly dry December, and there is some speculation that that incredibly dry December added to this problem as well. I think in December we had four days of rain, of which one day had 60 per cent of the rain in December, so there is some thought that that very dry added to the problem.

But I am not willing to actually speculate on the absolute cause until we get the report. I think what I can say is the measures that we are taking to reduce the wheel wear, the initial indications are that that is working. So the increased greasing on the tighter curves, the reduction in speed, are things that are reducing wheel wear right now, and we have that advice, but until we get the final advice from the institute I think we wait until then to see the exact cause of the wheel wear.

**The CHAIR** — Many of the commuters that I have spoken to have felt that they have been promised that this is going to improve time and time again by the Premier, by the Minister for Public Transport, by the Deputy Premier. Indeed just on 19 January we heard that the worst of this was over, the worst of it was over and it was only going to improve from here. How is it that commuters can believe, with the timetable that we have, that in six months time we may be somewhere near to back to normality? How can we be sure that that is actually going to happen?

**Mr LIDDLE** — We made a very strong commitment — we set up a program that would ensure that for the next five weeks we have a stable timetable being delivered as it is now, and I am very confident that that timetable will be met.

**The CHAIR** — Sorry, Mr Liddle, I think those bells might interfere with Hansard. We might just take a couple of minutes break and resume. We are back again. Mr Liddle, I think we were discussing the commitments that have been previously made to V/Line improving, which have all failed to come to fruition. What is different this time?

**Mr LIDDLE** — What we have done, Chair, is have a very specific program that looks at both the current rate of wheel wear that we are experiencing. We are looking very much at the capacity we have to replace wheels and lathe wheels. We are doing lots of planning to make sure we have the trains that need to have wheels replaced in the right place at the right time. There is a really, really strong plan in place now to understand the rate of wheel wear and what that means in terms of when wheels and bogies need to be replaced. We have really strong evidence now about replacement wheels and when they are arriving. We understand the wheel presses that we have in place and the wheel lathes we have available, to actually understand where they are and what they can do each week. We have a really detailed program that actually maps out literally week by week all of those things to ensure we have confidence that we will meet that time frame of full return to services by the middle of the year.

**The CHAIR** — The investigation that has been asked to be conducted by the Institute of Railway Technology, that investigation is due to report in March, that is correct?

**Mr LIDDLE** — Correct.

**The CHAIR** — Can you tell me what the cost of that is going to be?

**Mr LIDDLE** — Off the top of my head I do not know the answer to that question. I am happy to take that one on notice. I do not know.

**The CHAIR** — You are happy to provide that to the committee, the cost of that?

**Mr LIDDLE** — Yes, I am happy to take that on notice.

**The CHAIR** — Thank you. In terms of when the previous CEO of V/Line stepped down from his particular position, the Minister for Public Transport made it known that she felt that she had been misled by the organisation. What is your understanding of what in fact occurred in terms of the information that was provided to the minister that was incorrect?

**Mr LIDDLE** — I have no understanding. I am not aware of what previous information was provided. Since I have been in the chief executive's role my focus has been very much on looking forward, not looking back. I have no knowledge of what commitments may or may not have been given. From my point of view, my focus is very much about what we need to do now to ensure we actually get our passenger services back as quickly as possible.

**The CHAIR** — Do you fear that there is an issue with V/Line in terms of the information that is provided to the minister?

**Mr LIDDLE** — No, not at all. It has been made clear, I think, that the board is commissioning a study into the capability of the organisation and the capacity of the organisation. That is public knowledge. My task, as I say, is to give absolute assurance about what we are doing to get services back and provide that advice to the minister.

**The CHAIR** — So there is no review of any information that was provided to the minister that was incorrect or misleading?

**Mr LIDDLE** — No. As I say, the minister has already announced that there is a review of the organisation of V/Line, which is being done by the board and provided to the board. That is what is being provided.

**The CHAIR** — Do you know why the former CEO left?



**Mr LIDDLE** — No, not at all. As I say, I was asked if I would do the job. I see my role as a public servant to do the best that I can for the public service as a whole. I was asked to do the job. I felt almost a sense of obligation to take it on. I will give it everything I have to get — as I say, my focus is getting services back for passengers as soon as possible.

**The CHAIR** — Thanks, Mr Liddle. Mr Eideh, would you have some questions?

**Mr EIDEH** — Yes. My questions will be different and I am not sure who will answer them. I am referring to the chairperson's report in the *V/Line Annual Report 2013–14*, and I quote:

All of these changes have been made in a year in which our call on state government funding was reduced by \$20 million. Our challenge over the next two years is to continue to build the collaborative, safety and customer-centred culture inherent in the *Your V/Line* transformation, while absorbing an overall \$40 million reduction in base funding.

Do you think, in your opinion, these cuts in funding from the previous government contributed indirectly to the issue? I am quoting from the chairperson's report, from Mr Hector McKenzie.

**Mr LIDDLE** — From V/Line's point of view, yes, there were reductions in V/Line's funding that were made. Our task as an organisation is to ensure that we provide the best possible service with the funding that has been available. So from my perspective, the role of V/Line was to work within the budget that it had and to ensure it was using that budget in the most cost-effective way. So yes, it is a statement of fact that the budget was reduced, but my role as a chief executive at any time would be to say, 'We provide the best and safest possible service with the funding that is provided at any point in time'. Until we actually get that final report, I think it is premature to say whether the funding that was made available was a cause of the issue. I would say that we actually get the results of the report and then we make a judgement about what is the root cause, but more importantly to ensure that we are addressing that root cause and making sure this does not continue as an issue.

**Mr EIDEH** — To your knowledge, were plans to privatise V/Line canvassed during the time of that previous government?

**Mr LIDDLE** — I am not aware of — —

**Mr ONDARCHIE** — Before his time.

**Mr LIDDLE** — Again, it is an issue — my task, as long as it is a public sector body and I am the chief executive of that public sector body, is to deliver the service that is expected. So decisions that may be made in that regard do not impact on how I do the job I am asked to do. My job as the chief executive is, as I said before, to deliver the services that deliver the outcomes that our passengers are looking for. Currently it is a public sector body; I am the chief executive of that at this point in time and my focus is very much about providing that service to our passengers.

**Mr FINN** — Perhaps I will go to you, Mr Weimar, as almost the umpire here. Who is carrying the bulk of the blame here for this debacle with the V/Line trains? Is it Metro Trains or is it V/Line itself?

**Mr WEIMAR** — I think, as we tried to set out, there are two very distinct and entirely separate issues in the challenges that we are facing. We investigated very closely the issues around the train detection issues that we have on the corridors. I fully back, and PTV fully backs, the conclusions we have come to, as has V/Line, around we need to be confident that we can all, hands on heart, say we have a safe and effective way of continuing to provide access to V/Locity trains on those corridors, and we have a plan in place to go and do so. We all felt that the previous mitigation measures that were in place, as did the safety regulator, were an effective and practical set of corrections and when that environment changed we took the right actions to go and do so. So I do not think there is a question of blame or responsibility. We have a responsibility to deal with the issue that we had and to put the services back as swiftly and as safely as we possibly can.

**Mr FINN** — But who caused the situation to arise?

**Mr WEIMAR** — The cause of the situation, Sir, was around an identification of a train triggering a wrong-side failure progress through junction, and we have to be responsible operators and ensure that we understand the root cause of that failure and to address that root cause.

**Mr FINN** — Now was it Metro Trains that were responsible for that as an organisation or was it V/Line? That is a very simple question.

**Mr WEIMAR** — So under the safety regime, responsibility for providing track access sits with Metro Trains, and that is why Paul and Andrew made the judgement they did. They felt that in the light of that particular failure, they could not in all conscience allow ongoing access until we had addressed that new risk that we had not foreseen arising.

**Mr FINN** — That is fine. Thank you.

**Mr LIDDLE** — Can I just add to that that one of the issues here is the fundamental difference between a Metro train that is driven by electricity and a diesel train that clearly is driven by a diesel motor. The reason that we do not have issues with Metro trains on the same section of track is that fundamental difference. So the diesel-driven trains behave quite differently on these track circuits to how the electricity-driven trains do. That is a fundamental difference.

**Mr FINN** — Great. Thank you. We heard from Mr O'Halloran earlier and from you, Mr Liddle, not so long ago that you were very confident that everything would be fixed and back as normal by June. Can I get you to confirm that? June? You were happy with June?

**Mr O'HALLORAN** — 20 July, I said.

**Mr LEZALA** — 20 July.

**Mr FINN** — You are going with July and you are going with June. Fair enough.

**Mr LIDDLE** — I think I said midyear.

**Mr FINN** — That is all right. I am hearing that, but I am also hearing you, Mr Liddle, say that you do not know what is causing the problem and you will not have the report from the institute until March. How can you make any prediction with any confidence as to when the problem will be fixed when you do not know what the problem is and you will not have any idea what the problem is until this report from the institute is presented to you?

**Mr LIDDLE** — I think the issue here is about how quickly we can replace wheels and keep them in service. So the fundamental cause, as you are indicating, is still to be determined. But the one thing we do know is that we need wheels that actually have the right flange width on our trains to be able to operate them safely. So if we can actually get trains back out there with the wheel flange with the right width, we can actually run them safely as soon as that is done. While the rate of wear is coming down, and it is coming down with the actions that we are taking, and we are actually able to replace the wheels or lathe the wheels to get the right width of flange more quickly than we have been able to do, we will get to the point where we have sufficient trains to run a normal service by the middle of the year.

**Mr FINN** — You are confident by the middle of the year that the problems that we are currently facing will be no more?

**Mr LIDDLE** — Absolutely confident that we will have full return to service by the middle of the year.

**Mr FINN** — Very good. I have been contacted by a number of constituents around the Sunbury area in particular, and I am sure you are familiar with the Sunbury V/Line issues over the last 12 months or so, but I have been contacted by a number of constituents who have asked what the situation is at the moment. Is it still free travel? Do they use their myki card to tap on, or what exactly is the situation as we sit here today?

**Mr WEIMAR** — In terms of the compensation scheme, the free travel period on the V/Line trains ended last Sunday, 7 February. As Mr Liddle indicated — —

**Mr FINN** — The Sunday just gone?

**Mr WEIMAR** — That is right. The Sunday just gone. As Mr Liddle indicated earlier, we now have a stable interim timetable in place whereby 80 per cent of V/Line timetabled services are provided by trains. Those

trains are no longer free; they will be charged at the normal fare that V/Line passengers would expect. The coach replacement services, where we are asking people to travel by coach — and it is clearly laid out in the timetable which services are coach and which services are train — those coaches will be free.

**Mr FINN** — Okay, fine. Either of you would probably be able to answer this, how much has it cost either Public Transport Victoria or V/Line to have this free service running during these periods over the last month or so?

**Mr WEIMAR** — We ran 16 days of free V/Line services. We estimate the cost at being around \$2 million a week for that period of time. That period has now come to a close, and clearly it only finished two days ago. Before we can get a full analysis of all the exact numbers, around \$2 million a week is the number we estimate. The compensation to myki pass-holders, those refunds, will only come into play from this week onwards, so we are starting to process any claims we get from this week on, and that will take until the end of this month to complete.

**Mr FINN** — So that will be what, another three weeks before you can —

**Mr WEIMAR** — Yes, I think so, by the end — —

**Mr FINN** — repay the myki pass-holders?

**Mr WEIMAR** — We are in contact with all of our regional myki users. We would expect by the end of this month we will have processed all of those. Any refund claims we will have processed by the end of this month.

**Mr FINN** — Thank you very much indeed — for the moment.

**The CHAIR** — Ms Hartland, I should have gone to you prior to going to — —

**Ms HARTLAND** — I have a number of quite technical questions, but I would like to start off by saying that it was in fact me that contacted you on the 20th of the 1st, Chair, asking for this hearing, and the reason why I asked for the hearing was so that we could actually get to the bottom of the problem rather than the pointscore, and I do not think that is what these committees should be about. The Greens will support the minister attending, but we would also request that the previous minister, Mr Mulder, also attend a hearing to answer questions in regard to what happened, especially with regional rail, during his term as minister.

I do have a number of quite technical questions, and some of them will need to be taken on notice — I accept that — but if I could start in terms of V/Line, when did V/Line management first become aware of the unusual wear on the wheels?

**Mr LIDDLE** — This was picked up through monitoring that was done through December and reported to V/Line, I think, in the first week of January. Clearly I was not in the role at the time, but I believe it was in the first week of January. There was work done then to make sure that the information we were seeing was not a measurement mistake. It was actually just making sure that the information that we had from December was solid information. So, yes, I believe it was some time in that first week of January, but as I said, I was not there at the time, so I am not sure exactly of the date.

**Ms HARTLAND** — If you could confirm that, that would be helpful. Can you also say when PTV were made aware of this problem?

**Mr LIDDLE** — In my previous role I was made aware of the problem at PTV on 14 January. That was the date that we were first advised at PTV.

**Ms HARTLAND** — Can you tell me when the minister or the acting minister was informed?

**Mr LIDDLE** — Same day.

**Ms HARTLAND** — You have already talked a lot about what you think the issue was and why you think this occurred. In terms of the report from the railway institute, when — I know you have said March. Will that become publicly available as soon as it is given to the minister? How is that going to be dealt with, because it obviously has a lot of technical information?

**Mr LIDDLE** — Yes. We have not, probably, gone to that level of detail — of the exact date or the sequence of activities — but certainly the information in that report and in terms of the causes will be made available, absolutely.

**Ms HARTLAND** — On the issue of notification to the office of the national safety regulator, did that occur with the incident at Pakenham?

**Mr WEIMAR** — That would have been the incident with regard to the Progress Street junction, that would have been reported, probably, Paul, to the safety regulator about the same day.

**Mr O'HALLORAN** — By Metro, yes.

**Ms HARTLAND** — And how many notifiable incidents have V/Line sent to the national regulator since they took over from the state regulator?

**Mr LIDDLE** — I would have to take that on notice.

**Ms HARTLAND** — That is fine. Also can the committee be supplied with those incident reports? Now for some questions for PTV: again it is the same issue about when. We have already established that you found out about this on the 14th.

**Mr LIDDLE** — Correct.

**Ms HARTLAND** — The minister was then notified. Has there been previously an incident where the short train has set to fail a trigger crossing at boom gates?

**Mr LIDDLE** — Yes. When we looked into the history of this, we had three incidents on the Sunbury line in late 2011 and similarly in 2012 at South Gippsland Highway. Those incident failures were very similar to the Progress Street junction in terms of the boom gates were down, the train approached a crossing and the boom gates lifted prematurely, so they were down but lifted prematurely. That was when the interim — or the mitigation measures were put in place from 2011–12 around the additional track scrubbing and cleaning and the additional monitoring was undertaken.

**Ms HARTLAND** — So do you see any connection with those incidents in 2011–12 and what is happening now?

**Mr LIDDLE** — Only insofar as — and I will ask Paul to come in — the mitigation measures that we all had in place, and they were all being reviewed on a monthly basis between Metro, V/Line, the national safety regulator and ourselves, we all felt that those measures were effective. We had no other reports of trains causing the wrong-side failures during that period of time, with the exception of the Stony Point line, which has a slightly different set of issues but with a similar failure mode, until we had the Progress Street junction failure. That is what caused our changing to say, 'We have the mitigations in place. We thought they were working. We have another anomaly. What do we do now?'

**Ms HARTLAND** — If I can do one last question, this is about the issue of regional rail design and the implications all of this has for the V/Line problem and in particular around the Melton line. With the cutbacks on RRL for the Melton line duplication, for travel times on the Ballarat line and for people around Deer Park, who do not actually — there is not a level crossing removal there, nor do they have a duplicated line; it is still V/Line in a suburban area. So can you talk to the RRL design, how that is affecting that, because there has been a lot of blame-shifting in the papers about who has actually been responsible for that, and hopefully the report will actually get to the bottom of that, but can you talk a bit to what has been spoken about about these cutbacks to RRL?

**Mr WEIMAR** — Certainly from a PTV point of view as the network authority. I go back to the point that Gary made earlier: we are very pleased to have the benefit of RRL in terms of allowing the additional trains we are running to Geelong and to Ballarat. It allows us to grow the network, and it reduces the amount of interworking between regional trains and Metro trains. So for us, we were able to put in the new timetable. We have plans in place to improve and to develop that timetable. We will need to resolve these issues beforehand. So overall this is a fantastic investment in the infrastructure of the Victorian railway network. That is how we feel about it, and it is now our job to work with V/Line and to work with Metro to get the maximum use out of

the infrastructure that we have. I have got no other real comments to give on other speculation that has been around.

**Ms HARTLAND** — And would you be prepared to come back to the committee after the report is released, once we have been able to digest it, so we could ask questions of you at that time too?

**Mr WEIMAR** — Absolutely.

**Ms TIERNEY** — Thank you, gentlemen, for joining us today. There are a couple of things that I would like to say. First of all, I also am looking forward to the report, and hopefully it might pick up some systemic issues that a range of governments have not been able to pick up over the years. The other fact that has been confirmed today is that the minister was told at the same time, or on the same day, as yourselves, and I believe that you could confirm that the minister then took action — immediate action — in respect to the problems that were brought to your attention and her attention. In particular I would like to know your views in terms of the gates and with the rollout of the axle counters that the minister announced last month, whether you believe that this will now prevent the issue from occurring again.

**Mr WEIMAR** — Yes. As Paul explained, we are very clear that the long-term solution is axle counters on those level crossings. They give us an independent form of protection which is removed away from the rail-wheel interface that we are currently working with. As we have seen on the Stony Point line, we are very confident that we will see the axle counter solution address these issues on the rest of the metropolitan network where we do run V/Line diesel trains.

**Ms TIERNEY** — Okay. And in terms of wheel wear, and I know that you have mentioned this in part, but to put it in one sentence: the rectification of that issue is the further procurement. What else?

**Mr LIDDLE** — So certainly about greasing the track, and I think Andrew can talk from his experience overseas as well, but certainly greasing the track to reduce that friction between the rail and the wheel to ensure that you get smooth movement of the rail and wheel and particularly on curves that are a little bit sharper than other curves. There are curves like that all over the network, so it is very much about putting that grease on the outside of the curve of the flange to make sure that runs smoothly, and, as I say, running speed restrictions on those parts of the network where it makes sense to have slightly slower speeds. So all of that is being done. But clearly the report will look at other issues, and our focus at the moment is very much on restoring service, but we are looking to the report to see whether there are other things that should be done in the future to again stabilise this wheel wear.

**Ms TIERNEY** — And in terms of the introduction of the new timetable, I would assume that if we had more trains, the timetable would have gone even more smoothly.

**Mr LIDDLE** — Well, what we do at the moment: we run a service that requires 49 V/Locity trains from a fleet of 59 V/Locity trains, and a number of those clearly are out for maintenance at any point in time. So we can run the timetable that was to run with that fleet of 59 V/Locity trains but, yes, there are always some trains that are out for maintenance at any point in time.

**Ms TIERNEY** — Can you briefly explain how the V/Line maintenance program actually works?

**Mr LIDDLE** — I will speak specifically for the V/Locity fleet, given it is the subject of today's hearing. The V/Locity fleet is manufactured in Melbourne by Bombardier Transport, located in Dandenong. Since 2001 we have purchased about 59 V/Locity trains. That originally started as two-carriage trains but more recently purchasing three-carriage trains. In fact a current contract is still at hand to fit eight carriages to the remaining two-carriage trains, if that makes sense, so we end up with a fleet of 59 three-car sets of V/Locity trains. The contract is with Bombardier. They manufacture them, but V/Line has a contract with them to maintain that train set. So we actually have trains that go out to Bombardier factory and are maintained there in an ongoing way as part of routine maintenance. And clearly at the moment they are also doing some additional things to replace the wheels and do the wheel lathing as well. But we have a contract with Bombardier to do that routine ongoing maintenance that is necessary to keep the fleet operational. And most of that is done from Dandenong, but some other workshops well. So for some of the wheel lathing that is being done it will be done in Newport. There will be some other work done at Craigieburn. So at the moment that work is spread a bit more round the network. But, yes, Bombardier is our clear contractor doing that maintenance work.

**Ms TIERNEY** — Okay. And one quick, last question: has the government provided any additional funding to V/Line in response to the cuts imposed by the former government?

**Mr LIDDLE** — There has been top-up funding that was provided for last financial year. Recognising the operational cost for V/Line last year, there was additional funding provided as part of the 2014–15 budget.

**Mr ONDARCHIE** — G'day, Gary. On page 10 of your presentation you spoke to that and talked about wheel wear as a normal occurrence of rail operations et cetera, et cetera. You said it is not unusual, it happens all around the world. Given that is the case, why was V/Line not ready for this?

**Mr LIDDLE** — As I indicated, we certainly expected a greater wheel wear rate than we were experiencing before last year. Up until June last year we had a forecast wheel wear rate that we actually based our maintenance programs on. From the introduction of the additional services and additional travel in June last year we were forecasting a greater rate of wheel wear and we were actually basing all our maintenance around that, so we were predicting a high level of wheel wear but at a sustainable level going forward. Something has changed fundamentally in December, which is the subject of the report. In December there was a much greater acceleration of wheel wear than we had experienced up until then. So it was above our forecast — it was above what we were predicting and had our maintenance programs based on. And the report that we are looking for from the Institute of Railway Technology is about examining what changed in that period that led to that really substantially accelerated rate of wheel wear, rather than what we had been forecasting with the introduction of the regional rail services.

**Mr ONDARCHIE** — In the press release that the minister released on 20 January she talked about V/Line's failure to plan. Is that an accurate statement?

**Mr LIDDLE** — Again, I cannot reflect on the past because I am not in a position to say what had happened.

**Mr ONDARCHIE** — Jump in any time you like, Jeroen.

**Mr LIDDLE** — But I can say that, you know, I have seen documents that say there were forecasts. But, yes, there was an acceleration of wheel wear in December that we had not foreseen, and we need to get to the bottom of that to understand what had caused that.

**Mr ONDARCHIE** — What do you think of the minister's comments about a 'failure to plan'?

**Mr WEIMAR** — As Gary said, it is subject to the review to understand whether the assumptions that were made at the time were sufficient and what the actual root cause of the failure was. As we sit here today, we do not understand the root cause of the problems in December, and that is what we are trying to get to the bottom of.

**Mr ONDARCHIE** — I want to pick up Ms Tierney's comment about budget, because I think that is really important. Given that there is about \$6 million in free travel, there are some myki refunds, plus there is a whole lot of unplanned maintenance, have you had a top-up from the government for that unplanned maintenance for this issue?

**Mr LIDDLE** — Our focus at this stage is very much about ensuring that we are providing ongoing services and that we are also getting in place the work that needs to be done to get back to normal — —

**Mr ONDARCHIE** — I get that; I am just worried about the cost.

**Mr LIDDLE** — If I could just finish. What we are trying to do is ensure our focus on that, and we clearly do have to go back to government at some point in time saying, 'These are the costs', and, 'How do we deal with them?'. There will be increased costs as a result of what we are doing now.

**Mr ONDARCHIE** — Has there been any discussion with government, Jeroen, about these extra costs?

**Mr WEIMAR** — Not yet. We have identified the cost in terms of the free travel period. It is around \$2 million a week for the 16-day period that we have had, and we will close out those numbers by the end of this month in terms of understanding what they are. We are taking that cash flow out of essentially the fare box of the entire public transport system, so we can cover that for the moment. As we start to identify the rate at

which we can recover services, we will be able to get a better assessment of what the actual costs are going to be, and there will then have to be a conversation with government about how we fund that.

**Mr ONDARCHIE** — Any business who finds itself in this dilemma has a couple of alternatives. They go back to the funder for some more money; if not, they have to find that money within their business. Has there been any discussion amongst the three organisations about what programs might need to go as a result of this?

**Mr WEIMAR** — No, not yet. In terms of the components, we have already had a commitment to implementing the axle counter program on the network. That funding discussion has been had with government, and that has been funded and it is capital funding. We are currently bearing the risk on the fare box, so that is a risk that we are managing within PTV, and that is the \$2 million a week rate. That is now capped off because the compensation scheme going forward is obviously at a much lower level, and we are working very closely with Gary and V/Line to understand the other emerging costs, but as we sit here today, we do not have an accurate prediction of those.

**Mr ONDARCHIE** — Putting that in perspective, given that there is now an operating shortfall in your budget because of these activities, if you go back to the funder, who has already thrown a billion dollars away on not building a road and \$20 million on a logo and other things, and the money does not come forward, then what maintenance programs are you going to have to cut to make this happen?

**Mr WEIMAR** — I am afraid we are not at that stage at the moment, so we are not at the stage yet — —

**Mr ONDARCHIE** — Is it possible you will need to do that, though?

**Mr WEIMAR** — At this stage our focus is entirely on what it is we need to do to restore services. We need to then understand what the emerging costs are going to be, and we will then look at the options we have to fund them.

**Mr ONDARCHIE** — My question is, though: if you do not get the money, what are you going to do?

**Mr WEIMAR** — We will have to cross that bridge with government when we get there.

**Mr ONDARCHIE** — The minister called it a ‘failure to plan’ in her media release on 20 January. I hope this is not a failure to plan again.

**Mr WEIMAR** — That is why Gary and I and the rest of the team are here. Our job is to restore those services, to develop an accurate recovery plan and then to find a way to address those costs that arise.

**Mr ONDARCHIE** — We should get the minister in here, Chair, to find out if we can get the money. Where is the minister?

**The CHAIR** — Good question. Further questions? Mr Elasmar.

**Mr ELASMAR** — I was happy listening to the other questions. You guys, thank you very much for coming here. You have done a lot. I will be waiting for the report and seeing if any further questions are raised from that report.

**The CHAIR** — I have a couple of further questions that we might run along with. Just referring to a media release from the public transport minister, ‘Statement on V/Line’, and I am quoting:

Last week, the government was told the problems had been identified and the vast majority of services would be up and running by the end of the week.

Then it goes on to say, ‘This advice from V/Line was wrong’. Mr Liddle, obviously you have been there at V/Line for a little while now. I am quite sure that it would be a hot topic of conversation — that the information that was given to the minister was wrong. What was that advice that was wrong?

**Mr LIDDLE** — I have been there six days.

**The CHAIR** — Around the water cooler it would be a pretty hot topic of conversation, I would imagine.

**Mr LIDDLE** — To be absolutely honest, I have not had that conversation with anyone about that statement that the minister made.

**The CHAIR** — No-one?

**Mr LIDDLE** — Absolutely not. I have not had that conversation. I can absolutely sit here and say that the focus of everyone in the executive team at V/Line is about getting those services back in and reinstating services for passengers. That is the focus, so I have not had that conversation with anyone. I think what we need to understand is that this is an incredibly complex thing. There are so many things that actually go to this wheel-rail interface and result in the wheel wear. It is a system, and we are trying to understand what the key things within that system are that have led to what happened in December.

**The CHAIR** — We have a situation that is in a state of flux. It is continually changing. We are unsure of what the issue was and are still identifying the issues. Then we have a CEO who has resigned in the middle of this. Was there a need for the CEO to resign his position if it was a situation where no-one really knows what was happening?

**Mr LIDDLE** — It is not for me to speculate on that. As I say, my role is to look forward, not look back.

**The CHAIR** — In terms of the coaches that have been replacing a lot of the train services, do you have any idea of what the cost of those replacement coaches has been?

**Mr LIDDLE** — There are about 200-plus coaches every day running the services that are being replaced. It varies day by day, but it is in the \$250 000 to \$300 000 range per day. That is the sort of range of costs that we are experiencing with replacement coaches.

**The CHAIR** — Have any of those coaches had to be sourced from outside of Victoria?

**Mr LIDDLE** — No. My understanding is they have all been within Victoria, but I am happy to take that on notice, because I would rather be confident of the answer there. My understanding is they are all Victorian coaches, but I will confirm that.

**The CHAIR** — If you could take that on notice, I would appreciate that. In terms of those replacement coaches, obviously when this crisis first started schools were on holidays and there were plenty of coaches about. Has there been a significant strain in trying to find those replacement coaches once school has returned?

**Mr LIDDLE** — No. We have been able to replace those coaches every day. As I say, it is about 200 coaches working at different times of the day to provide 64 replacement services. We have been able to continue to source those coaches and provide those services. We adjust those coach services a little bit every day just to try and make sure that we are actually meeting the needs of our passengers, to ensure that they are getting the best service they can from those replacement coaches.

**The CHAIR** — You spoke earlier about the greater than expected wheel wear being reported to V/Line in early January. Who reported that wheel wear, and who did they report it to?

**Mr LIDDLE** — I can tell you who reported it. Bombardier as the maintenance provider is the company that actually is monitoring the wheel, the thickness of the flange, so it was actually Bombardier that reported that. Exactly who they reported that to into V/Line I am not sure, Chair. Again, I am happy to take that on notice.

**The CHAIR** — I appreciate that.

**Mr LIDDLE** — But it was certainly Bombardier that provided the notice as V/Line's maintenance provider.

**The CHAIR** — Okay. So obviously Bombardier is responsible for the maintenance of these particular trains. Who has oversight over Bombardier's maintenance to ensure that it is up to scratch?

**Mr LIDDLE** — We have an asset group inside V/Line that actually manages that contract, so it has regular interaction with Bombardier to ensure that they are maintaining the trains in accordance with their contract.

**The CHAIR** — Okay. Thanks, Mr Liddle. Just a couple of questions in regard to Metro; obviously we have seen significant wheel wear on V/Line trains, and I have certainly heard speculation that there has been greater



than expected wheel wear on Metro trains. Is that something that has been evident through the maintenance that Metro have been doing on their trains?

**Mr LEZALA** — That is a good question, because we have seen — as we saw in London in 2005, in Hong Kong in the early 90s and Singapore more recently — that you can get a cascading effect once you have got that kind of wheel damage and high friction between wheel and rail until you restore your lubrication regime. I would stress that it is very hard to predict what lubrication regime you need when you change a railway. Lots of railways experience similar kinds of problems. So of course our vigilance on our wheels as we share tracks with V/Line on certain corridors was to make sure that our wheels were not wearing at an increased rate. What we did find is we have got some drying of grease around the network, so we stepped up our lubrication regime to try and avoid any cascade, and so far that has kept everything under control.

**The CHAIR** — So there has not been any significant — —

**Mr LEZALA** — We have not seen a noticeable increase in wheel wear yet, and we do not expect to, because of the measures we are taking together with V/Line to make sure that the lubrication regime is more than adequate to recover the situation.

**The CHAIR** — Has there been a small increase in wheel wear?

**Mr LEZALA** — We saw a small increase on one particular train, but we do not believe that is directly linked.

**Mr WEIMAR** — I think, Chair, this is also where we do work as a network, so with the experiences that we are having with V/Line we engage very closely with Metro and V/Line to ensure that any lessons or any emerging best practices are translated across the entire network, and I think that is what we see some evidence of here.

**Ms TIERNEY** — Can I ask when the lubrication program was stepped up?

**Mr LEZALA** — When you change a railway in any way, you have to try and predict what extra lubrication you will need, you make your best estimate of that and then you monitor how it is going, because you do not want to overlubricate, because then you get wheels spinning and trains sliding through stations, so you have to be very careful. It is an evolutionary process, and the unfortunate thing is once wheels start to get abrasive they quickly damage other parts of the track, so you have to overlubricate. What I would praise my colleagues for in this is reacting extremely quickly to re-establish a lubrication regime that will minimise further damage. The focus is on containing the problem and then restoring service, so that is what we have all done together.

**Mr FINN** — Was the derailment last week as a result of overlubrication of the tracks, or was it something unrelated?

**Mr LEZALA** — No, it was not overlubrication. That is under investigation between ourselves and the national regulator, and we expect to have some results of the analysis. The track has been analysed and cleared by ourselves and the regulator for service, so it was not a track issue necessarily. What we are now looking at is the vehicle itself, and particularly the bogie concerned and the suspension system, so we are just analysing that.

**Mr FINN** — Mr Liddle, could I ask you about your comments earlier — I think it was you; correct me if I am wrong — regarding the extended heat during December being responsible for many of these problems. February is notoriously Melbourne's and Victoria's hottest month. If we get no rain for the next three weeks, which is quite possible, do you anticipate that we will have the same problem that we saw in December as a result of the heat then? If the heat returns, will the problems return?

**Mr LIDDLE** — Perhaps just to say I do not think I said it was responsible. I think I might have said it could be a contributing factor. But certainly, as Andrew has just indicated, effectively every day we are actually making sure the tracks are lubricated to ensure we do not get to that position again.

**Mr FINN** — All of the tracks?

**Mr LIDDLE** — Wherever we get that high friction between rail and wheel, and typically that is on curves. So we are making sure that wherever we get that high friction between the wheel and the rail we are lubricating the tracks every day to make sure we do not get that problem again.

**Mr FINN** — What sort of stress is that putting on your workforce? You would have to put on extra people, surely, to do that?

**Mr LIDDLE** — We are absolutely very aware that we have a health and safety responsibility in ensuring that people get the appropriate breaks that they require, but we are actually rostering people to ensure they can do this work within the workforce. At this point in time we have not had to employ additional people, but we are very conscious of our health and safety responsibilities in ensuring that the rostering is appropriate to meet those.

**Mr FINN** — Has Bombardier borne any of the costs to this point?

**Mr LIDDLE** — We are still working with Bombardier to resolve in the maintenance contract how we deal with this, because clearly that is at a rate of wheel wear that we did not expect. So we are having conversations with Bombardier over the next two or three weeks to resolve how this is dealt with within our contractual arrangements.

**Mr FINN** — One last question, and I have to take advantage of the situation. Mr Weimar, last year there was some considerable debate and discussion — call it what you will — regarding V/Line services to Sunbury. During the course of last year I understand there were at least four timetables prepared, and indeed published and printed, for Sunbury. Could you confirm that that is the case, or indeed how many timetables were printed for the Sunbury line last year, and how many saw the light of day?

**Mr WEIMAR** — I do not know. I will have to take that question on notice, I am afraid. I do not have that here.

**Mr EIDEH** — Were any efficiency targets put in place for V/Line under the previous government?

**Mr LIDDLE** — V/Line was given a budget that it needed to work to, and as I indicated before, from my point of view as the chief executive of a public sector entity my responsibility is to work with that budget, so yes, there was a budget given to V/Line. I was not in the role at the time, but I would be no different to any other chief executive in that the role of the chief executive is to work within the budget that is given and to make the most efficient use of that budget that is given, so I am sure that was what was done by the chief executive of the day.

**Mr EIDEH** — Do you think that might affect any V/Line performance?

**Mr LIDDLE** — As I say, my role is to look forward and not to look back. I think that you could speculate about that, but my role, as I say, is not to actually speculate on whether that had an impact on V/Line's performance. My fundamental task is to look forward, as I have said, and make sure that the services we are delivering are being returned and our passengers are getting back on trains as they want to get on them.

**Mr ONDARCHIE** — There has been a consistent message amongst the CEOs here today that it is all about making sure the customers get a better service and trying to get everything back on track, if you will pardon the pun. Jeroen, what is interesting is that the V/Line website does not show the intermediate stations for the coach replacements. It shows end to end. So if a passenger was going, say, from Ballan to Ballarat or from Lara to Waurin Ponds or Gisborne to Castlemaine or Trafalgar to Morwell, they do not know when the bus is coming, so how is that going to help the customers?

**Mr LIDDLE** — It is a good question because we have been made aware of the same comment from our passengers, so we are actually going to look at having a time that a coach will leave every station, and in fact I have got the first draft of it with me, which I would prefer not to table today, because it is still a work in progress. But that is a comment that has been made to us, Mr Ondarchie, so in fact we have actually taken that on board and made sure that we will actually have a timetable that reflects the time that coaches will leave stations, not just the start point and the end point.

**Mr ONDARCHIE** — When will that go up?

**Mr LIDDLE** — We are working on that literally today and the next few days, so it will be sometime this week. So the expectation is we will have that information so it is clearly available to people at intermediate stations. And that same comment has been provided to us, Mr Ondarchie, so we are acting on it.

**Mr ONDARCHIE** — Just in terms of patronage, then, there has been an increase in patronage recently, perhaps over the last 16 days, one could suggest. That could have a lot to do with free travel. So is your forecast based on that increase in patronage, is that what you are talking about, or do you think there is a mean level you will find?

**Mr LIDDLE** — There has definitely been an increase in our patronage over the last 16 days, and what we would hope is that at times like this people who have now experienced rail travel, we would like to capture them as future passengers. So there has certainly been an increase and we have had to manage that, by at times having to put more replacement coaches on because we have been above our normal passenger numbers. But as I say, we would like to think that some of those people will actually convert to full-time passengers as we revert to our normal full-time service.

**Mr ONDARCHIE** — Well, you will have them all on a bus, Gary, so you can talk to them all, can't you? It will be like the Partridge family coming down the highway, won't it?

**Ms HARTLAND** — In terms of the report that will come out in March, does it have a title at this stage or an author, or is it just something that we can refer back to?

**Mr LIDDLE** — The author is the Institute of Railway Technology, so that is who is actually doing it, and they are based at Monash University. So it does not have a title per se, Colleen, but that is who is actually doing it.

**The CHAIR** — If there are no further questions from the committee, I have one final question with regard to the timetable that was due to be released on 31 January — the changes to the V/Line timetable. I am just wondering where that is.

**Mr WEIMAR** — At the moment we are obviously focusing on getting the services restored and back on plan, but we will, though, be looking at the interaction about timetables as soon as we can. We want the services back to normal in the middle of the year.

**The CHAIR** — So that has currently been deferred?

**Mr WEIMAR** — At the moment it has been deferred; that is right.

**The CHAIR** — Deferred until when?

**Mr WEIMAR** — Deferred at least until the middle of the year, once we have the full service pattern back up and running.

**The CHAIR** — So it is deferred indefinitely at this point?

**Mr WEIMAR** — It is deferred until the middle of the year at least.

**Mr LIDDLE** — Not deferred indefinitely. I think the minister may have made it clear that it is deferred until we are actually confident about the restoration of services, and that would be introduced in the context of we want to be confident that we are getting services back and then we will consider about when that should come in.

**Mr FINN** — So we are looking at midyear for that?

**Mr LIDDLE** — Yes, it will be around that time frame, but it is not indefinitely deferred. Chair, can I make one point of clarification that I think is really important? As we bring the axle counters in by the date in March, it is really important that the committee understands that this sort of final sign-off on that is for the reintroduction of services by the Office of the National Rail Safety Regulator. So while the physical works we are having done will be in place by that date in March that we have talked about, it still needs to be signed off by the regulator, and we are fully expecting that from the conversations we have had, but that is a really

important step before we can actually start running services on that rail line that is available again. I think we talked about return of service on that date; it is just important to differentiate between the regulator will then have to sign off on the line being safe to run services on again and then we have the opportunity to introduce the services again. So I just want to make sure that it is understood — the difference between the two things.

**Mr FINN** — So if the regulator does not sign off, the crisis in fact could be extended beyond midyear?

**Mr LIDDLE** — No. We have every expectation that the regulator will sign off.

**Mr FINN** — But if the regulator does not, we could have an extended crisis beyond the middle of the year?

**Mr LIDDLE** — No, it absolutely will not be an extended crisis, but we will need to work through the issues with the regulator that they still have concerns about. But as I say, we have had conversations with the regulator that we — —

**Mr WEIMAR** — And our confidence is partly around the fact that the regulator has already signed off on the Sunbury corridor, which has exactly the same interventions in place. We are having a conversation with the regulator about the Craigieburn corridor, where we are able to currently run a limited service, but we are able to run some service, and we will have the same conversation about the Pakenham corridor once we are ready to have those works signed off.

**Mr FINN** — But there are no guarantees?

**Mr WEIMAR** — We are confident that we can make the physical change in order to introduce a track trap circuit by 11 March. I think what Gary is making very clear is that there is a dependence on the regulator to ensure that we can then open that corridor to V/Locity services.

**Mr FINN** — But there are no guarantees.

**Mr LEZALA** — The risks are extremely small, unless something else changes between now and then.

**Mr WEIMAR** — It is not a guarantee that we can give.

**Mr ONDARCHIE** — I just want to pick up one point, if I may, and I get the whole axle counter thing and I know it will go through a testing regime before it is signed off; I get all that. But, Andrew, Gary's organisation pays you significant track access fees to use the tracks, and I picked up Paul's presentation. Have there been any changes or cutbacks to the track scrubbing program at all?

**Mr O'HALLORAN** — No.

**Mr ONDARCHIE** — None whatsoever?

**Mr O'HALLORAN** — No. We have scrubbed every month religiously.

**Mr ONDARCHIE** — Certain about that?

**Mr O'HALLORAN** — Yes. My understanding is we have scrubbed every month.

**Mr ONDARCHIE** — Okay. Thank you.

**The CHAIR** — Gentlemen, I thank you very much for your contribution to our hearing today, and I remind you that you will receive a copy of the transcript in the coming weeks for your proofreading, then that transcript will ultimately be posted on the committee's website. I once again thank you for appearing before us this morning, and I will close our hearing.

**Committee adjourned.**