

Select Committee on Train Services

Tuesday 21st July 2009

Connex representatives:

Jonathan Metcalfe
Bruce Hughes
Norm Grady
Catherine Baxter

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moving forward

THE FRANCHISE MODEL

The metropolitan train franchise model commenced in 1999:

- finding the right balance between government support and the operational expertise provided by the rail franchisee
- allocate risk to the appropriate party

Having been responsible for operating train services to Melbourne's eastern and north-eastern suburbs, Connex took over the entire train network in 2004 shortly after National Express left Melbourne:

- at that time, Connex acted quickly to work with government to bring the network together and keep services running seamlessly

The franchise model relies on the commitment of both parties to 'partnership'

MELBOURNE'S RAIL NETWORK - FAST FACTS

- Annual turnover circa \$740m per annum
- Connex franchise employs over 2,500 staff
- More than 213.6 million customer trips made on our trains (year to June 2009)
- An average of 360,000 customers travel on our trains every weekday
- 213 stations and 15 lines, compared to London's 275 stations and 12 lines
- 331 three-car units
- 382kms of track - one of the largest, above ground rail systems in the world

MELBOURNE'S RAIL NETWORK COMPARISON

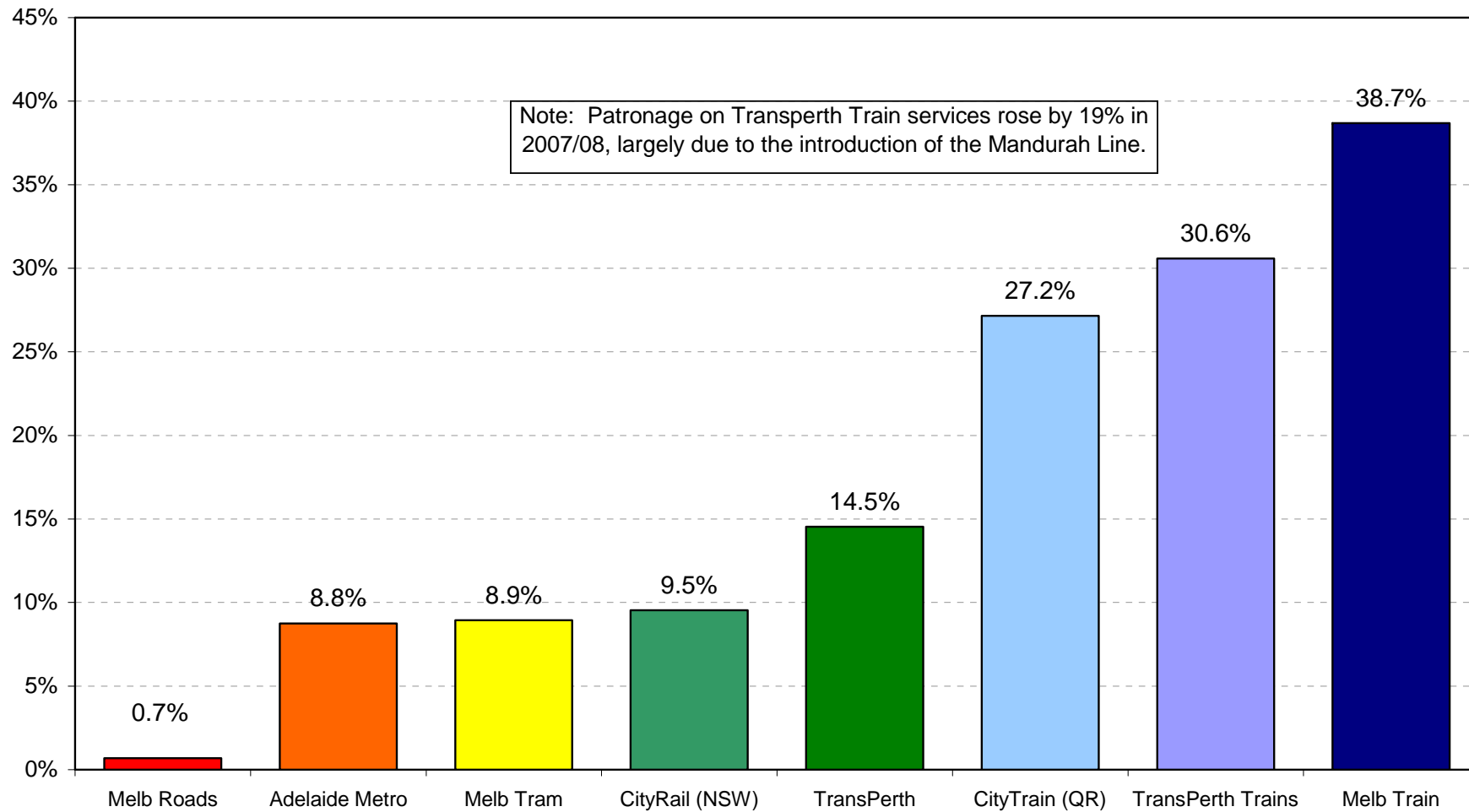
Network	Length (km)	Lines	Stations
MELBOURNE	382	15	213
Paris Metro	199	15	368
London Underground	408	12	275
New York City Subway	531.1	21	422
Moscow Metro	282.5	12	172
Rome Metropolitana	38	2	48
MTR (Hong Kong)	91	7	53
MRT (Singapore)	109.4	3	64
Seoul Metropolitan Subway	287	8	248

VALUE FOR MONEY

- In September 2005, the Auditor General released a report into the Franchising of Melbourne's Train and Tram System:
 - The Auditor General's view was that the franchise renegotiations resulted in a good outcome for the State
 - His overall conclusion is that the current train and tram franchise agreements represent reasonable value-for-money
 - This conclusion was principally based on his assessment that the payments the government negotiated with the train and tram franchisees were close to the best possible prices it could have negotiated for the sustainable operation of the metropolitan train and tram system
- In NSW, the rail regulator (IPART) concluded that Melbourne's railway was more efficient than Sydney's in all areas of service delivery

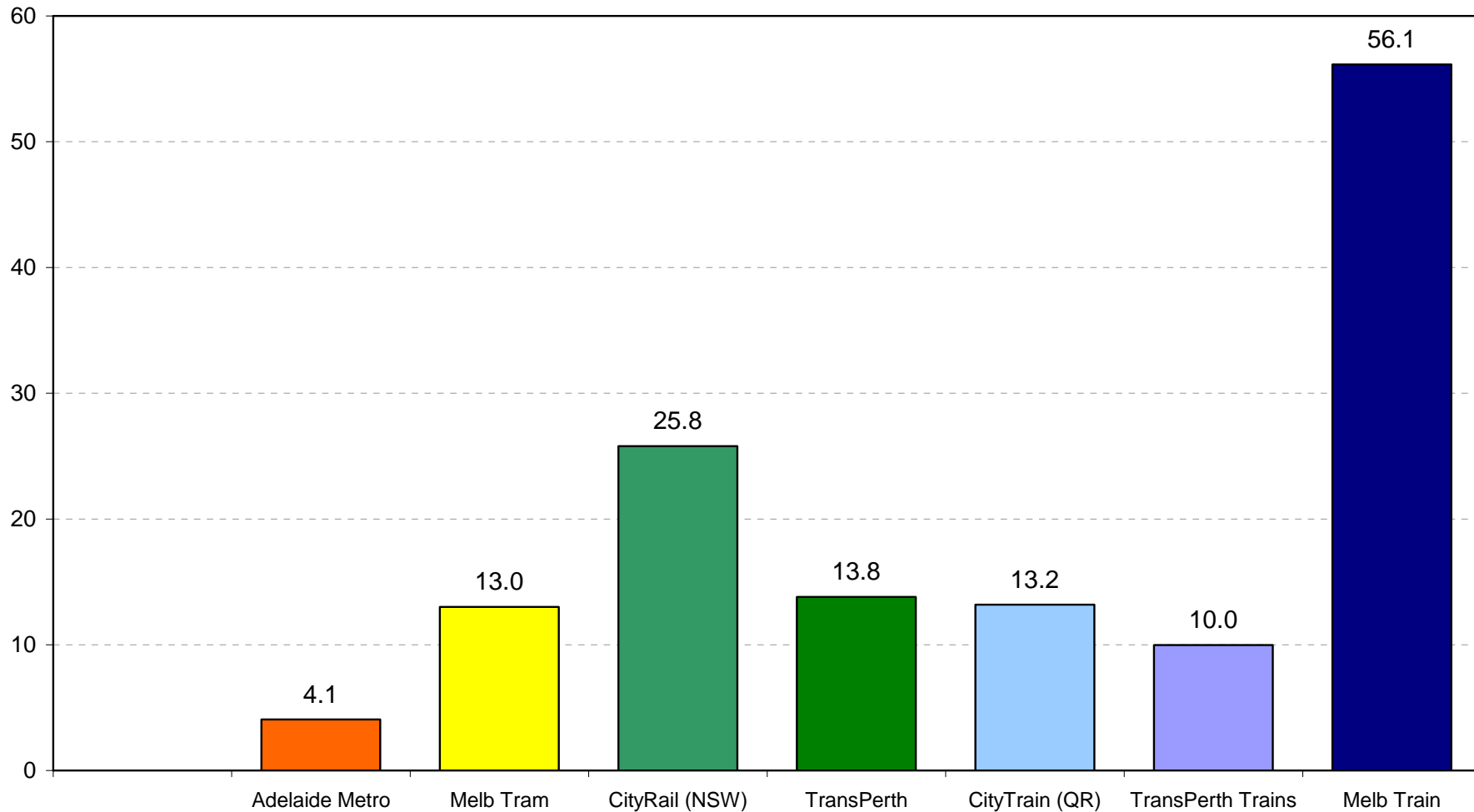
MELBOURNE'S EXTRAORDINARY TRAIN PATRONAGE GROWTH

Growth in Use Over Three Years to June 2008 (%)



MELBOURNE'S EXTRAORDINARY TRAIN PATRONAGE GROWTH

Growth in Use Over Three Years to June 2008 (millions)



A SYSTEM UNDER PRESSURE

- Patronage grew by 80% since 1999
- Fleet expanded by just 9%
- Total weekly services increased by 1,500 since 1999
- Load breaches increased sevenfold from 2001-2008
- Special events requirements and services expanded dramatically since 2004
- Congestion increased

NOVEMBER 2008 TIMETABLE

- **The November 2008 Timetable and the New Operating Plan aimed to mitigate the impacts of congestion on operating performance:**
 - This timetable expanded capacity in congested corridors and, on a weekly basis, provided 277 additional services and 51 extended services.
 - To facilitate this change, the timetable also started to untangle the network by changing the way train services use the City Loop.
 - The timetable has been successful, with punctuality improving to 94.8% in December 2008 and average train loads decreasing in key corridors.

CUSTOMER EXPERIENCE



Meet Our Managers



WHY Campaign

PROJECT DELIVERY TRACK RECORD

- North Melbourne station platform 5/6 extension
- Cranbourne siding and station Upgrade
- Clifton Hill Rail Project
- North Melbourne station upgrade
- FSS platforms 12/13
- Craigieburn stabling sidings – Stage 2
- Laverton Rail Upgrade
- Springvale Road grade separation



INDUSTRIAL ENVIRONMENT

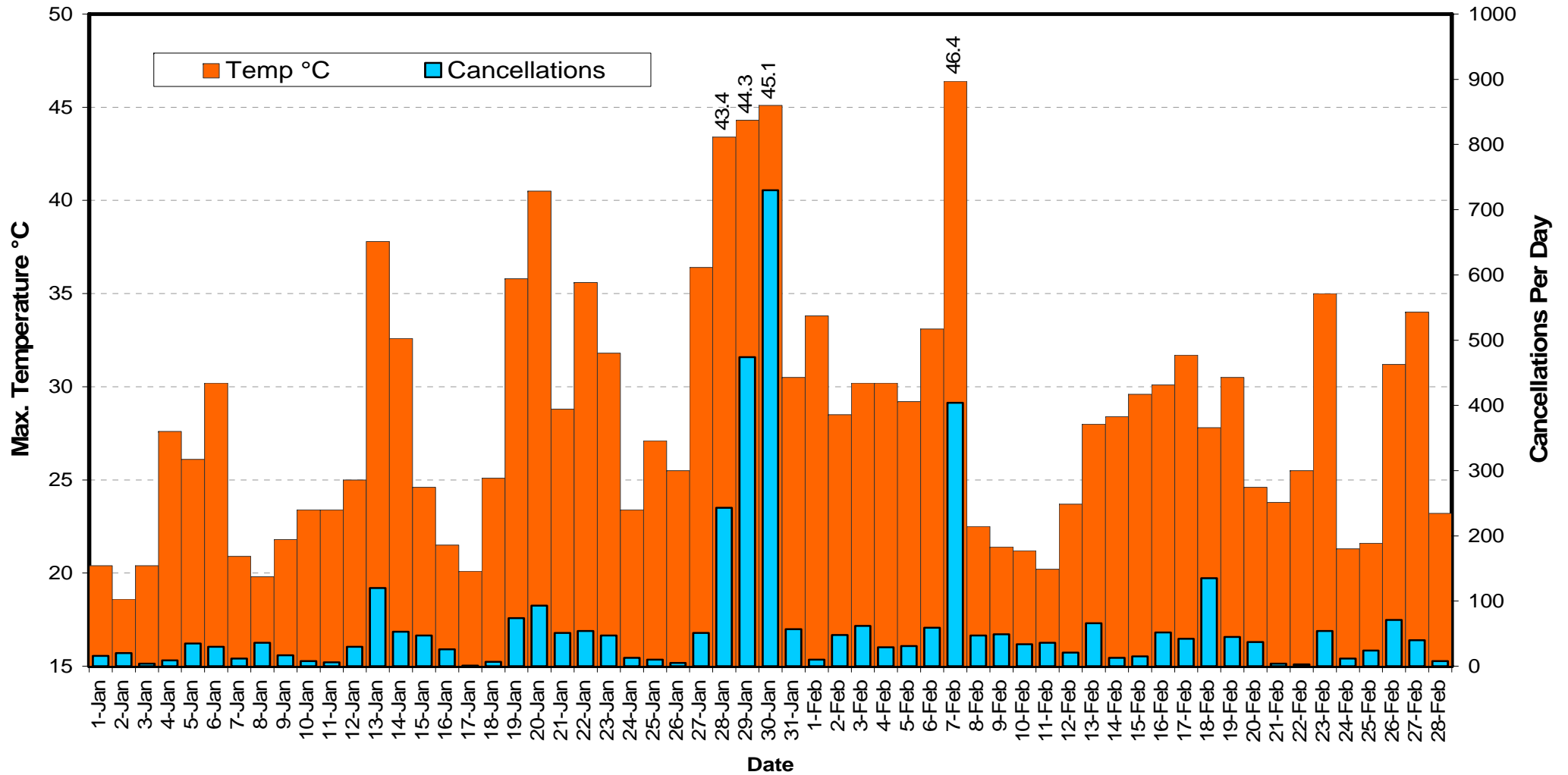
- Decade of industrial harmony, cf: 1980s
- Need to increase services to carry more customers
- New trains not coming until late 2009
- Need to get same trains running more often
- FMP the solution
- MOU

LONG HOT SUMMER

- Record heat
- Air conditioning vulnerability
- Track
- Signals
- Power supply

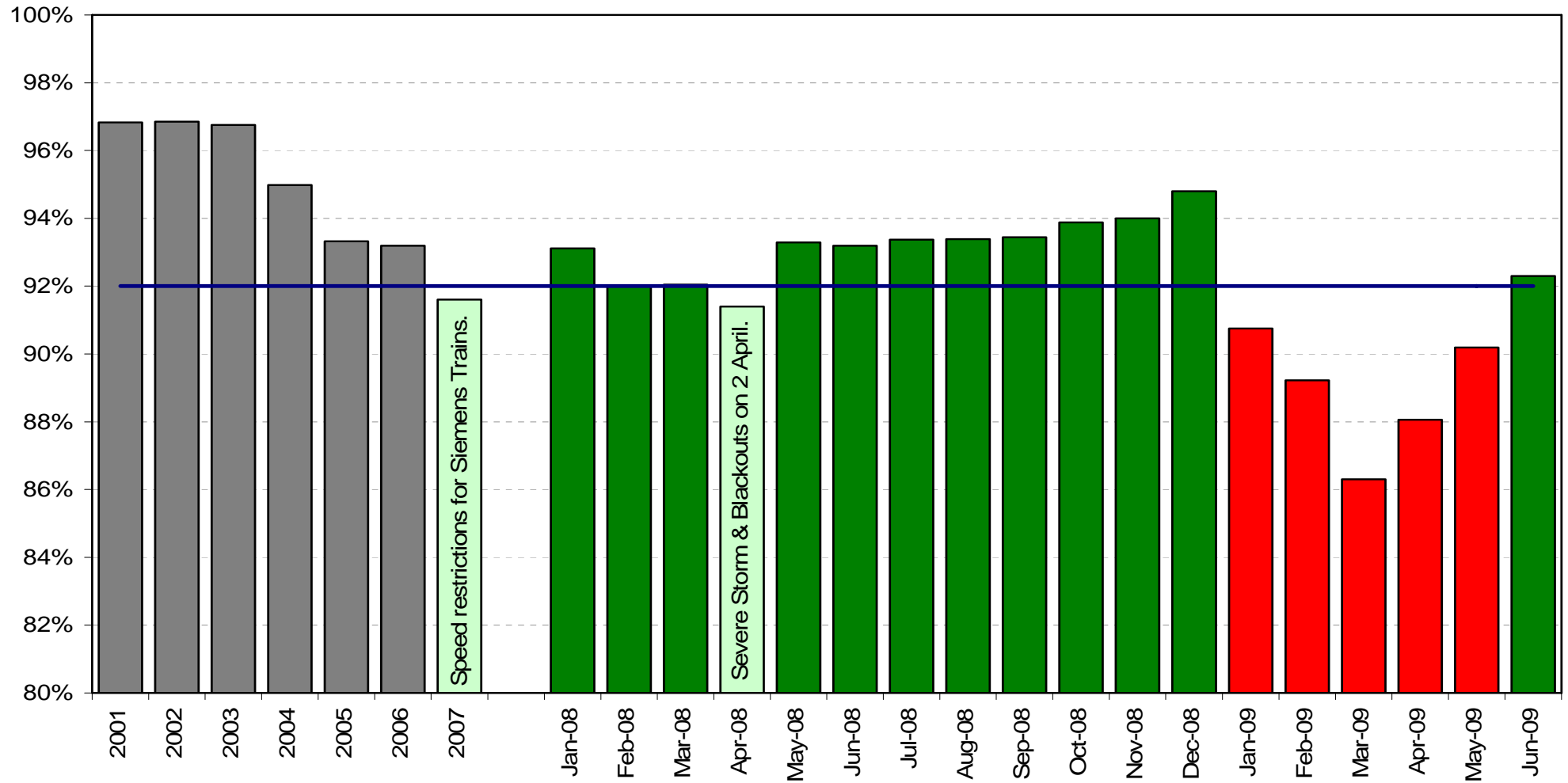
IMPACT ON SERVICE DELIVERY

January & February 2009 Cancellations



IMPACT ON PUNCTUALITY

Service Punctuality



VICTORIAN TRANSPORT PLAN

- Connex strongly endorses the announced State and Commonwealth Government programs to upgrade and expand metropolitan rail infrastructure.
- We submit that our collective aim should be not only to ensure that service capacity can keep pace with future demand, but that service quality (in terms of crowding and delays) should be restored to the levels of six years ago.
- At the same time, ongoing improvements in all other aspects of the service (service frequency, facilities, staffing, ticketing, security, cleanliness, comfort, accessibility, modal interchanges and network coverage) are important in the years to come to enable the metropolitan railway to provide the service that the community expects.

Where to now?

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moving forward