

4 February 2013

Dear all,

Today is my first day as CEO of Yarra Trams, and I feel privileged to be given the opportunity to lead an organisation that provides such a critical service to our community.

Over the last three years we have all worked hard to meet our contractual obligations towards, first, the Department of Transport, and then Public Transport Victoria. This demonstrates that we deliver what we say we will do.

However, we have only just started the journey. It is an exciting prospect to know that we have a great challenge and opportunity to build a business together that is trusted and valued by our passengers, our employees, PTV, our shareholders and our community.

The question we therefore need to ask ourselves is - what do we need to do to earn this cherished level of trust?

Are we all currently able to "live and be" our three core values of Zero Harm, Think like a Passenger and Continuous Improvement? I'm sure every one of us knows that to fully deliver on these values, we need to do much more.

From the outset, I want to tell you what I see...

Firstly, from my own experience in Yarra Trams, it is clear to me that 'more of the same' is not good enough. It is not good enough when we have accidents that hurt employees, passengers and pedestrians. It is not good enough for our passengers to experience poor service punctuality or poor information. It is not good enough that we still have tram delays caused by internal inefficiency. It is not good enough that we still have tram delays caused by external factors that we could work on more efficiently. It is not good enough when our employees become extremely frustrated in trying to do their best to deliver a better service. It is not good enough that some of our employees suffer harassment, bullying, blacklisting or exclusion - from anyone in the organisation.

Secondly, it is also clear that both PTV and the KDR Board share my view. They not only agree, but they want me to fix these things - and more. They don't want me to make fine adjustments. They want a decisive change in the performance of Yarra Trams. Like me, they see that there is much more that we can, and must do, for the travelling public, and for our employees.

Thirdly, it is clear to me that the performance issues above are overwhelmingly the result of ineffective organisation. For example, I know that it can be difficult for many of our employees to work effectively with others across the organisation. Our work is often reactive, rather than planned. We therefore often find ourselves managing crises, rather than putting in place systematic processes that avoid them in the first place. There are differing views across the organisation about what a good job looks like. Manager-employee feedback about work is not routine or systematic. When it happens, it is not as productive as it should be.

Finally, it is clear to me that we are a dedicated, passionate workforce that believes in the work we do for our community. It is clear that all employees of Yarra Trams deserve effective leadership at all levels of the organisation to enable all of us to produce our best work. I am convinced that my behaviours and those of all managers are symbols of the type of organisation that we aspire to become.

These behaviours shape our culture. It is a fact that the way we interact with each other within Yarra Trams will ultimately be reflected in the way we engage with our passengers and our stakeholders.

I will therefore be extremely vigilant on embedding trust-inducing behaviours throughout the organisation. So, where to from here? What can you expect from me?

Over the next three years we will work together to ensure that we are as capable as we possibly can be to deliver on high standards of performance for our passengers, our employees, PTV and our shareholders.

Our work will be focused on:

- following a clear strategy and roadmap that describes where we are going and why;
- improving and developing the systems, processes and practices to support us in our work;
- providing clarity to managerial accountabilities to enable us to do our work better;
- providing development, coaching and feedback so every employee is recognised for their good work and understands how to do better and
- providing a safe place to work.

I am committing 100% of my energy towards making Yarra Trams a fully effective and efficient organisation - we will become a lot safer, more passenger-focused, a great place to work, more sustainable and we will provide the best value for money. You can count on me having these priorities always front of mind.

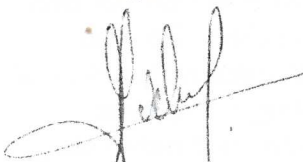
Looking even further ahead, let me insist on the fact that KDR is here for the long haul! We are building up a story for the next 100 years, of which the next 12 will be but a chapter.

Your manager, the Executive Team and myself have spent considerable time during the last two months building a draft Business Plan for the period 2013 to 2016. Some more work needs to be done, and so it will be the Executive Team's priority for the next two months. By March 31st, we will communicate to all of you our plan for the next four years. By next year all employees of Yarra Trams will have had an opportunity to contribute to this process.

I am proud and honoured to have been given the chance (and the challenge) to lead Yarra Trams. Together, we are embarking upon the TRANSFORMATION, always with our passengers, PTV and shareholders at the very forefront of our thinking.

I look forward to sharing this journey with you.

Best regards,



Clement Michel

