



Keolis | Downer | EDI Rail

23rd November 2009

Hugh Waldron
34 Smith Rd
CAMBERWELL 3124 VIC

Dear Hugh,

Today marks an exciting new chapter in the life of Melbourne's tram network, with KDR and Yarra Trams, including the new employees from Siemens and United, coming together to operate and manage Melbourne's Tram Franchise.

We are now one team with a common unity of purpose. Together we will further enhance Melbourne's tram network and prepare for the challenges of the future to ensure Yarra Trams, the largest tramway network in the world, stays a world-class example.

In this context, the introduction of the new myki ticketing system presents a unique opportunity to not only introduce a new ticketing system but to fundamentally improve the interaction between the travelling public and Melbourne's public transport system. We have a common duty and shared interest to ensure that myki is embraced by the travelling public.

We will also ensure that we not only take this opportunity to play our part but to demonstrate our abilities and leadership capabilities in the continued development of Victoria's transport system.

Our main philosophy aims at placing the needs of the travelling public at the centre of our thinking. Our ability to 'Think Like a Passenger' will allow us to appreciate services from the perspective of passengers to ensure that we can deliver constant and sustainable perceived improvements to the network, with safety for our passengers and our employees a constant focus.

To reach our objectives, we will draw upon the wealth of experience accumulated by Yarra Trams employees and create a culture and an environment of innovation by fostering and harnessing the ideas and initiatives that our people have for a better service. Yarra Trams employees have a unique insight and understanding of Melbourne's tram network and the passion to further enhance our service delivery.

For now however, we will take the time to build the new team and to ensure that everybody is comfortable with the transition and understands the direction in which we are heading. A program will be rolled out to not only introduce the KDR team and to welcome the new employees from Siemens and United but to outline the immediate priorities and how the new initiatives will work.



Keolis | Downer EDI Rail

You may notice some slight changes from Day 1 such as some new materials on the Yarra Trams website and a few new faces around the organisation but it will be 'business as usual'. The exciting new look will re-energise the brand with a contemporary design specifically developed for the next phase of the Franchise.

The new look for the Brand will see the commencement of a revitalisation of Melbourne's trams that provide real changes to further develop our trams, with an integrated approach to 'enhance' the external and internal amenity of the Yarra Trams fleet.

There is much that we can get done to provide a world class travelling experience that passengers can rely on and be proud of and this is an exciting time of opportunity as we learn from each other and come together to build the new Yarra Trams team.

Kind Regards

Michel Masson
Chief Executive Officer
Keolis Downer EDI Rail



Keolis | Downer EDI Rail

KDR Fact Sheet

KDR AND YARRA TRAMS

KDR is an exciting and dynamic partnership committed to energising Yarra Trams and enhancing tram services for the people of Melbourne.

Who we are

The Keolis Downer EDI Rail (KDR) partnership draws on our combined experience, history and expertise in tram operations, network development, maintenance and customer service.

Keolis is an internationally recognised transport solution provider, and Downer EDI is Australia's oldest rail company with over 100 years operating experience in rolling stock.

Together we will establish Yarra Trams as a tram operator of the highest standard.

Our Goals are:

- › to provide a service that delivers the highest levels of safety;
- › the seamless transition as operator with no disruptions to the network, operations or passenger services during change over;
- › to create a culture of continual improvement;
- › to provide a sustainable modernisation agenda for the Melbourne Tram Franchise;
- › to prepare the network to introduce and deliver Premium Routes for 2012;
- › to reduce the Yarra Trams carbon footprint, with all business activities designed to be environmentally sustainable;
- › to contribute to a high quality, fully integrated and reliable inter-modal transport system;
- › to cultivate effective partnerships to improve sustainability.

Our Deliverables are:

- › to generate improved operational performance in the areas of service punctuality and reliability;
- › to introduce innovations in asset use planning to optimise the provision of service;
- › to support the Government in the procurement, delivery and introduction of new rolling stock into service;
- › the optimal management of passenger movement during peak periods, including tram boarding times;
- › the provision of a safe working and travelling environment;
- › to continuously improve customer service through innovation and initiatives, especially in the areas of information to passengers, accessibility and amenity of platform and rolling stock.

For more information please visit:
www.keolis.com
www.downeredi.com
www.kdrmelbourne.com.au



KDR Fact Sheet

KDR AND YARRA TRAMS

KDR is excited by the opportunity of becoming the operator of Yarra Trams and is conscious of its responsibility as the custodian of Melbourne's much loved tram network.

Our guiding principle is to **'Think Like a Passenger'** and our aim is to deliver a **'Moving Safe Haven'**.

Think Like a Passenger

A vital objective for KDR is a Tram Franchise that delivers world quality customer service to all passengers and stakeholders, and where every employee commits to 'Think Like a Passenger'. We will provide all our passengers with timely, reliable information and help, respecting each person as an individual. We are attentive, caring, courteous and sincere, treating passengers with integrity, and as we would wish to be treated ourselves.

Fundamental to our approach is our ability to 'Think Like a Passenger' at all points of the passenger journey. This includes the portion of the journey prior to arriving at one of our stops, through our tram network and onto the final destination. This informs a holistic approach to ensuring that passengers have the information they need to make informed and comfortable choices. Informed passengers can use the network much more efficiently than those who struggle to obtain information, or are confused regarding potential journey options.

Moving Safe Haven

KDR intends to promote the delivery of a 'Moving Safe Haven' for Melbourne's Tram Network. The objective of this vision is to provide the highest safety and security for anyone interacting with the tram network.

We are committed to enhancing the tram network for the future, by providing a travelling experience that passengers can rely on and be proud of and a service that delivers the highest level of quality, safety, reliability and efficiency in the world's largest operating tram network.

For our customers, this means that they believe that they will have a safe and secure journey. For pedestrians and other road users, it means efficient and co-operative use of the roads and for our employees and contractors it is the knowledge and trust that we are committed to ensuring that they will arrive home in the same manner as they had left for work that morning.

Find Your Way

'Find Your Way' is the sum of all the parts of the journey experience for our passenger. We want our passengers to know where they are going, how they are going to get there, how long it will take and what forms of transport, including trams, they will use to arrive at their destination.

We want the travelling public to feel confident that when using the network, especially in areas with which they are unfamiliar; that they will be able to go to the nearest stop, purchase a ticket and know when the next tram is due. We plan to work with DoT, Metlink and other transport operators to achieve a multi-modal approach to Tram Franchise operations that enhances the total travelling experience.



Keolis | DownerED | Rail

KDR Fact Sheet **YARRA TRAMS EMPLOYEES**

In the lead up to the hand-over day on 30 November, our overall objective is:

A smooth, seamless transition that focuses on maintaining harmony within the operating and maintenance teams, maintaining the safety of the network for all users, without disruption to passenger services.

KDR will offer employment on no less favourable terms to all Yarra Trams Franchise personnel.

Our consultative and collaborative approach will involve working closely with the existing management before Franchise commencement. This approach will include the implementation of an extensive engagement program.

Our immediate priority is to ensure that everybody understands the transition process and what it means for them.

Since the announcement by the Victorian Government confirming KDR as the successful operator for the next phase of Melbourne Tram Franchise, we have been busily preparing for change-over.



KDR Fact Sheet **YARRA TRAMS EMPLOYEES**

Throughout the term of the franchise, KDR will clearly explain what it stands for and what stakeholders can expect in dealing with KDR.

Informative

We will ensure all stakeholders are fully informed during the transition period.

KDR website

An interim website has been set up to provide information to all stakeholders, especially Yarra Trams employees, at www.kdrmelbourne.com.au.

FAQs & Fact Sheets

KDR will make available to employees the information they require to help them manage the Franchise transition, including details on the confirmation of their roles, conditions during change-over, and other vital employment details.

In the countdown to change-over, employees will receive details of key points of contact and a telephone hotline will be set up to answer any queries or concerns. All calls will be acknowledged as soon as possible by KDR and a response delivered within 48 hours.

Inclusive

We will seek stakeholder views and concerns and address them promptly.

Transition Bulletins

These will introduce KDR, describe its plans, keep employees up-to-date with developments. Copies will be available on the website or via e-mail.

KDR Roadshows

Working with the incumbent, KDR will communicate with employees through a series of site visits. These 'Employee Roadshows' will be held at depots and workshops to ensure employees can attend.

KDR Fact Sheet **BRAND RE-FRESH**

KDR is delighted to be given the opportunity to become the operator of Yarra Trams and the custodian of Melbourne's much loved tram network.

Yarra Trams

The re-freshed Yarra Trams brand will be phased in over the term of the Franchise. Our aim is to ensure that the overall customer experience is enhanced through the brand re-fresh.

A key feature will be the investment of \$9 million to improve the reliability of the Z1 and Z2 class trams. Greater reliability

encourages confidence in our trams and the public transport system. Also, the latest in rail grinding technology will be utilised to smooth Melbourne's tram tracks for a more comfortable journey.

Over \$10 million for re-freshed application to the exterior of Z, A, C and D class trams.

- › Trams are a primary mode of transport
- › Passengers know and trust Yarra Trams
- › Trams are an integral part of daily life

Additional funds have been allocated to improve the travelling experience of passengers by raising the overall standard of the interior and extension of the tram fleet. Through the allocation of \$5 million, we will replace worn or damaged cloth seats across the fleet, replace vandalised glass in the windows and doors of the Citadis and Combino trams, and provide a deep clean and detail across the entire tram fleet.



Keolis | Downer | EDI Rail

KDR Fact Sheet **A NEW APPROACH**

KDR commits to core values that will see the Melbourne Tram Franchise contribute to sustaining and improving Melbourne's quality of life, by providing tram services that deliver the best possible travelling experience, contribute to economic sustainability and strengthen our communities.

Think Like a Passenger

KDR commits to develop the Yarra Trams Franchise to the point where every employee commits to **'Think Like a Passenger'**.

Our ability to appreciate services from the perspective of passengers and the travelling public will deliver a world-class quality customer service to all passengers and stakeholders.

Our ability to **'Think Like a Passenger'** at all points of the passenger journey includes the portion of the journey prior to arriving at and departure from one of our stops, through our network and onto the final destination.

This informs a holistic approach to ensuring passengers have the information they need to make informed and comfortable choices.

Informed passengers use the network much more efficiently than those who struggle to obtain information, or are confused regarding potential journey options.

We provide all our passengers with timely, reliable information and help, respecting each person as an individual. We are attentive, caring, courteous and sincere, treating passengers with integrity, as we would wish to be treated ourselves.

We encourage all employees to take pride in their job and in the service we offer.

We promote a way of working that pays attention to detail and all employees are encouraged to **'Think Like a Passenger'** to help improve customer satisfaction.

'Find Your Way' is the sum of all the parts of our customers' journey experience. We want our customers to know where they are going, how they are going to get there, how long it will take and what forms of transport they will use to arrive at their destination. We want them to feel confident that when using the network, especially in areas with which they are unfamiliar, that they know how to get to the nearest stop, purchase a ticket and know when the next service is due. We plan to work with the Government, DoT, Metlink and other transport operators to achieve a multi-modal approach to Tram Franchise operations.

KDR Fact Sheet

A NEW APPROACH

We will build our efforts around KDR's customer focused **'Five Yarra Trams Aspirations'** of; Moving Safe Haven; Find Your Way; Improved Accessibility; Enhanced Customer Information; and Greater Journey Certainty.

Moving Safe Haven

KDR intends to promote the delivery of a **'Moving Safe Haven'** for Melbourne's Tram Network. The objective of this vision is to provide the highest safety and security for all customers, employees, contractors and the public, encompassing not only trams but also all stops and depots on the network.

Customers will have confidence in the fact that they will be safe and comfortable during their journey. When anyone thinks 'Tram' they envisage a protected zone – a safe haven. For our customers, this will mean that they believe that they will have a safe and secure journey, for pedestrians and other road

users it means efficient and cooperative use of the roads, and for our employees and contractors it is the knowledge and trust that we are committed to ensuring that they will arrive home in the same manner as they had left for work that morning.

Overall the delivery of a **'Moving Safe Haven'** is about continuous and complex interactions with tram operations and the network without incident.

Campaigns will be undertaken in co-ordination with the current **'Think Tram'** initiative, councils and Victorian government agencies, to improve amenities, safety and access around transport stops.

In particular, KDR will deliver solutions to provide information to passengers regarding access, encouraging acceptable commuter behaviour and encouraging and enforcing acceptable motorist and pedestrian behaviours with respect to tram paths, as follows:

- › Graffiti and Cleanliness;
- › Customer Information;
- › User-friendly information services and technologies;
- › Accessibility;
- › First Time User Information Pack;
- › Customer Service and Safety Academy;
- › Tram Tracker enhancement;
- › Equipping our employees to provide information and further assist customers on their journey.



Keolis | Downer EDI Rail

KDR Fact Sheet

FIND YOUR WAY

The 'Find Your Way' program is informed by our 'Think Like a Passenger' philosophy and complements our 'Moving Safe Haven' program to deliver enhanced safety, reliability and a high quality of service to our passengers.

On-board

Authorised Officers and Customer Service Employees

Customer focused employees will be trained through our 'Customer Service and Safety Training Academy' to provide the information required by passengers and to further assist the travelling public when they travel on the network.

Inter-modal maps

Identifying specific routes will assist passengers in planning their journey. This will allow passengers to select the appropriate route and how that tram service links into other transport options.

Specific route maps

Viewing the route in transit will assist passengers in managing their journey. This will allow passengers to identify upcoming stops and to know where they are on the route at any given time.

On-board updates

KDR will investigate the viability of providing more regular on-board updates to passengers, such as upcoming stops and network updates. This will ensure that passengers, particularly those unfamiliar with the route or those with special needs, are better informed and more comfortable with their travelling experience.

Visibility

There will be a greater presence of Yarra Trams employees to provide a direct interface with the travelling public. We will equip Yarra Trams employees to provide a more integrated customer service focus, with an enhanced ability to provide information about routes and timetables.

First Time User Information Pack

With the purchase of the relevant fare, first time travellers will also receive a pack that includes information on fares and inter-modal maps to help them best utilise the network.



KDR Fact Sheet

FIND YOUR WAY

'Find Your Way' is the sum of all the parts of the journey experience for our passenger.

We want our passengers to know where they are going, how they are going to get there, how long it will take and what forms of transport including trams, that they will use to arrive at their destination.

We want the travelling public to feel confident that when using the network, specially in areas with which they are unfamiliar, that they will be able to go to the nearest stop, purchase a ticket and know when the next tram is due. We plan to work with DoT, Metlink and other transport operators to achieve a multi-modal approach to Tram Franchise operations that enhances the total travelling experience.

At stops

Inter-modal maps

We will work with Metlink to coordinate with train, tram and bus operators for the provision of inter-modal maps at key locations.

Timetable information

We will work with Metlink to coordinate with train, tram and bus operators for the provision of timetable information at key locations.

Ticket information

KDR will promote greater awareness and information on where and how to purchase the appropriate fare, incorporating both Metcard and myki.

Super stops

Additional super-stops will be rolled out, with Tram Tracker and fare information, network maps and local area maps, Call Centre contacts and timetables. There will also be an increased presence of Yarra Trams employees at identified super stops to assist during peaks and major events.

All interchange stops

There will be greater provision of information, including network maps, Call Centre, Tram Tracker and fare information contacts and timetables at stops where the tram network intersects with other transport networks.

Tram Tracker, Nearest Tram Stop and Where to Buy a Ticket

KDR will enhance customers' awareness of the availability and usefulness of these services. They will emphasise the travel certainty aspects of tram travel. KDR sees opportunity to further develop and enhance Tram Tracker, with increased capability to provide tram times, the nearest stop and provide customers with their nearest ticketing purchase points.



Keolis | DownerED | Rail

KDR Fact Sheet **CUSTOMER SERVICE**

KDR understands that safety, reliability, punctuality and outstanding customer service are what our passengers are looking for.

What KDR will do

In addition to using the current and new customer satisfaction assessments, we plan to draw on a range of other programs and systems to help us better **'Think Like a Passenger'**.

Our Customer Relations Management (CRM) system will ensure that any customer will be able to make contact with us and have required information personalised and delivered to them in the manner they prefer.

To deliver this individually customer focused information we will be innovative and seek to utilise the latest technologies.

Additional activities will include:

- › A Mystery Shopper Campaign
- › Meet the Managers
- › Customer Panels
- › Reports from the field
- › Customer Feedback & Complaints Program

The KDR approach to improving performance is to empower the Yarra Trams organisation and incentivise employees to focus on holistic service delivery. This empowerment will be based on clear management systems, the provision of tools and resources at the front line for employees and constant monitoring and adjustment as required.

KDR will introduce a program of proactive maintenance to identify and address potential problems before they affect tram operations or unduly impact on the travelling experience of passengers.

KDR Fact Sheet

CUSTOMER SERVICE

With a growing population, environmental inputs and economic considerations, a successful Melbourne Tram Franchise will play a crucial role in increased patronage across Melbourne's transport system. KDR will identify and selectively target potential and current customer groups on tram routes to determine how to encourage them to better value and further utilise their tram services. The needs and attitudes of existing and potential customers will be researched and modelled to determine how we can further improve our services.

Managing growth

To manage external impacts and to maintain our commitment to 'Think Like a Passenger' it is essential to have the capabilities in place to ensure that Yarra Trams appreciates the needs and changing habits of passengers.

KDR will ensure that the travelling public has access to timely and relevant information

that allows passengers to make informed decisions about travelling on Melbourne's Tram Network.

In response to growth in patronage a number of strategies have been identified to manage services and to manage the effects on services.

- › Promoting off-peak options
- › Developing of a Tactical Response Group
- › Informing passengers through Authorised Officers, Customer Service Employees, websites and on-board trams

Tram Tracker, Nearest Tram Stop and Where to Buy a Ticket

KDR will continue to promote Tram Tracker as an invaluable tool for customers to find their nearest tram stop, ticket-selling location and next tram information. **We will enhance customer awareness of the availability and usefulness of this service.** Tram Tracker will emphasise the travel certainty aspects of tram travel. KDR sees opportunity to further develop Tram Tracker, with increased capability to provide information and enhanced services to passengers and the travelling public, ensuring access to network information is as simple as possible.



Keolis | Downer EDI Rail

KDR Fact Sheet **DELIVERING FOR PASSENGERS**

- › Improvement in customer satisfaction
- › Reduced safety incidents
- › Improved punctuality

We will train and empower our employees to provide information to passengers and further assist the travelling public during their journey across the network.

To help our Authorised Officers and Customer Service Officers to **'Think Like a Passenger'** KDR has planned a tailored approach to employee training through our **'Customer Service and Safety Training Academy'**. We intend that the Academy will deliver customised training courses addressing all issues relating to customer service and safety. The focus of the Academy will be to encourage employees to **'Think Like a Passenger'** and to promote a **'Moving Safe Haven'** ensuring friendly and committed interaction with passengers.

The curriculum will be, in part, built on the provision of quality operational service information and analysis of feedback.

We will focus on Authorised Officers increasing their visible presence on trams and at tram stops and they will be in a position to record customer feedback and problems they raise.

KDR is experienced in developing a comprehensive operating plan that will ensure Yarra Trams operate safely and efficiently.

KDR will utilise route optimisation and maximise tram deployment based on demand by ensuring high capacity trams are allocated to high demand services.

KDR will deploy a continuous **'eye-on-the-ball'** approach to ensure that the daily tram service is effectively resourced and operated, and any need for change to meet capacity requirements is promptly addressed.



KDR Fact Sheet

DELIVERING FOR PASSENGERS

The passenger journey experience is built on a platform of exceptional performance management and passionate service delivery.

At KDR we understand that safety, reliability, punctuality and exceptional customer service are what matters to the travelling public.

Punctuality & reliability

KDR will enhance operational performance through improved service punctuality and reliability.

Traffic flow

KDR will strive to not only improve performance but to develop ways to improve how trams integrate within the transport system, and in particular the road network.

Innovation in services

The planned introduction of new systems and procedures currently operated successfully in other franchises will provide an informed basis for innovation in future service planning.

Mobility

We will deliver effective management of passenger movement during peak periods, including tram boarding times. Our initiatives to manage passenger flow intersect with all areas of operations and will result in improved punctuality, reliability and safety across the network.

Safety

We will develop a culture of continuous safety improvement as a desired state in which all hazards are identified, risk assessed, controlled and, where practicable, eliminated so that injuries and harm to our people, the environment and the communities in which we operate (including but not limited to contractors, customers, travelling public and neighbours), are minimised.

Accessibility & standards

We believe that transport should be accessible to as many people as possible. KDR will consider and respond to changing demographics, community expectations and the needs of our passengers.

Minimising disruptions

During disruptions for infrastructure improvements and incidents on the network, KDR will provide passengers, the travelling public and the community with timely and relevant information.

KDR Fact Sheet

ENHANCING PERFORMANCE

The Customer Experience Performance Regime (CEPR) is a new monitoring and incentive initiative to evaluate important aspects of the customer journey experience along with analysis of passenger views collected through the Customer Satisfaction Monitor (CSM).

CEPR

The Customer Experience Performance Regime monitors the important aspects of the tram service of:

- › Personal safety
- › Customer information
- › Cleanliness
- › Asset damage
- › Customer satisfaction

The travelling experience of passengers on Yarra Trams will be enhanced through continued measurement and adherence to high standards for the removal of graffiti, repair of damage and vandalism, maintaining cleanliness and the provision of clear and relevant information.

These standards will apply to trams, stops, infrastructure, assets and tram corridors.

Passengers will be surveyed and Yarra Trams performance will be measured against benchmark standards. The community will welcome greater transparency and accountability through public access to the performance results.

The exceptional passenger journey experience provided on Yarra Trams will be greatly enhanced by KDR's reputation for providing a framework of exceptional performance management, a focus on safety and a passion for achieving the best possible service delivery.

KDR Fact Sheet

ENHANCING PERFORMANCE

We are committed to enhancing the tram network for the future, providing a travelling experience that passengers can rely on and be proud of; and a service that delivers the highest level of quality, safety, reliability and efficiency in the world's largest operating tram network.

OPR

The Operational Performance Regime (OPR) is the mechanism to encourage delivery of a punctual and reliable service to passengers.

KDR is committed to reducing the negative impact of service disruptions to passengers and to the improved performance of Yarra Trams in the availability of a service and the number of trams arriving on time.

A new performance benchmark of what constitutes a late service will be introduced for the next phase of the Franchise. The definition of a late service will change from less than 6 minutes ($0 > 5:59$ mins) to less than 5 minutes ($0 > 4:59$ mins).

Flexible Performance Benchmarks

The Initial Flexible Performance Benchmarks are intended to reflect our role in supporting the Government's public transport objectives.

The first Benchmark is the increased number of measured safety contacts by KDR management to ensure all executives play an active role in safety and to encourage dialogue on safety issues and opportunities.

The second Benchmark requires the completion of key elements of the Yarra Trams Brand re-fresh program within an agreed timetable.

The final Benchmark is to achieve an improvement in driver performance feedback.

These Initial Flexible Benchmarks will be monitored and evaluated by the Government for review.