

Performance Report

October 2001 Monthly Report

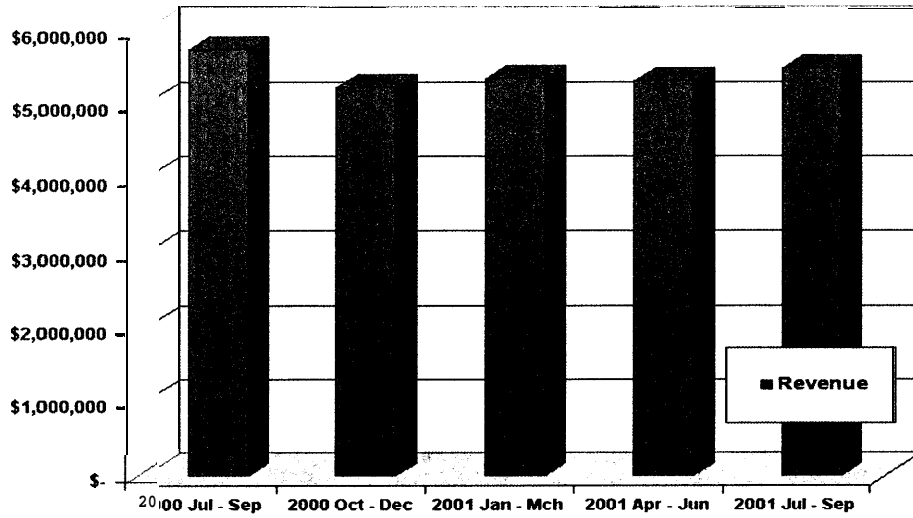
presented to

Wellington Regional Council

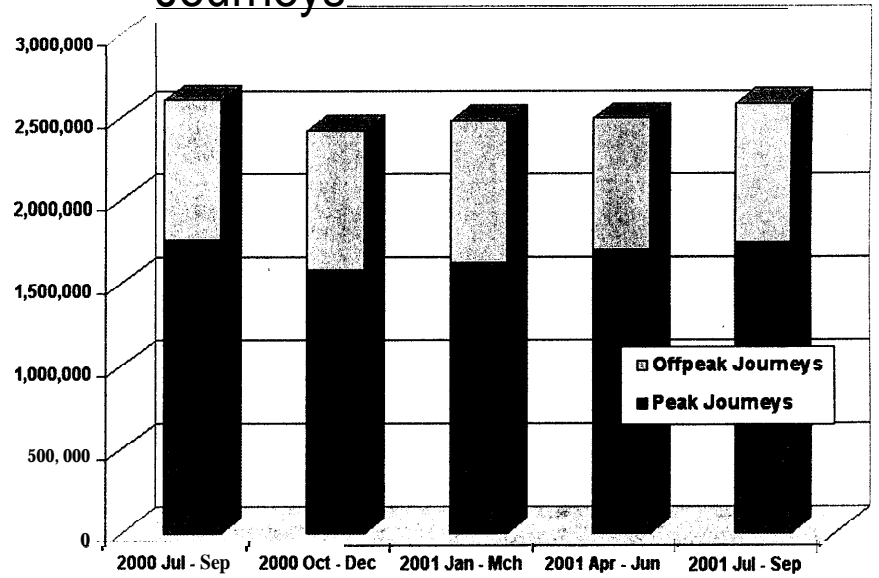
TAKE IT EASY. TAKE THE TRAIN.

Performance at a Glance

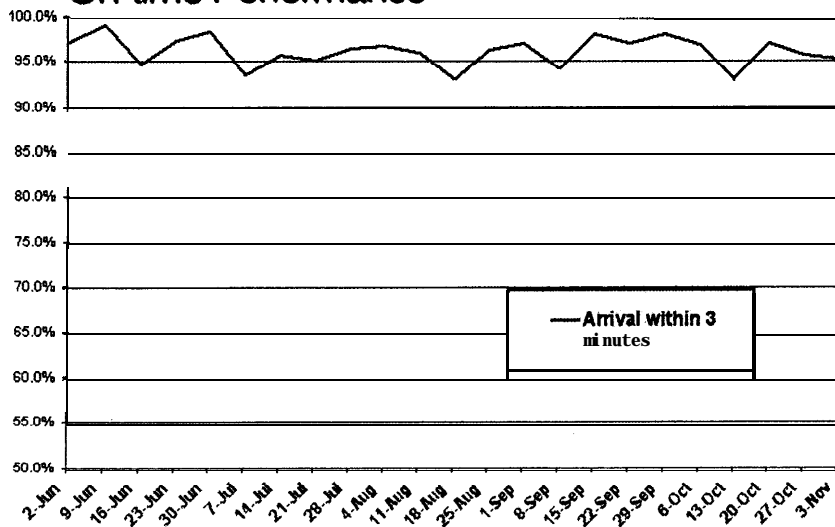
Revenue



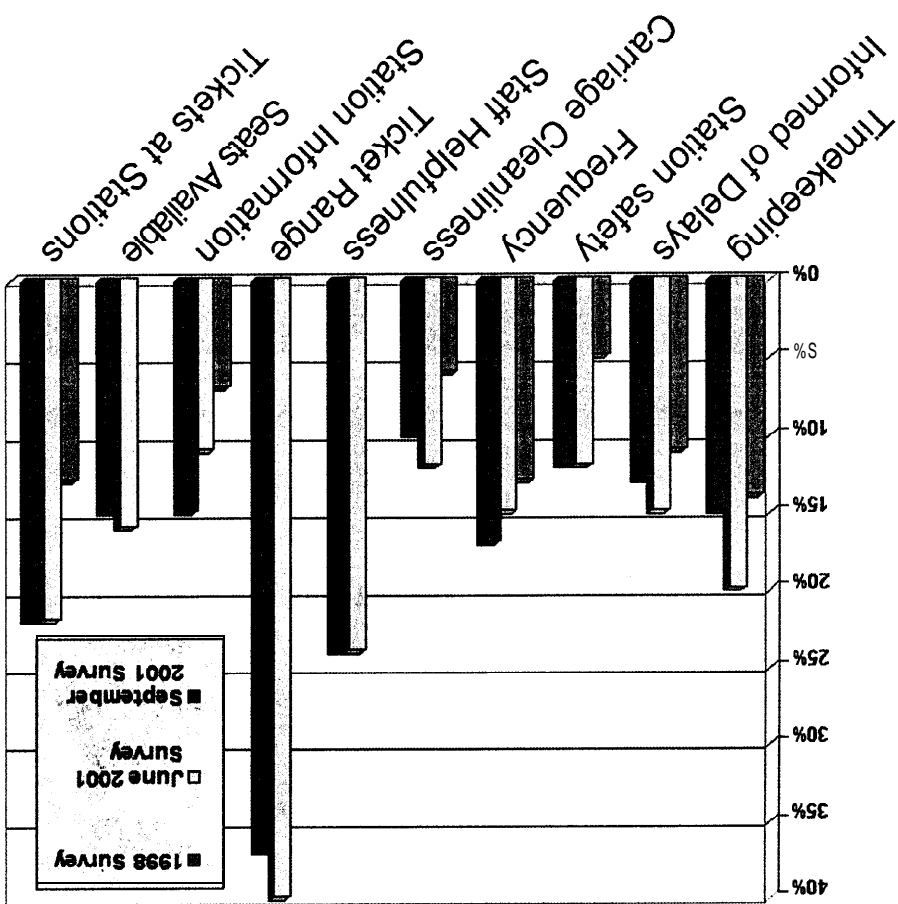
Journeys



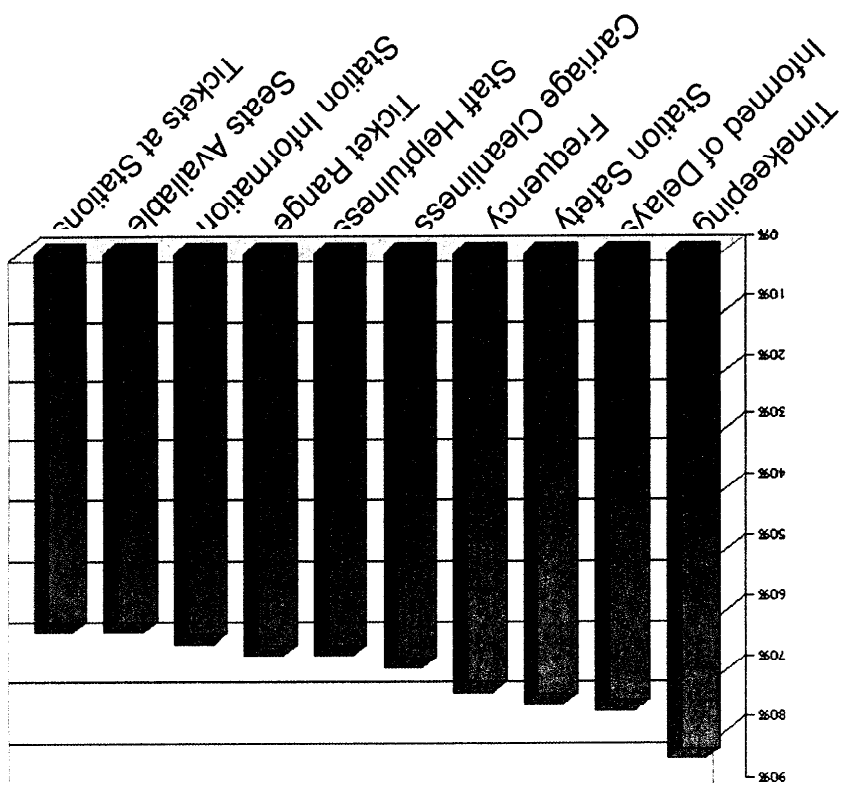
On-time Performance



Tranz Metro Performance



10 Most Important Issues

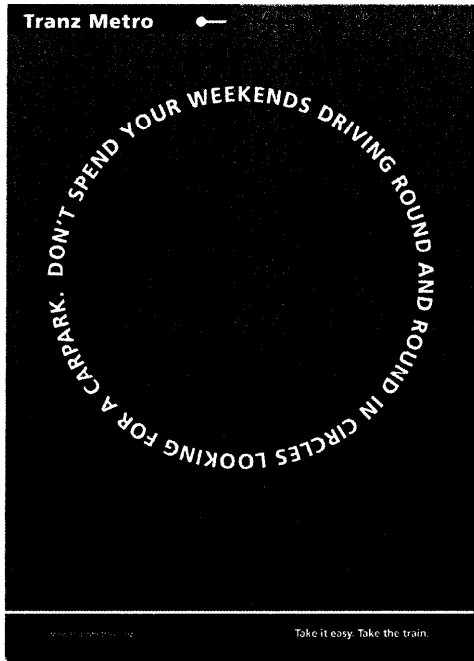


Customer Satisfaction

Marketing Initiatives / October

Promotion of Weekend Services

Improvements to the weekend timetable have increased the number of services running during the weekend. These improvements mean that weekend train travel can be actively promoted under the Tranz Metro motto - take it easy, take the train.



A radio and point of sale promotion commenced on October 25. Media used is radio advertising on all the major Wellington radio stations and placement of posters in trains. The radio media is concentrated around weekends to reach potential customers when they are considering travelling.

The campaign duration is 3 weeks - until November 11 - at which point evaluation of its performance will be undertaken. Success means this type of promotion will be continued in the New Year.

New Timetable Refinements

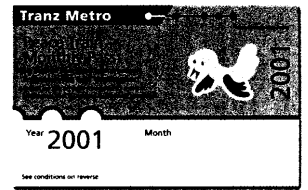
Since the introduction of the new timetable in August there have been a series of improvements and adjustments made. These have been



undertaken in response to customer feedback. Adjustments to the timetable on the Paraparaumu Line were introduced on Monday 8 October. These changes have allowed for improved timekeeping on the Paraparaumu Line, the results of which are already being seen in weekly performance statistics.

"Shoulder Monthly" Ticket

An extended trial of a discounted "shoulder" monthly pass on the Johnsonville Line continues.



Called the Peace Train Pass - because those who use it get to travel in peace and quiet just outside of the morning peak times - this ticket has significantly reduced loading on the two key peak trains travelling from Johnsonville to Wellington in the mornings. A decision to introduce this pass as a regular ticket will be made before the end of November.

Metro Line Information Posters

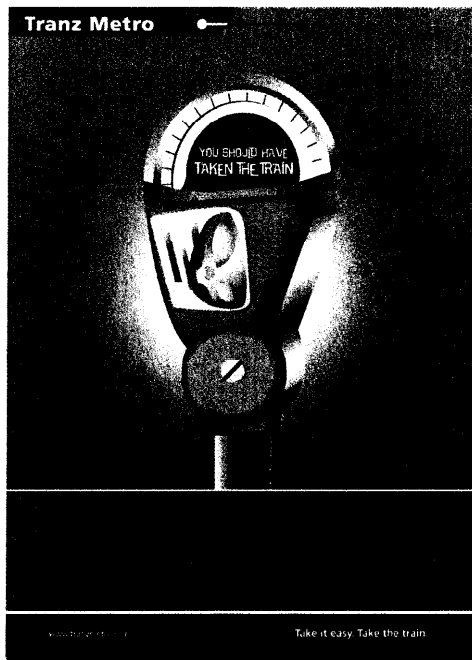
Customer Service survey results have shown that a key issue is the ability for our customers to be informed when and if delays occur. To alleviate this problem, Metro Line was introduced. One phone call will provide up to date information about train arrival and departure times, together with any delays that may have occurred.

To help build awareness of this service, new posters have been produced to go up at stations. So if a customer has a mobile phone, they're only one call away from the facts.

Marketing Initiatives - Planned

Promotion of Metro in Peak Periods - Nov

One advantage of the new timetable is that week-day travel between 9am and 3pm has been made much easier because services to Paraparaumu, Johnsonville and Upper Hutt now depart every half hour. This makes Metro the ideal way to get around the Wellington region.



To build patronage on these trains we are undertaking an advertising campaign which commenced November 12. The message of easy and hassle free travel is being promoted on all major Wellington radio stations and on trains through posters. The campaign duration is three weeks culminating in a novel way of driving new patronage - a \$2 day. One day where no travel on Tranz Metro between 9am and 3pm will cost more than a "couple of bucks".

The red letter day? Thursday November 29. If this promotion is successful in driving trial we will consider repeating it prior to Christmas.

Integrated Train/Bus Ticketing Trial

Discussions and planning in conjunction with both Wellington

bus operators are coming to fruition with the planned introduction of an integrated bus/train day pass before Christmas. This single ticket will give users access to unlimited travel by bus or train in the Wellington area from 9am weekdays and all day during the weekend.

Targeted at visitors to the Capital both from inside and outside the country, this ticket will be promoted as the only one you need to experience the sights and delights of Wellington.

Stadium Events - Nov/Dec

The big event in November is the Robbie Williams concert with his 45,000 fans expected to invade Wellington. However, we also have Toast Martinborough, the Christmas Parade and Carols by Candlelight between now and Christmas. All these events require Tranz Metro to provide additional services to smooth the traffic flow to and from the events.

Thanks to the experience gained over the last two years with events at the stadium, Metro can now provide an excellent service to patrons attending these "special" events.

Proposed New Wairarapa Services

The Wairarapa Line is an area of focus for Metro. With steady growth in numbers there is potential to develop this service further - particularly in the peak travel times.

To that end, planning is underway for an additional morning and evening peak service. Logistically this has proved a challenge, however a decision to proceed with changes will be made prior to Christmas.

These changes will also involve some modification to off-peak services to allow better access for visitors during the weekends. This will directly benefit events run in the Wairarapa.

Metro Newsletter - Nov

As a way of keeping customers informed of changes in Tranz Metro, a customer newsletter is being produced. The first issue will be distributed in late November with two further issues planned before June next year. Initial feedback during trialing of this concept has shown a very positive response.

Christmas Timetable - Dec/Jan

Christmas and New Year timetables have been developed. Printed timetables will be ready for distribution to customers by December 1.

NZ Golf Open - Jan 2002

There has been considerable planning undertaken to ensure Metro can carry its share of the responsibility for moving patrons to and from this event. Care has also been taken to ensure inconvenience to our regular commuters is minimised.

A special timetable has been developed for the week of the event. This will be available to the public by December 1. Other plans to maximise Metros involvement in this event are also being developed.



Tranz Metro

Metro

times

Refining the new timetable

Those of you who are regular commuters on the Paraparaumu line will have noticed the recent changes to the morning peak timetable. This is one of a series of refinements to the timetable introduced on August 5 that have been based on feedback received from customers. These changes have been made to ensure that we can keep better time and, ultimately, get our customers to work on time.

Hutt Line trains have also had extra carriages added on some services to alleviate over-crowding, once again as a result of the feedback we have received.

We will continue to make changes in the future wherever the new timetable can be adapted to better meet customer needs. So if you've got a suggestion to make or a problem that we might be able to fix, call us on 04-535-5555 or send an email to vox@tranz.co.nz.

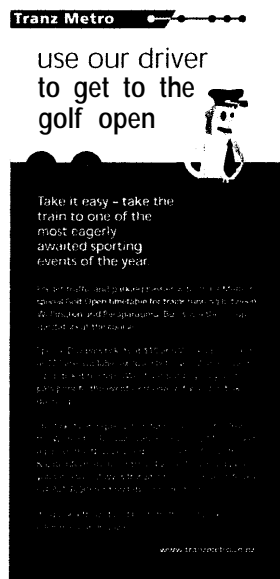
The Telecom tram

You may have noticed one carriage that stands out from the others. It's the one with people "keeping in touch with Telecom" along each side. This has been done as a 6 month trial to test the effectiveness of trains as an advertising media and to test the reaction of Tranz Metro customers. And judging by the feedback so far it's a test that has succeeded. Expect to see this type of promotion happening in use often in the future.

Take it really easy, take the train.

Getting home late on a Friday after an evening out used to mean an expensive taxi ride. Not any more, because Tranz Metro now offer hourly services through Friday night into Saturday mornings on all lines.

So now you may still arrive home in a taxi, but it will only be from the nearest station.



Tranz Metro

use our driver to get to the golf open

Take it easy - take the train to one of the most eagerly awaited sporting events of the year

The NZ Golf Open is a major event for the Metro region. It's a week of excitement for the whole region. We'll be running special services to and from the event. We'll be running special services to and from the event. We'll be running special services to and from the event.

www.tranz.co.nz



Tranz Metro

times & fares to the Golf Open

6 January 2002 to 13 January 2002

TAKE IT EASY TAKE THE TRAIN

On Train Safety

The introduction of the new timetable has led to increased numbers of late night services. In order to make these services as attractive as possible to customers and staff we have undertaken a major review of on train safety.

Recommendations from report include:

- * On train "Hosts" for late night services
- * Close circuit television (CCTV) on selected units
- * Additional staff training
- * Major promotion to build numbers
- * Alternative ticketing focusing on simple fares by line

We will be commencing the implementation of this project prior to Christmas working with our staff, local police and Wellington City. We will be considering becoming a sponsor of the "Walkwise" city safety scheme as it fits well with our direction.

Fare Increase

Tranz Metro last increased fares in 1996. That increase was less than 5% and the first since 1991. This combined with a desire to simplify the existing fare structure should see new fares in the next month or so. On top of that increase we may have recover the costs of additional services introduced in August and October this year.

Ganz Mavag Refurbishment

This programme has been underway for a number of years. Council contributes around 50% of the cost of this programme via the grant. The fleet consists of 44 units and we refurbish

5 units per year. On this basis we will have 1 unit outstanding by May 2002. Given the significant costs of closing down the programme for the year and restarting (estimated at \$0.5m) Council may wish to complete the programme this financial year.

English Electric Units

These units provide services on the Johnsonville, Paraparaumu and Hutt Lines. All are in need of replacement or at least major refurbishment. We have refurbished a prototype unit that provides a cost-effective solution until the Johnsonville line is converted to light rail. The two-car unit cost about \$0.6m compared to \$5m for a new unit. Council has not made any decision on this presumably due to the impending sale. Unfortunately the problem will not go away.

Wairarapa Connection

Tranz Metro planned to replace these trains with refurbished "S" carriages. Again due to the sale no progress. Council could consider commencing the programme once the Ganz Mavag refurbishment is complete.

Petone Station

Tranz Metro and Council have agreed design and plans for the replacement of the station. The new station will be in a heritage style to complement the developments in Jackson Street. The existing canopy will be incorporated into the new design. Unfortunately construction of the new station has been put on hold until ownership Tranz Metro has been resolved. We believe this delay is unnecessary and the ownership issues can be readily resolved.

Tranz Metro Strategic Projects - continued

Upper Hutt Station

Tranz Metro and Council have agreed design plans for the refurbishment of this station. As for Petone implementation is on hold although the ownership issues are a little more complex.

Paraparaumu Station

The situation is as for Upper Hutt. As a result of the delay Tranz Metro has had increased maintenance expenditure. This money would have been better spent contributing towards refurbishment of the station. We are considering further work Dec/Jan but the value of this will also be lost when the refurbishment goes ahead.

Raumati Station

Planning on this station has ceased due to the project being on hold due to the sale process

Wellington Station

We will be continuing our upgrade of Wellington Station. Unfortunately we will be unable to fund the expected upgrade of the suburban booking hall floor. We had hoped to be part of the major refurbishment of the subway and bus station but that has not been possible. We will however be implementing our own more modest upgrading plans over the next few months

Electronic Ticketing

We have considered many options for electronic ticketing

over the years. None met our operating requirements nor have they been cost effective. We are however much more positive about the stored value ticket approach and are currently following this up with suppliers.

Extension of Electrification to Waikanae

This involves the extension of the electrified line to Waikanae with new stations at Lindale and Waikanae. Stage 1 would involve extension of all existing services to Waikanae. Stage 2 provides a 15-minute peak frequency with a 30 minute off peak service. The basic planning for this is complete but again the project is hold due to the sale

Extension Melling -Waterloo

Initial design plans completed by Tranz Metro, Council and Hutt City. Agreement by all parties on approach but project on hold.

The Top 2 Metro Worldwide Asset Team

Ross Hayward
National Passenger
Manager



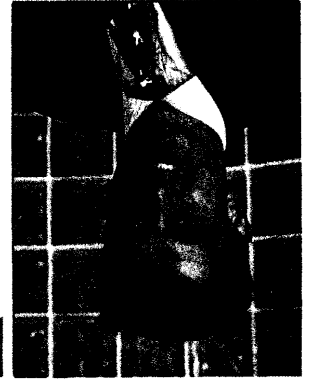
Ross has over 20 years experience working with and for Tranz Metro. He is responsible for the business in both Wellington and Auckland. Under Ross's stewardship Metro Wellington has enjoyed a period of consistent growth and improvement.

Andrew Hight
Passenger Assets Manager



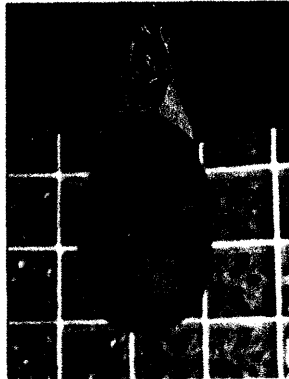
Metro would grind to a halt without the support of Andrew and his team of engineers. No matter how challenging the circumstances, Andrew is the one we turn to when we need to maintain and improve the hardware.

Geoff Norman
Central Customer Manager



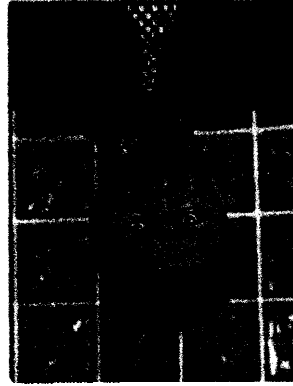
When Geoff was a young boy he always wished he could be set to *help* with. Finally his wish came true. No matter what the issue is in terms of Tranz Metro operations, the buck stops with Geoff.

Gordon Horsley
Metro Marketing Manager



Gordon is responsible for day-to-day marketing activity within Tranz Metro. He brings a youthful energy to Metro that is reflected in the success of events such as the recent Toast Martinborough festival.

Graeme Mowday
Passenger Marketing
Manager



With experience in marketing, advertising and promotion, Graeme is responsible for the development and promotion of the Tranz Metro brand, and the resulting revenue stream.

But wait there's more ...

Although the management team would like to take much of the credit for the smooth running of Tranz Metro, each manager is backed by a team of professionals whose prime motivation is to ensure that Metro becomes a standard by which commuter railways around the world can be judged. We will use future reports to introduce the rest of the Tranz Metro team.