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GO TRANSIT
THE YEAR IN REVIEW

STRIVING FOR
CUSTOMER SERVICE
EXCELLENCE







STRIVING FOR CUSTOMER EXCELLENCE

APRIL 1 2004 TO MARCH 31 2005

Inside

- 2 GO grows
- 3 What is GO Transit?
- 4 Who governs and funds GO Transit?
- 6 Who operates GO's services?
- 7 Why is GO essential to the Greater Toronto Area and Hamilton?
- 8 What happened in fiscal year 2004-05?
- 14 Ongoing initiatives into the next fiscal year
- 14 Financial performance in fiscal year 2004-05
- 16 Info to GO and ridership statistics

GO Transit
20 Bay Street, Suite 600
Toronto, Ontario
Canada M5J 2W3

tel 416.869.3600
fax 416.869.3525
web www.gotransit.com

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GO GROWS

The 2004-05 fiscal year was an important one for GO Transit and its customers.

Since 1967, GO has experienced tremendous growth and success. It carried more than 45 million passengers this year and continues to be one of the most cost-effective transit systems anywhere in the world. However, its growth has brought several challenges, the key one being how to meet growing demand. During peak hours, GO often operates at capacity. The problem is not the lack of transit use – it is “not enough transit to use.”

A significant solution has started, though. In May 2004, the Government of Canada, the Province of Ontario, the GTA municipalities, and GO Transit formally agreed to jointly fund GO's multi-year expansion program. The funding, worth a billion dollars, will allow GO to improve and expand its services by upgrading infrastructure and by adding stations, buses, and trains.

It will improve customer service and allow more people to take GO as an alternative to driving, which would reduce gridlock and help achieve Canada's commitment to the Kyoto environmental accord by reducing car emissions.

In the past year, GO has taken significant steps towards building a bigger and more efficient transit network.

The achievements are highlighted here.

They reflect GO's commitment to improving service, while striving for greater customer service excellence as it continues to grow. GO looks forward to building on these achievements.





WHAT IS GO TRANSIT?

For nearly 40 years, GO has been providing safe, reliable, comfortable, convenient, and environmentally friendly transportation to the many communities it serves. It connects family and friends, helps people travel to and from work, and provides transportation for students and recreational users.

GO Transit started out in 1967 as a single rail line along Lake Ontario. Created by the Province of Ontario to relieve traffic congestion on the highways, GO has become a comprehensive network of seven train lines and numerous bus routes linking towns and cities across southern Ontario's Greater Toronto Area (GTA) and the adjacent City of Hamilton. (The GTA consists of the City of Toronto and the surrounding Regions of Halton, Peel, York, and Durham.) GO also provides service to the bordering communities of Simcoe, Dufferin, and Wellington Counties.

GO Trains and GO Buses serve more than five million people living in an area of more than 8,000 square kilometres (3,000 square miles). The GO Transit network stretches across 100 kilometres (60 miles), from downtown Toronto to communities as far as Hamilton, Milton, and Guelph in the west; Orangeville, Barrie, and Beaverton to the north; Stouffville, Uxbridge, and Port Perry in the northeast; and Oshawa and Newcastle to the east.

On a typical weekday by the end of the 2004-05 fiscal year, GO operated 179 train trips and 1,503 bus trips carrying about 180,000 passengers – 150,000 on the trains* and 30,000 by bus. Ridership for the whole of 2004 was more than 45 million passengers, an annual record for the eighth year running.

Getting these commuters onto transit greatly reduces congestion on the roads – if all the people who take GO were to drive to work every day, they would collectively be driving about 1.4 billion kilometres a year. By making room on the roads for people who need to drive, especially those involved in the movement of goods, GO optimizes the area's transportation infrastructure. In fact, during the morning rush hour GO carries as many people into downtown Toronto as eight major freeways, such as four Don Valley Parkways and four Gardiner Expressways.



GO Transit connects with every municipal transit service in the GTA and Hamilton, and has fare integration arrangements to give passengers a discounted ride on local transit to or from their GO Train station.

** Train service consists of trains and their related bus services – buses that meet the trains at terminus stations, and buses that connect Union Station with other train stations*



WHO GOVERNS AND FUNDS GO TRANSIT?

GO Transit is legislatively known as the Greater Toronto Transit Authority (GTTA) and is a Crown Agency of the Province of Ontario, reporting to the Minister of Transportation.

The provincial government is responsible for funding the portion of GO's operating costs that are not recovered through passenger fares and other revenue. It is also responsible for the base capital funding needed for rehabilitation and replacement, to keep the system in a state of good repair. For growth and expansion capital costs, the province provides at least one-third of GO's capital funding needs, with the understanding that the federal and municipal governments will contribute towards the remaining two-thirds.

GO Transit consistently recovers over 80% of its operating costs from the farebox – the highest financial performance for any transit system in North America, and among the best in the world. In the 2004-05 fiscal year, operating cost recovery was 85.2%.



BOARD OF DIRECTORS

The Board of Directors of GO Transit is appointed by the Province of Ontario. It has broad representation from the public and private sectors, including business, municipal government, and the provincial government. The Minister of Transportation sets the strategy and policy framework for GO, and the GO Board provides business direction to staff.

The Chairman is Peter Smith, from Mississauga. Formerly the Vice-Chairman, he has broad experience in both the public and the private sector.

The rest of the Board, effective April 1, 2005, consists of:

- Vice-Chairman Dr. Gordon Chong, from Toronto, who was formerly the Chairman
- Roger Anderson, Chair of the Regional Municipality of Durham
- Larry Di Ianni, Mayor of the City of Hamilton
- Bill Fisch, Chair of the Regional Municipality of York
- Hazel McCallion, Mayor of the City of Mississauga
- David Miller, Mayor of the City of Toronto
- Joyce Savoline, Chair of the Regional Municipality of Halton
- Saād Rafi, Ontario's Deputy Minister of Transportation
- Dr. Baher Abdulhai, from Toronto
- Douglas Armstrong, from Peterborough
- Hugh Nicholson, from Whitby
- Earl Rowe, from Fort Erie

William Sears, from Stoney Creek, resigned from the Board during the 2004-05 fiscal year.



Chairman
Peter Smith



Vice-Chairman
Dr. Gordon Chong



Board Members

Dr. Baber Abdulhai

Roger Anderson

Douglas Armstrong

Larry Di Ianni

Bill Fisch

Hazel McCallion

David Miller

Hugh Nicholson

Saäd Rafi

Earl Rowe

Joyce Savoline



GO staff who are officers of the Board:

Gary W. McNeil

Managing Director &
Chief Executive Officer

Jean M. Norman

Director, Corporate Services
Secretary to the Board

Frances Chung

Director, Financial Services
Treasurer to the Board

WHO OPERATES GO'S SERVICES?

GO Transit is a prime example of a public-private partnership that has worked effectively and efficiently since 1967.

Much of GO's operation (about 70%) is outsourced to the private sector – services as diverse as train operation; train maintenance; track and signal operations and maintenance; design; construction; and snow removal. By going to the marketplace, GO ensures the best competitive prices for quality work.

GO Trains are operated under contract by Canadian National Railway and Canadian Pacific Railway personnel; most of the rail corridors and tracks are owned by the railways. Because GO Trains use railway-owned track that is shared with freight and intercity passenger trains, GO benefits from lower track access costs, but the movement of trains is ultimately not in GO Transit's control. However, the railways have a long-standing relationship with GO and a good understanding of the need to provide quality customer service.

GO Transit operates GO Bus service and maintains its own bus fleet. Major work is contracted out, such as engine and transmission rebuilds, bus refurbishing, and major body repairs.

THE GO TRANSIT SYSTEM



A FAR-REACHING NETWORK
OF BUSES AND TRAINS



WHY IS GO ESSENTIAL TO THE GREATER TORONTO AREA AND HAMILTON?

Without GO Transit, the number of people commuting by car would surge, traffic gridlock would worsen, and air quality would decline.

In the rush hours, GO moves as many people into downtown Toronto as eight congested expressways (the equivalent of 48 highway lanes). More GO passengers travel through Union Station, the downtown heart of the network, than Toronto's Lester B. Pearson International Airport.

Getting people off roads and onto transit has a direct impact on the environment. Emissions from cars are a major contributor to air pollution and climate change. Air pollution affects people's health, their quality of life, the economy, and the environment. By providing commuters with a viable alternative to driving, GO is helping to reduce emissions and improve air quality.

GO also plays a vital supporting role in the regional economy of the entire Greater Toronto Area – often described as the economic engine of Ontario, and Canada.

Downtown Toronto, the heart of this regional metropolis, has grown dramatically in the past few decades. This growth, so evident in the city's skyline of office towers, came about largely because GO Transit has made it possible for so many people to commute to Toronto without driving. In fact, the number of cars coming into the downtown core during the morning rush hour has changed very little since GO began nearly four decades ago. GO ridership has increased steadily from 2.5 million passengers in the first year (1967) to more than 45 million today.

The suburbs have grown substantially too over the years and have benefited from GO service. GO Transit meets some of the transportation needs of new commercial and residential growth in these suburban areas. Their residents depend on GO to take a large number of long-distance car trips off the roads, freeing up space for people who have no viable alternative to driving. The average GO commute is 32 kilometres, which means that GO passengers travel a combined total of 1.4 billion kilometres annually.



WHAT HAPPENED IN FISCAL YEAR 2004-05? TWELVE MONTHS OF HIGHLIGHTS



APRIL 2004

GO ordered 11 new, 45-foot highway coaches to replace older ones. The new buses are wheelchair-accessible and have good fuel economy and emission controls.

GO introduced computerized ticket vending machines at several stations to help make buying tickets even easier for customers. These will eventually be installed at most stations.

Fares went up April 17 by 15 cents a ride to help cover the cost of inflation and pay for more service, improvements in service reliability, and improved communications to passengers.



MAY

On May 7 at Clarkson GO Station, the Government of Canada, the Province of Ontario, the GTA municipalities, and GO Transit held a ceremonial signing of a joint agreement to fund GO's multi-year expansion program. The investment, worth just over a billion dollars, will be used to fund various projects. They include:

- modernizing the track and signal infrastructure on the Union Station corridor;
- adding a third track to sections of both Lakeshore lines;
- increasing track capacity on the Georgetown corridor;
- increasing track capacity on the Milton corridor;
- extending GO Train service to Barrie;
- extending commuter bus service beyond GO's service area to other communities in the Golden Horseshoe area of southern Ontario.

The GO Bus fleet grew again with an order for 40 new, 45-foot highway buses – 25 to meet high ridership growth on the Hwy. 407 bus service, and 15 to meet demand on other routes.



JUNE

For the third year in a row, GO employees won several prestigious transportation awards from the Ontario committee of National Transportation Week. Lynn Ivatt, a GO Bus driver, was honoured as Ontario's Passenger Transportation Employee of the Year. Three other GO employees received recognition awards for helping people in distress.

GO began preparing for the winter to improve train service reliability. Fifty additional hot air blowers will be installed on its Union Station corridor over the next two years to help minimize train delays in bad weather. The hot air blowers are used to melt and blow snow and ice from track switches.

GO continued with a multi-year, multi-million-dollar program to upgrade gates, lights, and bells at a number of road-and-rail level crossings that it owns. These upgrades are above and beyond current federal safety standards.



JULY

GO again provided extra train service to Exhibition Place for the annual Molson Indy auto races, making travel into the city more convenient for race fans. GO also provided more trains to help people get to the annual Caribana festivities across the city.



AUGUST

During the Canadian National Exhibition, GO again provided extra trains to Exhibition Place to help ease gridlock and parking. GO partnered with the CNE to sell admission tickets at stations along the Lakeshore lines.



SEPTEMBER

GO Transit issued its second annual accessibility plan, as required by the Ontarians with Disabilities Act. During the past decade, GO has made significant progress towards system-wide accessibility – accessible train service was introduced in 1995, and in recent years accessible bus service has been phased in route by route. GO will continue to make services accessible as it refurbishes and renews its facilities and equipment.

With summer over and people back to work and school, GO improved service on several corridors. The improvements included a new rush-hour train on the Georgetown line; more bus trips on the Milton and Stouffville corridors; and many more buses on the Hwy. 407 routes – GO's extensive east-west service that centres around York University in north Toronto.



OCTOBER

GO announced plans to introduce an e-mail alert service to notify customers of major disruptions and other information. This award-winning idea, started informally by a call centre employee who signed up over 5,000 customers, will improve communications with passengers. Thousands more are expected to sign up for the service when it is fully implemented in the summer of 2005.

GO improved train service on the Lakeshore lines by increasing the frequency of Sunday service to match Saturday service.

On October 25, GO and York University held a ceremony to celebrate carrying the one millionth rider – for the first time in a calendar year – on the Hwy. 407 bus service. York U bus service began in September 2000 and now carries up to 10,000 daily passengers. Hwy. 407 ridership grew 70% during the last year alone. In addition, GO's York University rail station near the campus provides a direct link with communities in the north.



NOVEMBER

East Gwillimbury GO Station opened on November 1, just north of Newmarket. The new station provides commuters with access to GO Trains, GO Buses, and York Region Transit. The eighth station on the Bradford line, it has parking for 600 cars and serves about 600 riders every weekday. GO expects this number to increase to 1,500 in 10 years.

As a result of the previous winter's train delays, GO initiated an action plan in February 2004 to minimize delays, and to improve service reliability and passenger communications. In a follow-up report to the Board, GO stated it will:

- continue to install more hot air blowers;
- purchase a rail-mounted, high-pressure snow blower truck for cleaning out switches after heavy snowfalls;
- introduce a global positioning tracking system (GPS) on GO Trains in the near future;
- purchase new and more reliable locomotives.



DECEMBER

GO ordered another 10 bi-level passenger railcars from Bombardier. GO Transit began using bi-levels in 1978 and has since made numerous technical improvements with each new purchase, as well as enhancements to passenger comfort, convenience, and safety.

GO continued renewing its bus fleet with the purchase of 20 new, 45-foot highway coaches to replace older ones.

The GO Board approved the purchase of a new radio system that will integrate communications for bus and rail operations. The integrated system will make it easier for GO to coordinate both operations and help get information to customers more quickly.

New electronic information signs were installed at Union Station and the adjacent bus terminal. Similar to the ones in airports, the new monitors make it easier for customers to identify service changes. They also provide more information than the old signs.

GO ridership reached an all-time annual high for the eighth straight year. More than 45 million passengers rode GO Trains and GO Buses in 2004, a 1.7% increase over 2003's total of 44.3 million.



JANUARY 2005

A strategic retreat of the GO Board in January laid the groundwork for building a stronger and even more customer-focused GO Transit. The Minister of Transportation attended the retreat. The Ontario government, which is making significant investments in GO, desires that GO provide leadership in integrating transit within the GTA, achieve greater customer service excellence, increase ridership, and expand its service. GO will continue to improve its business efficiency, pursue opportunities to manage costs and increase revenue (particularly from less traditional sources), and eventually become self-sufficient in its operation.

On January 19, the Province of Ontario announced plans for a new GO station in Mississauga, on the Milton line. When Lisgar GO Station opens in 2007, it will serve the communities of northwest Mississauga and east Milton. Ridership on the Milton line has almost doubled over the past 10 years and is now about 24,000 passengers each weekday.



FEBRUARY

On February 7, Mount Pleasant GO Station opened in west Brampton, on the Georgetown line. The station has 600 parking spaces and provides a connection with Brampton Transit buses. It is the third GO station in the Brampton and Bramalea area.

The final draft of GO's French language services implementation plan was submitted to the Board. The plan outlines how to make GO serviceable in English and French, as required by the Province of Ontario. Within three years, GO expects to provide a wide variety of information and assistance to passengers in both languages, improving service to the French-speaking community.



MARCH

Fares were increased on March 19 by 15 cents a ride to help cover the cost of inflation, as well as to improve and add service. On top of the general increase, most fares on the Lakeshore East line were increased by up to 15 cents to bring them closer in line with comparable Lakeshore West fares.

GO entered into a partnership with the Ontario Association of Crime Stoppers to combat vehicle mischief and theft in GO station parking lots. GO's aim is to make the system even safer for commuters to use. Promotional and educational material provides commuters with tips on how to protect their vehicle and encourages them to report incidents to both Crime Stoppers and GO.

GO ordered 10 more bi-level railcars to increase its fleet to 395 cars. They will help with overcrowding on peak-period trains, and will make it possible to add service quickly once new tracks are built or railway scheduling changes allow GO to run more trains.

Station parking lot expansions continued where land was available. About 1,500 parking spaces were added during the fiscal year, increasing the total to more than 44,000 spaces across the network.

The fiscal year ended on a positive note. GO Transit recovered 85.2% of its operating costs through revenue, cementing its reputation as one of the most cost-efficient transit systems anywhere.



ONGOING INITIATIVES INTO THE NEXT FISCAL YEAR

GTA FARECARD

In December 2004, the Province of Ontario became GO's official agent to supply a common fare collection system for the GTA farecard, which will enable seamless, integrated transit across the Greater Toronto Area.

In June 2005, an agreement to procure a service provider for the new system was signed by all partners in the project – Brampton Transit, Burlington Transit, Durham Region Transit, GO Transit, Hamilton Street Railway, Ministry of Transportation, Mississauga Transit, Oakville Transit, Toronto Transit Commission, and York Region Transit.

The new farecard – a smart card that will simplify travel for transit users – will be introduced in early 2007, linking Mississauga Transit, GO's Milton line, and TTC's Union Station. The new system will be fully rolled out across the GTA, from Hamilton to Whitby, by 2010.

GO GROWS

The GO Transit rail improvement program is well underway. Design work has begun on this multi-year program, and provincial environmental assessment approval has been granted for the Milton, Lakeshore East, Bradford, and Stouffville corridor expansions. The Burlington portion of the Lakeshore West corridor expansion has also been given provincial and federal environmental assessment approval – construction of new track has started, and the Lakeshore West expansion should be completed before 2012.

FINANCIAL PERFORMANCE IN FISCAL YEAR 2004-05

SOURCE OF FUNDS

Funding for GO Transit's operating and capital expenditures was obtained from six sources:

In 2004-05, the farebox accounted for \$196.2 million of GO's total revenue of \$438.5 million.

Another \$9.5 million came from sundry revenue, such as the proceeds from facility rentals, track fees, and sale of advertising space, while \$0.8 million came from the sale of assets.

The remaining \$232.0 million was contributed from the three levels of government. Contributions totalled \$193.5 million from the Province of Ontario, \$32.6 million from the municipal governments, and \$5.9 million from the federal government.

Commuter revenue	\$196,197,000
Sundry revenue	\$9,453,000
Sale of assets	\$776,000
Provincial contribution	\$193,521,000
Municipal contribution	\$32,626,000
Federal contribution	\$5,893,000
Total	\$438,466,000

FINANCIAL PERFORMANCE

APPLICATION OF FUNDS

Operating expenditures in 2004-05 totalled \$241.3 million. The major expenses were payments to Canadian National Railway and Canadian Pacific Railway for access to their tracks and the provision of train crews; payments to Bombardier for maintaining GO's trains; purchase of diesel fuel; maintenance of stations and facilities; maintenance of GO's bus fleet; and labour costs. With direct operating revenues of \$205.7 million, GO achieved an operating cost recovery of 85.2%* for the year. The balance of its operating funding (\$35.6 million) was provided by the Province of Ontario.

Capital expenditures for the year totalled \$197.1 million. The major expenses included construction of three new stations (Mount Pleasant, East Gwillimbury, and Kennedy); environmental assessment and design work on the rail infrastructure expansion program; parking lot expansions; construction of a new layover in Stouffville; additional railcars and buses; the replacement of buses; the refurbishment of trains and buses; the rehabilitation of facilities; and the purchase of property for a new Lisgar station.

The Province of Ontario contributed 100% of GO's rehabilitation and replacement capital. Capital projects associated with growth of the GO system were also funded by the province, the federal government, and GO's municipal funding partners.

Operating expenses	\$241,347,000
Capital expenditures	\$197,119,000
Total	\$438,466,000

** The percentage of operating costs recovered through revenues. Note that depreciation is excluded. For a valid comparison with other municipal transit systems, expenses that are specific to GO, such as fare integration costs and railway access fees, should be excluded from the calculation – using this assumption, GO's revenue-to-cost ratio would be 91%.*

FINANCIAL STATEMENTS

Audited financial statements are publicly available.
Copies can be obtained from:

GO Transit
Public Relations
20 Bay Street, Suite 600
Toronto, Ontario
Canada M5J 2W3

tel 416.869.3600 press 0
fax 416.869.1662
email publicrelations@gotransit.com



INFO TO GO

MARCH 2005

GO TRAIN SERVICE	Lines	7
	Stations	55
	Route kilometres	361
	Weekday train trips	179
	Locomotives	45
	Bi-level railcars	375
	Fleet size (number of trainsets)	36



GO BUS SERVICE	Terminals *	14
	Route kilometres	2,364
	Weekday Union Station bus trips	343
	Weekday bus trips, total system	1,503
	Buses	288

* Plus numerous stops and ticket agencies



RIDERSHIP

DECEMBER 2004

GO TRAIN SERVICE **	2004	2003	% CHANGE
Lakeshore West line	12,931,900	12,460,500	+ 3.8
Milton line	5,546,100	5,233,300	+ 6.0
Georgetown line	3,384,500	3,250,300	+ 4.1
Bradford line	1,672,300	1,559,200	+ 7.3
Richmond Hill line	1,869,200	1,690,900	+10.5
Stouffville line	1,988,300	1,725,400	+15.2
Lakeshore East line	10,809,200	10,410,800	+ 3.8
<i>Train service total</i>	<i>38,201,500</i>	<i>36,330,400</i>	<i>+ 5.2</i>

GO BUS SERVICE

GTA and Hamilton network	6,829,800	5,913,000	+15.5
Yonge C and Bayview ***	0	2,053,500	-100.0
<i>Bus service total</i>	<i>6,829,800</i>	<i>7,966,500</i>	<i>-14.3</i>
GO system total	45,031,300	44,296,900	+ 1.7

** Train service consists of trains and their related bus services – buses that meet the trains at terminus stations, and buses that connect Union Station with other train stations

*** Operation of GO Transit's Yonge C and Bayview bus routes, which carried 2 million riders from March to August 2003, was transferred to York Region Transit

PASSENGER TRIPS



