

the future
is now



the year in review 2006-07



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Hard work is paying off

Construction work continued during the 2006-07 fiscal year on GO Transit's nine-year expansion program. Announced in 2004, the expansion plan represents a total investment of a billion dollars by the Government of Canada, the Province of Ontario, and the Greater Toronto Area municipalities. This funding is required as part of the improvements necessary to accommodate 50% more customers over the next 10 years.

Several projects that were planned or established last fiscal year made significant headway this year.

The GO Transit Rail Improvement Program (GO TRIP) oversees projects in GO's rail service area outside of Union Station. In the past year, GO TRIP has started or completed work on one rail-to-rail overpass and two rail-to-rail underpasses to move GO Trains out of the way of intersecting freight traffic; has continued work to make way for another track on GO's busy Lakeshore lines; has lengthened platforms on the Milton and Lakeshore lines to accommodate longer trains; and has made more GO stations fully accessible. GO TRIP also started work in 2006-07 to extend train service to Barrie.

The Union Station Renewal Program is responsible for improvements to GO's train shed in the Union Station building, as well as the surrounding area. In 2006-07, some new track switches were installed in GO's Union Station rail corridor; work started and progressed on a new midday train storage yard; and pedestrian access to the station improved with new stairways to the train platforms and an enclosed pathway under the busy track corridor.

GO proceeded with other work, too. Many new buses, bi-level passenger railcars, and locomotives were ordered, delivered, or put into service. More than 1,000 new parking spaces were created. GO also increased service on its rail and bus routes.

All of this work is essential to GO Transit as demand for more service continues to increase. Customers want more, faster service, and have shown that if GO provides it, they will come. Ridership this past year was a record 48.3 million passengers, and GO welcomed its billionth rider since service started in 1967.





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 should contribute most of the remaining two-thirds.

GO Transit consistently recovers between 80% and 90% 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 2006-07 fiscal year, GO recovered 89.4% of its operating costs, with the Province subsidizing the remaining 10.6%.

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 municipal governments and private business. The Minister of Transportation sets the strategy and policy framework for GO, and the GO Board provides business direction to management staff.

The Chairman is Peter Smith, President and co-owner of Andrin Limited, former Chair of Canada Mortgage and Housing Corporation, and a Member of the Order of Canada.

The rest of the Board, effective June 2007, consists of:

- Vice-Chairman Stephen Smith, President, First National Financial Corporation, Toronto
- Jennifer Babe, Partner, Miller Thomson LLP, Toronto
- Dave Barrow, Mayor of the Town of Richmond Hill
- Bob Bratina, City of Hamilton Councillor
- Rob Burton, Mayor of the Town of Oakville
- Susan Fennell, Mayor of the City of Brampton
- Duncan MacIntyre, former sales executive, Toronto
- Dr. Lorna Marsden, President & Vice-Chancellor of York University, and a Member of the Order of Canada
- John Matheson, retired senior partner, KPMG LLP, Toronto
- Joe Mihevc, City of Toronto Councillor
- Lynda Palazzi, former senior executive in the public, private, and self-regulatory education sector, Toronto
- Lee Parsons, Partner, Malone Given Parsons Ltd., Markham
- Dave Ryan, Mayor of the City of Pickering

GO staff who are Officers of the Board are the Managing Director & Chief Executive Officer, Gary W. McNeil; the Director of Corporate Services, Jean M. Norman, who serves as Secretary to the Board; and the Director of Financial Services, Frances Chung, who is the Board's Treasurer.

Chairman



Peter Smith

Vice-Chairman



Stephen Smith

Board Members



Jennifer Babe



Dave Barrow



Bob Bratina



Rob Burton



Susan Fennell



Duncan MacIntyre



Dr. Lorna Marsden



John Matheson



Joe Mihevc



Lynda Palazzi



Lee Parsons



Dave Ryan

GO staff who are Officers of the Board



Gary W. McNeil



Jean M. Norman



Frances Chung

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; and construction. By going to the marketplace, GO ensures the best competitive prices for quality work.

GO Trains are operated under contract by CN and CPR personnel. The railways own two-thirds of the rail corridors and tracks that GO operates on; the remaining one-third is owned by GO Transit. Because GO Trains primarily 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. The railways have a long-standing relationship with GO and a good understanding of the need to provide quality customer service. However, during the last fiscal year, GO saw a significant decline in its on-time performance, as the aging rail infrastructure struggled to handle operations that had reached capacity.

GO Transit operates GO Bus service and maintains its own bus fleet. Major bus work is contracted out, such as refurbishing, engine and transmission rebuilds, 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 and out of downtown Toronto as eight congested expressways (the equivalent of 48 highway lanes). More GO passengers travel through Union Station, the downtown heart of the GO network, than all of the passengers travelling through the Toronto area's busy Lester B. Pearson International Airport.

Getting people off roads and onto transit has a direct impact on the environment. Emissions from passenger road transportation 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 (GTA) – often described as the economic engine of Ontario, and Canada. GO has supported the GTA's development by relieving gridlock, allowing businesses to deliver goods in a timely manner.

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, was supported by GO Transit's transportation services – GO made it possible for so many people to work in 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 40 years ago. During that time GO ridership increased steadily from 2.5 million passengers in the first year (1967) to more than 48 million today.

The suburbs around Toronto have also grown substantially over the years and have benefited from GO service. GO Transit has helped address 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 33.5 kilometres, which means that GO passengers collectively travel over 1.6 billion kilometres annually.

GO has also become an attractive transportation option for many college and university students, providing them with better access and more travel choices. GO provides commuter services to a number of schools including York University, Seneca College, McMaster University, Ryerson University, University of Toronto, University of Guelph, Centennial College, and Durham College/ University of Ontario Institute of Technology. Thousands of students now use GO instead of driving, which for many of them means saving time and money.

more power
more pizzazz
the new
mp40



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27 new MP40 locomotives will start arriving in fall 2007.

What happened in fiscal year 2006-07?

Highlights of the year

April 2006

Fiscal year 2006-07 started on a high note with the Province of Ontario introducing legislation in April to create the Greater Toronto Transportation Authority (GTTA). Once fully established, the GTTA will become responsible for integrating transportation planning, implementing a fare card system, and coordinating the purchase of transit vehicles for municipalities across the GTA. The legislation recognizes that GO may eventually come under the direct responsibility of the GTTA.

May

On May 31, as part of the latest changes to the Smoke-Free Ontario Act, GO amended its bylaws to ban smoking on all GO Transit property except areas specifically designated for smoking. Previously, smoking had been allowed on bus and train platforms and other pedestrian areas. Smoking is now only permitted in GO parking lots.

Construction began on a rail-to-rail underpass on the Stouffville line, between the Milliken and Unionville stations, that will separate it from an intersecting freight line. This will improve travel times and schedule reliability for GO Trains, as they will no longer have to stop and wait for freight trains to pass. It will also allow GO to operate more trains on the line.

Work was completed on the widening of several bridges on GO's Lakeshore East and Lakeshore West train lines to accommodate a new third track. Track bed work also started on the Lakeshore East line.

Environmental assessment approvals were received for two major Union Station renewal projects: replacing and modernizing track signals, and building the Don Yard, a midday storage area for trains, to the east of the station. These projects are part of GO's 10-year infrastructure improvement program for the parts of Union Station it owns.

GO took delivery of 11 new accessible highway buses to add to its fleet and replace older vehicles.

June

GO celebrated Clean Air Day with its customers on June 7 with festivities at Pickering GO Station. GO thanked transit riders for contributing to a cleaner environment.

The Canadian Urban Transit Association presented two corporate awards to GO: an innovation award for its E-News email alerts service, and an exceptional performance or outstanding achievement award for the Hwy. 407 express bus service, which has become GO's busiest bus corridor since being introduced in September 2000.

Work started on the extension of train platforms at Kipling and Erindale stations to accommodate the longer, 12-car trains that will be introduced once GO's new, more-powerful MP40 locomotives arrive.



July

The federal transit tax credit came into effect on July 1. GO and other transit system monthly pass holders now qualify for a federal tax credit to help offset their commuting costs.

A crisis hit Toronto train service the afternoon of Friday, July 14, when a freight train derailed and blocked all four tracks near Mimico GO Station on the Lakeshore West line. The incident severely affected train service, since the derailed train blocked the entrance to GO's Willowbrook yard, where most trains are stored throughout the day. All available GO Buses, some buses contracted from the private sector, and the few trains not trapped at Willowbrook were put into emergency service to get commuters home. There were many cancelled trains and significant delays into the evening. Weekend trips were also affected, but train service was available for the morning rush hour on Monday, July 17, although train speeds were reduced.

Work began around Union Station to modernize the track and signal system, including replacing 100 track switches and adding new approach tracks to the station to provide more flexibility for the movement of trains.

Two GO passenger railcars were outfitted with On-Train TV monitors (OTTV) broadcasting news, weather, sports, entertainment, and more, for an introductory phase before rolling the system out to all trains. There is no cost to GO for OTTV, and the system will generate advertising revenue.

Construction began to lengthen the platforms at Dixie and Milton stations to accommodate longer trains.

GO took delivery of 20 more accessible highway buses, further expanding its fleet and taking older buses out of service.

Environmental assessment approval was granted to add a new track on the Georgetown train line between Malton and Mount Pleasant stations. This will allow GO to increase service and improve reliability on the Georgetown line.

GO also received environmental assessment approval for major components of the extension of train service to Barrie, including improvements to track, construction of a station building and layover facility, and operation of trains along the tracks.

GO provided extra train service to Exhibition GO Station to transport people to the Molson Grand Prix.

August

GO started building its Don Yard train storage site, east of Union Station. The new facility complements the existing Bathurst North Yard on the west side of Union Station, and will allow GO to store more trains during the day close to the downtown hub, where most afternoon-rush-hour service originates. The new yard will improve operations by requiring fewer empty, out-of-service trains to travel from GO's Willowbrook train maintenance facility near Mimico to Union Station before starting service. The Don Yard has room for 10 trains, and has been designed to accommodate the 12-car trains GO will begin running once its new, more-powerful locomotives are put into service.

A new elevator opened at Finch GO Bus Terminal, improving access at this busy transit hub for customers with limited mobility.

GO provided extra service to the Canadian National Exhibition, including to the air show on Labour Day weekend.

September

GO introduced significant improvements to train and bus service in September. A new morning train trip was added on the Stouffville line, and Hwy. 407 GO Bus trips increased by 15% with 70 new daily trips.

Platform-lengthening work to accommodate longer trains started at Meadowvale station.

October

GO celebrated an important milestone in October 2006: one billion riders since service started in 1967. A symbolic billionth rider was chosen, and was presented with a year's free travel on GO.

Ontario Minister of Transportation Donna Cansfield announced the Chair and Vice-Chair of the new Greater Toronto Transportation Authority (GTTA). The Chair is Rob MacIsaac, former mayor of the City of Burlington. The Vice-Chair is Peter Smith, GO Transit's Chairman.

The Ontario government came to the assistance of commuters in the Montreal region after a tragic expressway bridge collapse on a busy commuter route. GO helped by providing an eight-car train for six weeks to supplement the fleet of the regional commuter rail system.

To help accommodate bus ridership growth, GO ordered 10 more accessible highway buses. GO also entered into a contract to purchase 12 double-deck buses, with an option for 10 more – these buses can each carry more passengers and will be used on GO's Hwy. 407 services.

Bus service improved at Bramalea GO Station with the opening of a new, larger bus loop, closer to the station building.

Construction began on bridges along the northern part of the Georgetown rail line. This work, part of the GO TRIP program, will allow for a third track to be built to improve train service.

November

A monthly pass for seniors was introduced to make travel more convenient and allow users to take advantage of the federal transit tax credit.

The Warriors' Day Parade Council presented a plaque of appreciation to GO, for its offer of free travel to war veterans and their families on Remembrance Day and to the Warriors' Day Parade at the Canadian National Exhibition each year.

A new train platform, 5B/6A, opened at Union Station. As part of this project, a new pedestrian corridor was built in the York St. concourse, providing access to this platform and to an existing stairway for platform 6B/7A. Also, nine new track switches were installed by November 2006 in the Union Station rail corridor.

CPR reduced the number of locomotive engineers per train from two to one on some of the GO Trains it operates. Although service reliability dropped significantly, to below 60%, in the month following the change as crews adjusted to the new procedures, reliability gradually returned to its normal level over the remainder of the year.

Work started for relocating utilities to get ready for construction of a rail-to-rail underpass at the West Toronto diamond, where GO's Georgetown train line intersects with an east-west CPR freight line just north of Bloor station. This project will separate the CN tracks that GO uses from the CPR freight tracks.

GO participated in the annual holiday season R.I.D.E. program (Reduce Impaired Driving Everywhere), which began on November 30. Police officers handed out Passport to R.I.D.E. booklets in spot checks to thank motorists for driving responsibly. To encourage people to take transit, GO's coupon in the booklet allowed two adults to ride for the price of a one-day pass on any weekday after 5 p.m., or anytime on a weekend or statutory holiday.

December

GO Trains began using a new rail-to-rail overpass on the Bradford line, built between York University and Rutherford stations, over freight tracks that cross the Bradford line. The overpass improves on-time performance for GO Trains, which now no longer have to wait for freight trains to pass, and will allow GO to increase train service on this line.

Construction began on a new GO station, Lisgar, in Mississauga. Lisgar is between Meadowvale and Milton stations, on the Milton line.

GO started a program to upgrade closed-circuit television and security systems across its network. The upgrade program will continue until 2009.

Weekend service on the Lakeshore East line improved with the extension of train trips to Oshawa GO Station. Formerly, weekend train service had ended at Pickering station.

CN introduced single locomotive engineer operation for GO Trains on the Lakeshore lines. On-time performance suffered. Because of the reduced crew size and other operational issues on the Lakeshore lines, reliability remained a problem for the balance of the year.

Customers were encouraged to celebrate the New Year responsibly by taking advantage of free travel on GO Transit on New Year's Eve.

January 2007

Work on the Union Station Renewal Program was progressing well, with 32 new track switch heaters installed, the first four storage tracks in the Don Yard completed, and part of the Bay East Teamway pedestrian access to train platforms opening for customers in January.

Construction started on a new train platform, 13/14, at Union Station. This work is necessary before the train shed roof can be replaced. The platform will also provide more capacity at Union Station for the long term.

GO began using a new train layover yard for the Milton line, just east of Milton GO Station. This facility improved operational effectiveness; previously, trains had to travel to and from a yard near Campbellville, much farther away from Milton station. The new yard can store more trains, including 12-car trains.

February

The United Transportation Union (UTU), which represents CN train conductors, began a nationwide strike on February 10. Because GO contracts its train operations to the railways' workers, this development could have seriously affected service. Fortunately, CN and the UTU agreed to exempt GO Trains from the strike, and there was no impact on GO service.

Construction started on the rail service extension from Bradford to Barrie, along what is now known as the Bradford line. Work consists of upgrades to rail-and-road crossings, tie crossing replacements, a new station, and construction of a train storage facility in Barrie.

March

In the late morning of March 1, a freight train derailed on the CN main line near Pickering GO Station. Some of the train's cars slipped onto GO's adjacent Lakeshore East tracks, causing major disruptions to service. A severe snowstorm later the same day increased delays and cancellations into the evening. GO service disruptions resulting from the derailment continued for several days.

An improved and relocated McMaster University GO Bus Terminal opened on campus. The new terminal is larger and features heated shelters. This is one of several enhancements GO is making to its Hwy. 407 bus service as it moves towards establishing a true Bus Rapid Transit system (BRT) across the GTA and Hamilton.

GO took delivery of 10 new accessible highway buses, and signed a three-year contract for up to 60 more, to be delivered between 2007 and 2010.

The 20th and final bi-level passenger railcar from the 2005 purchase was received, and GO signed a contract to buy 20 more bi-level railcars.

By the end of 2006-07, GO completed a multi-year program to enhance safety features at railway crossings it owns. All 61 level crossings have been equipped with full protection systems, including bells, lights, and gates. This effort was undertaken to save lives and improve train service reliability.

Over 1,000 new parking spaces were created over the course of the year at stations, terminals, and park & ride lots across the system, bringing the total number of parking spaces operated by GO Transit to more than 47,500.

In March 2007, almost 39,000 GO customers had subscribed to the E-News service. The email subscription service, launched in August 2005, lets passengers sign up for timely, customized news about the GO service they use.

Financial performance in fiscal year 2006-07

Source of funds

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

In 2006-07, the farebox accounted for \$234.3 million of GO's total operating budget of \$275.5 million.

\$12 million came from sundry revenue, such as the proceeds from facility rentals, track fees, and sale of advertising space.

\$1 million came from the sale of assets.

\$514.6 million was contributed from the three levels of government. Contributions totalled \$354.4 million from the Province of Ontario, \$86.3 million from the municipal governments, and \$73.9 million from the federal government.

Commuter revenue	\$234,253,000
Sundry revenue	\$12,051,000
Sale of assets	\$976,000
Provincial contribution	\$354,397,000
Municipal contribution	\$86,297,000
Federal contribution	\$73,928,000
Total	\$761,902,000



Financial performance in fiscal year 2006-07

Application of funds

Operating expenditures in 2006-07 totalled \$275.5 million. The major expenses were payments to CN and CPR 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 \$246.3 million, GO achieved an operating cost recovery of 89.4%* for the year. The balance of its operating funding (\$29.2 million) was provided by the Province of Ontario.

Capital expenditures for the year totalled \$486.4 million. The major expenses included: start of construction and design work on the rail infrastructure expansion program; parking lot expansions; additional railcars and buses; the replacement of locomotives; the replacement of buses; the refurbishment of trains and buses; the rehabilitation of facilities; and the purchase of property for parking at Maple station, the new Milton layover facility, the Stouffville line underpass and Bradford line overpass, and expansion of the Lakeshore East line.

The majority of GO's rehabilitation and replacement capital is funded by the Province of Ontario, with the federal government funding some of the projects at Union Station. Growth capital projects were funded by the province, the federal government, and GO's municipal funding partners.

Operating expenses	\$275,485,000
Capital expenditures	\$486,417,000
Total	\$761,902,000

*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 94.9%

Financial statements

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

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Info to GO

March 2007

GO TRAIN SERVICE	Lines	7
	Stations	56
	Route kilometres	361
	Weekday train trips	181
	Locomotives	45
	Bi-level railcars	415
	Fleet size (number of trainsets)	38



GO BUS SERVICE	Terminals *	14
	Route kilometres	2,276
	Weekday Union Station bus trips **	419
	Weekday bus trips, total system	1,673
	Buses	305



* Plus numerous stops and ticket agencies.

**In lieu of off-peak train services on most of its rail lines, GO runs express bus trips between Union Station and various train stations.

Ridership – Passenger Trips

January to December 2006

GO Train Service ***	2006	2005	% CHANGE
Lakeshore West line	13,561,100	13,339,400	+ 1.7
Milton line	6,049,400	5,861,800	+ 3.2
Georgetown line	3,821,300	3,589,000	+ 6.5
Bradford line	2,310,200	1,850,900	+ 24.8
Richmond Hill line	2,042,100	1,926,600	+6.0
Stouffville line	2,675,000	2,251,800	+18.8
Lakeshore East line	10,767,200	10,820,700	- 0.5
Train service total	41,226,300	39,640,200	+ 3.8

GO Bus Service

Bus service total	7,065,700	7,192,700	1.8
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GO System Total

GO system total	48,292,000	46,832,900	**** + 3.1
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***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.

****Ridership growth is directly impacted by GO's inability to introduce more train trips at this time. Construction projects are underway to address this restriction.



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CÉDEZ



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