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Mr D Hinman
Principal Adviser,
Strategy and Planning Group,
Christchurch City Council
PO Box 237
Christchurch

13 April 2009

Dear Sir,

Thank you for the opportunity for the Tramway to make a submission to the City Council's proposed tramway extension project.

Christchurch Tramway is part of the Welcome Aboard Christchurch Tourism Group which also operates the Port Hills Gondola Cableway - two of Christchurch's iconic tourist attractions with a combined annual patronage of 330,000 visitors.

The company is also a shareholder in Punting on the Avon Limited which has annual patronage of 40,000 visitors.

1. The Proposed Route

Our preferred option is to extend the route via Oxford Terrace, City Mall (Cashel Street), High Street, to Lichfield, east along Lichfield to Poplar Lane, through the lane to Tuam Street, then High Street returning to Cathedral Square via High Street Mall and Colombo Street to then continue on the existing route. This option, as apposed to the "wye" triangle Tuam Street proposal, gives a continuous tour and makes Poplar Lane a tourist destination with its cafes and bars and is less complicated from an operational perspective.

The proposal to extend the tram route is fully supported by the Tramway as it extends the attractions for the city's visitors. The extension allows extended views of the Avon River along the Oxford Terrace Strip, Bridge of Remembrance and will increase visitor numbers for the city's principal retail outlets while complementing the inner city revitalisation plan. Poplar Lane promises to become a destination for visitors as well as local people. We also welcome Stage 2 subject to final route approval.

The trams have operated in Christchurch for almost fifteen years without creating traffic problems or interrupting existing buses, taxis and private vehicles. Proper traffic planning will resolve any potential hazards that might arise.



We believe from an economic perspective the new area that is proposed to be served will benefit by up to 200,000 more people visiting each year. The tram is now an internationally recognised icon of Christchurch and without doubt the new areas served will benefit from the image and publicity the trams receive.

The trams play an important part with inner city events that Christchurch hosts, both local and international. The trams have a role to play in the "Garden City" image and the proposed extension is going to broaden the number of opportunities for participation in local and international events.

The extension will assist local residents in making more use of the tram circuit. Currently our annual pass for locals now has a data base of 6,000 members who regularly use the Tram and Gondola services.

As has been shown with the current route it did take time to develop a viable business from which the city now benefits.

2. Cost Issues

The extended tram route will incur increased operating costs in addition to the need for capital expenditure.

OPEX - extra staff and vehicle operating costs will be required in proportion to the tram extension.

STORAGE- the company's current "Tram Barn" at 7 Tramway Lane has insufficient storage to accommodate the three extra trams we believe the stage one expanded tram route would require. Suitable storage capacity along the route will need to be located which we are investigating.

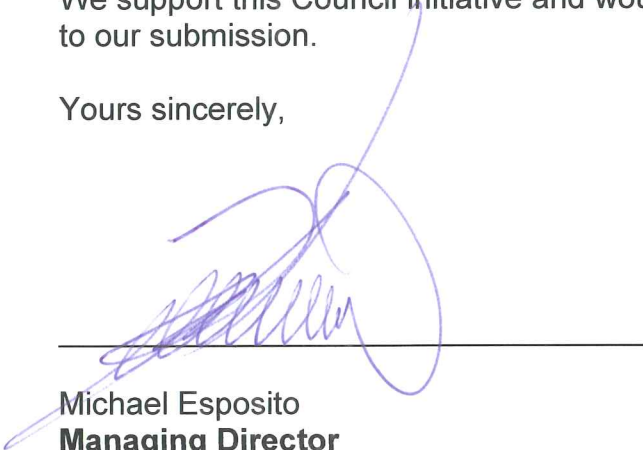
CAPEX – the need for extra vehicles so as to maintain an approximate 10 minute frequency of service (the extra length of track is approximately 2.0 km and is expected to add 20 minutes to each circuit of the tramway.). This would mean a 45 minute circuit as opposed to the current 25 minute experience for our customers.

Overall we believe an extension of the tram route, including the Oxford Terrace Strip, the City Mall, and Poplar Lane is an extremely positive move for Canterbury and inner city development.

Positive progress has been made with the Christchurch City Council in regard to the above issues and license arrangements. It should be recognised that we require at least two years lead time to source appropriate trams, update our safety system and complete operational requirements for the expanded route.

We support this Council initiative and would welcome the opportunity to speak to our submission.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Esposito', is written over a horizontal black line. The signature is stylized and includes a large loop that extends upwards and to the right.

Michael Esposito
Managing Director
Christchurch Tramway Limited