

ACTION

Objectives

The principal objective of ACTION is to meet the needs of the ACT community by providing public transport services consisting of scheduled route bus services, school bus services, and Special Needs Transport services.

2009-10 Priorities

Strategic and operational issues to be pursued in 2009-10 include:

- continuing to improve ACTION's bus network to meet its customers' travel needs;
- increasing patronage on ACTION buses;
- improving the provision of information about ACTION's services to its customers in order to facilitate increased access to the network and improved patronage;
- progressing the acquisition of 100 buses over four financial years, as part of ACTION's fleet replacement strategy and the Accessible Public Transport Plan;
- continuing the program of major maintenance works on a number of buses to extend useful life and improve efficiency and reliability;
- completing the implementation of the new ticketing system; and
- continuing workplace reform to further improve productivity and cost reductions.

Business and Corporate Strategies

ACTION's core business activity is to provide transport services to the ACT community including:

- a public bus network and school bus services, involving a range of express and route services within all Canberra suburbs;
- school bus services for students living in rural areas of the ACT;
- Special Needs Transport services to clients of the Department of Education and Training (DET) who are unable to access public transport; and
- a bus charter service to a range of customers, at competitive rates.

Building on the Government's significant investment in the new bus network (Network 08), ACTION will continue to refine the network during 2009-10, responding to customers' needs with regard to increased span of hours and frequency within available resources. This responsive refinement will make the best use of current drivers and maximise the use of fleet resources.

ACTION is continuing the acquisition of 100 new buses in line with the fleet replacement strategy. This strategy will also ensure that transport standards are met under the *Disability Discrimination Act 1992*.

The procurement of a new smartcard ticketing system was completed in 2008-09. ACTION is working closely with the supplier to ensure the smooth installation and testing of equipment across a fleet of 395 buses operating out of two depots. A number of convenient and cost effective channels will be established to provide options for customers to purchase and load value to their smartcards.

ACTION will continue to pursue productivity and efficiency improvements, while benchmarking its services against industry best-practice for both private and public bus operators.

Estimated Employment Level

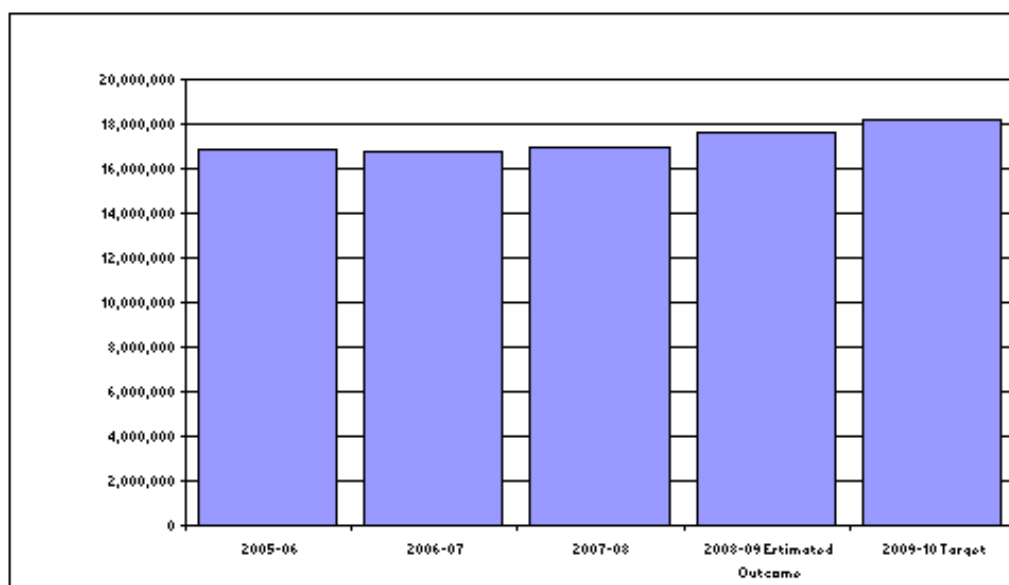
2008-09 Budget		2008-09 Est. Outcome	2009-10 Budget
674	Staffing (FTE) ¹	710	715

Note:

1. The estimated outcome of full time equivalent staff excludes contract staff that occupy temporary vacant positions whilst recruitment is pending.

Strategic Indicators

Strategic Indicator Total yearly passenger boardings



Public transport initiatives play an important role in the Sustainable Transport Plan and include:

- increasing patronage, and modal share relating to the proportion of people choosing public transport as their preferred method, as opposed to alternative modes such as private vehicles;
- increasing the number of vehicles that run on environmentally friendly fuels to minimise environmental degradation; and
- increasing disability accessible vehicle numbers to meet the standards specified under the *Disability Discrimination Act 1992*.

Output Class

	Total Cost ¹		Government Payment for Outputs	
	2008-09 Est. Outcome \$'000	2009-10 Budget \$'000	2008-09 Est. Outcome \$'000	2009-10 Budget \$'000
Output Class 1: Public Transport	102,769	105,551	66,067	66,266
Output 1.1: Public Transport	102,769	105,551	66,067	66,266

Note:

1. Total cost includes depreciation of \$7.144 million in 2008-09 and \$8.535 million in 2009-10.

Output Description

Provision of a public bus network and school bus services, including a range of express and regular routes within all Canberra suburbs. ACTION also provides Special Needs Transport and a bus charter service.

Accountability Indicators

	2008-09 Targets	2008-09 Est. Outcome	2009-10 Targets
Output Class 1: Public Transport			
Output 1.1: Public Transport			
a. Timeliness of ACTION services ¹	99.8%	83%	83%
b. Customer satisfaction with ACTION services as assessed by passenger surveys	85%	85%	85%
c. Increase in modal share (adult work trip increase in accordance with the Sustainable Transport Plan) ²	3.0%	3.0%	2.9%
d. Increase in total patronage ³	847,000	949,000	529,000
e. Percentage of fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i>	30.3%	29.3%	36.0%
f. Percentage of fleet Euro 3 Emission Standard compliant	18.5%	17.8%	24.8%
g. Total cost per vehicle kilometre	\$3.86	\$4.33	\$4.06
h. Total cost per passenger boarding	\$5.69	\$5.81	\$5.43
i. Farebox recovery as a percentage of total cost	19.8%	18.8%	21.0%

Notes:

1. This is a measure of the percentage of scheduled services that operate on time.
2. The targets are a function of the increase in modal share under the Sustainable Transport Plan (STP).
3. Total patronage is a measure of the number of boardings from all customers (adult, concession, student and others) on ACTION services in a financial year.

ACTION Operating Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Income							
Revenue							
20,363	User Charges - Non ACT Government	21,340	23,332	9	24,059	24,790	25,309
71,318	User Charges - ACT Government	73,538	73,971	1	73,811	74,473	75,820
494	Grants from the Commonwealth	0	0	-	0	0	0
92,175	Total Revenue	94,878	97,303	3	97,870	99,263	101,129
Gains							
0	Total Gains	0	0	-	0	0	0
92,175	Total Income	94,878	97,303	3	97,870	99,263	101,129
Expenses							
55,549	Employee Expenses	56,399	57,576	2	57,575	58,125	59,096
7,294	Superannuation Expenses	7,294	7,589	4	7,696	7,701	7,846
28,048	Supplies and Services	30,751	30,670	..	31,132	31,577	32,327
7,446	Depreciation and Amortisation	7,144	8,535	19	9,750	10,603	11,475
744	Borrowing Costs	744	744	-	744	744	744
437	Other Expenses	437	437	-	437	437	437
99,518	Total Ordinary Expenses	102,769	105,551	3	107,334	109,187	111,925
-7,343	Operating Result	-7,891	-8,248	-5	-9,464	-9,924	-10,796

ACTION Balance Sheet

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
Current Assets							
2,394	Cash and Cash Equivalents	864	966	12	1,065	1,557	2,049
1,858	Receivables	1,858	1,863	..	1,868	1,873	1,878
0	Inventories	2,123	2,123	-	2,123	2,123	2,123
2,654	Other	102	102	-	102	102	102
6,906	Total Current Assets	4,947	5,054	2	5,158	5,655	6,152
Non Current Assets							
77,610	Property, Plant and Equipment	102,226	120,549	18	126,529	128,675	130,365
10	Capital Works in Progress	1,336	0	-100	0	0	0
77,620	Total Non Current Assets	103,562	120,549	16	126,529	128,675	130,365
84,526	TOTAL ASSETS	108,509	125,603	16	131,687	134,330	136,517
Current Liabilities							
5,146	Payables	3,665	3,278	-11	2,891	2,504	2,117
574	Interest Bearing Liabilities	574	586	2	598	610	622
9	Finance Leases	46	46	-	46	46	46
14,364	Employee Benefits	15,284	15,710	3	16,136	16,562	16,988
2,608	Other	799	799	-	799	799	799
22,701	Total Current Liabilities	20,368	20,419	..	20,470	20,521	20,572
Non Current Liabilities							
68	Payables	0	0	-	0	0	0
5,504	Interest Bearing Liabilities	5,504	4,930	-10	4,356	3,782	3,208
23	Finance Leases	318	318	-	318	318	318
492	Employee Benefits	499	501	..	501	501	501
6,087	Total Non Current Liabilities	6,321	5,749	-9	5,175	4,601	4,027
28,788	TOTAL LIABILITIES	26,689	26,168	-2	25,645	25,122	24,599
55,738	NET ASSETS	81,820	99,435	22	106,042	109,208	111,918
REPRESENTED BY FUNDS							
EMPLOYED							
50,738	Accumulated Funds	41,028	58,643	43	65,250	68,416	71,126
5,000	Reserves	40,792	40,792	-	40,792	40,792	40,792
55,738	TOTAL FUNDS EMPLOYED	81,820	99,435	22	106,042	109,208	111,918

ACTION Cash Flow Statement

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
91,681	User Charges	94,878	97,303	3	97,870	99,263	101,129
494	Grants Received from the Commonwealth	0	0	-	0	0	0
4,162	Other Revenue	4,162	4,165	..	4,165	4,165	4,165
96,337	Operating Receipts	99,040	101,468	2	102,035	103,428	105,294
	Payments						
54,724	Related to Employees	55,574	57,147	3	57,149	57,699	58,670
7,295	Related to Superannuation	7,294	7,589	4	7,696	7,701	7,846
28,438	Related to Supplies and Services	31,141	31,060	..	31,522	31,967	32,717
744	Borrowing Costs	744	744	-	744	744	744
4,260	Other	4,260	4,263	..	4,263	4,263	4,263
95,461	Operating Payments	99,013	100,803	2	101,374	102,374	104,240
876	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	27	665	2,363	661	1,054	1,054
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
0	Proceeds from Sale/Maturities of Investments	0	-1	-	0	0	0
0	Investing Receipts	0	-1	-	0	0	0
	Payments						
18,350	Purchase of Property, Plant and Equipment and Capital Works	11,896	25,863	117	16,071	13,090	13,506
18,350	Investing Payments	11,896	25,863	117	16,071	13,090	13,506
-18,350	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-11,896	-25,864	-117	-16,071	-13,090	-13,506
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
18,350	Capital Injection from Government	11,896	25,863	117	16,071	13,090	13,506
18,350	Financing Receipts	11,896	25,863	117	16,071	13,090	13,506
	Payments						
562	Repayment of Borrowings	562	562	-	562	562	562
50	Repayment of Finance Lease	50	0	-100	0	0	0
612	Financing Payments	612	562	-8	562	562	562
17,738	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	11,284	25,301	124	15,509	12,528	12,944
264	NET INCREASE/ (DECREASE) IN CASH HELD	-585	102	117	99	492	492
2,130	CASH AT BEGINNING OF REPORTING PERIOD	1,449	864	-40	966	1,065	1,557
2,394	CASH AT THE END OF THE REPORTING PERIOD	864	966	12	1,065	1,557	2,049

ACTION

Statement of Changes in Equity

Budget as at 30/6/09 \$'000		Est.Outcome as at 30/6/09 \$'000	Planned as at 30/6/10 \$'000	Var %	Planned as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000
44,731	Opening Balance	77,815	81,820	5	99,435	106,042	109,208
	Accumulated Funds						
-7,343	Operating Result for the Period	-7,891	-8,248	-5	-9,464	-9,924	-10,796
	Reserves						
-7,343	Total Income And Expense For The Period	-7,891	-8,248	5	-9,464	-9,924	-10,796
	Transactions Involving Equity Holders Affecting Accumulated Funds						
18,350	Capital Injections	11,896	25,863	117	16,071	13,090	13,506
55,738	Closing Balance	81,820	99,435	22	106,042	109,208	111,918

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the increase of \$0.977 million in the 2008-09 estimated outcome from the original budget is due to increased revenue arising from increased patronage (\$0.483 million) and grants from the Commonwealth being reclassified (\$0.494 million); and
 - the increase of \$1.992 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to increased revenue arising from increased patronage and fare increases.
- user charges — ACT Government:
 - the increase of \$2.220 million in the 2008-09 estimated outcome from the original budget is due to additional revenue provided for increased insurance premiums; and
 - the increase of \$0.433 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to increased concessions revenue as a result of increased patronage.
- grants from the Commonwealth: the decrease of \$0.494 million in the 2008-09 estimated outcome from the original budget is due to an account reclassification of this item to user charges — non ACT Government.
- employee expenses:
 - the increase of \$0.850 million in the 2008-09 estimated outcome from the original budget is due primarily to increased Comcare premiums; and

- the increase of \$1.177 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to increased staff numbers and wage increases.
- superannuation expense: the increase of \$0.295 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to increased staffing and wage increases.
- supplies and services: the increase of \$2.703 million in the 2008-09 estimated outcome from the original budget is due to increased insurance premiums and bus maintenance costs.
- depreciation and amortisation:
 - the decrease of \$0.302 million in the 2008-09 estimated outcome from the original budget is due to delays in implementing the bus replacement and ticketing system projects; and
 - the increase of \$1.391 million in the 2009-10 Budget from the 2008-09 estimated outcome reflects full year depreciation on the above and other capital projects.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$1.530 million in the 2008-09 estimated outcome from the original budget is due to increased operating costs, particularly Comcare premiums and network costs; and
 - the increase of \$0.102 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to a forecast improved operating result (excluding depreciation).
- inventories: the increase of \$2.123 million in the 2008-09 estimated outcome from the original budget is due to an account reclassification to more accurately reflect this item which was previously included in other current assets.
- other current assets: the decrease of \$2.552 million in the 2008-09 estimated outcome from the original budget is mainly due to an account reclassification of inventories, as noted above, which has been moved to a separate line item in 2009-10 and a decrease in prepayments of \$0.333 million.
- non current assets:
 - the increase of \$25.942 million in the 2008-09 estimated outcome from the 2008-09 original budget is mainly due to a revaluation of assets carried out in June 2008 (\$35.792 million), partially offset by bus replacement and ticketing system capital projects being carried over to 2009-10; and
 - the increase of \$16.987 million in the 2009-10 Budget from the 2008-09 estimated outcome is mainly due to capital spending and depreciation on the above and other projects.
- current payables:
 - the decrease of \$1.481 million in the 2008-09 estimated outcome from the original budget reflects lower payables because of delays in capital project delivery; and
 - the decrease of \$0.387 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to the expected reduction in project liabilities.

- current and non-current employee benefits:
 - the increase of \$0.927 million in the 2008-09 estimated outcome from the original budget reflects an increase in leave entitlements mainly due to staff increases relating to increased network requirements and wage increases; and
 - the increase of \$0.428 million in the 2009-10 Budget from the 2008-09 estimated outcome is due to an increase in leave entitlements through wage increases.
- non current interest bearing liabilities: the decrease of \$0.574 million in the 2009-10 Budget from the 2008-09 estimated outcome reflects a reduction in loans.

Cash Flow Statement

Variances have been explained in the notes above.