

## **ACTION AUTHORITY**

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### **Objectives**

The ACTION Authority provides public transport services for the ACT community in the form of scheduled route bus services, school bus services, and special needs transport services.

ACTION Authority buses provide a route network of about 17.4 million in-service kilometres and expect to carry about 16.4 million passengers in 2005-06.

### **2005-06 Highlights**

Strategic and operational issues to be pursued in 2005-06 include:

- continuing to develop and implement strategies to increase adult patronage targets set out in the Sustainable Transport Plan;
- progressively replacing the ageing bus fleet to improve operating efficiency and to comply with the *Disability Discrimination Act (Cwlth) 1992*, social and environmental targets;
- progressing the implementation of safety management measures;
- implementing bus network improvements with the objective of creating more efficient routes and revised timings to shorten travel times;
- reviewing the current ticketing system for replacement with new technology;
- continuing workplace reform to further improve productivity and reduce costs; and
- working in cooperation with the Department of Urban Services and other agencies to plan and implement improved passenger facilities.

## ACTION Authority Operating Statement

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
<b>Income</b>							
<b>Revenue</b>							
17 346	User Charges - Non ACT Government	16 574	17 322	5	17 752	18 203	18 692
53 772	User Charges - ACT Government	59 150	59 834	1	60 098	61 311	62 334
0	Grants from the Commonwealth	100	0	-100	0	0	0
194	Interest	194	209	8	178	183	183
50	Resources Received free of charge	50	50	-	50	50	50
<b>71 362</b>	<b>Total Revenue</b>	<b>76 068</b>	<b>77 415</b>	<b>2</b>	<b>78 078</b>	<b>79 747</b>	<b>81 259</b>
<b>Gains</b>							
<b>0</b>	<b>Total Gains</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>71 362</b>	<b>Total Income</b>	<b>76 068</b>	<b>77 415</b>	<b>2</b>	<b>78 078</b>	<b>79 747</b>	<b>81 259</b>
<b>Expenses</b>							
44 363	Employee Expenses	47 109	47 462	1	47 999	48 675	49 289
5 781	Superannuation Expenses	6 073	6 246	3	6 377	6 464	6 546
18 933	Supplies and Services	21 983	21 264	-3	21 631	21 919	22 476
5 338	Depreciation and Amortisation	5 867	6 306	7	6 218	6 050	5 475
1 054	Borrowing Costs	1 047	966	-8	883	798	744
1 542	Other Expenses	257	915	256	637	637	637
<b>77 011</b>	<b>Total Ordinary Expenses</b>	<b>82 336</b>	<b>83 159</b>	<b>1</b>	<b>83 745</b>	<b>84 543</b>	<b>85 167</b>
<b>-5 649</b>	<b>Operating Result</b>	<b>-6 268</b>	<b>-5 744</b>	<b>8</b>	<b>-5 667</b>	<b>-4 796</b>	<b>-3 908</b>

## ACTION Authority Balance Sheet

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
<b>Current Assets</b>							
1 326	Cash	956	1 592	67	1 605	2 067	2 829
1 200	Receivables	2 249	2 276	1	2 270	2 274	2 279
2 195	Investments	2 000	2 000	-	1 800	1 800	1 800
1 723	Other	1 515	1 515	-	1 515	1 515	1 515
<b>6 444</b>	<b>Total Current Assets</b>	<b>6 720</b>	<b>7 383</b>	<b>10</b>	<b>7 190</b>	<b>7 656</b>	<b>8 423</b>
<b>Non Current Assets</b>							
71 755	Property, Plant and Equipment	63 907	75 782	19	69 223	62 832	57 016
0	Capital Works in Progress	10 614	0	-100	0	0	0
<b>71 755</b>	<b>Total Non Current Assets</b>	<b>74 521</b>	<b>75 782</b>	<b>2</b>	<b>69 223</b>	<b>62 832</b>	<b>57 016</b>
<b>78 199</b>	<b>TOTAL ASSETS</b>	<b>81 241</b>	<b>83 165</b>	<b>2</b>	<b>76 413</b>	<b>70 488</b>	<b>65 439</b>
<b>Current Liabilities</b>							
2 553	Payables	3 283	2 885	-12	2 501	2 115	1 421
773	Interest Bearing Liabilities	529	539	2	550	562	574
521	Finance Leases	517	547	6	578	46	0
4 479	Employee Benefits	5 630	6 131	9	6 520	6 909	7 298
<b>8 326</b>	<b>Total Current Liabilities</b>	<b>9 959</b>	<b>10 102</b>	<b>1</b>	<b>10 149</b>	<b>9 632</b>	<b>9 293</b>
<b>Non Current Liabilities</b>							
841	Payables	903	903	-	903	903	903
7 256	Interest Bearing Liabilities	7 728	7 189	-7	6 639	6 077	5 503
1 183	Finance Leases	1 411	860	-39	278	228	0
6 332	Employee Benefits	6 680	6 855	3	6 855	6 855	6 855
<b>15 612</b>	<b>Total Non Current Liabilities</b>	<b>16 722</b>	<b>15 807</b>	<b>-5</b>	<b>14 675</b>	<b>14 063</b>	<b>13 261</b>
<b>23 938</b>	<b>TOTAL LIABILITIES</b>	<b>26 681</b>	<b>25 909</b>	<b>-3</b>	<b>24 824</b>	<b>23 695</b>	<b>22 554</b>
<b>54 261</b>	<b>NET ASSETS</b>	<b>54 560</b>	<b>57 256</b>	<b>5</b>	<b>51 589</b>	<b>46 793</b>	<b>42 885</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
54 261	Accumulated Funds	54 560	57 256	5	51 589	46 793	42 885
<b>54 261</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>54 560</b>	<b>57 256</b>	<b>5</b>	<b>51 589</b>	<b>46 793</b>	<b>42 885</b>

## ACTION Authority Cash Flow Statement

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
71 119	User Charges	75 047	77 156	3	77 850	79 514	81 026
194	Interest Received	194	209	8	178	183	183
0	Grants Received from the Commonwealth	100	0	-100	0	0	0
3 596	Other Revenue	4 934	3 937	-20	3 897	3 975	4 079
<b>74 909</b>	<b>Operating Receipts</b>	<b>80 275</b>	<b>81 302</b>	<b>1</b>	<b>81 925</b>	<b>83 672</b>	<b>85 288</b>
<b>Payments</b>							
49 490	Related to Employees	52 425	53 032	1	53 987	54 750	55 446
19 272	Related to Supplies and Services	22 635	21 603	-5	21 970	22 258	22 815
1 054	Borrowing Costs	1 047	966	-8	883	798	744
3 995	Other	5 115	4 267	-17	4 182	4 272	4 377
<b>73 811</b>	<b>Operating Payments</b>	<b>81 222</b>	<b>79 868</b>	<b>-2</b>	<b>81 022</b>	<b>82 078</b>	<b>83 382</b>
<b>1 098</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-947</b>	<b>1 434</b>	<b>251</b>	<b>903</b>	<b>1 594</b>	<b>1 906</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
700	Proceeds from Sale of Property, Plant & Equipment	518	527	2	0	0	0
<b>700</b>	<b>Investing Receipts</b>	<b>518</b>	<b>527</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Payments</b>							
6 245	Purchase of Property, Plant and Equipment	9 042	8 715	-4	0	0	0
<b>6 245</b>	<b>Investing Payments</b>	<b>9 042</b>	<b>8 715</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-5 545</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>-8 524</b>	<b>-8 188</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
3 945	Capital Injection from Government	3 945	8 440	114	0	0	0
<b>3 945</b>	<b>Financing Receipts</b>	<b>3 945</b>	<b>8 440</b>	<b>114</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Payments</b>							
747	Repayment of Borrowings	519	529	2	539	550	562
493	Repayment of Finance Lease	269	521	94	551	582	582
<b>1 240</b>	<b>Financing Payments</b>	<b>788</b>	<b>1 050</b>	<b>33</b>	<b>1 090</b>	<b>1 132</b>	<b>1 144</b>

**ACTION Authority  
Cash Flow Statement**

2004-05 Budget \$'000		2004-05 Est.Outcome \$'000	2005-06 Budget \$'000	Var %	2006-07 Estimate \$'000	2007-08 Estimate \$'000	2008-09 Estimate \$'000
2 705	NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	3 157	7 390	134	-1 090	-1 132	-1 144
-1 742	NET INCREASE/(DECREASE) IN CASH HELD	-6 314	636	110	-187	462	762
5 263	CASH AT BEGINNING OF REPORTING PERIOD	9 270	2 956	-68	3 592	3 405	3 867
3 521	CASH AT THE END OF THE REPORTING PERIOD	2 956	3 592	22	3 405	3 867	4 629

## ACTION Authority Statement of Changes in Equity

Budget as at 30/6/05 \$'000		Est.Outcome as at 30/6/05 \$'000	Planned as at 30/6/06 \$'000	Var %	Planned as at 30/6/07 \$'000	Planned as at 30/6/08 \$'000	Planned as at 30/6/09 \$'000
55 965	<b>Opening Balance</b>	56 883	54 560	-4	57 256	51 589	46 793
	<b>Accumulated Funds</b>						
-5 649	Operating Result for the Period	-6 268	-5 744	8	-5 667	-4 796	-3 908
	<b>Reserves</b>						
-5 649	<b>Total Income And Expense For The Period</b>	-6 268	-5 744	8	-5 667	-4 796	-3 908
	<b>Transactions Involving Equity Holders Affecting Accumulated Funds</b>						
3 945	Capital Injections	3 945	8 440	114	0	0	0
54 261	<b>Closing Balance</b>	54 560	57 256	5	51 589	46 793	42 885

### Notes to the Budget Statements

Significant variations are as follows:

#### *Operating Statement*

- user charges – non ACT Government: the decrease of \$0.772m in the 2004-05 estimated outcome from the original budget is due to a fare price freeze for part of the year. The increase of \$0.748m in the 2005-06 Budget from the 2004-05 estimated outcome is due to a budgeted increase in fare prices in 2005-06 and increased patronage targets under the Sustainable Transport Plan;
- user charges – ACT Government: the increase of \$5.378m in the 2004-05 estimated outcome from the original budget is due to the recent EBA wage increases, increased diesel fuel costs, the removal of previous savings targets and some minor increases in contract services for special needs transport. The increase of \$0.684m in the 2005-06 Budget from the 2004-05 estimated outcome is mainly due to additional funding for bus parts and the indexation of cost inputs, offset by budgeted savings in Comcare, communications expenses and a reduction in contract revenue;
- grants from the Commonwealth: the increase of \$0.1m in the 2004-05 estimated outcome from the original budget reflects the recovery of costs associated with accredited staff training programs and recoveries in respect of the Energy Grants Scheme administered by the Australian Taxation Office;
- employee and superannuation expenses: the increase of \$3.038m in the 2004-05 estimated outcome from the original budget is mainly due to the impact of the EBA wage increases. The increase of \$0.526m in the 2005-06 Budget from the 2004-05 estimated outcome is also due to the EBA wage increases, offset by a budgeted reduction in the Comcare payments;

- supplies and services: the increase of \$3.050m in the 2004-05 estimated outcome from the original budget is mainly due to additional costs associated with the maintenance of the fleet and an increase in the cost of fuel. The decrease of \$0.719m in the 2005-06 Budget from the 2004-05 estimated outcome reflects an expected decrease in fuel and communications expenses;
- depreciation and amortisation: the increase of \$0.529m in the 2004-05 estimated outcome from the original budget is mainly due to the retention of buses due for sale and increased depreciation rates on new buses. The increase of \$0.439m in the 2005-06 Budget from the 2004-05 estimated outcome reflects depreciation on the new bus purchases; and
- other expenses: the decrease of \$1.285m in the 2004-05 estimated outcome from the original budget and the increase of \$0.658m in the 2005-06 Budget from the 2004-05 estimated outcome are mainly due to the loss on sale of buses that was originally planned for 2004-05 but deferred to 2005-06.

### *Balance Sheet*

- cash and investments: the decrease of \$0.565m in the 2004-05 estimated outcome from the original budget is due to the bringing forward of payments for capital expenditure and increased bus maintenance costs. The increase of \$0.636m in the 2005-06 Budget from the 2004-05 estimated outcome reflects proceeds from the sale of property, plant and equipment, offset by increased loan principal payments;
- receivables: the increase of \$1.049m in the 2004-05 estimated outcome from the original budget reflects additional estimated accrued revenue at year end;
- total non current assets: the increase of \$2.766m in the 2004-05 estimated outcome from the original budget is due to the delay in the 2003-04 bus replacement program. The increase of \$1.261m in the 2005-06 Budget from the 2004-05 estimated outcome reflects increased bus purchases offset by the loss on disposal of redundant buses and increased depreciation costs.
- payables (current): the increase of \$0.730m in the 2004-05 estimated outcome from the original budget reflects increased accounts payable relating to the delay in the 2003-04 bus replacement program.
- current and non-current interest bearing liabilities: the increase of \$0.228m in the 2004-05 estimated outcome from the original budget reflects a revision of the \$2.3m loan facility provided by the Government for the Compressed Natural Gas (CNG) facility. The amounts disclosed across the forward estimates reflect payments in accordance with the terms of the outstanding loan;
- current and non-current finance lease: the increase of \$0.224m in the 2004-05 estimated outcome from the original budget is due to the timing of the execution of the lease for the midi-buses. The amounts disclosed across the forward estimates reflect payments in accordance with the terms of this lease; and
- current and non-current employee benefits: the increase of \$1.499m in the 2004-05 estimated outcome from the original budget reflects the impact of EBA wage increases on leave entitlements. Increases across the forward estimates also reflect the effects of the EBA.

