

ACTION

Objectives

ACTION's principal objective is to meet the needs of the ACT community by providing public transport services consisting of scheduled route bus services, school bus services, Special Needs Transport services and management of the ACT Rural Bus Contract.

2010-11 Priorities

Strategic and operational issues to be pursued in 2010-11 include:

- continuing to implement the Government's sustainable transport and environment policies by improving ACTION's bus network and infrastructure, and in doing so, better meeting customers' travel needs and accordingly, increasing patronage on ACTION buses;
- progressing the acquisition of replacement buses in order to improve customer comfort, environmental sustainability and meet the disability accessibility targets;
- introducing the new smartcard ticketing system, due for completion at the end of 2010;
- continuing depot upgrades to improve staff conditions, technology, safety and security; and
- continuing workplace reform to further improve productivity and reduce costs.

Business and Corporate Strategies

ACTION's business and corporate strategies are to facilitate the achievement of its key performance objectives, which include: reliability; safety; accessibility; responsiveness; efficiency; effectiveness; and improved staff capability.

To this end, strategies to improve reliability, responsiveness, efficiency and effectiveness will focus on the alignment of services and infrastructure with a long term strategic transport policy currently being finalised. This will build on the success of the REDEX trial, which increased the span of hours and frequency of service between Gungahlin, Civic and Canberra Railway Station.

Further, in the context of the Government's Workplace Health and Safety Management System Framework, ACTION will continue to seek improvements in safety and staff capability through the implementation of safety devices and associated training.

ACTION will continue to improve the accessibility of its services by seeking compliance with the requirements of the Commonwealth Government's *Disability Discrimination Act 1992* (DDA), in particular conforming to the specific timeframes in relation to the provision of accessible buses in the fleet.

Estimated Employment Level

2008-09 Actual Outcome	2009-10 Budget	2009-10 Est. Outcome	2010-11 Budget
754 Staffing (FTE) ^{1,2}	715	775	787

Notes:

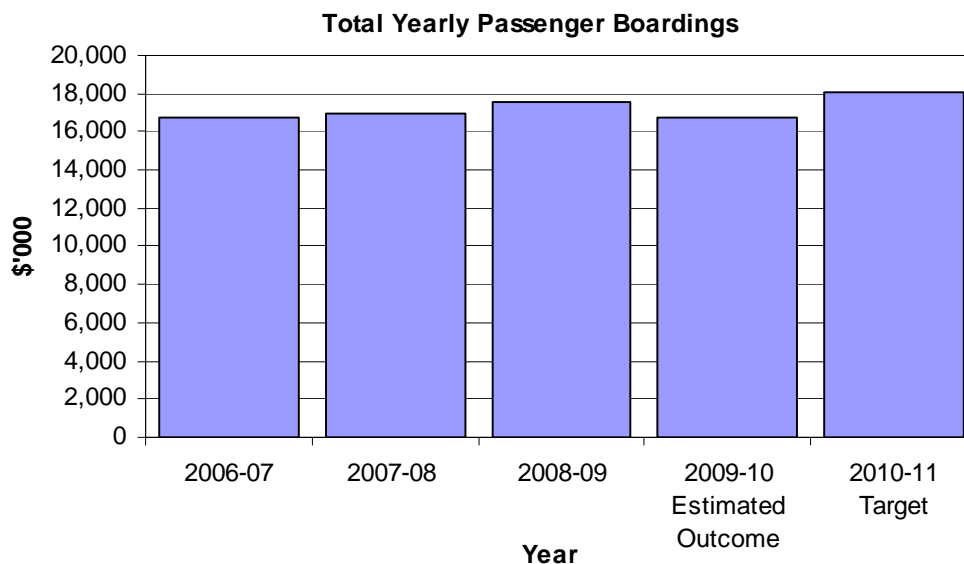
1. The previous ACTION policy was to exclude casuals from the FTE count. However, FTE counts relating to casuals have been included in the 2010-11 Budget in accordance with the Whole of Government Policy.
2. New initiatives will result in a net increase of 12 FTEs in 2010-11.

Strategic Indicators

Strategic Indicator 1 Total Yearly Passenger Boardings

Public transport initiatives play an important role in the Sustainable Transport Plan. Factors that contribute to 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, include:

- the availability and reliability of network services to the community; and
- the quality of the bus fleet supporting those services, as reflected in the number of vehicles that run on environmentally friendly fuels to minimise environmental degradation and vehicles that meet the standards specified under the *Disability Discrimination Act 1992*.



Output Class

	Total Cost ¹		Government Payment for Outputs	
	2009-10	2010-11	2009-10	2010-11
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1:				
Public Transport	105,804	111,812	67,031	67,939
Output 1.1: Public Transport	105,804	111,812	67,031	67,939

Note:

- Total cost includes depreciation of \$6.774 million in 2009-10 and \$9.778 million in 2010-11

Output Description

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

Accountability Indicators

	2009-10 Targets	2009-10 Est. Outcome	2010-11 Targets
Output 1: Public Transport			
Output 1.1: Public Transport			
a. Timeliness of ACTION services	83%	82%	83%
b. Customer satisfaction with ACTION services as assessed by passenger surveys	85%	80%	85%
c. Increase in modal share (adult work trip increase in accordance with the Sustainable Transport Plan) ¹	2.9%	-5%	2.9%
d. Increase in total patronage ²	529,000	-801,000	1,330,000
e. Percentage of fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ³	36%	39%	48.9%
f. Percentage of fleet Euro 3 Emission Standard compliant ^{4,5}	24.8%	28%	n/a
g. Percentage of fleet Euro 3 or better Emission Standard compliant ⁶	n/a	n/a	31.8%
h. Total cost per vehicle kilometre	\$4.06	\$4.13	\$4.27
i. Total cost per passenger boarding ⁷	\$5.43	\$6.30	\$6.18
j. Farebox recovery as a percentage of total cost	21%	20.1%	21.8%

Notes:

- Mode share shift targets have not been achieved due to the combined impact of lower than expected petrol prices when compared with the same period last year and ticket validator failures.
- Patronage targets have not been achieved due to the same reasons stated above. The increase in 2010-11 is from the actual result in 2009-10.
- Disability Discrimination Act 1992* (DDA) targets have been exceeded due to the earlier than planned delivery of new buses.
- Euro 3 Emission Standards have been exceeded due to the earlier than planned delivery of new buses.
- Discontinued measure replaced with (g) for clarity.
- New measure replacing (f) for clarity.
- Total cost per passenger boarding target has not been achieved due to a combination of increased costs and reduced patronage.

ACTION
Operating Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
Income							
Revenue							
23,332	User Charges - Non ACT Government	23,086	26,630	15	28,005	29,231	30,955
73,971	User Charges - ACT Government	76,245	77,329	1	77,444	77,704	77,609
0	Other Revenue	288	0	-100	0	0	0
97,303	Total Revenue	99,619	103,959	4	105,449	106,935	108,564
Gains							
0	Total Gains	0	0	-	0	0	0
97,303	Total Income	99,619	103,959	4	105,449	106,935	108,564
Expenses							
57,576	Employee Expenses	60,133	61,581	2	63,039	63,304	64,230
7,589	Superannuation Expenses	8,007	7,806	-3	7,898	7,996	8,098
30,670	Supplies and Services	29,971	31,466	5	31,971	32,277	32,938
8,535	Depreciation and Amortisation	6,774	9,778	44	10,706	11,678	12,928
744	Borrowing Costs	744	744	-	744	744	744
437	Other Expenses	175	437	150	439	437	439
105,551	Total Ordinary Expenses	105,804	111,812	6	114,797	116,436	119,377
-8,248	Operating Result	-6,185	-7,853	-27	-9,348	-9,501	-10,813
-8,248	Total Comprehensive Income	-6,185	-7,853	-27	-9,348	-9,501	-10,813

ACTION
Balance Sheet

Budget		Est.Outcome	Planned		Planned	Planned	Planned
as at 30/6/10		as at 30/6/10	as at 30/6/11	Var	as at 30/6/12	as at 30/6/13	as at 30/6/14
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
Current Assets							
966	Cash and Cash Equivalents	107	2,024	#	3,196	5,187	7,116
1,863	Receivables	2,936	3,013	3	3,095	3,177	3,257
2,123	Inventories	2,679	2,806	5	2,977	3,153	3,331
102	Other	119	122	3	125	128	131
5,054	Total Current Assets	5,841	7,965	36	9,393	11,645	13,835
Non Current Assets							
120,549	Property, Plant and Equipment	125,634	141,435	13	141,900	149,312	149,455
120,549	Total Non Current Assets	125,634	141,435	13	141,900	149,312	149,455
125,603	TOTAL ASSETS	131,475	149,400	14	151,293	160,957	163,290
Current Liabilities							
3,278	Payables	3,681	3,828	4	3,985	4,138	4,291
586	Interest Bearing Liabilities	586	598	2	610	623	341
46	Finance Leases	220	220	-	220	220	220
15,710	Employee Benefits	17,568	17,764	1	17,798	17,839	17,884
799	Other	2,299	2,356	2	2,413	2,470	2,527
20,419	Total Current Liabilities	24,354	24,766	2	25,026	25,290	25,263
Non Current Liabilities							
4,930	Interest Bearing Liabilities	4,930	4,356	-12	3,782	3,207	2,923
318	Finance Leases	99	99	-	99	99	99
501	Employee Benefits	1,714	1,734	1	1,777	1,822	1,867
5,749	Total Non Current Liabilities	6,743	6,189	-8	5,658	5,128	4,889
26,168	TOTAL LIABILITIES	31,097	30,955	..	30,684	30,418	30,152
99,435	NET ASSETS	100,378	118,445	18	120,609	130,539	133,138
REPRESENTED BY FUNDS EMPLOYED							
58,643	Accumulated Funds	58,328	76,395	31	78,559	88,489	91,088
40,792	Reserves	42,050	42,050	-	42,050	42,050	42,050
99,435	TOTAL FUNDS EMPLOYED	100,378	118,445	18	120,609	130,539	133,138

ACTION
Cash Flow Statement

2009-10 Budget \$'000		2009-10 Est.Outcome \$'000	2010-11 Budget \$'000	Var %	2011-12 Estimate \$'000	2012-13 Estimate \$'000	2013-14 Estimate \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
97,303	User Charges	99,331	103,959	5	105,449	106,935	108,564
4,165	Other Revenue	4,453	4,165	-6	4,165	4,165	4,165
101,468	Operating Receipts	103,784	108,124	4	109,614	111,100	112,729
	Payments						
57,147	Related to Employees	59,700	60,976	2	62,612	62,877	63,803
7,589	Related to Superannuation	8,007	7,806	-3	7,898	7,996	8,098
31,060	Related to Supplies and Services	30,362	31,856	5	32,361	32,667	33,328
744	Borrowing Costs	744	744	-	744	744	744
4,263	Other	4,263	4,263	-	4,265	4,263	4,265
100,803	Operating Payments	103,076	105,645	2	107,880	108,547	110,238
665	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	708	2,479	250	1,734	2,553	2,491
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Receipts						
-1	Proceeds from Sale/Maturities of Investments	0	0	-	0	0	0
-1	Investing Receipts	0	0	-	0	0	0
	Payments						
25,863	Purchase of Property, Plant and Equipment and Capital Works	31,250	25,920	-17	11,512	19,431	13,412
25,863	Investing Payments	31,250	25,920	-17	11,512	19,431	13,412
-25,864	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-31,250	-25,920	17	-11,512	-19,431	-13,412
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
25,863	Capital Injection from Government	30,962	25,920	-16	11,512	19,431	13,412
25,863	Financing Receipts	30,962	25,920	-16	11,512	19,431	13,412
	Payments						
562	Repayment of Borrowings	562	562	-	562	562	562
562	Financing Payments	562	562	-	562	562	562
25,301	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	30,400	25,358	-17	10,950	18,869	12,850
102	NET INCREASE/ (DECREASE) IN CASH HELD	-142	1,917	#	1,172	1,991	1,929
864	CASH AT BEGINNING OF REPORTING PERIOD	249	107	-57	2,024	3,196	5,187
966	CASH AT THE END OF THE REPORTING PERIOD	107	2,024	#	3,196	5,187	7,116

ACTION
Statement of Changes in Equity

Budget as at 30/6/10 \$'000		Est.Outcome as at 30/6/10 \$'000	Planned as at 30/6/11 \$'000	Var %	Planned as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000
	Opening Equity						
41,028	Opening Accumulated Funds	33,551	58,328	74	76,395	78,559	88,489
40,792	Opening Asset Revaluation Reserve	42,050	42,050	-	42,050	42,050	42,050
81,820	Balance at the Start of the Reporting Period	75,601	100,378	33	118,445	120,609	130,539
	Comprehensive Income						
-8,248	Operating Result for the Period	-6,185	-7,853	-27	-9,348	-9,501	-10,813
-8,248	Total Comprehensive Income	-6,185	-7,853	-27	-9,348	-9,501	-10,813
0	Total Movement in Reserves	0	0	-	0	0	0
	Transactions Involving Owners Affecting Accumulated Funds						
25,863	Capital Injections	30,962	25,920	-16	11,512	19,431	13,412
25,863	Total Transactions Involving Owners Affecting Accumulated Funds	30,962	25,920	-16	11,512	19,431	13,412
	Closing Equity						
58,643	Closing Accumulated Funds	58,328	76,395	31	78,559	88,489	91,088
40,792	Closing Asset Revaluation Reserve	42,050	42,050	-	42,050	42,050	42,050
99,435	Balance at the End of the Reporting Period	100,378	118,445	18	120,609	130,539	133,138

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$0.246 million in the 2009-10 estimated outcome from the original budget is due to a decrease in fare revenue (\$0.963 million), partly offset by an increase in miscellaneous revenue from fuel tax credits (\$0.717 million); and
 - the increase of \$3.544 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to an expected increase in fare revenue as a result of increased patronage from new transport initiatives and commencement of the new ticketing system.

- user charges — ACT Government:
 - the increase of \$2.274 million in the 2009-10 estimated outcome from the original budget is due to increased revenue from concessions and additional service purchase payments provided for increased insurance premiums and depot maintenance; and
 - the increase of \$1.084 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to increased funding for additional services associated with new transport initiatives and forecast enterprise agreement negotiations.
- other revenue:
 - the increase of \$0.288 million in the 2009-10 estimated outcome from the original budget is due to one-off revenue from the Capital Improvement Fund for the expansion of the ACTION Screens on Buses program; and
 - the decrease of \$0.288 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the above revenue only being received in 2009-10.
- employee expenses:
 - the increase of \$2.557 million in the 2009-10 estimated outcome from the original budget is due to increased employee costs to meet network enhancements; and
 - the increase of \$1.448 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to additional services associated with new transport initiatives and the forecast enterprise agreement negotiations.
- superannuation expense:
 - the increase of \$0.418 million in the 2009-10 estimated outcome from the original budget is due to increased employee costs to meet network enhancements; and
 - the decrease of \$0.201 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to a lower proportion of CSS and PSS superannuation scheme members.
- supplies and services:
 - the decrease of \$0.699 million in the 2009-10 estimated outcome from the original budget is due to savings relating to fuel expenses as a result of a decline in fuel prices; and
 - the increase of \$1.495 million in the 2010-11 Budget from the 2009-10 estimated outcome is due primarily to additional services associated with the new transport initiatives.
- depreciation and amortisation:
 - the decrease of \$1.761 million in the 2009-10 estimated outcome from the original budget is due to the delays in the completion of major projects, particularly the bus replacement and ticketing system projects; and
 - the increase of \$3.004 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects the expected completion of the above major projects and other new capital works during 2010-11.

- other expenses: the decrease of \$0.262 million in the 2009-10 estimated outcome from the original budget and the increase of \$0.262 million in the 2010-11 Budget from the 2009-10 estimated outcome are due to delays in retiring old buses from the fleet in 2009-10 due to network enhancements. It is expected that they will be disposed of in 2010-11 when further new buses are commissioned.

Balance Sheet

- cash and cash equivalents:
 - the decrease of \$0.859 million in the 2009-10 estimated outcome from the original budget is due to increased employee costs to meet network enhancements; and
 - the increase of \$1.917 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to increased fare revenue from patronage growth.
- receivables: the increase of \$1.073 million in the 2009-10 estimated outcome from the original budget is due to an increase in the volume of ticket sales through agents as a result of the shift to prepaid tickets and away from cash sales by drivers.
- inventories: the increase of \$0.556 million in the 2009-10 estimated outcome from the original budget is due to an increase in spare parts held for repair of the older bus fleet and increased diesel stockholdings.
- property, plant and equipment:
 - the increase of \$5.085 million in the 2009-10 estimated outcome from the original budget is due to a higher than budgeted increase in the fair value of the bus fleet and a lower than forecast depreciation expense associated with delays in the completion of major projects; and
 - the increase of \$15.801 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the completion of the several major projects rolled over from 2009-10 and other new capital works planned for 2010-11.
- payables: the increase of \$0.403 million in the 2009-10 estimated outcome from the original budget is due to creditors relating to major capital works projects.
- current and non current finance leases: the net decrease of \$0.045 million in the 2009-10 estimated outcome from the original budget is due to changed financing arrangements on support vehicle leases.
- current and non current employee benefits: the net increase of \$3.071 million in the 2009-10 estimated outcome from the original budget is due to an increase in leave entitlements associated with the change in accounting policy relating to calculation of leave entitlements introduced in 2008-09.
- other: the increase of \$1.5 million in the 2009-10 estimated outcome from the original budget reflects an increase in revenue received in advance as a result of the shift to prepaid tickets and away from cash sales by drivers. This offsets the increase in ticket agent debts referred to above.
- interest bearing liabilities: the decrease of \$0.574 million in the 2010-11 Budget from the 2009-10 estimated outcome reflects a reduction in outstanding loan principal.

- accumulated funds: the increase of \$18.067 million in the 2010-11 Budget from the 2009-10 estimated outcome is associated with the receipt of capital injection relating to the funding of new capital initiatives in 2010-11 and the roll over of several delayed projects from 2009-10.

Cash Flow Statement

Significant variances in the 2009-10 estimated outcome from the original budget and in the 2010-11 Budget from the 2009-10 estimated outcome for the Cash Flow Statement are mainly explained within the notes to the Operating Statement above. Other significant variances are as follows:

- net cash inflow from operating activities: the increase of \$1.771 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to increased fare revenue from patronage growth.
- net cash outflow from investing activities:
 - the decrease of \$5.386 million in the 2009-10 estimated outcome from the original budget is due to the bus replacement and ticketing system capital projects being carried over to 2009-10, and the transfer from TAMS of several capital upgrade projects expected to be completed in 2009-10; and
 - the increase of \$5.330 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to the completion of the several major projects rolled over from 2009-10 and other new capital works during 2010-11.
- net cash outflow from financing activities:
 - the increase of \$5.099 million in the 2009-10 estimated outcome from the original budget is mainly due to increased capital injection relating to the bus replacement and ticketing system capital projects being rolled over to 2009-10, and the transfer from TAMS of several capital upgrade projects expected to be completed in 2009-10; and
 - the decrease of \$5.042 million in the 2010-11 Budget from the 2009-10 estimated outcome is due to decreased capital injection required for capital works projects.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.