

## **ACTION**

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### **Objectives**

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

The number of passenger boardings on ACTION's services is expected to be 16.2 million passengers in 2000-01.

### **2000-01 Highlights**

Strategic and operational issues to be pursued in 2000-01 include:

- refining services to better meet the needs of the ACT community;
- reforming the workplace to improve productivity and reduce costs;
- improving customer service; and
- moving to a Statutory Authority structure.

## ACTION Operating Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
<b>Revenue</b>							
19 416	User Charges - Non ACT Government	17 075	17 576	3	17 922	18 598	19 299
39 047	User Charges - ACT Government	42 639	42 558	..	40 796	39 921	36 803
0	Grants from the Commonwealth	0	400	#	0	0	0
0	Other Revenue	162	0	-100	0	0	0
7	Resources Received free of charge	0	0	-	0	0	0
<b>58 470</b>	<b>Total Revenue</b>	<b>59 876</b>	<b>60 534</b>	<b>1</b>	<b>58 718</b>	<b>58 519</b>	<b>56 102</b>
<b>Expenses</b>							
35 790	Employee Expenses	39 615	37 531	-5	36 146	35 906	35 847
3 731	Superannuation Expenses	4 590	4 619	1	4 618	4 618	4 618
12 893	Administrative Expenses	15 829	15 360	-3	15 830	15 826	15 770
5 720	Depreciation and Amortisation	5 208	4 740	-9	4 740	4 740	4 740
2 114	Interest	2 198	1 800	-18	1 485	1 172	857
3 607	Other Expenses	2 622	2 560	-2	2 161	2 161	2 220
<b>63 855</b>	<b>Total Expenses</b>	<b>70 062</b>	<b>66 610</b>	<b>-5</b>	<b>64 980</b>	<b>64 423</b>	<b>64 052</b>
<b>-5 385</b>	<b>Operating Result Before Abnormal Items</b>	<b>-10 186</b>	<b>-6 076</b>	<b>40</b>	<b>-6 262</b>	<b>-5 904</b>	<b>-7 950</b>
0	Abnormal Revenue	900	0	-100	0	0	0
0	Abnormal Expense	293	0	-100	0	0	0
<b>-5 385</b>	<b>Operating Result Before Extraordinary Items</b>	<b>-9 579</b>	<b>-6 076</b>	<b>37</b>	<b>-6 262</b>	<b>-5 904</b>	<b>-7 950</b>
1 943	Injection for Operating Requirements	5 241	3 624	-31	4 398	4 093	4 093
<b>-3 442</b>	<b>Operating Result</b>	<b>-4 338</b>	<b>-2 452</b>	<b>43</b>	<b>-1 864</b>	<b>-1 811</b>	<b>-3 857</b>
<b>35 985</b>	<b>Accumulated Funds - Start of Period</b>	<b>36 952</b>	<b>35 401</b>	<b>-4</b>	<b>32 950</b>	<b>31 086</b>	<b>29 275</b>
2	Accum Funds Opening Adjustment	2	1	-50	0	0	0
3 238	Capital Injections	2 785	0	-100	0	0	0
<b>35 784</b>	<b>Accumulated Funds - End of Period</b>	<b>35 401</b>	<b>32 950</b>	<b>-7</b>	<b>31 086</b>	<b>29 275</b>	<b>25 418</b>

**ACTION**  
**Statement Of Financial Position**

Budget as at 30/6/00 \$'000		Est.Outcome as at 30/6/00 \$'000	Planned as at 30/6/01 \$'000	Var %	Planned as at 30/6/02 \$'000	Planned as at 30/6/03 \$'000	Planned as at 30/6/04 \$'000
<b>Current Assets</b>							
1 631	Cash	218	52	-76	52	52	52
671	Receivables	519	578	11	577	572	567
1 823	Other	1 830	1 839	..	1 839	1 839	1 839
<b>4 125</b>	<b>Total Current Assets</b>	<b>2 567</b>	<b>2 469</b>	<b>-4</b>	<b>2 468</b>	<b>2 463</b>	<b>2 458</b>
<b>Non Current Assets</b>							
60 349	Property, Plant and Equipment	67 861	62 221	-8	57 481	52 741	48 001
0	Other	169	169	-	169	169	169
<b>60 349</b>	<b>Total Non Current Assets</b>	<b>68 030</b>	<b>62 390</b>	<b>-8</b>	<b>57 650</b>	<b>52 910</b>	<b>48 170</b>
<b>64 474</b>	<b>TOTAL ASSETS</b>	<b>70 597</b>	<b>64 859</b>	<b>-8</b>	<b>60 118</b>	<b>55 373</b>	<b>50 628</b>
<b>Current Liabilities</b>							
842	Creditors	805	773	-4	773	773	773
2 500	Borrowings	2 501	2 501	-	2 501	341	340
328	Finance Leases	328	376	15	432	547	0
3 367	Employee Entitlements	4 632	4 632	-	4 632	4 631	4 632
570	Other Provisions	424	0	-100	0	0	0
<b>7 607</b>	<b>Total Current Liabilities</b>	<b>8 690</b>	<b>8 282</b>	<b>-5</b>	<b>8 338</b>	<b>6 292</b>	<b>5 745</b>
<b>Non Current Liabilities</b>							
2	Creditors	2	2	-	2	2	2
11 106	Borrowings	11 818	9 317	-21	6 816	6 475	6 134
1 356	Finance Leases	1 356	979	-28	547	0	0
6 911	Employee Entitlements	6 951	6 951	-	6 951	6 951	6 951
1 710	Other Provisions	0	0	-	0	0	0
<b>21 085</b>	<b>Total Non Current Liabilities</b>	<b>20 127</b>	<b>17 249</b>	<b>-14</b>	<b>14 316</b>	<b>13 428</b>	<b>13 087</b>
<b>28 691</b>	<b>TOTAL LIABILITIES</b>	<b>28 817</b>	<b>25 531</b>	<b>-11</b>	<b>22 654</b>	<b>19 720</b>	<b>18 832</b>
<b>35 783</b>	<b>NET ASSETS</b>	<b>41 780</b>	<b>39 328</b>	<b>-6</b>	<b>37 464</b>	<b>35 653</b>	<b>31 796</b>
<b>REPRESENTED BY FUNDS EMPLOYED</b>							
35 784	Accumulated Funds	35 401	32 950	-7	31 086	29 275	25 418
0	Reserves	6 379	6 378	-	6 378	6 378	6 378
<b>35 784</b>	<b>TOTAL FUNDS EMPLOYED</b>	<b>41 780</b>	<b>39 328</b>	<b>-6</b>	<b>37 464</b>	<b>35 653</b>	<b>31 796</b>

## ACTION Cashflow Statement

1999-00 Budget \$'000		1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
<b>0</b>	<b>CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>218</b>	<b>218</b>	<b>-</b>	<b>52</b>	<b>52</b>	<b>52</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
	<b>Receipts</b>						
60 406	User Charges	65 170	63 712	-2	63 116	62 611	60 195
0	Grants Received from the Commonwealth	1 145	400	-65	0	0	0
0	Other Revenue	0	1 742	#	1 766	1 765	1 765
<b>60 406</b>	<b>Operating Receipts</b>	<b>66 315</b>	<b>65 854</b>	<b>-1</b>	<b>64 882</b>	<b>64 376</b>	<b>61 960</b>
	<b>Payments</b>						
40 120	Related to Employees	43 329	42 150	-3	40 764	40 524	40 465
12 886	Related to Administration	18 096	15 816	-13	15 830	15 826	15 770
2 114	Finance Costs	2 114	1 800	-15	1 485	1 172	857
3 607	Other	2 912	3 874	33	3 926	3 921	3 980
<b>58 727</b>	<b>Operating Payments</b>	<b>66 451</b>	<b>63 640</b>	<b>-4</b>	<b>62 005</b>	<b>61 443</b>	<b>61 072</b>
<b>1 679</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>-136</b>	<b>2 214</b>	<b>#</b>	<b>2 877</b>	<b>2 933</b>	<b>888</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
	<b>Receipts</b>						
0	Proceeds from Sale of Property, Plant & Equipment	312	450	44	0	0	0
<b>0</b>	<b>Investing Receipts</b>	<b>312</b>	<b>450</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
500	Purchase of Property, Plant and Equipment	175	0	-100	0	0	0
<b>500</b>	<b>Investing Payments</b>	<b>175</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>-500</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>137</b>	<b>450</b>	<b>228</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
	<b>Receipts</b>						
3 238	Capital Injection from Government	2 785	0	-100	0	0	0
<b>3 238</b>	<b>Financing Receipts</b>	<b>2 785</b>	<b>0</b>	<b>-100</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Payments</b>						
2 501	Repayment of Borrowings	2 501	2 501	-	2 501	2 501	341
285	Repayment of Finance Lease	285	329	15	376	432	547
<b>2 786</b>	<b>Financing Payments</b>	<b>2 786</b>	<b>2 830</b>	<b>2</b>	<b>2 877</b>	<b>2 933</b>	<b>888</b>
<b>452</b>	<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>-1</b>	<b>-2 830</b>	<b>#</b>	<b>-2 877</b>	<b>-2 933</b>	<b>-888</b>
<b>1 631</b>	<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>0</b>	<b>-166</b>	<b>#</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>1 631</b>	<b>CASH AT THE END OF THE REPORTING PERIOD</b>	<b>218</b>	<b>52</b>	<b>-76</b>	<b>52</b>	<b>52</b>	<b>52</b>

## Notes to the Budget Statements

Difficulties were encountered through the year due to a shortfall in fare revenue and some increases in costs, particularly the unit price of fuel and unanticipated costs of *Network 99*, and the non-achievement of savings relating to the enterprise bargaining agreement (EBA). These factors impact significantly on the budget statements, with reductions in fare revenue and increases in employee and administrative expenses. These have been addressed through an increase in government funding in 1999-2000, with an increase of the same order in 2000-01.

Significant variations are as follows:

### *Operating Statement*

- user charges - non-ACT Government: the decrease of \$2.341m in 1999-2000 from the original budget is due to patronage growth being less than forecast and commuters shifting to cheaper fares options resulting in a reduction in the average fare per passenger. The increase in 2000-01 of \$0.5m is due to an increase of 3.6% in the average price of fares (before GST);
- user charges - ACT Government: the increase in 1999-2000 of \$3.6m represents additional funding to address a reduction in fares revenue (\$2.3m), an increase in the cost of fuel (\$1.1m), and additional running costs associated with the new network (\$1m), partially offset by savings in other expenses (\$0.8m);
- other revenue: the increase of \$0.162m in 1999-2000 from the original budget reflects the profit from the sale of surplus buses;
- grants from the Commonwealth: the revenue in 2000-01 of \$0.4m reflects the reclassification of Commonwealth funded training grants from abnormal revenue;
- employee expenses: the increase of \$3.8m in 1999-2000 from the original budget is due to additional costs associated with the new network (\$2.7m), and non-achievement of savings under the EBA (\$2m), offset by a transfer of funds to superannuation (\$0.9m). The reduction in costs in 2000-01 of \$2.1m reflects savings through a range of productivity measures;
- superannuation: the increase of \$0.9m in 1999-2000 from the original budget is due to the transfer of costs previously shown as employee expenses;
- administrative expenses: the increase of \$2.9m in 1999-2000 from the original budget is due to substantial increases in the unit price of fuel (\$1.1m), additional running costs associated with extra kilometres of the new network (\$1m), IT modernisation costs (\$0.4m) and a general increase in bus maintenance costs due to the new network and increases in the cost of spare parts (\$0.4m). The decrease of \$0.5m in 2000-01 from the 1999-2000 estimated outcome reflects revised network kilometres, producing savings in fuel and parts, and savings from the abolition of wholesale sales tax offset by a net increase in the average price of fuel;
- depreciation and amortisation: the cost reduction of \$0.5m in 1999-2000 from the original budget is the net impact from revised rates of depreciation for buses partially offset by higher than expected depot building charges. The decrease of \$0.5m in 2000-01 from the 1999-2000 estimated outcome reflects the full year impact of reduced rates of depreciation for buses;
- interest on borrowings: the decrease of \$0.398m in 2000-01 from the estimated outcome reflects a reducing liability associated with pre-self Government borrowings;

- other expenses: the reduction of \$0.985m in 1999-2000 from the original budget is mainly due to savings in wholesale sales tax (\$0.810m);
- abnormal revenue: this item reflects revenue from the Commonwealth Department of Education, Training and Youth Affairs for defraying costs associated with training schemes for industrial employees. The program concludes in 2000-01 (refer also to “other revenue”);
- abnormal expenses: this item reflects the loss associated with the sale of obsolete spare parts; and
- injection for operating requirements: the increase of \$3.3m in 1999-2000 is due to funding requirements associated with additional in service hours of the new network and delays in achieving savings under the enterprise bargaining agreement. The reduction of \$1.6m in 2000-01 reflects savings flowing from the service revisions made in January 2000 and rescheduling of EBA savings.

#### *Statement of Financial Position*

- cash: the reduction of \$1.4m in 1999-2000 reflects above budget operating costs as well as the payment of significant liabilities to meet accident damage claims from earlier years;
- property, plant and equipment: the increase of \$7.5m between the 1999-2000 Budget and the estimated outcome, is due to not proceeding with a previously anticipated write-down of depots’ valuations. The decrease of \$5.6m from the 1999-2000 estimated outcome to 2000-01 reflects a general diminution of value as a result of depreciation;
- employee entitlements (current): the increase of \$1.3m in 1999-2000 provides an updated value of current liabilities for this item;
- borrowings (non-current): the increase of \$0.7m in 1999-2000 from the original budget is due to a correction to the balance budgeted for 1999-2000. The reduction in 2000-01 of \$2.5m reflects the repayments made through the year;
- other provisions (non-current): the reduction of \$1.7m in 1999-2000 from the original budget reflects the extinguishment of accident damage claims provided for in earlier years, and in the supplementary appropriation in 1999-2000.

#### *Statement of Cashflows*

- user charges: the increase in 1999-2000 of \$4.8m reflects adjustments to user charges - ACT Government for the shortfall in fares revenue and additional costs as explained in the operating statement, offset by a reduction in fare revenue. This also includes the additional \$3.3m provided as an injection for operations to cover the costs associated with non-achievement of savings under the EBA. The reduction of \$1.5m in 2000-01 reflects savings from network revisions in January 2000;
- grants from the Commonwealth: this item reflects receipts from the Commonwealth Department of Education, Training and Youth Affairs for defraying costs associated with training schemes for industrial employees. The program concludes in 2000-01;
- other revenue: reflects transactions associated with the introduction of GST in 2000-01;
- related to administration: the reasons for the increase of \$5.1m in 1999-2000 is explained in the operating statement. In addition, significant liabilities in relation to prior year accident damage claims were paid during the year. The reduction of \$2.2m in 2000-01 reflects savings in running

costs, the removal of embedded sales tax and the pay out of accident damages claims in 1999-2000;

- other payments: the reduction of \$0.7m in 1999-2000 is due to the remaining savings in sales tax expenses. The increase of \$0.9m in 2000-01 is due to the payments to the ATO for GST collected (\$1.7m), offset by the removal of wholesale sales tax expense which no longer applies with the introduction of the GST;
- proceeds from the sale of plant and equipment: the receipts in 1999-2000 and 2000-01 reflect the sale of surplus buses;
- payments for the purchase of plant and equipment: the reduction of \$0.3m in 1999-2000 and a further \$0.2m in the out years reflects the curtailment of replacement programs previously financed from the sale of surplus assets; and
- capital contributions from Government: the reduction of \$0.5m in 1999-2000 is due to less demand on funds for restructuring. The removal of funds in 2000-01 reflects the short term nature of this funding source.

## Changes to Appropriation

### Changes to Departmental Appropriations

Capital Injection	1999-00 Est. Outc. \$'000	2000-01 Budget \$'000	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
1999-2000 Budget	3 238	495	0	0	0
2000-2001 Draft Budget	3 238	495	0	0	0
Revised Redundancy Program	-453	-495	0	0	0
2000-2001 Budget	2 785	0	0	0	0

**OUTPUT CLASS 1: ACTION**  
PRINCIPAL MEASURES

**OUTPUT 1.1: PUBLIC TRANSPORT (ACTION)**

**Description** Provision of public transport services

Measures	1999-2000 Targets	1999-2000 Est. Outcome	2000-2001 Targets
<b>Quantity</b>			
Passenger boardings	16.3 m	16.2 m	16.2 m
In-service hours (p.a.) <sup>1</sup>	N/A	567 557	527 100
Total kilometres <sup>2</sup>	N/A	23.1m	21.4m
Route kilometres <sup>3</sup>	N/A	17.6m	16.5m
<b>Quality/Effectiveness</b>			
Customer satisfaction (overall satisfaction)		64%	70%
<b>Timeliness</b>			
Service reliability (% of scheduled services operated) <sup>4</sup>	99.8%	99.8%	99.8%
<b>Cost</b>			
Cost per in-service hour <sup>5</sup>	N/A	\$123.44	\$126.37
Cost per passenger boarding <sup>6</sup>	\$3.92	\$4.32	\$4.11
Fares revenue per passenger boarding <sup>7</sup>	\$1.12	\$0.99	\$1.00
Farebox recovery % <sup>8</sup>	29%	23%	24%
Cost per total kilometre <sup>9</sup>	N/A	\$3.03	\$3.11
Cost per route kilometre <sup>10</sup>	N/A	\$3.98	\$4.04
<b>TOTAL COST (\$'000)</b>	<b>\$63 855.0</b>	<b>\$70 062.0</b>	<b>\$66 610.0</b>
<b>INJECTION FOR OPERATIONS (\$'000)</b>	<b>\$1 943.0</b>	<b>\$5 241.0</b>	<b>\$3 624.0</b>

1. In-service hours – the number of hours that buses are in service operating passenger carrying services. Excludes dead running between routes, and to and from depots.
2. Total kilometres – the total annual kilometres travelled.
3. Route kilometres – the total annual kilometres travelled by buses in service, operating passenger carrying services. Excludes dead running between routes, and to and from depots.
4. Service reliability – the percentage of scheduled services that operate and are less than 4 minutes late on arrival at their destination point.
5. Cost per in-service hour – total expenses divided by in-service hours.
6. Cost per passenger boarding – total expenses divided by passenger boardings.
7. Fares revenue per passenger boarding – total fares revenue divided by passenger boardings.
8. Farebox recovery % - total fares revenue as a percentage of total expenses.
9. Cost per total kilometre – total expenses divided by total kilometres.
10. Cost per route kilometre – total expenses divided by route kilometres.