



## ADDITIONAL FUNDING FOR ACTION

The ACT Government will provide additional funding for ACTION in the 2000-01 budget, ACT Urban Services Minister, Brendan Smyth announced today.

“ACTION is facing a number of pressures on both its costs and revenue. The ACT Government has agreed to provide \$8.208 in additional funding for 2000-01, over that contained in the forward estimates. This brings the Government’s total funding for ACTION to \$46.182 million next financial year,” Mr Smyth said.

“The Government provides this funding to ensure that the delivery of public transport to the ACT community meets the demands of the travelling public, including scheduled route bus services, school bus services and special needs transport services.

“ACTION has worked hard to make cost savings and generate additional revenues to partially offset their revenue and cost pressures. However, the increased funding is essential to maintain the current standards of our public bus service, as well as improved services for Gungahlin residents later this year.

“The increased funding required by ACTION is related to a number of factors. Fuel is a significant cost to ACTION and recent price increases have contributed to higher costs of providing bus services. During 1999/2000 it was necessary to provide ACTION with an additional \$7.724 to meet the higher costs and maintain the level of service.

“The cost of implementing Network 99 services have not yet been fully met by productivity increases and have also required additional funding. There has also been a passenger shift in ticket purchasing trends towards discounted periodical tickets, which has had an effect on revenue. Cost pressures in ACTION’s workforce, including worker’s compensation, sick leave and related employee expenses have also contributed.

“ACTION is addressing the extent of cost increases through productivity measures and further refinement to services. There will be a reduction in this supplementary funding in forward years.

“The new fare structure, approved by the Independent Competition and Regulatory Commissioner (ICRC) and effective from 1 July 2000, provides a more appropriate balance between cash and periodical tickets, with a reduction in the level of discount available to periodicals. Periodical and Faresaver tickets will still provide significant discounts for ACTION passengers.



**Brendan Smyth** MLA

Australian Capital Territory

Minister for Urban Services

Member for Brindabella

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“The ACT Government recognises the need to improve ACTION’s financial position and is moving to establish ACTION as a statutory authority. This will give ACTION a greater commercial focus on the part of management and employees. As part of this structure a Board of Directors will be established and allow more transparency in contractual and financing arrangements with the Government,” he said.

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Statement ends / Tuesday 23 May 2000

Further information: Tamsin Davies, telephone 6205 0062 mobile 0418 633 145