ACTION AUTHORITY

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 16.9 million kilometres and the number of passenger boardings is expected to be 16.2 million passengers in 2002-03.

2002-03 Highlights

Strategic and operational issues to be pursued in 2002-03 include:

- the introduction of a single zone fare system for the ACT;
- the progressive replacement of the ageing bus fleet to improve operating efficiency and to comply with social and environmental targets;
- continuing to expand bus services into the new suburbs across the ACT, including Gungahlin, South Tuggeranong and West Belconnen;
- focusing on further customer service improvements;
- implementation of a new communication system;
- on-going refinement of services to better meet the needs of the ACT community through evaluation of patronage patterns and information systems; and
- on-going workplace reform to further improve productivity and reduce costs.

ACTION Authority
Statement of Financial Performance

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	Revenue						
14 372	User Charges - Non ACT Government	15 381	15 710	2	16 084	16 468	17 231
47 541	User Charges - ACT Government	46 815	50 663	8	48 737	48 411	48 335
0	Grants from the Commonwealth	75	0	-100	0	0	0
0	Interest	120	0	-100	0	0	0
61 913	**Total Ordinary Revenue**	**62 391**	**66 373**	**6**	**64 821**	**64 879**	**65 566**
	Expenses						
36 272	Employee Expenses	38 445	38 113	-1	38 279	38 023	38 016
4 644	Superannuation Expenses	5 220	5 168	-1	5 168	5 228	5 261
19 369	Administrative Expenses	17 582	17 736	1	18 320	18 772	19 390
4 756	Depreciation and Amortisation	4 757	4 875	2	4 928	5 011	5 038
1 485	Borrowing Costs	1 485	1 172	-21	857	814	771
1 665	Other Expenses	1 147	1 255	9	1 314	1 369	1 424
68 191	**Total Ordinary Expenses**	**68 636**	**68 319**	**..**	**68 866**	**69 217**	**69 900**
-6 278	**Operating Result From Ordinary Activities**	**-6 245**	**-1 946**	**69**	**-4 045**	**-4 338**	**-4 334**
4 398	Injection for Operating Requirements	4 398	0	-100	0	0	0
-1 880	**Operating Result**	**-1 847**	**-1 946**	**-5**	**-4 045**	**-4 338**	**-4 334**
39 381	**Total Equity From Start of Period**	**40 643**	**44 446**	**9**	**44 050**	**45 605**	**44 867**
4 200	Capital Injections	5 650	1 550	-73	5 600	3 600	3 600
41 701	**Total Equity At The End of Period**	**44 446**	**44 050**	**-1**	**45 605**	**44 867**	**44 133**

ACTION Authority
Statement of Financial Position

Budget as at 30/6/02 $'000		Est.Outcome as at 30/6/02 $'000	Planned as at 30/6/03 $'000	Var %	Planned as at 30/6/04 $'000	Planned as at 30/6/05 $'000	Planned as at 30/6/06 $'000
	Current Assets						
1 570	Cash	1 166	1 166	-	1 166	1 462	1 789
843	Receivables	1 413	1 408	..	1 401	1 435	1 472
1 755	Other	1 999	1 999	-	1 999	1 999	1 999
4 168	**Total Current Assets**	**4 578**	**4 573**	**..**	**4 566**	**4 896**	**5 260**
	Non Current Assets						
62 043	Property, Plant and Equipment	63 645	60 320	-5	60 992	59 581	58 143
62 043	**Total Non Current Assets**	**63 645**	**60 320**	**-5**	**60 992**	**59 581**	**58 143**
66 211	**TOTAL ASSETS**	**68 223**	**64 893**	**-5**	**65 558**	**64 477**	**63 403**
	Current Liabilities						
789	Payables	1 779	1 778	..	1 777	1 776	1 778
2 501	Interest Bearing Liabilities	2 501	341	-86	341	341	341
432	Finance Leases	432	547	27	0	0	0
5 844	Employee Entitlements	3 967	3 967	-	3 966	3 965	3 964
422	Other Provisions	306	306	-	306	306	306
9 988	**Total Current Liabilities**	**8 985**	**6 939**	**-23**	**6 390**	**6 388**	**6 389**
	Non Current Liabilities						
2	Payables	2	2	-	2	2	2
6 816	Interest Bearing Liabilities	6 816	6 475	-5	6 134	5 793	5 452
547	Finance Leases	547	0	-100	0	0	0
6 328	Employee Entitlements	6 507	6 507	-	6 507	6 507	6 507
829	Other Provisions	920	920	-	920	920	920
14 522	**Total Non Current Liabilities**	**14 792**	**13 904**	**-6**	**13 563**	**13 222**	**12 881**
24 510	**TOTAL LIABILITIES**	**23 777**	**20 843**	**-12**	**19 953**	**19 610**	**19 270**
41 701	**NET ASSETS**	**44 446**	**44 050**	**-1**	**45 605**	**44 867**	**44 133**
	REPRESENTED BY FUNDS EMPLOYED						
35 323	Accumulated Funds	38 068	37 672	-1	39 227	38 489	37 755
6 378	Reserves	6 378	6 378	-	6 378	6 378	6 378
41 701	**TOTAL FUNDS EMPLOYED**	**44 446**	**44 050**	**-1**	**45 605**	**44 867**	**44 133**

ACTION Authority
Cashflow Statement

2001-02 Budget $'000		2001-02 Est.Outcome $'000	2002-03 Budget $'000	Var %	2003-04 Estimate $'000	2004-05 Estimate $'000	2005-06 Estimate $'000
	CASH FLOWS FROM OPERATING ACTIVITIES						
	Receipts						
66 311	User Charges	66 690	66 372	..	64 821	64 879	65 566
0	Interest Received	99	0	-100	0	0	0
3 388	Other Revenue	3 388	3 441	2	3 501	3 509	3 571
69 699	**Operating Receipts**	**70 177**	**69 813**	**-1**	**68 322**	**68 388**	**69 137**
	Payments						
40 916	Related to Employees	44 812	42 891	-4	43 058	42 862	42 888
19 369	Related to Administration	17 635	18 126	3	18 709	19 161	19 779
1 485	Borrowing Costs	1 485	1 172	-21	857	814	771
5 052	Other	4 534	4 691	3	4 810	4 914	5 031
66 822	**Operating Payments**	**68 466**	**66 880**	**-2**	**67 434**	**67 751**	**68 469**
2 877	**NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**	**1 711**	**2 933**	**71**	**888**	**637**	**668**
	CASH FLOWS FROM INVESTING ACTIVITIES						
	Payments						
4 200	Purchase of Property, Plant and Equipment	5 650	1 550	-73	5 600	3 600	3 600
4 200	**Investing Payments**	**5 650**	**1 550**	**-73**	**5 600**	**3 600**	**3 600**
-4 200	**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**	**-5 650**	**-1 550**	**73**	**-5 600**	**-3 600**	**-3 600**
	CASH FLOWS FROM FINANCING ACTIVITIES						
	Receipts						
4 200	Capital Injection from Government	5 650	1 550	-73	5 600	3 600	3 600
4 200	**Financing Receipts**	**5 650**	**1 550**	**-73**	**5 600**	**3 600**	**3 600**
	Payments						
2 501	Repayment of Borrowings	2 501	2 501	-	341	341	341
376	Repayment of Finance Lease	376	432	15	547	0	0
2 877	**Financing Payments**	**2 877**	**2 933**	**2**	**888**	**341**	**341**
1 323	**NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**	**2 773**	**-1 383**	**-150**	**4 712**	**3 259**	**3 259**
0	**NET INCREASE/(DECREASE) IN CASH HELD**	**-1 166**	**0**	**100**	**0**	**296**	**327**
1 570	**CASH AT BEGINNING OF REPORTING PERIOD**	**2 332**	**1 166**	**-50**	**1 166**	**1 166**	**1 462**
1 570	**CASH AT THE END OF THE REPORTING PERIOD**	**1 166**	**1 166**	**-**	**1 166**	**1 462**	**1 789**

Notes to the Budget Statements

Significant variations are as follows:

Statement of Financial Performance

- user charges – non ACT government: the increase of $1.009m in 2001-02 from the original budget is due to higher fares from students, derived from the cessation of School Student Transport Scheme (SSTS) on 31 December 2001. The increase of $0.329m in 2002-03 Budget from 2001-02 estimated outcome is a result of higher fares revenue from students, after the termination of SSTS, offset by the introduction of single zone fares;
- user charges – ACT government: the decrease of $0.726m in 2001-02 from the original budget is a result of a $1.407m reduction in funding upon the cessation of SSTS, offset by a $0.540m increase in funding for costs relating to long term staff absences due to illness and injury, and increased revenue of $0.141m from the provision of additional Special Needs Transport. The increase of $3.848m in the 2002-03 Budget from the 2001-02 estimated outcome is due to the reclassification of $4.093m injection for operations as Service Purchase Payment, additional funding of $2.2m associated with the introduction of a single zone for all fare categories, and additional base funding of $4.071m. These are offset by reductions in funding on the cessation of the free school bus services, totalled $4.023m and the previously budgeted base funding reduction of $2.493m;
- employee expenses: the increase of $2.173m in the 2001-02 estimated outcome from the original budget is mainly due to an unbudgeted hiring of permanent staff for SSTS, additional Comcare charges and cost of inoperatives, long term staff absences due to illness and injury, specifically among driver. The decrease of $0.332m in the 2002-03 Budget from the 2001-02 estimated outcome is mainly due to a budgeted reduction in Comcare charges as a result of better claim performance;
- administrative expenses: the decrease of $1.787m in the 2001-02 from the original budget is a result of the hiring of permanent staff instead of contractors for SSTS. The increase of $0.154m in 2002-03 Budget from the 2001-02 estimated outcome is due to increased insurance, bus registration and other costs;
- borrowing costs: the decrease of $0.313m in the 2002-03 Budget from the 2001-02 estimated outcome reflects the reduction in loan principle;
- other expenses: the decrease of $0.518m in the 2001-02 estimated outcome from the Budget is due to $0.343m savings in bus leasing charges for the SSTS and $0.175m reduction in general taxes and rates. The $0.108m increase in the 2002-03 from the 2001-02 estimated outcome is due to an increase in general taxes and rates;
- injection for operating requirements: the decrease of $4.398m in 2002-03 Budget from the 2001-02 estimated outcome is a result of a reclassification as a Service Purchase Payment; and
- capital injections the $1.450m increase in the 2001-02 from the original budget reflects the withdrawal of $4.2m funding for the SSTS, offset by additional funding allocated for bus replacement program, $4.0m, a bus communication system, $1.5m and the bus door safety program, $0.150m. The $4.1m decrease in the 2002-03 Budget from the 2001-02 estimated outcome is due to, reduced funding for bus replacement program, by $3.6m and

termination of funding for communication equipment 1.5m, offset by increased funding for the bus door safety program, of $1.0m.

Statement of Financial Position

- cash: the $0.404m decrease in 2001-02 from the original budget reflects a decrease in cash from operations of $1.166m offset by a variation in the opening balance for 2001 of $0.762m. The cash position for 2002-03 is budgeted at the same level as 2001-02 with cash from operations being fully used to repay loans and finance leases;
- other non-current assets: the $3.325m decrease in the 2002-03 Budget from the 2001-02 estimated outcome reflects capital purchases of $1.5m less depreciation of $4.3m;
- employee entitlements (current and non-current liabilities): the $1.699m decrease in 2001-02 from the original budget reflects an adjustment in entitlements of $0.730m, a variation in the opening balance for 2001 of $0.499m and leave taken $0.470m;
- current interest bearing liabilities: the decrease of $2.160m in 2002-03 Budget from 2001-02 estimated outcome reflects the program of loan repayments; and
- non current finance leases: the decrease of $0.547m in 2002-03 Budget from the 2001-02 estimated outcome reflects the program of lease principle repayments.

Cashflow Statement

The major variations within the *Statement of Cashflows* from the 2001-02 original budget to the estimated outcome and the 2002-03 budget are explained within the *Statement of Financial Performance*. Other variations are:

- cash from administrative restructuring represents the cash balances transferred from ACTION at the time of transfer to the ACTION Authority; and
- purchase of property, plant and equipment: the increase of $1.450m in 2001-02 from the original budget reflects the withdrawal of $4.2m capital costs allocated to the SSTS, offset by spending for the bus replacement program ($4.0m), a bus communication system ($1.5m) and upgrade of bus doors ($0.150m). The $4.1m decrease in the 2002-03 Budget from the 2001-02 estimated outcome is due to reduced spending on new buses of $3.6m and the one-off effect of the communication system of $1.5m, offset by increased spending on bus doors of $1.0m.