

ACTION

Purpose

ACTION's principal objective is to provide public transport services consisting of scheduled route bus services, school bus services, special needs transport and management of the ACT rural school bus contract to meet the needs of the ACT community and contribute to the achievement of the Government's Transport for Canberra policy objectives.

2012-13 Priorities

Strategic and operational priorities to be pursued in 2012-13 include:

- working 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;
- continuing to acquire replacement buses in order to improve customer comfort and meet disability accessibility targets;
- undertaking a feasibility study for the replacement of the ageing closed circuit television (CCTV) system to enhance the safety and security of ACTION's passengers, staff and assets;
- undertaking a feasibility study and preliminary design for a third major bus depot proposed for Canberra's north; and
- continuing the upgrade of the Woden bus depot to enable its integration into the bus network.

Business and Corporate Strategies

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

In working towards these objectives ACTION will monitor and refine the implementation of Network 12 which seeks to deliver increased bus services with improved frequencies and connection times to ensure this network is efficient and delivers value for money outcomes.

ACTION will continue to improve the accessibility of its services by working towards compliance with the requirements of the Commonwealth Government's *Disability Discrimination Act 1992* (DDA), in particular, adhering to specific timeframes for the provision of accessible buses through the fleet replacement program.

In addition to these strategies, ACTION will review its current operations and actively plan for any changes required to achieve the objectives of the Government's Transport for Canberra policy.

ACTION will, through the provision of operational advice, actively contribute to the design of the next bus network, Network 13, as it seeks to increase patronage and improve service delivery.

Estimated Employment Level

2010-11 Actual Outcome		2011-12 Budget	2011-12 Est. Outcome	2012-13 Budget
784	Staffing (FTE)	793	805 ¹	805

Note:

- The increase of 12 FTE in the 2011-12 estimated outcome from the 2011-12 Budget is due to additional staff required as a result of changes to driver work conditions negotiated in the revised wage parameters.

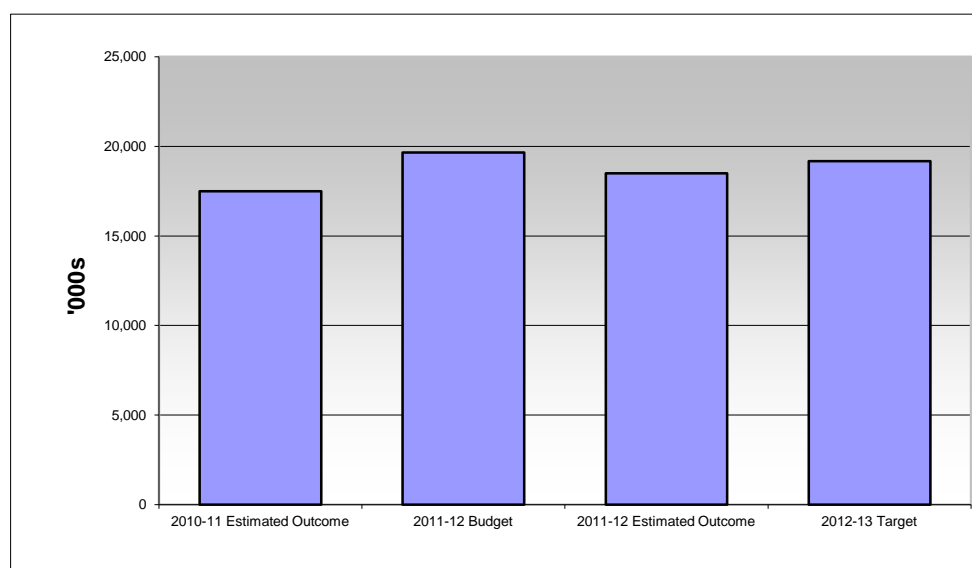
Strategic Objectives and Indicators

Strategic Objective 1 Increasing Patronage

Public transport initiatives play an important role in achieving the Government's Transport for Canberra and sustainability objectives. Factors that contribute to increasing patronage and modal share (the proportion of people choosing public transport relative to alternative modes such as private vehicles) include:

- the reliability and frequency of network services;
- the accessibility and amenity provided by the bus fleet; and
- the accessibility and amenity provided by the infrastructure supporting public transport.

Strategic Indicator 1 Total Yearly Passenger Boardings¹



Note:

- Total yearly passenger boardings are measured by the MyWay ticketing system and represents the number of individual trips. Patronage targets have been revised following the introduction of MyWay and associated improvement of reporting information. This has led to the variance with 2011-12 patronage target. It is expected that these numbers will increase in 2012-13 following the implementation of Network 12 with improved service frequency and coverage.

Output Class

	Total Cost ¹		Government Payment for Outputs ²	
	2011-12	2012-13	2011-12	2012-13
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1				
Public Transport	123,849	123,251	73,353	81,497
Output 1.1: Public Transport	123,849	123,251	73,353	81,497

Notes:

- Total cost includes depreciation of \$9.411 million in 2011-12 and \$9.765 million in 2012-13.
- This is the appropriation provided to TAMS which is on-passed to ACTION and reflected as part of User Charges – ACT Government.

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

	2011-12 Targets	2011-12 Est. Outcome	2012-13 Targets
Output 1: Public Transport			
Output 1.1: Public Transport			
a. Customer satisfaction with ACTION services as assessed by a passenger survey	85%	85%	85%
b. Percentage of in service fleet fully compliant with standards under the DDA ¹	51%	55%	63%
c. Percentage of in service fleet Euro 3 or better Emission Standard compliant ²	40%	46%	54%
d. Total cost per vehicle kilometre ³	\$4.52	\$4.57	\$4.48
e. Total cost per passenger boarding ⁴	\$6.00	\$6.66	\$6.43
f. Farebox recovery as a percentage of total cost ⁵	22%	17%	18%
g. Percentage of services operating on scheduled time ⁶	85%	85%	85%
h. Service reliability – percentage of services which operated to completion ⁷	n/a	n/a	99.5%

Notes:

- The DDA standards detail the accessibility specifications of a bus required to achieve compliance under the DDA, which requires full fleet compliance by 2022. The 2012-13 target reflects new funding provided in the 2012-13 Budget for fleet replacement.
- Euro emission standards define the acceptable limits for the exhaust emissions of vehicles.
- Total cost per vehicle kilometre is expected to decrease slightly as improved fleet utilisation is achieved as part of Network 12.
- Total cost per passenger boarding is expected to decrease from the 2011-12 estimated outcome as increased patronage numbers are achieved through improved service frequency and connection times.
- The reduction in the farebox recovery percentage reflects a revised pricing structure under the MyWay system and a revision of patronage targets.
- 'Operating on scheduled time' describes a bus service that departs a stop, which is a designated timing point, between 1 minute earlier and 4 minutes later than the scheduled time. This information will be measured utilising GPS technology attached to the MyWay system.
- This is a new indicator.

ACTION Operating Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Income							
Revenue							
28,005	User Charges - Non ACT Government	21,270	23,245	9	25,128	26,219	27,344
80,909	User Charges - ACT Government	82,793	91,173	10	86,138	86,210	86,064
0	Other Revenue	935	888	-5	846	806	767
108,914	Total Revenue	104,998	115,306	10	112,112	113,235	114,175
108,914	Total Income	104,998	115,306	10	112,112	113,235	114,175
Expenses							
67,050	Employee Expenses	72,787	73,161	1	70,658	71,866	72,689
8,273	Superannuation Expenses	8,546	8,034	-6	7,770	7,253	6,798
31,050	Supplies and Services	32,263	31,686	-2	31,366	31,790	32,353
10,706	Depreciation and Amortisation	9,411	9,765	4	11,602	12,127	12,587
744	Borrowing Costs	744	509	-32	459	406	364
439	Other Expenses	98	96	-2	98	99	101
118,262	Total Ordinary Expenses	123,849	123,251	..	121,953	123,541	124,892
-9,348	Operating Result	-18,851	-7,945	58	-9,841	-10,306	-10,717
-9,348	Total Comprehensive Income	-18,851	-7,945	58	-9,841	-10,306	-10,717

ACTION Balance Sheet

Budget as at 30/6/12 \$'000	Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000	
Current Assets							
555	Cash and Cash Equivalents	310	636	105	645	656	666
3,559	Receivables	1,446	1,528	6	1,608	1,688	1,768
3,592	Inventories	3,468	3,587	3	3,694	4,090	4,486
136	Other Current Assets	163	166	2	169	172	175
7,842	Total Current Assets	5,387	5,917	10	6,116	6,606	7,095
Non Current Assets							
158,114	Property, Plant and Equipment	146,805	169,166	15	173,072	170,932	168,332
8,849	Capital Works in Progress	4,609	3,125	-32	0	0	0
166,963	Total Non Current Assets	151,414	172,291	14	173,072	170,932	168,332
174,805	TOTAL ASSETS	156,801	178,208	14	179,188	177,538	175,427
Current Liabilities							
14,154	Payables	13,104	12,263	-6	11,179	10,033	8,839
612	Interest-Bearing Liabilities	616	632	3	341	341	341
140	Finance Leases	142	146	3	149	153	156
17,499	Employee Benefits	18,365	18,406	..	18,454	18,502	18,548
3	Other Provisions	0	0	-	0	0	0
1,204	Other Liabilities	1,553	1,603	3	1,653	1,703	1,753
33,612	Total Current Liabilities	33,780	33,050	-2	31,776	30,732	29,637
Non Current Liabilities							
3,698	Interest-Bearing Liabilities	3,699	3,067	-17	2,727	2,386	2,045
168	Finance Leases	247	253	2	259	266	273
1,539	Employee Benefits	958	1,024	7	1,070	1,117	1,165
5,405	Total Non Current Liabilities	4,904	4,344	-11	4,056	3,769	3,483
39,017	TOTAL LIABILITIES	38,684	37,394	-3	35,832	34,501	33,120
135,788	NET ASSETS	118,117	140,814	19	143,356	143,037	142,307
REPRESENTED BY FUNDS EMPLOYED							
93,738	Accumulated Funds	75,278	97,975	30	100,517	100,198	99,468
42,050	Reserves	42,839	42,839	-	42,839	42,839	42,839
135,788	TOTAL FUNDS EMPLOYED	118,117	140,814	19	143,356	143,037	142,307

ACTION
Statement of Changes in Equity

Budget as at 30/6/12 \$'000		Est. Outcome as at 30/6/12 \$'000	Planned as at 30/6/13 \$'000	Var %	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000	Planned as at 30/6/16 \$'000
Opening Equity							
65,563	Opening Accumulated Funds	70,599	75,278	7	97,975	100,517	100,198
42,050	Opening Asset Revaluation Reserve	42,839	42,839	-	42,839	42,839	42,839
107,613	Balance at the Start of the Reporting Period	113,438	118,117	4	140,814	143,356	143,037
Comprehensive Income							
-9,348	Operating Result for the Period	-18,851	-7,945	58	-9,841	-10,306	-10,717
-9,348	Total Comprehensive Income	-18,851	-7,945	58	-9,841	-10,306	-10,717
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
37,523	Capital Injections	23,530	30,642	30	12,383	9,987	9,987
37,523	Total Transactions Involving Owners Affecting Accumulated Funds	23,530	30,642	30	12,383	9,987	9,987
Closing Equity							
93,738	Closing Accumulated Funds	75,278	97,975	30	100,517	100,198	99,468
42,050	Closing Asset Revaluation Reserve	42,839	42,839	-	42,839	42,839	42,839
135,788	Balance at the End of the Reporting Period	118,117	140,814	19	143,356	143,037	142,307

ACTION
Cash Flow Statement

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
108,914	User Charges	104,063	114,418	10	111,266	112,429	113,408
4,165	Other Receipts	5,100	5,053	-1	5,011	4,971	4,932
113,079	Operating Receipts	109,163	119,471	9	116,277	117,400	118,340
Payments							
66,623	Related to Employees	72,553	72,712	..	70,227	71,435	72,255
8,273	Related to Superannuation	8,544	8,035	-6	7,770	7,252	6,801
32,499	Related to Supplies and Services	22,362	33,010	48	32,916	33,689	34,301
744	Borrowing Costs	744	509	-32	459	406	364
4,265	Other	4,265	4,263	..	4,265	4,266	4,268
112,404	Operating Payments	108,468	118,529	9	115,637	117,048	117,989
675	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	695	942	36	640	352	351
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
37,523	Purchase of Property, Plant and Equipment and Capital Works	23,530	30,642	30	12,383	9,987	9,987
37,523	Investing Payments	23,530	30,642	30	12,383	9,987	9,987
-37,523	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-23,530	-30,642	-30	-12,383	-9,987	-9,987
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
37,523	Capital Injections from Government	23,530	30,642	30	12,383	9,987	9,987
37,523	Financing Receipts	23,530	30,642	30	12,383	9,987	9,987
Payments							
632	Repayment of Borrowings	628	616	-2	631	341	341
632	Financing Payments	628	616	-2	631	341	341
36,891	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	22,902	30,026	31	11,752	9,646	9,646
43	NET INCREASE / (DECREASE) IN CASH HELD	67	326	387	9	11	10
512	CASH AT THE BEGINNING OF REPORTING PERIOD	243	310	28	636	645	656
555	CASH AT THE END OF REPORTING PERIOD	310	636	105	645	656	666

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$6.735 million in the 2011-12 estimated outcome from the original budget is due to a reclassification of fuel rebates received from the Commonwealth (\$0.935 million) and a reduction in estimated fare revenues, as a result of a revised pricing structure under MyWay and a higher than anticipated take-up of discounted MyWay fares (\$5.8 million); and
 - the increase of \$1.975 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to the impact of an expected increase in patronage (\$0.758 million), and changes in fare pricing from January 2013 (\$1.229 million).
- user charges – ACT Government:
 - the increase of \$1.884 million in the 2011-12 estimated outcome from the original budget is due to an increase in funding provided for the revised wage parameters; and
 - the increase of \$8.380 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to a net increase of \$8.158 million in funding for service delivery costs, workers' compensation premiums, the revised wage parameters and a reduction in fare revenue collections, and new initiatives (\$0.222 million).
- other revenue: the increase of \$0.935 million in the 2011-12 estimated outcome from the original budget is due to the reclassification of Commonwealth Government fuel rebates from user charges – non ACT Government.
- employee expenses:
 - the increase of \$5.737 million in the 2011-12 estimated outcome from the original budget is due to increased costs associated with the workers compensation premium and the revised wage parameters; and
 - the increase of \$0.374 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the flow-on effects of increased costs associated with the revised wage parameters.
- superannuation expenses:
 - the increase of \$0.273 million in the 2011-12 estimated outcome from the original budget is due to increased employee costs associated with the revised wage parameters; and
 - the decrease of \$0.512 million in the 2012-13 Budget from the 2011-12 estimated outcome is primarily due to a change in the distribution of ACTION employee superannuation schemes from the Commonwealth Superannuation Scheme and Public Sector Superannuation Scheme to Fund of Choice.

- supplies and services:
 - the increase of \$1.213 million in the 2011-12 estimated outcome from the original budget is due to increased insurance premiums (\$0.399 million), payment of a pre-ACT Insurance Authority (ACTIA) insurance claim (\$0.7 million) and other minor cost increases; and
 - the decrease of \$0.577 million in the 2012-13 Budget from the 2011-12 estimated outcome is predominantly due to a reduction in the amount expected to be paid for a pre-ACTIA insurance claim.
- depreciation and amortisation:
 - the decrease of \$1.295 million in the 2011-12 estimated outcome from original budget is due to the flow on effects of the 2010-11 audited financial results which resulted in a revaluation of ACTION's bus fleet; and
 - the increase of \$0.354 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to an increase in ACTION's asset base as a result of major asset acquisitions such as the bus fleet replacement program and the new radio communication system.
- borrowing costs: the decrease of \$0.235 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to lower interest expenses resulting from borrowings being repaid in the 2011-12 financial year.
- other expenses: the decrease of \$0.341 million in the 2011-12 estimated outcome from the original budget is due to a change in the treatment of losses on the disposal of old buses.

Balance Sheet

- receivables: the decrease of \$2.113 million in the 2011-12 estimated outcome from the original budget is due to a change in the timing of sales revenue from ticket agents. Following the implementation of MyWay and the introduction of direct debit for recharging MyWay cards there are now minimal timing delays between receipt of the sales revenue by agents and transmission of this to ACTION.
- property, plant and equipment:
 - the decrease of \$11.309 million in the 2011-12 estimated outcome from the original budget is due to a decrease in the value of the bus fleet resulting from a revaluation that occurred during the 2010-11 audited financial statement process; and
 - the increase of \$22.361 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the anticipated completion of several major projects including the upgrade of Woden Depot and bus replacement purchases.
- capital works in progress:
 - the decrease of \$4.240 million in the 2011-12 estimated outcome from the original budget is due to the completion of major acquisition including the fleet replacement and the radio communication system; and

- the decrease of \$1.484 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the completion of the Woden Depot project and the anticipated commissioning of new buses which are subsequently reflected in property, plant and equipment. ACTION is required to make partial payment for buses prior to these being commissioned into the fleet and these payments are reflected as work in progress until the bus is commissioned.
- payables:
 - the decrease of \$1.050 million in the 2011-12 estimated outcome from the original budget is due to a change in the estimated costs of service delivery, which has resulted in lower than expected outstanding payables at year end; and
 - the decrease of \$0.841 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to the expected payment cycle for costs which have been incurred but are not yet payable at 30 June 2013.
- current and non current employee benefits: the increase of \$0.285 million in the 2011-12 estimated outcome from the original budget is due to the impact of wage increases arising from the revised wage parameters.
- other liabilities: the increase of \$0.349 million in the 2011-12 estimated outcome from the original budget is due to an expected increase in revenue in advance, arising from travel balances held on MyWay cards.
- non current interest bearing liabilities: the decrease of \$0.632 million in the 2012-13 Budget from the 2011-12 estimated outcome is due to repayment of principal on loans.

Statement of Changes in Equity

Variations in the statement are explained in the notes above.

Cash Flow Statement

Variations in the statement are explained in the notes above.