

ACTION

Purpose

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 and management of the ACT Rural School Bus Contract.

2011-12 Priorities

Strategic and operational priorities to be pursued in 2011-12 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 thereby increasing patronage on ACTION buses;
- progressing the acquisition of replacement buses in order to improve customer comfort and environmental sustainability and to meet disability accessibility targets;
- continuing depot upgrades to improve staff conditions, technology, safety and security;
- continuing workplace reform to further improve productivity and reduce costs; and
- progressing the improvement of compliance and corporate governance within the business.

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 due to be released in mid-2011. This policy will outline minimum public transport service standards based on the concept of delivering a frequent network where demand requires it. The policy will integrate all transport modes and form part of the Government's response to the transport, planning and climate change themes that were raised as part of the Time to Talk community consultation.

Further, in response to the recommendations of the Auditor General's August 2010 Performance Audit into ACTION's services, the business will continue to focus on improving safety and compliance through the implementation of infrastructure and service delivery improvements.

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 through an ongoing fleet replacement program

Estimated Employment Level

2009-10 Actual Outcome		2010-11 Budget	2010-11 Est. Outcome	2011-12 Budget
782	Staffing (FTE)	787 ¹	777 ²	793 ³

Notes:

1. The increase of 5 FTE's in the 2010-11 Budget from the 2009-10 Actual Outcome is due to the *Transport for Canberra* initiative introduced in 2010-11.
2. The decrease of 10 FTE's in the 2010-11 Estimated Outcome from the 2010-11 Budget is due to functions transferred to TAMS to establish the new Transport Planning function.
3. The increase of 16 FTE's in the 2011-12 Budget from the 2010-11 Estimated Outcome is due to the *Transport for Canberra* initiative for 2011-12.

Strategic Objectives and Indicators

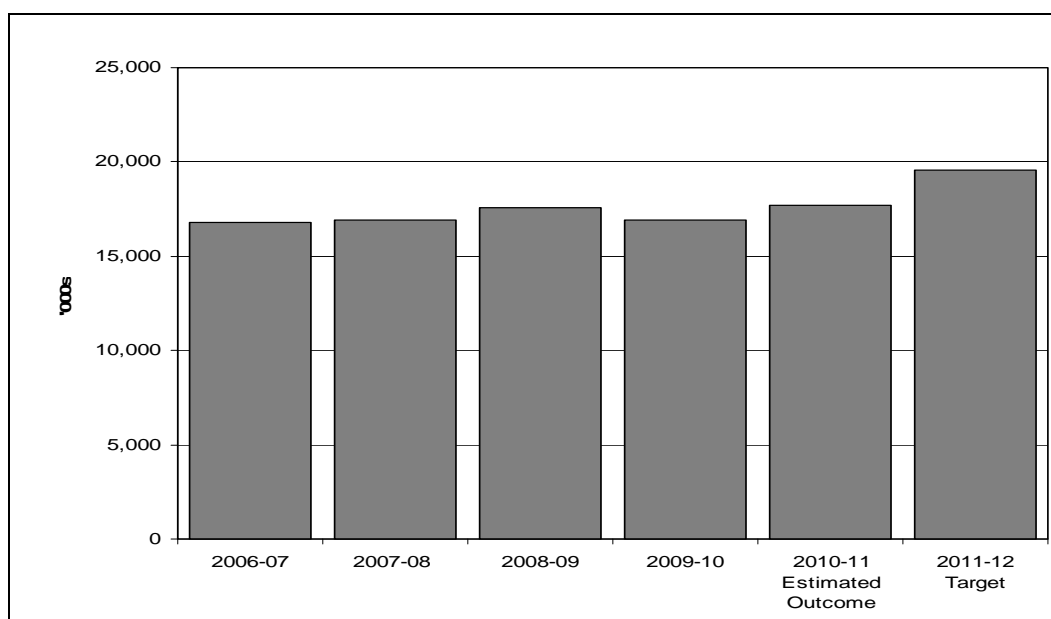
Strategic Objective 1

Increasing Patronage

Public transport initiatives play an important role in the Sustainable Transport Plan. Factors that contribute to increasing patronage and modal share (related to the proportion of people choosing public transport as their preferred method of making the trip to and from work, as opposed to alternative modes such as private vehicles) include:

- the reliability and frequency 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 DDA.

Strategic Indicator 1
Total Yearly Passenger Boardings



Output Class

	Total Cost ¹		Government Payment for Outputs ²	
	2010-11 Est. Outcome \$'000	2011-12 Budget \$'000	2010-11 Est. Outcome \$'000	2011-12 Budget \$'000
Output Class 1:				
Public Transport	114,456	118,262	65,298	71,469
Output 1.1: Public Transport	114,456	118,262	65,298	71,469

Note:

1. Total cost includes depreciation of \$9.778 million in 2010-11 and \$10.706 million in 2011-12
2. This is the appropriation provided to TAMS which is on-passed to ACTION and reflected as 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

	2010-11 Targets	2010-11 Est. Outcome	2011-12 Targets
Output 1: Public Transport			
Output 1.1: Public Transport			
a. Timeliness of ACTION services ¹	83%	83%	n/a
b. Customer satisfaction with ACTION services as assessed by passenger surveys	85%	85%	85%
c. Increase in modal share (adult work trip increase in accordance with the Sustainable Transport Plan) ^{2,3}	2.9%	1.5%	n/a
d. Increase in total patronage ^{2,4}	1,330,000	265,000	n/a
e. Percentage of fleet fully compliant with standards under the DDA ⁵	48.9%	44.6%	n/a
f. Percentage of in service fleet fully compliant with standards under the DDA ⁵	n/a	n/a	51%
g. Percentage of fleet Euro 3 Emission or better Standard compliant ⁶	31.8%	34.4%	n/a
h. Percentage of in service fleet Euro 3 or better Emission Standard compliant ⁶	n/a	n/a	40%
i. Total cost per vehicle kilometre	\$4.27	\$4.33	\$4.52
j. Total cost per passenger boarding ²	\$6.18	\$6.49	\$6.00
k. Farebox recovery as a percentage of total cost ⁷	21.8%	17.6%	22%
l. Percentage of services operating on scheduled time ⁸	n/a	n/a	85%

Notes:

1. Measure discontinued due to introduction of Accountability Indicator (l).
2. The result has been impacted by the inability to collect and record accurate patronage data due to the failing ticketing system. A new ticketing system was implemented in early April 2011.
3. Measure discontinued due to transfer of associated function to Sustainable Development Directorate following the Administrative Arrangement changes that take effect from 1 July 2011.
4. This measure is discontinued as patronage is measured as part of the ACTION Strategic Indicator 1 - Total Yearly Passenger Boardings.
5. The existing measure (e) is discontinued and replaced with (f) for clarity.
6. The existing measure (g) is discontinued and replaced with (h) for clarity.
7. Estimated Outcome is impacted by below budget fares revenue and a recorded reduction in patronage as a result of the lack of reliable data from the failing ticketing system combined with increased operational costs.
8. This is a new indicator. The measure is calculated using GPS data from the MyWay Ticketing system.

ACTION
Operating Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
Income							
Revenue							
26,630	User Charges - Non ACT Government	22,249	28,005	26	29,231	31,155	31,161
77,329	User Charges - ACT Government	74,688	80,909	8	80,240	77,454	78,897
103,959	Total Revenue	96,937	108,914	12	109,471	108,609	110,058
Gains							
0	Total Gains	0	0	-	0	0	0
103,959	Total Income	96,937	108,914	12	109,471	108,609	110,058
Expenses							
61,581	Employee Expenses	66,585	67,050	1	66,770	65,386	66,252
7,806	Superannuation Expenses	7,665	8,273	8	8,423	8,227	8,341
31,466	Supplies and Services	29,247	31,050	6	30,920	31,698	32,166
9,778	Depreciation and Amortisation	9,778	10,706	9	12,310	13,680	13,746
744	Borrowing Costs	744	744	-	744	744	744
437	Other Expenses	437	439	..	437	439	440
111,812	Total Ordinary Expenses	114,456	118,262	3	119,604	120,174	121,689
-7,853	Operating Result	-17,519	-9,348	-47	-10,133	-11,565	-11,631
-7,853	Total Comprehensive Income	-17,519	-9,348	-47	-10,133	-11,565	-11,631

ACTION
Balance Sheet

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Current Assets							
2,024	Cash and Cash Equivalents	512	555	8	607	570	585
3,013	Receivables	3,477	3,559	2	3,641	3,721	3,801
2,806	Inventories	3,471	3,592	3	3,711	3,818	4,214
122	Other	133	136	2	139	142	145
7,965	Total Current Assets	7,593	7,842	3	8,098	8,251	8,745
Non Current Assets							
141,435	Property, Plant and Equipment	131,638	158,114	20	163,853	152,585	139,451
0	Capital Works in Progress	8,849	8,849	-	8,849	8,849	8,849
141,435	Total Non Current Assets	140,487	166,963	19	172,702	161,434	148,300
149,400	TOTAL ASSETS	148,080	174,805	18	180,800	169,685	157,045
Current Liabilities							
3,828	Payables	15,126	14,154	-6	12,368	10,555	8,794
598	Interest Bearing Liabilities	600	612	2	631	341	341
220	Finance Leases	140	140	-	140	140	140
17,764	Employee Benefits	17,465	17,499	-	17,540	17,585	17,630
0	Other Provisions	3	3	-	3	3	3
2,356	Other	1,154	1,204	4	1,254	1,304	1,354
24,766	Total Current Liabilities	34,488	33,612	-3	31,936	29,928	28,262
Non Current Liabilities							
4,356	Interest Bearing Liabilities	4,315	3,698	-14	3,067	2,727	2,386
99	Finance Leases	168	168	-	168	168	168
1,734	Employee Benefits	1,496	1,539	3	1,584	1,629	1,674
6,189	Total Non Current Liabilities	5,979	5,405	-10	4,819	4,524	4,228
30,955	TOTAL LIABILITIES	40,467	39,017	-4	36,755	34,452	32,490
118,445	NET ASSETS	107,613	135,788	26	144,045	135,233	124,555
REPRESENTED BY FUNDS							
EMPLOYED							
76,395	Accumulated Funds	65,563	93,738	43	101,995	93,183	82,505
42,050	Reserves	42,050	42,050	-	42,050	42,050	42,050
118,445	TOTAL FUNDS EMPLOYED	107,613	135,788	26	144,045	135,233	124,555

ACTION
Cash Flow Statement

2010-11 Budget \$'000		2010-11 Est.Outcome \$'000	2011-12 Budget \$'000	Var %	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
103,959	User Charges	101,318	108,914	7	109,471	108,609	110,058
4,165	Other Revenue	4,165	4,165	-	4,165	4,165	4,165
108,124	Operating Receipts	105,483	113,079	7	113,636	112,774	114,223
Payments							
60,976	Related to Employees	63,522	66,623	5	66,343	64,959	65,825
7,806	Related to Superannuation	7,665	8,273	8	8,423	8,227	8,341
31,856	Related to Supplies and Services	28,563	32,499	14	33,199	33,986	34,691
744	Borrowing Costs	744	744	-	744	744	744
4,263	Other	4,263	4,265	-	4,263	4,265	4,266
105,645	Operating Payments	104,757	112,404	7	112,972	112,181	113,867
2,479	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	726	675	-7	664	593	356
CASH FLOWS FROM INVESTING ACTIVITIES							
Payments							
25,920	Purchase of Property, Plant and Equipment and Capital Works	23,942	37,523	57	18,390	2,753	953
25,920	Investing Payments	23,942	37,523	57	18,390	2,753	953
-25,920	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-23,942	-37,523	57	-18,390	-2,753	-953
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
25,920	Capital Injection from Government	23,942	37,523	57	18,390	2,753	953
25,920	Financing Receipts	23,942	37,523	57	18,390	2,753	953
Payments							
562	Repayment of Borrowings	562	632	12	612	630	341
562	Financing Payments	562	632	12	612	630	341
25,358	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	23,380	36,891	58	17,778	2,123	612
1,917	NET INCREASE/ (DECREASE) IN CASH HELD	164	43	-74	52	-37	15
107	CASH AT BEGINNING OF REPORTING PERIOD	348	512	47	555	607	570
2,024	CASH AT THE END OF THE REPORTING PERIOD	512	555	8	607	570	585

ACTION Statement of Changes in Equity

Budget as at 30/6/11 \$'000		Est.Outcome as at 30/6/11 \$'000	Planned as at 30/6/12 \$'000	Var %	Planned as at 30/6/13 \$'000	Planned as at 30/6/14 \$'000	Planned as at 30/6/15 \$'000
Opening Equity							
58,328	Opening Accumulated Funds	59,140	65,563	11	93,738	101,995	93,183
42,050	Opening Asset Revaluation Reserve	42,050	42,050	0	42,050	42,050	42,050
100,378	Balance at the Start of the Reporting Period	101,190	107,613	6	135,788	144,045	135,233
Comprehensive Income							
-7,853	Operating Result for the Period	-17,519	-9,348	-47	-10,133	-11,565	-11,631
-7,853	Total Comprehensive Income	-17,519	-9,348	-47	-10,133	-11,565	-11,631
0	Total Movement In Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
25,920	Capital Injections	23,942	37,523	57	18,390	2,753	953
25,920	Total Transactions Involving Owners Affecting Accumulated Funds	23,942	37,523	57	18,390	2,753	953
Closing Equity							
76,395	Closing Accumulated Funds	65,563	93,738	43	101,995	93,183	82,505
42,050	Closing Asset Revaluation Reserve	42,050	42,050	0	42,050	42,050	42,050
118,445	Balance at the End of the Reporting Period	107,613	135,788	26	144,045	135,233	124,555

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$4.381 million in the 2010-11 estimated outcome from the original budget is due to a decrease in fare revenue due to failing ticketing equipment; and
 - the increase of \$5.756 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to an expected increase in fare revenue as a result of the new ticketing system capturing increased patronage associated with new transport initiatives.

- user charges — ACT Government:
 - the decrease of \$2.641 million in the 2010-11 estimated outcome from the original budget is due to a reduction in government payments for services transferred to TAMS to establish the new Transport Planning function, partly offset by funding provided for increased insurance premiums; and
 - the increase of \$6.221 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to increased funding for additional services associated with new transport initiatives and increased base funding for increased service costs and insurance premiums.
- employee expenses:
 - the increase of \$5.004 million in the 2010-11 estimated outcome from the original budget is due to increased employee costs to deliver network enhancements and the increased workers compensation premium. This is partly offset by a decrease in employee expenses transferred to establish the new Transport Planning function; and
 - the increase of \$0.465 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to additional services associated with new transport initiatives and recognition of the additional employee costs of network services.
- supplies and services:
 - the decrease of \$2.219 million in the 2010-11 estimated outcome from the original budget is due to expenses transferred to establish the Transport Planning function and savings relating to fuel expenses as a result of a lower average fuel price than budget, partly offset by increased insurance premium; and
 - the increase of \$1.803 million in the 2011-12 Budget from the 2010-11 estimated outcome is due primarily to additional cost of services associated with the new transport initiatives.
- depreciation and amortisation: the increase of \$0.928 million in the 2011-12 Budget from the 2010-11 estimated outcome reflects the increased asset base as a result of major capital works including ongoing bus purchases and the full year effect of depreciation for the new ticketing system.

Balance Sheet

- cash and cash equivalents: the decrease of \$1.512 million in the 2010-11 estimated outcome from the original budget is due to increased employee costs to deliver network enhancements and the increased workers compensation premium.
- receivables: the increase of \$0.464 million in the 2010-11 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 \$0.665 million in the 2010-11 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 decrease of \$9.797 million in the 2010-11 estimated outcome from the original budget is largely due to delays in the completion of major projects resulting in increased capital works in progress; and

- the increase of \$26.476 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the anticipated completion of several major projects.
- capital works in progress: the increase of \$8.849 million in the estimated outcome from the original budget is due to delays in the completion of major projects.
- payables:
 - the increase of \$11.298 million in the 2010-11 estimated outcome from the original budget is due to an increase in the cost of services. This has been attributable to increases in comcare and general insurance premiums, special needs transport and rural schools contracts as well as increases in the cost of spare parts. It is also attributable to enterprise bargaining negotiation costs and payment of a portion of the outstanding liability relating to a pre-ACTIA insurance claim; and
 - the decrease of \$0.972 million in the 2011-12 Budget from the 2010-11 estimated outcome is due to the completion of the MyWay Ticketing project and final payments of associated capital invoices.
- other current liabilities: the decrease of \$1.202 million in the 2010-11 estimated outcome from the original budget is a result of a reduction in the liability associated with prepaid bus tickets which was unusually high due to higher ticket sales volumes prior to fare increases.

Cash Flow Statement

Variances in the statement are explained in the notes above.

Statement of Changes in Equity

Variances in the statement are explained in the notes above.