

ACTION

Purpose

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

2013-14 Priorities

Strategic and operational priorities to be pursued in 2013-14 include:

- working to implement the Government's sustainable transport policy by continuously reviewing and refining ACTION's bus network and infrastructure, and in doing so, better meeting customers' travel needs;
- continuing to replace ACTION buses in order to improve customer comfort and meet disability accessibility targets;
- extending the eligibility for free bus travel to more older Canberrans by lowering the qualifying age for the Seniors Gold Card from 75 to 70 years;
- continuing the free Centenary Loop bus service between Civic and the Parliamentary Triangle through to December 2013;
- trialling of fare discounts in 2013-14, such as extended off-peak periods;
- implementing the NXTBUS real time passenger information system to provide live information about arrival times of ACTION services via mobile devices and the internet, passenger information displays and on-board audio and visual displays; and
- continuing to work towards identifying requirements for future bus depots and integration of these into the bus network, including the upgrade of Woden bus depot, to facilitate efficiencies in network operations.

Business and Corporate Strategies

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

ACTION will continue to review its operations and structures to ensure these facilitate the provision of an efficient and effective public transport service, in line with the Government's *Transport for Canberra* policy.

ACTION will continue to monitor and develop its bus network over time to ensure it offers value for money, meets stakeholder needs and encourages residents and visitors to use ACTION services as a preferred means of transport around Canberra. ACTION will listen to its passengers, and be responsive to Government, to ensure its services are aligned, where possible, to service demand and are consistent with the objectives outlined in *Transport for Canberra*.

ACTION remains committed to ensuring its bus service is accessible to all and will continue to replace its legacy fleet buses with accessible buses, consistent with the requirements of the *Disability Discrimination Act 1992* (DDA). ACTION anticipates that two-thirds of its in-service bus fleet will comply with DDA requirements by June 2014, increasing to 80 per cent compliance by December 2017.

Estimated Employment Level

2011-12 Actual Outcome		2012-13 Budget	2012-13 Est. Outcome	2013-14 Budget
784	Staffing (FTE)	805	837 ¹	837

Note:

- The increase of 32 FTE in the 2012-13 estimated outcome from the 2012-13 Budget is predominantly due to additional bus drivers, funded by Government, to facilitate expanded bus services as part of Network 12 and implement the new Centenary Loop service, funded staff transfers between TAMS and ACTION and filling of vacant establishment positions for workshop staff.

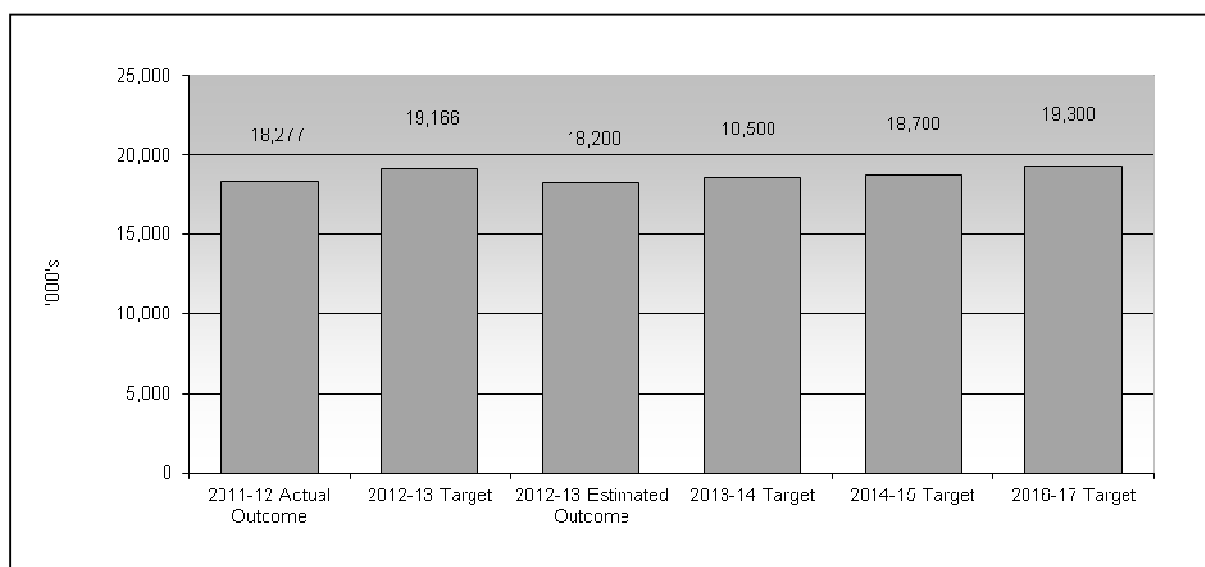
Strategic Objectives and Indicators

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. Passenger boardings are recorded when a passenger boards a bus and swipes their MyWay card on the MyWay console, purchases a paper ticket on board the bus or when the driver records the boarding through the MyWay console upon the passenger showing a valid paper ticket to transfer between buses.

Output Class

	Total Cost ¹		Government Payment for Outputs ²	
	2012-13	2013-14	2012-13	2013-14
	Est. Outcome \$'000	Budget \$'000	Est. Outcome \$'000	Budget \$'000
Output Class 1:				
Public Transport	128,092	133,696	81,123	91,230
Output 1.1: Public Transport	128,092	133,696	81,123	91,230

Notes:

1. Total cost includes depreciation of \$8.705 million in 2012-13 and \$10.483 million in 2013-14.
2. 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

	2012-13 Targets	2012-13 Est. Outcome	2013-14 Targets
Output Class 1: Public Transport			
Output 1.1: Public Transport			
a. Customer satisfaction with ACTION services as assessed by passenger survey ¹	85%	85%	85%
b. Percentage of in service fleet fully compliant with standards under the <i>Disability Discrimination Act 1992</i> ²	63%	59%	66%
c. Percentage of in service fleet Euro 3 or better Emission Standard compliant ³	54%	50%	57%
d. Total cost per vehicle kilometre ⁴	\$4.48	\$4.52	n/a
e. Total cost per passenger boarding ⁵	\$6.43	\$7.04	n/a
f. Fare box recovery as a percentage of total cost ⁶	18%	16%	n/a
g. Percentage of services operating on scheduled time ⁷	85%	70%	75%
h. Service reliability – percentage of all scheduled services which operated to completion ⁸	99.5%	99.5%	99.5%
i. Total network operating cost per network kilometre ⁹	n/a	n/a	\$4.65
j. Total network operating cost per passenger boarding ¹⁰	n/a	n/a	\$7.04
k. Fare box recovery as a percentage of total network operating costs	n/a	n/a	16%
l. ACTION passenger boardings ¹¹	n/a	n/a	18.5 million

Notes:

- Customer satisfaction is measured from responses to an annual survey undertaken by an external provider on behalf of TAMS. The survey seeks customer views on service levels across a range of services provided to the community by TAMS.
- The *Disability Discrimination Act 1992* (DDA) details the accessibility specifications of a bus required to achieve compliance. The Act requires full fleet compliance by 2022 and the Government has endorsed a fleet replacement program to achieve this target. ACTION met the December 2012 compliance target of 55 per cent of its in service bus fleet. Due to delays in the receipt of new buses ACTION does not expect to meet the June 2013 target (this is not a statutory target under the DDA).
- Euro emission standards define the acceptable limits for exhaust emissions of vehicles. As a result of delays in the receipt of new buses ACTION does not expect to meet the June 2013 target.
- Existing indicator discontinued and replaced with (i).
- Existing indicator discontinued and replaced with (j).
- Existing indicator discontinued and replaced with (k).
- Operating on Scheduled Time describes a bus service that departs a stop that is a designated timing point between 1 minute earlier and 4 minutes later than the scheduled time. At the last stop for the route service the bus service is deemed to be on time if the vehicle arrives within 4 minutes of the scheduled arrival time. This information is measured utilising GPS technology attached to the MyWay system. Bus running times are set at the time of designing a bus network. Running times for the current network were calculated using historical data from previous bus networks, which has been modified to allow for changes in traffic conditions over time. The indicator has been adjusted to more accurately reflect this. The bus running times for the next bus network will be determined using the more accurate GPS data and it is expected will result in a significant improvement in this indicator.
- Service reliability is a measure of the percentage of all scheduled route services which operated to completion.
- Network operating costs and kilometres measure the cost and kilometres directly related to the operation of Network 12 route and school services. It excludes cost and kilometres associated with other activities including provision of special needs transport and charter services.
- Total network costs include all costs directly attributable to the operation of Network 12.
- Passenger boardings are recorded when a passenger boards a bus and swipes their MyWay card on the MyWay console, purchases a paper ticket on board the bus or when the driver records the boarding through the MyWay console upon the passenger showing a valid paper ticket to transfer between buses.

ACTION Operating Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
Income							
Revenue							
23,245	User Charges — Non ACT Government	21,245	21,777	3	23,036	27,184	27,184
91,173	User Charges — ACT Government	90,199	100,548	11	95,730	86,803	88,099
888	Other Revenue	888	888	-	806	767	767
115,306	Total Revenue	112,332	123,213	10	119,572	114,754	116,050
115,306	Total Income	112,332	123,213	10	119,572	114,754	116,050
Expenses							
73,161	Employee Expenses	78,744	80,243	2	76,621	72,837	73,526
8,034	Superannuation Expenses	7,568	7,464	-1	7,350	7,336	7,360
31,686	Supplies and Services	32,470	34,949	8	35,097	34,115	34,699
9,765	Depreciation and Amortisation	8,705	10,483	20	10,595	10,503	10,686
509	Borrowing Costs	509	459	-10	406	364	364
96	Other Expenses	96	98	2	99	101	101
123,251	Total Ordinary Expenses	128,092	133,696	4	130,168	125,256	126,736
-7,945	Operating Result	-15,760	-10,483	33	-10,596	-10,502	-10,686
-7,945	Total Comprehensive Income	-15,760	-10,483	33	-10,596	-10,502	-10,686

ACTION Balance Sheet

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Current Assets							
636	Cash and Cash Equivalents	180	180	-	631	547	1,042
1,528	Receivables	2,304	2,384	3	2,464	2,544	2,624
3,587	Inventories	3,374	3,481	3	3,877	4,273	4,669
166	Other Current Assets	2,342	45	-98	48	51	54
5,917	Total Current Assets	8,200	6,090	-26	7,020	7,415	8,389
Non Current Assets							
169,166	Property, Plant and Equipment	154,844	164,249	6	163,228	162,300	161,189
3,125	Capital Works in Progress	9,751	6,626	-32	6,626	6,626	7,131
172,291	Total Non Current Assets	164,595	170,875	4	169,854	168,926	168,320
178,208	TOTAL ASSETS	172,795	176,965	2	176,874	176,341	176,709
Current Liabilities							
12,263	Payables	12,556	10,967	-13	13,120	14,165	16,117
632	Interest-Bearing Liabilities	632	341	-46	341	341	341
146	Finance Leases	124	127	2	131	134	137
18,406	Employee Benefits	17,695	17,700	..	16,710	16,292	15,547
1,603	Other Liabilities	2,313	2,363	2	2,413	2,463	2,513
33,050	Total Current Liabilities	33,320	31,498	-5	32,715	33,395	34,655
Non Current Liabilities							
3,067	Interest-Bearing Liabilities	3,067	2,727	-11	2,386	2,045	1,704
253	Finance Leases	244	250	2	257	264	271
1,024	Employee Benefits	1,330	1,376	3	1,423	1,471	1,519
4,344	Total Non Current Liabilities	4,641	4,353	-6	4,066	3,780	3,494
37,394	TOTAL LIABILITIES	37,961	35,851	-6	36,781	37,175	38,149
140,814	NET ASSETS	134,834	141,114	5	140,093	139,166	138,560
REPRESENTED BY FUNDS EMPLOYED							
97,975	Accumulated Funds	91,111	97,391	7	96,370	95,443	94,837
42,839	Reserves	43,723	43,723	-	43,723	43,723	43,723
140,814	TOTAL FUNDS EMPLOYED	134,834	141,114	5	140,093	139,166	138,560

ACTION
Statement of Changes in Equity

Budget as at 30/6/13 \$'000		Est. Outcome as at 30/6/13 \$'000	Budget as at 30/6/14 \$'000	Var %	Estimate as at 30/6/15 \$'000	Estimate as at 30/6/16 \$'000	Estimate as at 30/6/17 \$'000
Opening Equity							
75,278	Opening Accumulated Funds	85,341	91,111	7	97,391	96,370	95,443
42,839	Opening Asset Revaluation Reserve	43,723	43,723	-	43,723	43,723	43,723
118,117	Balance at the Start of the Reporting Period	129,064	134,834	4	141,114	140,093	139,166
Comprehensive Income							
-7,945	Operating Result for the Period	-15,760	-10,483	33	-10,596	-10,502	-10,686
-7,945	Total Comprehensive Income	-15,760	-10,483	33	-10,596	-10,502	-10,686
0	Total Movement in Reserves	0	0	-	0	0	0
Transactions Involving Owners Affecting Accumulated Funds							
30,642	Capital Injections	21,530	16,763	-22	9,575	9,575	10,080
30,642	Total Transactions Involving Owners Affecting Accumulated Funds	21,530	16,763	-22	9,575	9,575	10,080
Closing Equity							
97,975	Closing Accumulated Funds	91,111	97,391	7	96,370	95,443	94,837
42,839	Closing Asset Revaluation Reserve	43,723	43,723	-	43,723	43,723	43,723
140,814	Balance at the End of the Reporting Period	134,834	141,114	5	140,093	139,166	138,560

ACTION Cash Flow Statement

2012-13 Budget \$'000		2012-13 Est. Outcome \$'000	2013-14 Budget \$'000	Var %	2014-15 Estimate \$'000	2015-16 Estimate \$'000	2016-17 Estimate \$'000
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts							
114,418	User Charges	112,044	122,325	9	118,766	113,987	115,283
5,053	Other Receipts	5,053	5,053	-	4,971	4,932	4,932
119,471	Operating Receipts	117,097	127,378	9	123,737	118,919	120,215
Payments							
72,712	Related to Employees	76,915	81,922	7	79,728	76,834	78,783
8,035	Related to Superannuation	7,569	7,464	-1	7,349	7,339	7,363
33,010	Related to Supplies and Services	28,643	32,637	14	31,196	29,857	28,601
509	Borrowing Costs	509	459	-10	406	364	364
4,263	Other	4,263	4,265	..	4,266	4,268	4,268
118,529	Operating Payments	117,899	126,747	8	122,945	118,662	119,379
942	NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	-802	631	179	792	257	836
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
0	Proceeds from Sale of Property, Plant and Equipment	10	0	-100	0	0	0
0	Investing Receipts	10	0	-100	0	0	0
Payments							
30,642	Purchase of Property, Plant and Equipment and Capital Works	21,530	16,763	-22	9,575	9,575	10,080
30,642	Investing Payments	21,530	16,763	-22	9,575	9,575	10,080
-30,642	NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	-21,520	-16,763	22	-9,575	-9,575	-10,080
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
30,642	Capital Injections from Government	21,530	16,763	-22	9,575	9,575	10,080
30,642	Financing Receipts	21,530	16,763	-22	9,575	9,575	10,080
Payments							
616	Repayment of Borrowings	616	631	2	341	341	341
616	Financing Payments	616	631	2	341	341	341
30,026	NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	20,914	16,132	-23	9,234	9,234	9,739
326	NET INCREASE/(DECREASE) IN CASH HELD	-1,408	0	100	451	-84	495
310	CASH AT THE BEGINNING OF REPORTING PERIOD	1,588	180	-89	180	631	547
636	CASH AT THE END OF REPORTING PERIOD	180	180	-	631	547	1,042

Notes to the Budget Statements

Significant variations are as follows:

Operating Statement

- user charges — non ACT Government:
 - the decrease of \$2 million in the 2012-13 estimated outcome from the original budget is due to a reduction in estimated fare revenues, as a result of lower than anticipated patronage; and
 - the increase of \$0.532 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects an expected increase in patronage, partially offset by new initiatives to reduce the qualifying age for seniors from 75 to 70 years of age (\$0.150 million) and provision of fare reductions in 2013-14 (\$0.275 million).
- user charges — ACT Government:
 - the decrease of \$0.974 million in the 2012-13 estimated outcome from the original budget reflects a reduction in reimbursements for concession fare travel resulting from reduced patronage in this sector, partially offset by additional funding provided for the Centenary Loop bus service (\$0.340 million) and an increase in the transfer of funds from TAMS; and
 - the increase of \$10.349 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to new initiatives (\$0.835 million), and an increase in funding to meet the costs of providing ACTION bus services.
- employee expenses:
 - the increase of \$5.583 million in the 2012-13 estimated outcome from the original budget is due to the increased cost of ACTION's workers' compensation premium (\$2.513 million), increased costs of service delivery (\$3.1 million), transfer of staff from TAMS and new initiatives, offset by adjustments to the value of employee long service leave entitlements (\$0.202 million); and
 - the increase of \$1.499 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects staff transferred from TAMS and costs of providing additional training for bus drivers.
- superannuation expenses: the decrease of \$0.466 million in the 2012-13 estimated outcome from the original budget is primarily due to a realignment of ACTION's employees' superannuation scheme contributions.
- supplies and services: the increase of \$2.479 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects the provision of additional training for bus drivers and increased costs of insurance and service delivery.

- depreciation and amortisation:
 - the decrease of \$1.060 million in the 2012-13 estimated outcome from original budget reflects savings in the 2008-09 Fleet Replacement Program and expected timing differences for the delivery of capital projects; and
 - the increase of \$1.778 million in the 2013-14 Budget from the 2012-13 estimated outcome reflects timing differences for the delivery of capital projects.

Balance Sheet

- cash and cash equivalents: the decrease of \$0.456 million in the 2012-13 estimated outcome from original budget reflects changes in the expected timing of payments for supplier and employee expenses.
- receivables: the increase of \$0.776 million in the 2012-13 estimated outcome from original budget reflects changes in the expected timing of receipts from charter and other bus services.
- other current assets:
 - the increase of \$2.176 million in the 2012-13 estimated outcome from original budget is due to an estimated increase in prepaid employee expenses; and
 - the decrease of \$2.297 million in the 2013-14 Budget from the 2012-13 estimated outcome relates to the recognition of prepaid expenses in the 2013-14 financial year.
- property, plant and equipment:
 - the decrease of \$14.322 million in the 2012-13 estimated outcome from original budget is due to savings from the 2008-09 Fleet Replacement Program (\$6.8 million) and delays in the completion of capital projects, including the replacement of legacy fleet articulated buses; and
 - the increase of \$9.405 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to the completion of several major projects including the replacement of the legacy fleet articulated buses, upgrade of fuel facilities, and the replacement of rigid buses.
- capital works in progress:
 - the increase of \$6.626 million in the 2012-13 estimated outcome from original budget is due to delays in the completion of capital works projects, including the bus fleet replacement program; and
 - the decrease of \$3.125 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to the expected completion of major capital works, including the fuel facility upgrade and the progressive capitalisation of new buses.
- payables: the decrease of \$1.589 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to a revision of the estimated payables as at 30 June 2013.

- current and non current employee benefits: the decrease of \$0.405 million in the 2012-13 estimated outcome from original budget is due to revaluation of the present value of long service leave liabilities (\$0.202 million) and the flow-on impact of the 2011-12 audited financial outcome.
- other liabilities: the increase of \$0.710 million in the 2012-13 estimated outcome from original budget is due to an increase in revenue received in advance arising from prepaid travel balances held on MyWay cards.
- non current interest bearing liabilities: the decrease of \$0.340 million in the 2013-14 Budget from the 2012-13 estimated outcome is due to the 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.

