

Annual Report 2025-26

Metro

Nature of business

Provision of passenger transport services

Issued capital

Two shares of $1.00 each

Registered office

212 – 220 Main Road
Moonah, TAS 7009

ABN

30 081 467 281

Directors

Anthony Braxton-Smith (Chair)
Dianne Underwood (Deputy Chair)
Jane Sargison
Ian Vanderbeek
Tim Booker

Shareholders

Minister for Infrastructure and Transport
Kerry Vincent MLC

Treasurer
Eric Abetz MP

Bankers

Commonwealth Bank of Australia
1 Franklin Wharf, Hobart, TAS 7000

Auditor

Auditor-General
Tasmanian Audit Office
Level 2/144 Macquarie Street, Hobart, TAS 7000

Executive Managers

Katie Cooper
Chief Executive Officer
(1 July 2025 - 4 July 2025)

Laurie Hansen
Acting Chief Executive Officer
(1 July 2025 - 18 January 2026)
General Manager Business Improvement
(19 January 2026 - 23 January 2026)

Jessica Paton
Chief Executive Officer
(5 January 2026 - 30 June 2026)

Darren Turner
Chief Operating Officer
(1 July 2025 – 30 June 2026)

Jacqueline Allen
General Manager People and Safety
(1 July 2025 – 30 June 2026)

Jesse Penfold
General Manager Financial Services
(1 July 2025 - 15 May 2026)

Mathew Driessen
Acting General Manager Financial Services
(18 May 2026 - 30 June 2026)

Chris Breen
General Manager Commercial and Projects
(1 July 2025 - 10 October 2025)

Kellie Dean
General Manager Corporate Services and Company Secretary (1 July 2025 - 19 June 2026)

Damian Shirley
General Manager Business Transformation
(15 September 2025 - 19 June 2026)

Darren Harris
Acting Executive General Manager Fleet and Asset Management
(30 April 2026 - 30 June 2026)

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Company Overview



Metro Tasmania (Metro) provides essential public transport services to our communities in Hobart, Launceston and Burnie.

As the state's largest Tasmanian owned passenger transport service operator, Metro delivers almost nine million passenger journeys and over nine million service-kilometres a year. It operates with a fleet of 235 buses, driven and supported by 550 employees.

Metro is a state owned company operating in compliance with Australian corporations law, a range of Tasmanian legislative instruments and government policies. An independent Board of five directors provides Metro with strategic direction and governance. Our Shareholder Ministers, representing the people of Tasmania, are the Minister for Infrastructure and Transport and the Treasurer. Metro assets, operations and services are managed under a contract administered by the Department of State Growth*.

We are committed to responsibly managing our business and financial affairs while delivering safe, reliable and efficient public transport services that support the Tasmanian communities we serve. We do this by connecting people with places of employment and education, commercial centres, social and community services as well as cultural and sporting events. Our vision is to make the journey better for all Tasmanians.

* *The Department of State Growth commenced operating under the name Building Tasmania on 2 July 2026. References in this report to the Department of State Growth reflect the department's name during the 2025 - 2026 reporting period.*



Our Vision

To make the journey better for all Tasmanians

Our Mission

To deliver safe, reliable and efficient bus services

Our Values

Our values form the foundation of our corporate identity and influence every aspect of our daily operations. They are:

We keep people safe

We care for our customers

We're on board with better

Message from the Chair





Anthony Braxton-Smith
Chair



On behalf of the Board, I am pleased to present the Metro Tasmania Annual Report for 2025–26. This has been a year of meaningful progress in a complex operating environment. Metro has advanced a significant program of transformation to modernise our services and strengthen the foundations for future public transport service delivery in Hobart, Burnie and Launceston. At the same time, we have navigated workforce constraints and responded to government priorities on savings and cost of living measures while improving service and customer satisfaction.

"I am a wheelchair user, and the driver welcomed me warmly, demonstrated patience and understanding, and ensured a pleasant journey without any bumps or sharp turns."

Performance and service delivery

Throughout the year, our focus remained clear: delivering safe, reliable and customer-focused public transport for Tasmanian communities.

Metro recorded improvements in the related key performance indicators, including on-time performance, patronage growth and customer experience measures. These results reflect the sustained commitment of our people to delivering our services and growing customer confidence in the network. We remain focused on building on this momentum and continuing to improve outcomes for our customers and communities.

Supporting our people and improving safety

Our people are central to Metro's success and to the safe, reliable delivery of services for our communities. We place significant value on attracting, developing and retaining capable employees who are committed to public transport and customer service. Over the past year, Metro continued to invest in recruitment, training and retention initiatives to strengthen the pipeline of bus operators and support staff. Improved workforce stability in the past 12 months has enabled more reliable services and a better service experience for customers.

The safety and wellbeing of our people remained a core priority throughout the year. Metro strengthened its response to anti-social behaviour across the network, with fewer incidents recorded relative to the number of people travelling. Key initiatives included completing installation of operator security screens on all buses, initiating an upgrade of the CCTV system, expanding training and support programs, and continuing to work closely with stakeholders to improve safety outcomes for staff and customers.

The effort is ongoing. Metro is committed to further strengthening the systems, environments and practices we use to support safer journeys for all.



Customer and community focus

In the past 12 months, we have made targeted improvements to our online customer information systems, including the real-time information service, to make it easier for people to plan and complete their journeys with confidence.

Metro also works with community organisations, event organisers, local government and State Government stakeholders to improve access, inclusion and connectivity for the communities we serve. In 2025–26, we put a particular focus on assisting customers to adapt to network changes arising from the Greater Hobart Network Review and helping new and existing passengers confidently navigate Metro services.

The Tasmanian Government's free travel initiative was also an important feature of the year, providing practical cost-of-living relief for Tasmanians and encouraging more people to use public transport. The response from customers was positive, with increased patronage demonstrating that when cost barriers are reduced, public transport becomes a more attractive and accessible choice for families, workers, students, seniors and the broader community.

Importantly, through this period our team has sustained service performance and improved on-time running while welcoming a significant uplift in demand from new and returning customers.

Modernising the network and operations

During 2025–26, Metro advanced key multi-year programs that are the foundations for modernising our operations, improving our customer experience, and creating a better public transport network.

We worked with the Department of State Growth to deliver the first phase of the Greater Hobart Network Review, transitioning in May 2026 to an improved timetable that more efficiently delivers more reliable services for customers. We continue to support the Department of State Growth as they plan further reforms to network connectivity and coverage to reflect how Tasmanians live and travel today.

A key enabler of further improvements in our performance is the implementation of new core operational systems, including a new human resource management (HRM) system and a new software platform to manage scheduling of services and rostering our people (HASTUS). The HRM system was delivered on budget and on time in late 2025 and is now fully deployed. HASTUS has progressed in accordance with planned milestones and is scheduled to go-live in the latter part of the 2026 calendar year.

"Everyone I dealt with was exceptionally professional and I thank them all very much."

Metro's zero-emission bus trials also continued to provide valuable insights into the future of our fleet. The battery electric and hydrogen electric bus trials are delivering important operational experience and data to inform decisions about fleet replacement, infrastructure and the pathway to reducing emissions. These trials have yielded valuable learnings and insights that will enable Tasmania to plan and manage an orderly and effective transition to sustainable public transport.



Financial sustainability and governance

Metro's challenging financial environment persists, with labour, maintenance and operations costs continuing to rise, while its revenue base remained constrained.

The Board has worked with the executive team to identify and implement measures to defray cost pressures where practical through reduced overhead expenditures, improved operational efficiency and a disciplined approach to making best use of available resources. We have focused on streamlining organisational structure and systematically reviewing expenditures to find savings wherever practical, while sustaining safe, reliable customer-focused services.

We remain focused on further improving our efficiency and delivering on savings targets. However, achieving long-term sustainability in Metro's financial performance requires the support of Shareholder Ministers and government to address structural issues with the way in which Metro generates its revenues. The Board is committed to working constructively with government to deliver on its fare-policy settings, while addressing the underpinning structural issues that drive revenue and financial performance and ultimately affect the long-term viability of public transport service delivery to Tasmanians.

Our Strategic Priorities



Delivering service reliability and customer satisfaction



Pursuing operational excellence



Achieving financial sustainability



Engaging and developing our people

Leadership and acknowledgements

During the year, we were pleased to welcome Jessica Paton as Chief Executive Officer. Ms Paton brings strong leadership experience and a clear focus on customer outcomes, operational performance and organisational culture. The Board looks forward to working closely with her as Metro continues its journey of improvement and transformation.

I would also like to recognise the outstanding contribution of Metro's employees across the state. Every day, our people bring professionalism, care and commitment to delivering services for Tasmanian communities. Their dedication, resilience and focus on customers are fundamental to Metro's success and our continued progress.

We also value the continued support and engagement of our customers. Their feedback, understanding and support help us strengthen our services and deliver better public transport outcomes for Tasmanian communities.

Finally, I would like to thank my Board colleagues, the Executive team and our Shareholder Ministers for their continued guidance and support.

The road ahead

Looking ahead, Metro will build on this momentum by strengthening service reliability, investing in our people, improving our customer experience and advancing the major initiatives that will shape the future of Tasmania's public transport network.

Our focus remains on assuring safety and helping our people deliver better services to our customers, operating more efficiently and with improved financial performance. With a clear focus on performance, continuous improvement and long-term value, Metro remains committed to connecting communities and making the journey better for all Tasmanians.

Anthony Braxton-Smith, Chair

2025–26 Financial Year Snapshot



Our Customers

8.93 million
Total passenger journeys across Tasmania

3.7 million
Journeys planned using Metro's website and app

295
Customer compliments received statewide

10.8%
Patronage growth (compared with 2024–25)

36%
Patronage growth since free fares (29 Mar 2026)

Our People



550

Employees



142

New bus operators trained



408

Driving assessments completed



150

Trainees completed de-escalation training

Safety



100%

Fleet fitted with operator security screens



100%

Fleet equipped with CCTV



18.8

Lost Time Injury Frequency Rate

Fleet & Infrastructure



235

Buses in service



94%

Fleet air-conditioned



100%

DDA-compliant fleet



7

Zero Emission Buses (4 Battery Electric + 3 Hydrogen Electric Buses in trial)

Our Customers and Community





295

compliments received statewide

Supporting our customers

Customer feedback helps us continuously improve our services and better respond to the needs of the communities we serve. Whether it highlights an area for improvement or recognises great service, feedback helps shape our decisions and strengthen our customer experience.

Metro's customer service teams provided support across journey planning, lost property, general enquiries and hotline assistance. As customer needs and preferred ways of accessing information evolve, Metro is adapting and improving its service model to provide support through a mix of channels and targeted in-person assistance. This includes community outreach, travel advice, school and youth engagement, accessibility support, and additional assistance at key times, such as the start of the school year. Strong community connections remain a priority. Metro will continue working with schools, councils, community organisations and other stakeholders to further enhance and deliver responsive support that helps customers—including students, older Tasmanians and people with disability—use public transport with confidence.

The professionalism and commitment of Metro's frontline employees continued to be reflected in customer feedback. During the year, Metro received 295 compliments from customers across the state, recognising the care, assistance and service provided by our people every day.

Metro in the community

Metro's role in Tasmania extends beyond the daily delivery of public transport services. As a publicly owned organisation, we are committed to supporting the communities we serve through meaningful partnerships, community engagement initiatives and support for local events and organisations.





Caption: Metro is proud to work with local organisations like SPEAK UP! Stay ChatTY and Foodbank Tasmania to support stronger, more connected communities.

"The driver was extremely friendly and professional throughout the journey. His driving was exceptionally smooth, and he handled the brakes very gently, making the ride comfortable and safe for everyone on board."

Throughout 2025–26, Metro worked alongside community groups, councils, schools, charities and event organisers to improve access, strengthen connections, and help people participate more fully in community life. Through supporting major events, promoting confident public transport use and contributing to a variety of local initiatives, Metro has remained focused on maintaining engagement with, and creating positive outcomes for, Tasmanian communities.

We are also proud to support the causes that matter to our employees through community programs and partnerships that reflect Metro's values and commitment to social responsibility. Together, these activities help strengthen relationships, build community connections, and reinforce Metro's contribution to the places where our people live and work.

Supporting local causes and charities

Through sponsorships, donations and in-kind support, Metro proudly supports organisations that promote wellbeing, inclusion, safety and community connection. During 2025–26, Metro partnered with a range of community organisations and events to help deliver positive outcomes for communities across the state, including:

- SPEAK UP! Stay ChatTY
- Cancer Council Tasmania
- Foodbank Tasmania
- Diwali Tasmania
- Seniors Week
- Generations Connect
- Tasmania Reads
- The Multicultural Council of Tasmania



Caption: Metro's Christmas Bus made its debut at the Myer City of Hobart Christmas Pageant before spreading festive cheer across Hobart, Launceston and Burnie throughout the holiday season.

Metro's Christmas Bus

In 2025, Metro launched its inaugural Christmas Bus, bringing festive cheer to communities across Hobart, Launceston and Burnie. Designed by Tasmanian illustrator Bec Adamczewski, the Christmas Bus celebrated joy, connection and the communities Metro serves every day. As a new community initiative, it provided a fun and visible way for Metro to connect with customers and families across the state.

To accompany the activity, Metro launched the *Colour My Christmas* colouring competition, inviting young Tasmanians to showcase their creativity and share in the festive spirit. Together, the Christmas Bus and colouring competition provided an engaging way for Metro to connect with families, encourage community participation and celebrate the holiday season across Tasmania.



Connecting communities at events

Metro also partnered with local organisations to deliver services for major public events, ensuring access, safety and reduced congestion for participants and attendees. These charter and shuttle services provide a practical alternative to private vehicle travel and support the vibrancy of Tasmania's event calendar.

- In November, Metro once again provided dedicated transport for the Point to Pinnacle half-marathon, assisting participants with safe return from the summit of kunanyi / Mt Wellington.
- On New Year's Eve, Metro delivered Nightrider services in Hobart, Launceston and Burnie in partnership with the Motor Accidents Insurance Board (MAIB), providing late-night travel options for customers and helping to reduce drink driving incidents.
- In January, Metro partnered with the Tasmanian Government to provide additional Nightrider services for the Foo Fighters concert at UTAS Stadium in Launceston. The extra late-night services supported safe and convenient travel for concertgoers, helping reduce traffic congestion and providing an alternative to private vehicle travel.





Digital customer experience

Digital channels continue to play an increasingly important role in how customers interact with Metro. Through the Metro Tas app and website, customers can access real-time service information, plan journeys, receive service updates, and manage their travel with greater convenience.

This year, Metro continued to build on the success of real-time passenger information, providing customers across our networks with improved visibility of network performance and more confidence in their journeys. These tools have become an integral part of the customer experience, helping passengers make informed travel decisions and reducing uncertainty around waiting and transfer times.

Metro's digital platforms were also critical in supporting major service and network changes throughout the year, ensuring customers had access to accurate, timely and accessible information when they needed it most. As customer expectations continue to evolve, Metro remains focused on improving its digital services and delivering simple, practical tools that make public transport easier to use for all Tasmanians.

3.7 million

total journeys planned across Metro website and Metro Tas app

Metro Tas App

103,173

total app users

▲2.1%

App had over

2 million

sessions and over

19 million

screen views

App monthly users peaked at

35,000

users in 30-day period to 31 March

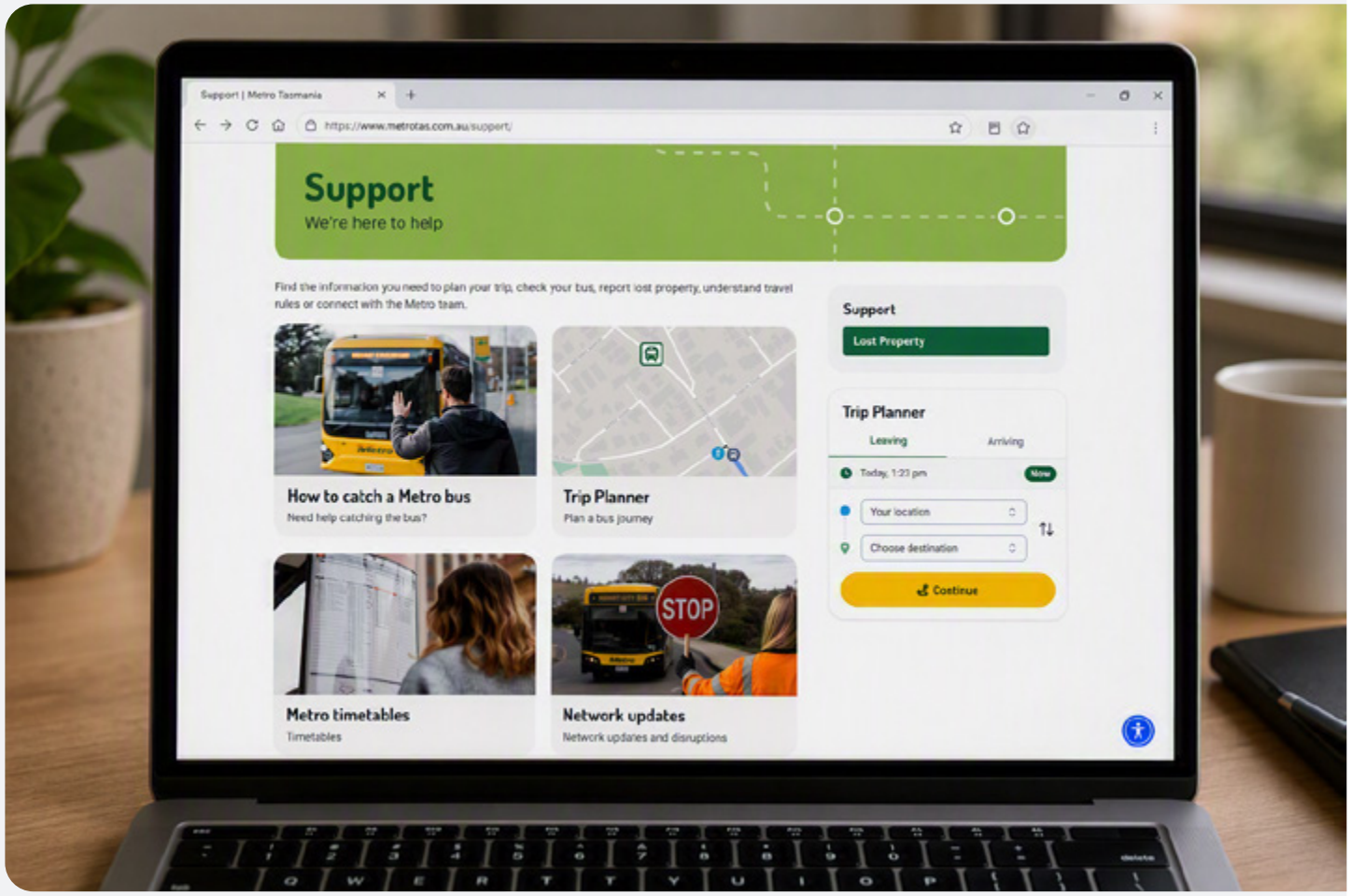
30% Android users

70% iOS users

App was installed

41,000

times



Caption: Metro's website, app and customer support tools help customers access the information they need to plan safe and confident journeys across our networks.

Metro Website

410,000
active website users across the year

2.7 million
page views

Monthly users peaked at
56,000
users in 30-day period to 25 April

Top content on web was **Trip planner** and **Timetables**

Our People



Caption: Developed in consultation with bus operators and Health and Safety Representatives, Metro's operator security screens are now installed across our fleet, helping support a safer working environment.

100%
of fleet fitted with operator security screens

100%
of fleet equipped with CCTV (with upgraded systems to come in 2026)

150
trainees completed de-escalation mindset training

22
leaders attended Crisis and Emergency Management refresher training

Our commitment to safety

The safety and wellbeing of our people remain Metro's highest priority. During 2025–26, Metro continued to invest in initiatives that strengthen the safety and security of employees and customers, while supporting a safer and more respectful public transport environment across the network.

Metro completed the installation of bus operator security screens across its fleet during the year, representing a significant investment in frontline employee safety. The design was developed in consultation with bus operators, health and safety representatives and industry stakeholders to ensure the screens provide enhanced protection without compromising visibility, comfort, or operational effectiveness.

Metro also advanced a major upgrade of its onboard CCTV systems, strengthening incident response and supporting closer collaboration with Tasmania Police and other partners. These improvements form part of a broader program of work to strengthen safety, security and customer confidence across the network.

In addition to physical security improvements, Metro continued to invest in training, wellbeing and safety initiatives to support employees in managing challenging situations and maintaining a safe workplace. Together, these measures reflect Metro's ongoing commitment to creating a safer environment for employees and customers and ensuring our people are supported to deliver safe and reliable public transport services every day.



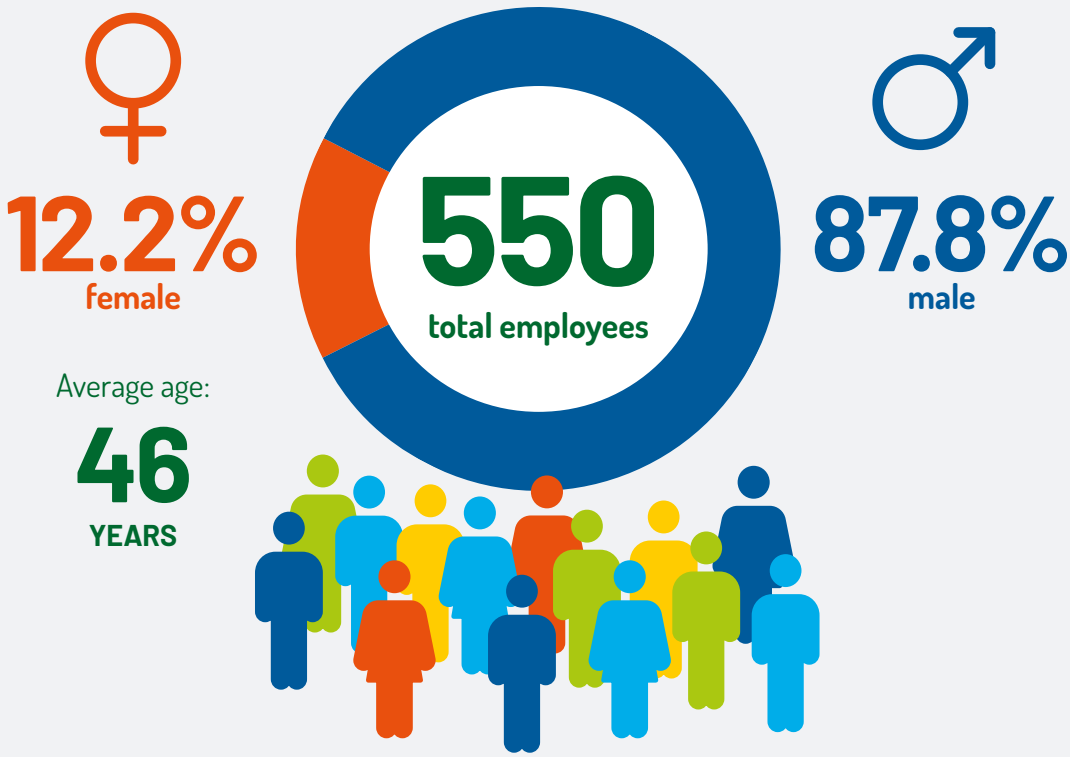


Caption: Metro continued to strengthen its workforce through targeted recruitment campaigns and community engagement activities.

Recruitment

Metro continued to invest in attracting and retaining bus operators during 2025–26 in what remains a highly competitive labour market across the public transport sector. Through partnerships with industry bodies, employment services and community organisations and through targeted recruitment initiatives, Metro strengthened awareness of public transport careers and expanded pathways into the profession. These efforts contributed to improved workforce stability during the year, supporting service reliability and creating a stronger foundation for future workforce growth.

Employee Statistics



Learning and development

Developing skilled and capable employees is essential to delivering safe, reliable and customer-focused public transport services. Metro has continued to invest in training and development programs that support employees at every stage of their career, helping build the knowledge, skills and confidence required to deliver safe and reliable services for Tasmanians.



New bus operators completed training

114	23	5
Hobart	Launceston	Burnie

408

driving assessments conducted

30

employees have completed Certificate IV in Leadership and Management (since commencement of the program in 2022)

400

eLearning modules were completed (since the implementation of Metro's Learning Management System)

Building capability across the organisation

Professional development achievements in 2025–26 included:



One Driver Trainer completed a TLI41222 Certificate IV in Heavy Motor Vehicle Driver Training.

One employee completed a Certificate IV in Project Management Practice.

150 new trainees completed de-escalation mindset training.

32 Buddy Drivers participated in Buddy Driver Workshops.

16 employees completed first aid training.

22 leaders attended Crisis and Emergency Management refresher training.





Caption: Metro's Celebrating You events provide regular opportunities to recognise and celebrate the achievements, contributions and milestones of our team across the state.

Celebrating people and milestones

Metro's people are at the heart of the organisation, delivering safe, reliable and customer-focused public transport for communities across Tasmania.

Recognising and celebrating employees is an important part of Metro's culture. Throughout 2025–26, employees who demonstrated the organisation's values of *We Keep People Safe*, *We Care For Our Customers* and *We're On Board With Better* were acknowledged through quarterly and annual employee recognition awards.

New bus operator trainees were also recognised through our *Celebrating You* graduation events, celebrating their successful completion of training and the commencement of their careers with Metro.

Metro also recognised employees who achieved significant service milestones, including:

Chris Stanwix (40 years)
Barry Collins (30 years)
Nigel Badkin (30 years)
Michelle Goss (25 years)
Helena Jacobs (25 years)
Leone Burston (20 years)
Robyn Dyke (20 years)
John Hall (20 years)
Andrew Sutton (20 years)
Gregory Swain (20 years)

These milestones reflect the depth of experience, commitment and knowledge across the organisation and the valuable contribution long-serving employees continue to make to Metro and the Tasmanian community.

During the year, Metro also recognised the contribution of frontline employees through Bus Driver Appreciation Day and Engineering Appreciation BBQs held across the state, thanking employees for the vital role they play in keeping Tasmania moving safely and reliably every day.



Employee and Community Wellbeing Fund

Metro's people are deeply connected to the communities they serve, and we are proud to support the causes that matter most to them. Through our Employee and Community Wellbeing Fund, employees can apply for funding to support community initiatives they are actively involved in, including local sporting clubs, fundraising activities, volunteer programs and community events.

During 2025–26, the Fund continued to strengthen Metro's connection with the communities we serve by supporting projects and activities that make a positive contribution to local communities across Tasmania.

Gender pay gap

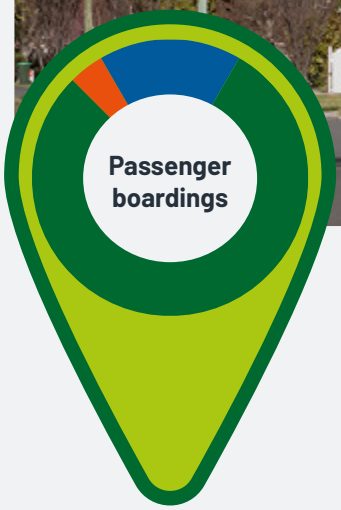
Metro remains committed to fostering an equitable and inclusive workplace.

In 2025–26, Metro's median gender pay gap was -0.5%, indicating that remuneration outcomes for the typical male and female employee were broadly comparable.

The mean gender pay gap was **-7.2%**, reflecting a higher average remuneration for women. This outcome is influenced by workforce composition and the strong representation of women in positions that attract a higher remuneration, rather than differences in remuneration for comparable roles.

Our Performance





79%
Hobart

17%
Launceston

4%
Burnie



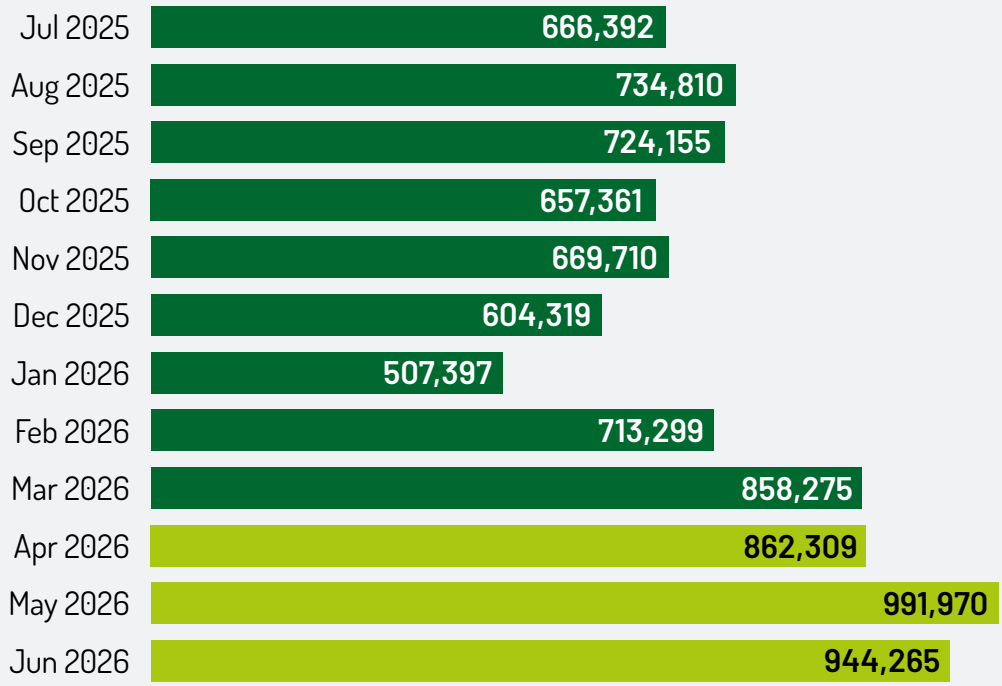
8.93 million
passenger journeys
▲10.8% from 2024-25

Passenger levels

Patronage grew by 10.8% compared with 2024–25, resulting in a 14.1% positive variance to target. Growth strengthened throughout the second half of the financial year, with patronage increasing prior to the introduction of the Tasmanian Government's fare-free travel initiative on 29 March 2026.

Following the introduction of free fares, average monthly patronage for April to June 2026 was approximately 36% higher than the average monthly patronage recorded between July 2025 and March 2026. As a result, while total patronage for the full 2025–26 financial year increased by 10.8% compared with 2024–25, patronage growth experienced in the final quarter was substantially higher.

Total boardings by month



* *The Tasmanian Government's fare-free travel initiative commenced on 29 March 2026. Months shown in light green represent the fare-free period and should be considered when assessing patronage trends.*

Fleet Statistics



235

buses in fleet



Number of buses by age

19	0-4 years
113	5-9 years
19	10-14 years
45	15-19 years
39	20+ years

94%
with air conditioning

100%
with CCTV

100%
DDA-compliant buses





Caption: Metro's Hydrogen Electric Bus is part of the Zero Emission Bus Trial, providing valuable insights into the infrastructure, operations and workforce requirements of emerging transport technologies.

Zero Emission Bus Trial

As part of the Tasmanian Government's commitment to a lower-emissions future, Metro continued its Zero Emission Bus Trial program during 2025-26, building valuable operational experience with both battery electric and hydrogen electric bus technologies.

The Battery Electric Bus (BEB) Trial in Launceston and the Hydrogen Electric Bus (HEB) Trial in Hobart provide important insights into the operational, infrastructure and workforce requirements associated with emerging transport technologies. The trials are helping Metro better understand the opportunities and challenges of transitioning to zero-emission public transport in Tasmania's unique operating environment.

During the year, Metro continued to operate zero emission buses in passenger service, while also investing in the specialist infrastructure, training and operational processes required to support zero emission technologies. Engineering employees completed specialised training in electric vehicle maintenance, and additional driver training was delivered to build capability and confidence across the workforce. These initiatives are helping to ensure Metro is well positioned to support future fleet transition decisions.

The trials will continue to inform Metro's long-term fleet planning and provide valuable evidence to support future investment and policy decisions relating to sustainable public transport in Tasmania.

"As a tourist visiting the city, I would like to thank the Metro bus driver for being very helpful and professional. The driver was patient, drove safely, and made my journey comfortable."

Modernising our depots and infrastructure

Metro continued to invest in improvements to its depots and infrastructure to enhance safety, operational efficiency and our customer experience.

Key achievements included the commissioning of the new Launceston Bus Wash facility, upgrades to administration, engineering and employee facilities, renewal of hardstand infrastructure, and office reconfigurations to support operational needs. Metro also completed customer-focused improvements at the Moonah Interchange, enhancing the accessibility and presentation of this important transport hub.

A strong focus remained on network security, with expanded patrol arrangements, perimeter security upgrades, a new monitoring provider, and the commencement of a statewide security review to strengthen risk management across all Metro sites.



Caption: Metro Chief Executive Officer Jessica Paton joined Minister for Infrastructure and Transport Kerry Vincent to launch the Greater Hobart Network Review, supporting a more reliable and customer-focused public transport network.

Greater Hobart Network Review

The Greater Hobart Network Review marked the most significant update to Hobart's bus network in a decade, introducing a revised timetable designed to better reflect real-world travel conditions and improve service reliability for customers and bus operators alike. Metro worked closely with the Tasmanian Government to deliver the transition, supported by extensive planning, operator readiness activities, workforce training, customer engagement, communications, and on-the-ground operational support to ensure a smooth implementation. Early results have been encouraging, with improved service delivery, stronger on-time running performance and growth in patronage, demonstrating the benefits of a more reliable and customer-focused network.

Business optimisation initiatives

During 2025–26, Metro progressed a broad program of business improvement initiatives designed to strengthen organisational capability, support long-term financial sustainability and improve service delivery for customers. Key achievements included implementation of a new Executive Leadership Team structure and cascading organisational realignment, targeted cost reduction and efficiency measures, fleet and asset optimisation initiatives, workforce planning improvements, and a continued focus on fuel, maintenance and operational performance.

Board of Directors



Anthony Braxton-Smith (Chair)

MBA, MAICD

Mr Braxton-Smith has over 30 years' executive experience in both senior public service roles and the private sector, and has worked in public transport for the past 20 years. He currently provides independent advisory services in transport and infrastructure.



Dianne Underwood (Deputy Chair)

BSocSc, GAICD

Ms Underwood has more than 25 years' experience specialising in human resources, change management and strategic planning across a diverse range of sectors. Ms Underwood is currently the Chief Executive Officer for Home Base.



Tim Booker

MBA

Mr Booker is the Managing Director of Apex Advisory, a corporate finance, mergers and acquisitions and restructuring business based in Tasmania. He was previously a Director at Deloitte Australia in the Turnaround and Restructuring team and is currently Chair of The District Nurses, as well as High Risk Work Solutions, a training provider owned by Master Builders Tasmania.



Jane Sargison

BE(Hons), DPhil, GAICD, FIEAust, EngExec, CPEng

Ms Sargison is an engineer, consultant and independent director experienced in a range of engineering consultancy, research and commercialisation of technology. A Rhodes Scholar, Ms Sargison is currently Executive Manager Land Development with JAC Group, Director of JSA Engineers and Director of Southern Cross Care (Tasmania).



Ian Vanderbeek

BBus, FAICD

Mr Vanderbeek has over 40 years' experience in operational and senior managerial roles in the transport sector within Australia, Europe, Asia and the USA. He currently provides consultancy services to transport and logistics companies in Australia and the USA and serves as an independent director on several private and public sector boards.

Corporate Governance



Corporate Governance Framework

Metro is committed to the principles of good corporate governance and operates under a framework that is consistent with the ASX Corporate Governance Principles and Recommendations, in line with the Shareholding Ministers' expectations under the Tasmanian *Government Businesses Governance Framework Guide*. Metro did not identify any material departures from the ASX Corporate Governance Principles and Recommendations during 2025–26. Our position on the principles and recommendations is summarised below:

Principle 1 – Lay solid foundations for management and oversight

The Board is responsible for the strategic guidance and oversight of Metro. The roles and responsibilities of the Board are set out in a Board Charter, as well as directors' letters of appointment.

Matters reserved for the Board are set out in a Delegations Policy and Manual, and the Board has delegated specific activities to the Chief Executive Officer, executives and other employees in accordance with the limits outlined in this document.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.

The value of diversity is embedded in organisational policies and practices and Metro's Code of Conduct.

The Board evaluates its performance in accordance with the *Guidelines for Tasmanian Government Businesses – Assessing Board Performance*. The evaluation framework considers the performance of the Board, its committees, individual directors and the Chair. An externally facilitated independent review is conducted every three years, with the most recent review completed in October 2025. Internal review and follow-up processes are undertaken between external reviews to monitor agreed actions and support continuous improvement.

There is a formal process for reviewing the performance of the Chief Executive Officer and other executives and it includes assessment of performance against key performance indicators and addresses training and development requirements. Given the change in the Chief Executive Officer role in July 2025, and the interim arrangements that were in place between July 2025 and January 2026, no formal review for the CEO was undertaken during the financial year.

Principle 2 – Structure the Board to be effective and add value

The Board consists of five independent non-executive directors; their details and relevant skills and experience are outlined in the Directors' Report. Each director is appointed for a specified term.

To facilitate Board renewal, the Board establishes a Director Selection Advisory Panel when required and engages an executive search firm to assist the panel to identify potential candidates for upcoming Board vacancies. Directors are selected and appointed by Shareholding Ministers following recommendations from the panel together with probity checks.

The Board maintains a skills matrix which sets out the mix of skills and diversity that the Board has.

Directors are responsible for notifying the Board of any material personal interest in any matter relating to the affairs of Metro and make annual declarations regarding any related party transactions.

The Board has a comprehensive induction program in place for new directors and is managed by the Chair and the Company Secretary. The program introduces directors to Metro's operations, strategy, governance framework, key risks, legal obligations and stakeholder environment. Directors also receive ongoing briefings and professional development relevant to Metro's activities and their governance responsibilities.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

Metro has established a set of values and Code of Conduct which outlines the expectations of directors in complying with the spirit and intent of the code, as well as complying with all applicable legislation.

The Code of Conduct is underpinned by other policies and procedures that articulate the expectations to act ethically and responsibly, as well as comply with legislative and regulatory obligations.

These include the Right to Information Procedure, Privacy Policy, Protected Disclosures (Whistleblower and Public Interest) Policy, Anti-Fraud and Corruption Procedure and Procurement Procedure.

The Audit and Risk Committee receives compliance reports every six months which detail any breaches of these policies.

Principle 4 - Safeguard the integrity of corporate reports

The Board has established an Audit and Risk Committee which considers and monitors matters relating to financial integrity, external reporting, risk management, and internal and external audit functions. The Committee comprises three directors and is chaired by an independent director who is not the Chair of the Board. Membership of the Committee and meeting attendances for the year are set out in the Directors' Report.

The Committee reviews the annual financial statements and recommends them to the Board for consideration. As part of the end-of-year processes, the Chief Executive Officer and General Manager Financial Services provide the required declarations under section 295A of the *Corporations Act 2001.*

Metro's external auditor is the Tasmanian Auditor-General and members confirm the appointment at each annual general meeting (AGM). The Auditor-General or his representatives attend meetings of the Audit and Risk Committee from time to time and attend the AGM.

Principle 5 – Make timely and balanced disclosure

The Chair and Chief Executive Officer regularly meet with Shareholder Ministers to provide briefings on key strategic issues and developments. Metro also ensures that Shareholder Ministers are kept informed of all matters that may have a material impact on the Company or potential implications for the state.

Details about disclosures made under the *Right to Information Act 2009* and the *Public Interest Disclosures Act 2002* are set out in the following pages.

Principle 6 – Respect the rights of shareholders

Metro's Constitution (Articles of Association) outlines the rights and powers of Shareholder Ministers. Shareholder Ministers have issued a Members' Statement of Expectation, which is incorporated into the Corporate Plan and the Board agrees on a Statement of Corporate Intent with Shareholder Ministers each year.

Metro complies with formal reporting obligations under the Constitution, applicable legislation and guidelines and provides regular briefings to Shareholder Ministers. Metro also participates in Government Businesses Scrutiny Committees each year.

Principle 7 – Recognise and manage risk

The Audit and Risk Committee provides support to oversee Metro's Risk Management Framework, which is approved by the Board. The Board also monitors current and emerging risks and the status of plans and controls to manage those risks.

The Committee oversees the internal audit function which is outsourced, including the approval of the audit plan, receiving reports of all audits undertaken and monitoring the implementation of recommendations.

Principle 8 – Remunerate fairly and responsibly

As a state-owned company, Metro is required to comply with the *Guidelines for Tasmanian Government Businesses - Director and Executive Remuneration*. The Remuneration Report details the Board's policy for the remuneration of directors and executives, as outlined in the Directors' Report and the Notes to the Financial Statements. Director fees are set by the Tasmanian Government under the Remuneration Framework for Government Boards.

Legislative compliance

Public interest disclosures

Metro complies with the *Public Interest Disclosures Act 2002* and has implemented procedures for the reporting, receiving and handling of disclosures of improper conduct or detrimental action by Metro or its employees. The Protected Disclosures (Whistleblower and Public Interest) Policy is available on Metro's website.

During the financial year, Metro did not receive any disclosures of public interest.

Right to information

Metro is subject to the *Right to Information Act 2009* and has implemented a Right to Information Policy and Procedure. Information on how to lodge a Right to Information request is available on Metro's website, including a disclosure log for requests received after 20 May 2026.

During the financial year, Metro received six (6) applications for assessed disclosure. One (1) was treated as an active disclosure.

Personal Information Protection Act

Metro is subject to the *Personal Information Protection Act 2004* (PIP Act) and has implemented a Privacy Policy, which is available on Metro's website.

During the year, Metro did not receive any enquiries or complaints in relation to the PIP Act.

Tasmania Government reporting requirements

Buy local

In accordance with the *Guidelines for Tasmanian Government Businesses – Buy Local,* Metro purchased the following goods and services from Tasmanian business during the financial year:

Purchases from Tasmanian businesses	
% of purchases from Tasmanian businesses	84.92%
Value of purchases from Tasmanian businesses, excluding GST	$40,409,348.67

Details of payments made to consultants valued over $50,000 (ex GST) are detailed below:

Consultancies valued at more than $50,000 (ex GST)				
Name	**Location**	**Description**	**Period of engagement**	**Amount**
AECOM AUSTRALIA PTY LTD	New South Wales	ZEB Consulting	August 2025 - September 2025	$55,015.00
WATTS ADVISORY PTY LTD	Tasmania	ZEB Consulting	March 2026 - June 2026	$63,500.00
DELOITTE SRT PTY LTD	New South Wales	Professional Services - Cost Efficiency	July 2025 - February 2026	$511,816.55
CAEDUS SYSTEMS PTY LTD	Tasmania	IT Strategy	July 2025 - June 2026	$62,610.00
PAGE SEAGER PTY LTD	Tasmania	Legal	July 2025 - June 2026	$83,562.00
EDGE LEGAL HOLDINGS PTY LTD	Tasmania	Legal	July 2025 - June 2026	$63,132.44
IONATA	Tasmania	Metro App/Website Management and Maintenance	July 2025 - June 2026	$75,736.50
DATCA PTY LTD	Tasmania	Marketing, Campaign and Digital Services	July 2025 - June 2026	$116,212.50
			Total	$1,031,584.99
			There were consultants engaged for $50,000 or less totalling	$570,165.80
			Total payments to consultants	$1,601,750.79

Overseas travel

During the financial year there was no overseas travel undertaken by Metro directors, executives or employees. The total cost of overseas travel was $0.

Payment of accounts

In accordance with the *Guidelines for Tasmanian Government Businesses – Payment of Accounts,* details of accounts paid by Metro during the financial year are set out below:

Creditor days	30
Number of accounts due for payment	8358
Number of accounts paid on time	7560
Amounts due for payment	$51,313,800
Amounts paid on time	$47,643,755
Number of payments for interest on overdue accounts	0
Interest paid on overdue accounts	$0

Directions by Members

No directions or revocations of directions by Members were in effect during the financial year ended 30 June 2026.

Sponsorship

In accordance with the Government's *Guidelines for Tasmanian Government Businesses - Sponsorship*, the Board has approved a Sponsorship Framework. The Framework meets the requirements of the Guidelines and establishes a clear governance framework for the assessment, approval, management and reporting of sponsorship arrangements. It supports transparent, consistent and accountable decision-making, ensuring sponsorship activities deliver public value, align with Metro's strategic objectives and comply with Treasurer's Instructions and Government expectations. The Framework also introduces a central Sponsorship Register to support oversight and reporting obligations. A copy of the Sponsorship Framework is available on Metro's website.

The details of relevant sponsorship arrangements during the financial year are set out below:

Organisation sponsored	Description of sponsorship arrangement	Benefits of sponsorship arrangement	Sponsorship period	Amount paid or estimated in-kind value
Clarence City Council	Bus tickets provided in support of Homelessness Week	Supported access to transport for people experiencing, or at risk of, homelessness	One-off	$192.00
Diwali Tasmania	Sponsorship provided for the Diwali Festival	Supported community participation and cultural inclusion	One-off	$5,000.00
Cancer Council Tasmania	In-kind charter support provided for the Women's 5km Run	Supported community participation in a health and wellbeing event	One-off	$1,535.60
Short of a Sheet	GreenCard travel vouchers provided for the Christmas Hamper Program	Supported access to transport for community members receiving Christmas hampers	One-off	$1,750.00
Teen Challenge	IT device provided in support of the Launceston SafeSpace Youth Hub	Supported service delivery for young people accessing the SafeSpace Youth Hub	One-off	$380.00
Glenorchy City Council	Partnership support provided for the Youth Hub	Supported youth engagement and access to community services	Two years	$5,000.00
				$13,857.60

No benefits were provided to Metro employees or related parties under the sponsorship arrangements reported above. Metro is not aware of any other Tasmanian Government sponsorship relating to these arrangements.

Key performance targets

The following table reports Metro's performance against the targets contained in its 2025–26 Statement of Corporate Intent. Commentary is provided below for targets that were not achieved.

	2025-26 Target	2025-26 Actual	Status
Delivering service reliability and customer satisfaction			
Patronage*	8,183,591	8,934,262	🟢
% delivered within Metro's control	99.75%	96.04%	🟡
% trips delivered on time within Metro's control	90%	82%	🔴
Number of substantiated complaints (per 100,000 service km)	6.4	6.6	🟡
Customer satisfaction	78%	78%	🟢
Engaging and developing our people			
Lost time injury frequency rate	43.2	18.8	🟢
Employee engagement**	-	NA	
Pursuing operational excellence			
At-fault vehicle collisions per 100,000 km	4.0	4.7	🔴
% of km that are out-of-service (dead running)	20%	22%	🟡
Achieving financial sustainability			
Profit/(Loss) after tax (000s)	$(5,125)	$(5,042)	🟢
Fare revenue (000s)	$11,676	$11,970	🟢
Total cost per service km	$7.77	$9.39	🔴

* *The patronage measure was revised from "patronage (first boardings)" to "total patronage" during 2025–26 following the introduction of the Tasmanian Government's fare-free travel initiative on 29 March 2026. The change reflects Metro's inability to accurately capture transfer journey data following the removal of fare transactions.*

** *Engagement, which measures employees' connection and commitment to Metro and its goals, increased from 59% in 2024 to 65% in 2025. An employee engagement survey was not undertaken during the 2025–26 reporting period. A Pulse Check is scheduled for November 2026 to assess current engagement levels and help inform ongoing organisational improvement initiatives.*

Performance commentary

For the 2025-26 financial year, Metro recorded a loss before income tax of $7.200 million (loss $5.963 million, 2024-25) and a loss after tax of $5.042 million (2024-2025: loss of $4.178 million).

The increased loss compared to the prior year reflects the continuing challenge of operating costs growing faster than revenue. While fare revenue remained largely consistent with the previous year, contract revenue increased by 6%, driven by the delivery of additional services and higher fuel price adjustments. This increase in revenue was not sufficient to offset higher operating costs across the business.

Key cost pressures during the year included:

- Increased bus operator wages associated with delivering additional services and recruiting employees to address workforce shortages;
- An 8% increase in fuel costs, reflecting both higher service delivery levels and elevated fuel prices;
- Higher administration employee costs resulting from wage indexation;
- Increased maintenance expenses driven by increased bodywork repairs and non-routine service requirements associated with an aging fleet.

Metro's cash position decreased from $19.651 million at 30 June 2025 to $13.925 million at 30 June 2026. This reduction primarily reflects capital and project-related expenditure funded from grants received in previous years.

Non-financial targets commentary

Patronage growth exceeded expectations during 2025-26, increasing by 10.8% compared with 2024-25 against a target increase of 1.8%. This resulted in a positive variance of 14.1% against target. The introduction of fare-free travel from 29 March 2026 impacted the reporting of patronage, as transfers could no longer be identified and all boardings were recorded as first boardings. This contributed to the reported increase in first boardings relative to the target measure.

Metro did not achieve its service delivery target of 99.75%. While network stability continued to improve during the year, the impact of service adjustments introduced in 2023-24 remained a key factor. As workforce capacity improved, Metro was able to progressively restore services to the Hobart network, with approximately one-third of affected services reinstated. Following the implementation of the Greater Hobart Network Review in May 2026, Metro is again delivering 100 per cent of its contracted services.

Metro recorded an 82% on-time running result, which includes delays resulting from both operational factors and external conditions outside Metro's control, including roadworks, traffic congestion and adverse weather.

Substantiated complaints were slightly above target at 6.6 per 100,000 service kilometres compared with a target of 6.4. Despite this result, the number of complaints relative to customer journeys improved compared with the previous reporting period, reflecting growth in patronage and continued focus on customer service improvements.

At-fault vehicle collisions were above target at 4.7 per 100,000 kilometres compared with a target of 4.0. Metro continues to implement targeted mitigation measures, including driver training, driving assessments and focused interventions in identified high-risk areas, to reduce collision risk and improve safety performance.

Out-of-service kilometres were above target at 22% compared with a target of 20%, reflecting the operational impacts of service suspensions and network changes during the year. Metro expects this measure to improve as the benefits of workforce stabilisation and implementation of the Greater Hobart Network Review are realised.

Total cost per service kilometre was above target, primarily driven by higher-than-forecast expenditure associated with strategically significant projects, including the Zero Emission Bus Trials, CCTV upgrades, HASTUS implementation and completion of the statewide operator security screen program.

Reduction in Lost Time Injury Frequency Rate (LTIFR)

Metro continued to strengthen its safety performance during 2025–26, recording a year-to-date Lost Time Injury Frequency Rate (LTIFR) of 18.8 against a target of 43.2. While LTIFR can fluctuate from year to year, Metro remains focused on strengthening its approach to workplace safety and reducing the risk of injury through effective risk management, safe systems of work and continuous improvement.

Key initiatives included the introduction of organisation-wide Work Health and Safety risk registers, targeted risk assessments and enhanced safe systems of work. Together, these initiatives have strengthened Metro's approach to identifying and controlling workplace risks while supporting continuous improvement across the organisation.

Directors' Report

The directors of Metro Tasmania Pty Ltd (Metro, the Company) present the annual financial report for the Company for the year ended 30 June 2026.

Principal activities

The principal activity of Metro during the financial year was the provision of bus passenger transport services in the Tasmanian urban centres of Hobart, Launceston and Burnie, and to some regional centres around Hobart and Burnie.

Review of operations

For the financial year ended 30 June 2026, Metro achieved a loss before income tax of $7.200 million (2025: loss of $5.963 million) and an after-tax loss of $5.042 million (2025: loss of $4.178 million).

Metro held $13.925 million in cash and cash equivalents as at 30 June 2026. Of this amount, $5.090 million was subject to external restrictions relating to unspent grant funding and ticket fares received in advance, with the remaining $8.835 million available as uncommitted cash.

A detailed review of operations for the year is outlined in the message from the Chair.

Dividends

The directors do not recommend payment of a dividend this year. No dividend was paid for the year ended 30 June 2026.

Change in state of affairs

There were no significant changes in the state of affairs of Metro that occurred during the financial year ended 30 June 2026.

Subsequent events

There has not been any matter or circumstance other than that referred to in the Financial Statements or notes that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operation of the Company, or the state of affairs of Metro in future financial years.

Likely financial developments

Metro continues to progress a number of strategic initiatives in support of our vision to make the journey better for all Tasmanians. These include:

- Continuing the zero emission bus trials based on battery electric and hydrogen fuel cell electric technology in Launceston and Hobart over the course of 2026-27 to 2027-28.
- Delivering technology projects as part of the Intelligent Transport Systems (ITS) program to enable modernisation of key Metro systems and business processes that will improve our efficiency, service and safety. The projects include the implementation of a new rostering and timetable system HASTUS, investigating options to enhance onboard safety and security systems, including continuing the replacement of CCTV on Metro's bus fleet as well as new two-way radio communications and updated technology.
- Supporting the Department of State Growth in the rollout of an integrated ticketing system for application across all general access public transport providers, which will replace Metro's GreenCard, and the implementation of the Greater Hobart Network Review.
- Delivery of a program of procurement for fleet acquisition aligned to budget allocation.

Environmental regulation

Metro is subject to various environmental regulations under Commonwealth and state legislation. Metro regularly monitors compliance with environmental regulations. No statutory breaches were reported in the 2025-26 financial year.

Board of Directors

Details of directors of Metro during or since the end of the financial year are:

Director	Term
Anthony Braxton-Smith, MBA, MAICD **Chair**	Appointed director Nov 2022 Appointed Chair Nov 2023* Current term commenced Nov 2025 Current term expires Nov 2028
Dianne Underwood, BSocSc, GAICD **Deputy Chair**	Appointed director Nov 2022 Current term commenced Nov 2025 Current term expires Nov 2028
Ian Vanderbeek, BBus, FAICD **Member, Audit and Risk Committee**	Appointed director Nov 2023 Current term commenced Nov 2023 Current term expires Nov 2026
Jane Sargison, BE(Hons), DPhil, GAICD, FIEAust, EngExec, CPEng **Member, Audit and Risk Committee**	Appointed director Nov 2023 Current term commenced Nov 2024 Current term expires Nov 2027
Tim Booker, MBA **Chair, Audit and Risk Committee**	Appointed director Nov 2024 Current term commenced Nov 2024 Current term expires Nov 2027

* *Chair appointments are made by the Board at each Annual General Meeting for a one-year term. Where a director is reappointed as Chair, their director term remains unchanged.*

Board and committee meetings

The number of meetings (Board and Committee) attended by each director during the financial year ended 30 June 2026 are:

Director	Board Meetings		Audit and Risk Committee	
	Held*	Attended**	Held*	Attended**
Anthony Braxton-Smith	10	10	-	3
Dianne Underwood	10	9	-	2
Ian Vanderbeek	10	10	4	4
Jane Sargison	10	10	4	4
Tim Booker	10	10	4	4

* *The number of meetings held while the director was a member of the Board or Committee*

** *The number of meetings attended by the director (either as a member or as an attendee)*

Remuneration report

Remuneration levels for key management personnel of Metro are set in accordance with the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration*, issued by the Department of Treasury and Finance. In accordance with these guidelines, the remuneration band for the Chief Executive Officer is determined by the Treasurer and reflects the principles outlined in the guidelines. Remuneration for other Metro executives is set with reference to the Chief Executive Officer's band.

The employment terms and conditions of the Chief Executive Officer and other executives is contained in individual employment contracts, which set out the total remuneration, superannuation, vehicle and salary sacrifice provisions. There are no performance-based incentives.

The performance of the Chief Executive Officer and other executives is conventionally reviewed annually which includes a review of their remuneration package.

Fees paid to directors are approved by Shareholding Ministers in accordance with the *Remuneration Framework for Government Boards*, also issued by the Department of Treasury and Finance.

Metro has complied with the Guidelines noted above for the year ended 30 June 2026.

Details of payments made to directors, the Chief Executive Officer and other executives are set out in the Notes to the Financial Statements.

Indemnification and insurance

Metro has indemnified its directors and executive officers to the extent permitted by law against liabilities and legal costs incurred by them while acting in their capacity as directors and executive officers of the Company.

During the financial year, Metro paid a premium for an insurance policy to insure the directors and officers of the Company against liabilities to the extent permitted by the *Corporations Act 2001*. The contract of insurance does not permit the terms of the policy to be disclosed.

During or since the end of the financial year, Metro has not indemnified or made relevant agreement to indemnify the auditor of the Company against a liability incurred as the auditor. Further, Metro has not paid or agreed to pay a premium in respect of a contract insuring against a liability incurred by the auditor.

Proceedings on behalf of the Company

No person has applied for leave of the court to bring proceedings on behalf of Metro or intervened in any proceedings to which Metro is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Metro was not party to any such proceedings during the financial year.

Auditor's Independence Declaration

Metro's financial report is independently audited by the Tasmanian Audit Office. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following pages.

Rounding off amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financials/Directors' Report) Instrument 2016/191. In accordance with that instrument, amounts in the Directors' Report and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors



Anthony Braxton-Smith
Chair

6 August 2026



Tim Booker
Chair, Audit and Risk Committee

6 August 2026

Auditor's Independence Declaration

Metro's financial report is independently audited by the Tasmanian Audit Office. A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following pages.

Audit Tasmania

Level 2, 144 Macquarie Street, Hobart, Tasmania, 7000
Postal Address GPO Box 851, Hobart, Tasmania, 7001
Phone: 03 6173 0900
Email: admin@audit.tas.gov.au
Web: www.audit.tas.gov.au

6 August 2026

The Board of Directors
Metro Tasmania Pty Ltd
PO Box 61
MOONAH TAS 7009

Dear Board Members

Auditor's Independence Declaration

In accordance with section 307C of the *Corporations Act 2001*, I provide the following declaration of independence.

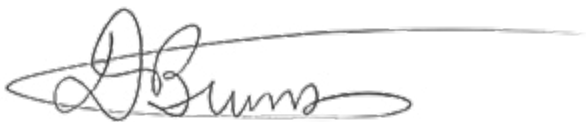
As the auditor of the financial report of Metro Tasmania Pty Ltd for the financial year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

(b) any applicable code of professional conduct in relation to the audit.

In accordance with the *Corporations Act 2001* a copy of this declaration must be included in the Directors' Report.

Yours sincerely



Derek Burns
Assistant Auditor-General
Delegate of the Auditor-General

Declarations

METRO TASMANIA PTY LTD

DIRECTORS DECLARATION

The directors declare that:

(a) in the directors' opinion, the financial statements and notes of the company are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

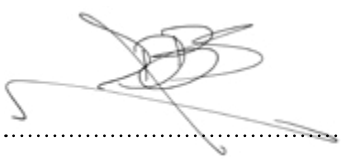
  (ii) complying with Australian Accounting Standards and the *Corporations Act 2001*.

(b) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) the directors have been given the declarations from the Chief Executive Officer and the Acting General Manager Finance and Commercial for the financial year.

Signed in accordance with a resolution of the directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors.



.....

Anthony Braxton-Smith

Chair Director



.....

Tim Booker

Director

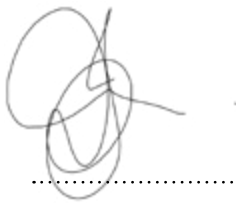
6 August 2026

Declarations

METRO TASMANIA PTY LTD

SUPERANNUATION DECLARATION

In accordance with the requirements of the *Superannuation Guarantee (Administration) Act 1992*, I certify that Metro Tasmania Pty Ltd has met its obligations in respect of employees who are members of complying superannuation funds during the financial year ended 30 June 2026.



.....

Jessica Paton

Chief Executive Officer

6 August 2026

Independent Audit Report

Audit Tasmania

Independent Auditor's Report

To the Members of Metro Tasmania Pty Ltd

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Metro Tasmania Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2026 and statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

1826 2026

25 November 2026
marks 200 years of auditing
for a better Tasmania

The Audit Act 2008 further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of the Company on 6 August 2026 and included in the Directors' Report, would be in the same terms if provided to the directors at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note F9 of the financial report, which outlines the economic dependence from the State Government and that the Company's continued operations are dependent upon securing funding beyond 30 June 2026, following government policy to implement free fares. At the date of this audit opinion, funding agreements for the period commencing 1 July 2026 had not been finalised, indicating the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Audit Tasmania

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

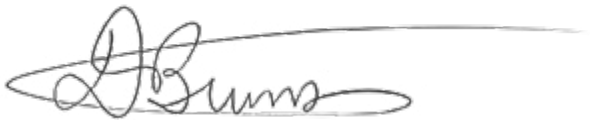
As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Audit Tasmania

I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Derek Burns
Assistant Auditor-General
Delegate of the Auditor-General

10 August 2026
Hobart


FERN TREE 448
VIA HUON RD
40
Bus Stop
Signal driver
D2
239
Metro
239
MET 239
13cabs

Financial Statements

For the year ended 30 June 2026

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Statement of financial position

	Note	2026 $'000	2025 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	B4	13,925	19,651
Trade and other receivables	C1	7,073	5,577
Inventories	C2	3,233	2,819
Other current assets	C3	1,685	1,241
TOTAL CURRENT ASSETS		**25,916**	**29,288**
NON-CURRENT ASSETS			
Property, plant and equipment	C4	70,611	76,731
Intangible assets	C5	18	37
Net deferred tax assets	B3(d)	11,190	9,330
TOTAL NON-CURRENT ASSETS		**81,819**	**86,098**
TOTAL ASSETS		**107,735**	**115,386**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	C6	4,543	3,993
Employee benefits	D1	6,028	6,795
Lease liabilities	C8	308	311
Contract liabilities	C9	6,015	8,235
TOTAL CURRENT LIABILITIES		**16,894**	**19,334**
NON-CURRENT LIABILITIES			
Employee benefits	D1	15,054	16,413
Borrowings	C7	5,000	5,000
Lease liabilities	C8	534	886
Contract liabilities	C9	4,738	4,312
TOTAL NON-CURRENT LIABILITIES		**25,326**	**26,611**
TOTAL LIABILITIES		**42,220**	**45,945**
NET ASSETS		**65,515**	**69,441**
EQUITY			
Contributed equity	F1	56,760	56,341
Asset revaluation reserves	F2	19,521	19,682
Retained profits / (losses)	F3	(10,766)	(6,582)
TOTAL EQUITY		**65,515**	**69,441**

The statement of financial position is to be read in conjunction with the Notes to the Financial Statements.

Statement of profit or loss and other comprehensive income

	Note	2026 $'000	2025 $'000
REVENUE			
Passenger transport operations	B1(a)	70,832	66,723
Other income	B1(b)	10,581	8,967
Financial income	B1(c)	536	756
		81,949	**76,446**
EXPENSES			
Passenger transport operations	B2(a)	(63,790)	(59,609)
Engineering and maintenance services	B2(b)	(10,047)	(8,404)
Administration and general	B2(c)	(14,292)	(13,325)
Finance costs	B2(d)	(1,020)	(1,071)
		(89,149)	**(82,409)**
Profit/(loss) before income tax		**(7,200)**	**(5,963)**
Income tax(expense)/benefit	B3(a)	2,158	1,785
Profit/(loss) for the year		**(5,042)**	**(4,178)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net asset revaluation increment/(decrement)	F2	-	1,225
Actuarial gain/(loss) on defined benefit plan	D3	996	(81)
Income tax on other comprehensive income	B3(c)	(299)	(343)
Total other comprehensive income for the year, net of income tax		**697**	**801**
Total comprehensive income for the year		**(4,345)**	**(3,377)**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the Notes to the Financial Statements.

Statement of changes in equity

	Contributed equity $'000	Asset revaluation reserves $'000	Retained profits/ (losses) $'000	Total $'000
Balance at 1 July 2025	**56,341**	**19,682**	**(6,582)**	**69,441**
Profit/(loss) for the year	-	-	(5,042)	(5,042)
Other comprehensive income:				
Actuarial gain/(loss) on defined benefits plans	-	-	996	996
Income tax relating to components of other comprehensive income	-	-	(299)	(299)
Total other comprehensive income for the year	-	-	697	697
Transfers between reserves	-	(161)	161	-
Equity contribution	419	-	-	419
Balance as at 30 June 2026	**56,760**	**19,521**	**(10,766)**	**65,515**

	Contributed equity $'000	Asset revaluation reserves $'000	Retained profits/ (losses) $'000	Total $'000
Balance at 1 July 2024	**50,275**	**18,824**	**(2,347)**	**66,752**
Profit/(loss) for the year	-	-	(4,178)	(4,178)
Other comprehensive income:				
Net asset revaluation increment/(decrement)	-	1,225	-	1,225
Actuarial gain/(loss) on defined benefits plans	-	-	(81)	(81)
Income tax relating to components of other comprehensive income	-	(367)	24	(343)
Total other comprehensive income for the year	-	858	(57)	801
Equity contribution	6,066	-	-	6,066
Balance as at 30 June 2025	**56,341**	**19,682**	**(6,582)**	**69,441**

The statement of changes in equity is to be read in conjunction with the Notes to the Financial Statements.

Statement of cash flows

	Note	2026 $'000	2025 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sales and service contracts		73,159	70,452
Interest received		512	777
Grant receipts		7,836	4,932
Cash paid to suppliers and employees		(85,320)	(79,202)
Finance costs paid		(114)	(118)
Net cash from operating activities	B4(b)	**(3,927)**	(3,159)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		41	39
Acquisition of property, plant and equipment		(1,899)	(3,358)
Net cash used in investing activities		**(1,858)**	(3,319)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liability		(360)	(353)
Equity contribution		419	6,066
Net cash from financing activities		**59**	5,713
Net increase/(decrease) in cash and cash equivalents		(5,726)	(765)
Cash and cash equivalents at the beginning of the financial year		19,651	20,416
Cash and cash equivalents at the end of the financial year	B4	**13,925**	19,651

The statement of cash flows is to be read in conjunction with the Notes to the Financial Statements.

Section A

Corporate information and basis of preparation

A1 Reporting entity

Metro Tasmania Pty Ltd (the "Company") is a Tasmanian State Owned Company domiciled in Australia. The address of the Company's registered office is 212 – 220 Main Road, Moonah, Tasmania.

A2 Statement of compliance

The Financial Statements are general purpose financial statements which have been prepared in accordance with:

- Australian Accounting Standards (AASBs);
- Treasurer's Instructions issued under the *Government Business Enterprises Act 1995* as amended, where applicable to the operations of Metro; and
- Financial disclosure requirements of the *Corporations Act 2001* as amended, where applicable to the operations of Metro, and other requirements of the law.

A3 Basis of preparation

These Financial Statements have been prepared on an accrual basis and are based on historical costs and do not take into account changing money values except for land, buildings and buses, which are measured at fair value. The accounting policies have been consistently applied, unless otherwise stated.

A4 Functional and presentation currency

These Financial Statements are presented in Australian dollars, which is Metro's functional currency. Metro is an entity referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

A5 Judgements and assumptions

In the application of AASBs, Metro is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

A5 Judgements and assumptions (continued)

Judgements made by Metro that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

Significant judgements, estimates and assumptions included in the Financial Statements:

- Revenue recognition – Note B1;
- Impairment (Deferred tax assets, Trade and Other Receivables, Inventories, Other current assets and Property, Plant and Equipment) - Notes B3, C1, C2, C3, C4;
- Measurement of defined benefit obligations (Employee Benefits) - Notes D1 and D3;
- Measurement of Right of Use Asset and Lease Liability - Notes C4 and C8;
- Valuation of Land and Buildings and Buses (Property, Plant and Equipment) – Note C4;
- Depreciation and Amortisation (Property, Plant and Equipment) – Notes C4 and C8;
- Provisions for employee benefits - Note D1; and
- Economic Dependency - Note F9.

A6 Changes in accounting standards

New standards adopted

In the current year, Metro adopted all Australian Accounting Standards and Interpretations effective for the annual reporting period beginning 1 July 2025 that are relevant to its operations.

The following standards and amendments were applicable during the reporting period:

- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants; and
- AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

The adoption of these standards and amendments did not have a material impact on Metro's financial position or financial performance, other than minor disclosure updates.

Future standards

The following standards and amendments were available for early adoption but have not been applied in these Financial Statements:

- AASB 18 Presentation and Disclosure in Financial Statements.

Metro is currently assessing the impact of these standards, including disclosure and presentation requirements. No material impact on recognised assets, liabilities or financial performance is currently expected.

Section B

Detailed information on statement of profit and loss and other comprehensive income

B1 Revenue

Accounting Policy

Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable. Metro's primary forms of revenue are a Passenger Service Contract with the Department of State Growth and the collection of fare revenue from passengers on its bus services.

Metro recognises revenue when it transfers control of a product or service to a customer. Revenue received in advance represent a contract liability with the customer and is recognised as a current liability until the performance obligations are met.

Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligations and related revenue recognition policies for Metro's material revenue streams:

Revenue Stream	Nature and Timing of Satisfaction of Performance Obligations	Revenue Recognition
Service Contracts	Metro's material service contract is with the Department of State Growth. Metro is contracted to deliver passenger transport services through a network of bus services within Hobart, Launceston and Burnie. The Department of State Growth is invoiced at the end of each month that services have been delivered. The performance obligation is the delivery of the contracted bus services.	All revenue is recognised during the period in which the services that have been contracted are delivered.
Ticket Fares	Metro collects ticket fares from passengers using its bus services. Passengers can purchase tickets and deposit money into their GreenCard account to purchase tickets at a later date. Ticket fare revenue is recognised at the transaction price when Metro transfers control of the service to the customer. The performance obligation is purchasing a ticket on a bus route which transfers control of that service to the passenger. Deposits in passengers' GreenCard accounts are treated as a contract liability (note C9). Revenue is recognised when the passenger makes a boarding or trip.	Ticket fare revenue is recognised when the passenger purchases a trip on a bus route. During 2025-26, Metro's ticket fare revenue was topped up by the Department of State Growth to cover fares not received as a result of the State Government's half price and free fares initiative. The fare revenue for this top-up is recognised during the period that the bus services were delivered.
Grant Income	Metro receives Government grants for the cost reimbursement of defined projects. The performance obligation is the related cost for which the grant is for.	Government grants are recognised on a systematic basis over the periods in which Metro recognises expenses for the related costs which the grants are intended to compensate.

B1 Revenue (continued)

Metro's other revenue streams include advertising on Metro's buses, cost recoveries and interest income. Advertising is recognised as revenue for the period where the advertising is sold, cost recoveries are recognised as revenue when earned and interest income is recognised as revenue as it accrues.

	2026 $'000	2025 $'000
(a) Passenger transport operations		
Service contracts	58,757	55,438
Ticket fares	12,075	11,285
	70,832	**66,723**
(b) Other income		
Advertising income	740	812
Rental income	10	10
Grant income	9,768	8,117
Other income	63	28
	10,581	**8,967**
(c) Financial income		
Interest income	536	756
	536	**756**
Total income	**81,949**	**76,446**

B2 Expenses

	2026 $'000	2025 $'000
(a) Passenger transport operations		
Fuel	6,553	6,051
Employee and related expenses	42,918	39,689
Depreciation and amortisation expenses	6,938	6,947
Other expenses	7,381	6,922
	63,790	**59,609**
(b) Engineering and maintenance services		
Maintenance expenses	7,179	5,619
Employee and related expenses	2,494	2,405
Depreciation and amortisation	374	380
	10,047	**8,404**
(c) Administration and general		
Employee and related expenses	8,958	7,807
Information technology expenses	3,405	3,231
Depreciation and amortisation expenses	658	544
(Gain)/loss on disposal of property, plant and equipment	22	(39)
Other expenses	1,249	1,782
	14,292	**13,325**
(d) Finance costs		
Interest expense on leases	24	17
Interest expense on borrowings	88	92
Government guarantee fee	25	26
Nominal superannuation interest expense	883	936
	1,020	**1,071**
Total expenses	**89,149**	**82,409**

B3 Income tax

Accounting Policy

The charge for current tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Statement of Financial Position. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is recognised in the Statement of Profit or Loss except where it relates to items that may be recognised directly into equity, in which case the deferred tax is adjusted directly against equity. The carrying amounts of tax assets and liabilities have been calculated at the current income tax rate of 30%.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that Metro will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Metro has a service contract in place with the Department of State Growth until 31 December 2029. Metro's long-term financial projections indicate that it is probable that future tax profits/loss will be achieved. Therefore, it is considered appropriate to continue to recognise deferred income assets.

B3 Income tax (continued)

	2026 $'000	2025 $'000
(a) Income tax expense recognised in the Statement of Profit or Loss		
Current tax expense		
Current tax	(1,711)	(783)
Deferred tax expense		
Decrease/(increase) in deferred tax asset	688	(499)
Increase/(decrease) in deferred tax liability	(836)	(160)
Less recognised directly in equity	(299)	(343)
Income tax expense/(benefit)	**(2,158)**	**(1,785)**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Prima facie tax/(tax benefit) on profit/(loss) from operating activities before income tax at 30% (2025: 30%)	(2,160)	(1,789)
Add tax effect of:		
Entertainment (non-deductible)	2	4
	(2,158)	**(1,785)**
(c) Income tax expense recognised directly to equity		
Property, plant and equipment	-	367
Superannuation	299	(24)
	299	**343**
(d) Deferred tax balances		
Assets:		
Deferred tax assets	15,732	14,708
Liabilities:		
Deferred tax liability	4,542	5,378
	11,190	**9,330**

B3 Income tax (continued)

(d) Deferred tax balances (continued)

2026	Opening balance 1 July 2025	Prior year adjustment	Recognised in the Statement of Profit or Loss and Other Comprehensive Income	Recognised in equity	Balance at 30 June 2026
	$'000	$'000	$'000	$'000	$'000
Superannuation	5,085	-	(83)	(299)	4,703
Tax losses	4,835	1	1,711	-	6,547
Employee benefits	1,697	-	(152)	-	1,545
Accrued costs	51	-	(36)	-	15
Contract liabilities	2,511	-	29	-	2,540
Other	162	-	(40)	-	122
Accrued income	(49)	-	23	-	(26)
Prepayments	(79)	-	(1)	-	(80)
Inventories	(99)	-	(37)	-	(136)
Property, plant and equipment	(4,796)	-	760	-	(4,036)
Lease liability	359	-	(106)	-	253
Right-of-use asset	(347)	-	90	-	(257)
Total	9,330	1	2,158	(299)	11,190

2025	Opening balance 1 July 2024	Prior year adjustment	Recognised in the Statement of Profit or Loss and Other Comprehensive Income	Recognised in equity	Balance at 30 June 2025
	$'000	$'000	$'000	$'000	$'000
Superannuation	5,239		(178)	24	5,085
Tax losses	4,052		783	-	4,835
Employee benefits	1,537		160	-	1,697
Accrued costs	17		34	-	51
Contract liabilities	2,211		300	-	2,511
Other	147		15	-	162
Accrued income	(34)		(15)	-	(49)
Prepayments	(76)		(3)	-	(79)
Inventories	(109)		10	-	(99)
Property, plant and equipment	(5,109)		680	(367)	(4,796)
Lease liability	214		145	-	359
Right-of-use asset	(200)		(147)	-	(347)
Total	7,889	-	1,784	(343)	9,330

B4 Cash and cash equivalents

Accounting Policy

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at bank, term deposits and call deposits with original maturities of three months or less.

	2026 $'000	2025 $'000
Cash at bank and on hand	11,494	4,068
Short-term deposits	2,431	15,583
Total cash and cash equivalents	**13,925**	**19,651**

Metro's cash and cash equivalents include funds that are subject to external restrictions primarily as a result of grant funding received for government projects and ticket fares received in advance.

	2026 $'000	2025 $'000
Unspent grant funds with conditions	2,285	4,177
Ticket fares received in advance	2,805	2,666
Uncommitted cash and cash equivalents	**8,835**	**12,807**

(a) Credit and standby facilities		
Borrowing limit	18,000	18,000
Credit cards facility limit	20	20
Less used/committed	(5,000)	(5,000)
Balance of credit facility available	**13,020**	**13,020**

(b) Reconciliation of profit for the period to net cash provided by operating activities		
Profit/(loss) after income tax	**(5,042)**	**(4,178)**
Add ***(less) non cash items:***		
Depreciation	7,970	7,871
Amortisation	18	23
Income tax expense / (benefit)	(2,158)	(1,785)
Loss/(profit) on sale of non-current assets	22	(39)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,496)	(90)
(Increase)/decrease in inventories	(414)	(228)
(Increase)/decrease in other current assets	(444)	218
Increase/(decrease) in trade and other payables	550	(2,019)
Increase/(decrease) in contract liabilities	(1,803)	(2,997)
Increase/(decrease) in employee benefits	(1,130)	65
Net cash inflow from operating activities	**(3,927)**	**(3,159)**

Section C

Detailed information on statement of financial position items

C1 Trade and other receivables

Trade receivables that do not contain a significant financing component are measured at amortised cost, which represents their transaction value. Impairment is recognised on an expected credit loss (ECL) basis. When determining whether the credit risk has increased significantly since initial recognition, and when estimating ECL, Metro considers reasonable and supportable information that is relevant and available without undue cost or effort. This included both quantitative and qualitative information and analysis based on Metro's historical experience, an informed credit assessment and forward-looking information.

There are no expected credit losses as at 30 June 2026 (2025: Nil).

	2026 $'000	2025 $'000
Contract revenue receivable	4,953	4,341
Trade receivables	1,387	148
Other receivables	733	1,088
	7,073	**5,577**

C2 Inventories

Accounting Policy

Inventories are valued at the lower of cost or net realisable value and consist of fuel and consumable stores.

	2026 $'000	2025 $'000
Inventories	3,233	2,819
	3,233	**2,819**

C3 Other current assets

	2026 $'000	2025 $'000
Prepayments	1,589	973
Other current assets	96	268
	1,685	**1,241**

C4 Property, plant and equipment

Accounting Policy

Recognition and measurement

Items of property, plant and equipment valued at greater than $10,000 are capitalised and measured at cost less accumulated depreciation and impairment loss with the exception of land, buildings and the bus fleet which are valued at fair value.

Revaluation

The bus fleet, land and buildings are independently revalued on a three-yearly basis or as regularly as necessary to ensure the carrying value reflects fair value at balance date. In the subsequent years, the bus fleet is assessed against market transactions and an indexation analysis is performed for land and buildings to ensure they reflect fair value at balance date.

Revaluation increments are recognised in other comprehensive income and/or accumulated in equity under asset revaluation reserve. The increment is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

Revaluation decrements are recognised in profit or loss. However, revaluation decrements are recognised in other comprehensive income to the extent of any credit balance existing in the asset revaluation reserve in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under asset revaluation reserve.

Right-of-use assets

Right-of-use assets are initially measured at the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

Right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to Metro by the end of the lease term. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset.

In addition, the right-of-use asset is subject to revaluation and impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

C4 Property, plant and equipment (continued)

Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment (excluding land and the bus fleet) as follows:

Buildings	40 years
Office equipment	4 years
Electronic ticketing and communication equipment	4-10 years
CCTV equipment	5 years
Plant and equipment	5-10 years
Auxiliary vehicles	4 years
Right-of-use assets	2-5 years

The bus fleet is depreciated using the 'Fleet Depreciation Profile'. For the financial year ended 30 June 2026, this applied an effective life of 15 years for hydrogen buses, 25 years for the rigid and electric buses and 30 years for the articulated buses, all of which have a 2.0% residual value.

Land is not depreciated.

C4 Property, plant and equipment (continued)

(a) Carrying amounts

	2026 $'000	2025 $'000
Land and buildings		
Land		
At fair value	13,650	13,650
Total	**13,650**	**13,650**
Buildings		
At fair value	12,145	11,371
Less: accumulated depreciation	(510)	(250)
Total	**11,635**	**11,121**
Total land and buildings	**25,285**	**24,771**
Buses		
At fair value	43,649	43,726
Less: accumulated depreciation	(6,254)	(20)
Total	**37,395**	**43,706**
Office equipment		
At cost	2,401	2,088
Less: accumulated depreciation	(1,922)	(1,749)
Total	**478**	**338**
Electronic ticketing and communication equipment		
At cost	5,228	5,228
Less: accumulated depreciation	(5,150)	(5,132)
Total	**78**	**96**
CCTV Equipment		
At cost	1,579	1,579
Less: accumulated depreciation	(1,518)	(1,497)
Total	**61**	**82**
Plant and equipment		
At cost	9,478	9,110
Less: accumulated depreciation	(4,111)	(3,240)
Total	**5,367**	**5,870**
Auxiliary vehicles		
At cost	378	409
Less: accumulated depreciation	(294)	(278)
Total	**84**	**131**
Right-of-use assets		
At cost	1,406	1,967
Less: accumulated depreciation	(547)	(807)
Total	**859**	**1,160**
Work in progress		
At cost	1,004	577
Total	**1,004**	**577**
Total property, plant and equipment	**70,611**	**76,731**

C4 Property, plant and equipment (continued)

(b) Reconciliation of movements in carrying amounts

2026	Land at fair value	Buildings at fair value	Buses at fair value	Office equipment at cost	Electronic ticketing and communication equipment at cost	CCTV equipment at cost	Plant and equipment at cost	Auxiliary vehicles at cost	Right-of-use assets at cost	Work in progress at cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July	**13,650**	**11,121**	**43,706**	**338**	**96**	**83**	**5,870**	**131**	**1,160**	**577**	**76,731**
Additions	-	-	-	-	-	-	-	-	30	1,882	**1,912**
Disposals	-	-	(62)	-	-	-	-	(1)	-	-	**(63)**
Revaluation increments/ (decrements)	-	-	-	-	-	-	-	-	-	-	**-**
Impairment losses	-	-	-	-	-	-	-	-	-	-	**-**
Net transfers to/from work in progress	-	774	-	313	-	-	368	-	-	(1,455)	**-**
Depreciation	-	(260)	(6,249)	(173)	(18)	(22)	(871)	(46)	(331)	-	**(7,970)**
Carrying amount at 30 June	**13,650**	**11,635**	**37,395**	**478**	**78**	**61**	**5,367**	**84**	**859**	**1,004**	**70,611**

C4 Property, plant and equipment (continued)

(b) Reconciliation of movements in carrying amounts

2025	Land at fair value	Buildings at fair value	Buses at fair value	Office equipment at cost	Electronic ticketing and communication equipment at cost	CCTV equipment at cost	Plant and equipment at cost	Auxiliary vehicles at cost	Right-of-use assets at cost	Work in progress at cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July	13,650	11,110	48,874	269	116	105	2,729	111	668	1,617	79,249
Additions	-	15	7	86	-	-	86	71	793	3,077	4,135
Disposals	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	1,225	-	-	-	-	-	-	-	1,225
Impairment losses	-	-	(6)	-	-	-	-	-	-	-	(6)
Net transfers to/from work in progress	-	247	-	102	-	-	3,769	-	-	(4,117)	-
Depreciation	-	(250)	(6,394)	(119)	(20)	(22)	(714)	(51)	(301)	-	(7,871)
Carrying amount at 30 June	**13,650**	**11,121**	**43,706**	**338**	**96**	**83**	**5,870**	**131**	**1,160**	**577**	**76,731**

C4 Property, plant and equipment (continued)

(c) Fair value measurement of buses and land and buildings

Metro's buses and land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Buses

An independent fair value valuation of 'in service' buses was performed as at 30 June 2025 by Mr R.A van Raay FAPI, CPV, FRICS, CVS, MAICD, Grad Cert (EI) of Assured Valuations.

The valuation was performed on the basis of 'fair value' in accordance with the requirements of AASB 116 (Property, Plant and Equipment) and AASB113 (Fair Value Measurement).

Fair value reflects the intention to determine a value that is equitable to both parties. Fair value is defined as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction".

The Metro fleet was valued based on the assumption that the business is a continuing one and on a market value basis. The cost approach to fair value was applied using Level 3 inputs due to the age profile of the bus fleet. Level 3 unobservable inputs used to value the assets included reference to historical information, discussions with Metro fleet representatives, reference to current supply contracts and valuers experience.

The Metro buses valuation was assessed for reasonableness as at 30 June 2026 against a market assessment of the movement in bus values. Based upon this assessment Metro's bus valuation was still considered to be reasonable and no adjustment was required.

Land and buildings

An independent fair value valuation of land and buildings was performed as at 30 June 2024 by Preston Rowe Paterson.

This valuation was performed on a market value basis with the primary method of assessment being the Income Capitalisation Approach and the secondary method of assessment being the Market Approach (Comparable Transactions Method) and the Cost Approach (Depreciated Replacement Cost Method). The main inputs to the valuation approach were Level 2 inputs (observable market prices).

The Income Capitalisation Approach was based upon an estimated net maintainable income receivable from the property, which was capitalised in perpetuity to derive a capitalised value through the use of an adopted capitalisation rate.

When considered relevant to do so, applied adjustments "below the capitalised value line" were made for items such as tenant incentives, letting up fees for vacant areas, under /over rent adjustments, capital expenditure or the value of excess land, before arriving at a value of the subject asset.

As part of the valuation, elements of the Market Approach (Comparable Transactions Method) were drawn upon as input parameters for the valuation. This approach is based upon comparing the subject property to comparable sales and transactions on a building or land rate per square metre. The valuer considered individual characteristics of the subject property relative to the analysis of available market evidence. This included the consideration of sales transactions and information such as the site area, condition, amenity, location, general market conditions and zoning, which were used to determine rate per square metre for each building.

C4 Property, plant and equipment (continued)

(c) Fair value measurement of buses and land and buildings (continued)

The Metro land and buildings valuation was assessed for reasonableness as at 30 June 2026 against the Office of the Valuer General's adjustment factors and relevant indices. Based upon this assessment, Metro's land and building valuation was still considered to be reasonable and no adjustment was required.

Details of Metro's buses and land and buildings and information about the fair value hierarchy as at 30 June 2026 are as follows:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair Value as at 30 June 2026 $'000
Buses	-	-	37,395	**37,395**
Land and buildings	-	25,285	-	**25,285**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair Value as at 30 June 2025 $'000
Buses	-	-	43,706	43,706
Land and buildings	-	24,771	-	24,771

There were no transfers between levels during the year.

(d) Level 3 significant valuation inputs and relationship to fair value

Asset	Fair Value as at 30 June 2026 $'000	Fair Value as at 30 June 2025 $'000	Inputs	Range	Sensitivity
Buses	37,395	43,706	Discussions with fleet representatives Reference to current supply contracts Input from experienced valuers	+/- movement in the value of supply contracts	A 5% increase would increase the fair value by $1.870M A 5% decrease would reduce the value by $1.870M

C5 Intangible assets

Accounting Policy

Intangible assets are valued at fair value where an active market exists or recognised at cost where no active market exists.

Amortisation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use as follows:

Computer software	4 years

(a) Carrying amounts

	2026 $'000	2025 $'000
Computer software		
At cost	1,442	1 442
Less: accumulated amortisation	(1,424)	(1,405)
Total intangible assets	**18**	**37**

(b) Reconciliation of movements in carrying amounts

	2026 $'000	2025 $'000
Carrying amount at 1 July	37	59
Disposals	-	-
Amortisation	(18)	(22)
Carrying amount at 30 June	**18**	**37**

C6 Trade and other payables

Accounting Policy

Trade and other payables represent liabilities for goods and services provided to Metro prior to the end of the financial year which are unpaid. Measurement is at amortised cost and based on the agreed purchase/contract cost. The amounts are unsecured and are paid in accordance with creditor terms, which is usually within 30 days of recognition.

Metro has a Workers Compensation Insurance Policy for the year ending 31 March 2027. Metro is liable for up to the maximum of the premium in a given insurance year and insurance years remain open for four years. Metro's accrual for workers compensation as at the 30 June 2026 is based upon the estimated costs for open workers compensation claims.

	2026 $'000	2025 $'000
Trade creditors	2,923	1,926
Workers compensation	299	459
Other	1,321	1,608
	4,543	**3,993**

C7 Borrowings

Accounting Policy

All borrowings have been transacted through the Tasmanian Public Finance Corporation (TASCORP). All loans are measured at the principal amount. Interest is charged as an expense as it accrues over the life of the related financial instrument and taken to the Statement of Profit or Loss as part of finance costs. Metro's current borrowings fall due for repayment in January 2030.

Metro holds an external loan facility of $18 million (2025: $18 million) with TASCORP. As at 30 June 2026, $13 million of the facility was unused (2025: $13 million).

	2026 $'000	2025 $'000
Current	-	-
Non-current	5,000	5,000
	5,000	5,000

C8 Lease liabilities

Accounting Policy

Metro leases properties for various purposes including shopfronts, depots and parking spaces. Lease periods are typically made for fixed periods of two to five years but may have extension options.

Metro assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Metro recognises lease liabilities to make lease payments and right-of-use-assets representing the right to use the underlying assets, except for short-term leases (less than 12 months) and leases of low-value assets (less than $10,000). Recognition occurs at the commencement date of the lease.

Recognition and measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Metro's incremental borrowing rate. Generally, Metro uses its incremental borrowing rate as the discount rate.

Metro determined its incremental borrowing rate to be the rate that the entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or a rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that Metro is reasonably certain to exercise, lease payments in an optional renewal period if Metro is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Metro is reasonably certain not to terminate early.

After the commencement date the lease liability is remeasured when there is a modification, a change in the lease term, a change in lease payments or a change in the assessment of an option to extend the term of the lease or purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-to-use asset has been reduced to nil.

C8 Lease liabilities (continued)

Metro has elected not to recognise right-of-use assets and lease liabilities of low-value assets and short-term leases, including IT equipment. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

	2026 $'000	2025 $'000
Current	308	311
Non-current	534	886
	842	**1,197**
Reconciliation of movement throughout the year:		
Balance at 1 July	1,197	714
Interest expense	24	17
New leases recognised	-	819
Lease modifications	(19)	-
Lease payments	(360)	(353)
Balance as at 30 June	**842**	**1,197**

The following amounts were recognised in the Statement of Profit or Loss in respect to leases where Metro is the lessee.

	2026 $'000	2025 $'000
Depreciation expense of right-of-use assets	331	301
Interest expense on lease liabilities	24	17
Total	**355**	**318**

Metro had total cash outflows for leases of $360,300 for 2026 ($352,934 for 2025).

The following table represents the minimum lease payments payable by Metro over the course of its lease agreements:

	< 1 year	1-5 years	5+ years	Total
As at 30 June 2026				
Lease payments	342	658	0	1,000
Interest expense	(34)	(124)	0	(158)
Net present value	**308**	**534**	**0**	**842**

	< 1 year	1-5 years	5+ years	Total
As at 30 June 2025				
Lease payments	342	968	105	1,415
Interest expense	(32)	(156)	(30)	(218)
Net present value	**310**	**812**	**75**	**1,197**

C9 Contract liabilities

Accounting Policy

Metro's contract liabilities represent income received for work that is yet to be performed by Metro.

Grant revenue received in advance relates to grant revenue received but the relevant expenditure related to the grant is yet to be incurred by Metro. Grant revenue is recognised over time on a systematic basis over the periods in which Metro recognises as expenses the related costs for which the grants are intended to compensate.

Ticket fares received in advance represent customer GreenCard balances. These balances are recognised as ticket fare revenue at the time the passenger boards the bus and uses their GreenCard balance to pay for a fare.

	2026 $'000	2025 $'000
Grant revenue received in advance	7,949	9,881
Ticket fares received in advance	2,804	2,666
	10,753	**12,547**

Reconciliation of movement throughout the year:		
Balance at 1 July	12,547	15,528
Cash receipted during the year	9,411	10,018
Revenue recognised in the reporting period	(11,205)	(12,999)
Balance at 30 June	**10,753**	**12,547**

Current	6,015	8,235
Non-current	4,738	4,312
	10,753	**12,547**

Section D

Employee benefits

D1 Employee benefits

Accounting Policy

Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Discount rates used reflect corporate bond rates that closely match the terms of maturity of the related liabilities.

Compensated benefits

Annual leave

The provision for annual leave represents the amount Metro has a present obligation to pay resulting from employees' services provided up to balance date. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Balances expected to be realised after 12 months are discounted. The provision has been calculated at the amounts expected to be paid when the liability is settled and includes superannuation, payroll tax and workers compensation on-costs.

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflow to be made by the employer resulting from employees' services provided up to balance date. In determining the liability for employee benefits, account has been taken of future increases in wage and salary rates, and Metro's experience with staff departures. Related superannuation, payroll tax and workers compensation on-costs have also been included in the liability.

Retirement benefits

Defined benefit superannuation plan

The State Actuary has provided actuarial calculations of the current benefit of the defined benefit liability under the Retirement Benefits Fund (RBF) for current and former employees of Metro. The defined benefit section of RBF is closed to new members. All new members receive accumulation only benefits.

The RBF is a defined benefit fund which pays lump sum and pension benefits to members upon retirement (most of which are calculated as a multiple of the member's final average salary). The RBF has Contributory members, Compulsory preserved members and Pensioners.

Actuarial gains and losses are recognised in full, directly in retained earnings, in the period in which they occur, and presented in the Statement of Other Comprehensive Income and the Statement of Changes in Equity. Interest costs are recognised in finance costs and service costs are recognised in employee and related expenses in the Statement of Profit or Loss. Details are referred to at Note D3.

D1 Employee benefits (continued)

	2026 $'000	2025 $'000
Current:		
Retirement benefits	1,365	1,170
Compensated benefits:		
Accrued salaries and wages	505	1,470
Annual leave	2,216	2,148
Long service leave	1,942	2,007
	6,028	**6,795**
Non-current:		
Retirement benefits	14,317	15,785
Compensated benefits:		
Long service leave	737	628
	15,054	**16,413**
	21,082	**23,208**

The current long service leave liability includes amounts that are not expected to be settled within 12 months of the reporting date. Of the current long service leave liability, $343,950 is expected to be settled within 12 months and $1,598,349 is expected to be settled after 12 months.

D2 Related parties

Key management personnel compensation

The aggregate compensation to key management personnel of Metro is set out below:

	Director Remuneration		Executive Remuneration		Total	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Short-term employee benefits	168	171	1,427	1,301	1,595	1,472
Post-employment benefits	18	18	178	150	196	168
Other long-term employee benefits	-	-	(170)	33	(170)	33
Other non-monetary benefits	-	-	-	-	-	-
Termination benefits	-	-	347	-	347	-
	186	**189**	**1,782**	**1,484**	**1,968**	**1,673**

For Director remuneration, short-term employment benefits include Director fees, Committee fees and other benefits. Post-employment benefits represent superannuation contributions.

For Executive remuneration, short-term employment benefits include base salary, vehicles and other monetary benefits. Post-employment benefits represent superannuation contributions.

(a) Director remuneration

The following tables disclose the remuneration details for each person that acted as a director during the current and previous financial year:

2026 Director Remuneration[1]

Name	Position	Period	Directors' Fees $'000	Committee Fees $'000	Other Benefits $'000	Superannuation[2] $'000	Total $'000
Non-Executive Directors							
Mr Anthony Braxton-Smith	Chair	Full term	56	-	-	6	62
Mr Tim Booker	Director	Full term	28	-	-	3	31
Ms Dianne Underwood	Director	Full term	28	-	-	3	31
Mr Ian Vanderbeek	Director	Full term	28	-	-	3	31
Ms Jane Sargison	Director	Full term	28	-	-	3	31
Total			**168**	**-**	**-**	**18**	**186**

D2 Related parties (continued)

(a) Director remuneration (continued)

2025 Director Remuneration[1]

Name	Position	Period	Directors' Fees $'000	Committee Fees $'000	Other Benefits $'000	Superannuation[2] $'000	Total $'000
Non-Executive Directors							
Mr Anthony Braxton-Smith	Chair	Full term	56	-	-	6	62
Ms Yvonne Rundle	Director	01/07/2024 to 27/11/2024	11	-	-	1	12
Mr Tim Booker	Director	From 08/10/2024	20	-	-	2	22
Ms Dianne Underwood	Director	Full term	28	-	-	3	31
Mr Ian Vanderbeek	Director	Full term	28	-	-	3	31
Ms Jane Sargison	Director	Full term	28	-	-	3	31
Total			**171**	**-**	**-**	**18**	**189**

Board remuneration notes and statements

1 Amounts are all forms of consideration paid, payable or provided by the entity, i.e., disclosure is made on an accruals basis as at 30 June.

2 Superannuation means the contribution to the superannuation fund of the individual.

D2 Related parties (continued)

(b) Executive remuneration

The following tables disclose the remuneration details for each person who acted as a senior executive during the current and previous financial year:

2026 Executive Remuneration

Name	Position	Period	Base Salary[1] $'000	Other Monetary Benefits[2] $'000	Vehicles[3] $'000	Other Non-Monetary Benefits[4] $'000	Super-annuation[5] $'000	Reported Remuneration[6] $'000	Other Long-Term Benefits[7] $'000	Termination Benefits[8] $'000	Total $'000
Ms Katie Cooper	Chief Executive Officer	Until 4 July 2025	4	-	-	-	1	**5**	(74)	141	**72**
Ms Jessica Paton	Chief Executive Officer	From 5 January 2026	171	-	6	-	21	**198**	16	-	**214**
Mr Darren Turner	Chief Operating Officer	Full Year	216	-	14	-	28	**258**	(1)	-	**257**
Mr Chris Breen	General Manager Commercial and Projects	Until 10 October 2025	53	-	4	-	7	**64**	(45)	49	**68**
Ms Kellie Dean	General Manager Corporate Services & Company Secretary	Until 19 June 2026	172	-	14	-	25	**211**	(13)	56	**254**
Ms Jacqueline Allen	General Manager People and Safety	Full year	201	-	14	-	26	**241**	9	-	**250**
Mr Jesse Penfold	General Manager Financial Services	Until 15 May 2026	172	-	12	-	22	**206**	(44)	15	**177**
Mr Damian Shirley	General Manager Business Transformation	From 15 September 2025 until 19 June 2026	141	-	11	-	21	**173**	(21)	75	**227**
Mr Lorenz Hansen	Interim Chief Executive Officer	Until 23 January 2026	163	-	4	-	20	**187**	(1)	11	**197**
Sub-total			**1,293**	**-**	**79**	**-**	**171**	**1,543**	**(174)**	**347**	**1,716**

D2 Related parties (continued)

(b) Executive remuneration (continued)

2026 Executive Remuneration

Name	Position	Period	Base Salary[1] $'000	Other Monetary Benefits[2] $'000	Vehicles[3] $'000	Other Non-Monetary Benefits[4] $'000	Super-annuation[5] $'000	Reported Remuneration[6] $'000	Other Long-Term Benefits[7] $'000	Termination Benefits[8] $'000	Total $'000
Acting arrangements											
Mr Darren Harris	Acting Executive General Manager Fleet and Asset Management	From 30 April 2026	31	-	-	-	4	**35**	2		**37**
Mr Mathew Driessen	Acting General Manager Financial Services	From 18 May 2026	24	-	-	-	3	**27**	2		**29**
Sub-total			**55**	**-**	**-**	**-**	**7**	**62**	**4**	**-**	**66**
Total			**1,348**	**-**	**79**	**-**	**178**	**1,605**	**(170)**	**347**	**1,782**

D2 Related parties (continued)

(b) Executive remuneration (continued)

2025 Executive Remuneration

Name	Position	Period	Base Salary[1] $'000	Other Monetary Benefits[2] $'000	Vehicles[3] $'000	Other Non-Monetary Benefits[4] $'000	Super-annuation[5] $'000	Reported Remuneration[6] $'000	Other Long-Term Benefits[7] $'000	Termination Benefits[8] $'000	Total $'000
Ms Katie Cooper	Chief Executive Officer	Full year	272	-	14	-	33	**319**	13	-	**332**
Mr Lorenz Hansen	Interim Chief Executive Officer	From 24 June 2025	4	-	-	-	1	**5**	-	-	**5**
Mr Darren Turner	Chief Operating Officer	Full Year	207	-	14	-	25	**246**	9	-	**255**
Mr Chris Breen	General Manager Commercial and Projects	Full Year	182	-	14	-	23	**219**	(7)	-	**212**
Ms Kellie Dean	General Manager Corporate Services and Company Secretary	Full Year	170	-	14	-	21	**205**	5	-	**210**
Ms Jacqueline Allen	General Manager People and Safety	Full Year	193	-	14	-	24	**231**	12	-	**243**
Mr Jesse Penfold	General Manager Financial Services	Full Year	189	-	14	-	23	**226**	1	-	**227**
Total			**1,217**	**-**	**84**	**-**	**150**	**1,451**	**33**	**-**	**1,484**

D2 Related parties (continued)

(b) Executive remuneration (continued)

Executive remuneration notes and statements

1. Base salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
2. Other monetary benefits include all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.
3. Includes motor vehicle allowances, the total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and fringe benefits tax.
4. Other non-monetary benefits include non-monetary benefits such as housing, subsidised goods or services, relocation costs etc.
5. Superannuation means the contribution paid to the superannuation fund of the individual.
6. Reported remuneration includes the individual's salary, short-term incentive payments, other monetary benefits, vehicle benefits, other non-monetary benefits and superannuation. For the purposes of assessing compliance with the guidelines, other long-term employee benefits and termination benefits are not included in the reported remuneration amount.
7. Other long-term benefits include annual and long service leave movements.
8. Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

(c) Remuneration principles

Non-executive directors

Non-executive directors are appointed by the Treasurer and Portfolio Minister. Each instrument of appointment is for a maximum period of three years and prescribes the relevant remuneration provisions. Directors can be reappointed in accordance with the relevant *Guidelines for Tasmanian Government Businesses - Board Appointments*. The level of fees paid to non-executive directors is administered by the Department of Premier and Cabinet.

Superannuation is paid at the appropriate rate as prescribed by superannuation guarantee legislation. No other leave, termination or retirement benefits are accrued or paid to directors. Directors are entitled to reimbursement of reasonable expenses incurred while attending to Board business. Non-executive directors' remuneration is reviewed periodically with increases subject to approval by the Treasurer and Portfolio Minister.

D2 Related parties (continued)

(c) Remuneration principles (continued)

Executive remuneration

Remuneration levels for key management personnel are set in accordance with the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration*. Under these guidelines, remuneration bands for Chief Executive Officers (CEOs) are approved by the Treasurer and reflect the principles outlined in the Guidelines and broadly align with State Service Heads of Agency. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other senior executives is set with reference to the CEO's salary band.

The employment terms and conditions of senior executives are contained in individual employment contracts and prescribe total remuneration, superannuation, annual and long service leave, vehicle and salary sacrifice provisions.

The performance of each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package. The terms of employment of each senior executive, contain a termination clause that requires the senior executive or the Board to provide a minimum notice period of three months prior to termination of the contract.

No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Termination benefits

When members of key management personnel cease employment with Metro, they are paid any accrued leave entitlements to the date of termination. Depending on the individual's employment contract and the circumstances of their departure, additional payments may include payment in lieu of notice, redundancy payments and/or ex gratia payments.

In 2025–26, the following termination benefits were paid:

- **Ms Katie Cooper** resigned effective 4 July 2025. Termination benefits comprised accrued leave entitlements and payment in lieu of notice.
- **Mr Chris Breen** resigned effective 10 October 2025. Termination benefits comprised accrued leave entitlements.
- **Mr Jesse Penfold** resigned effective 15 May 2026. Termination benefits comprised accrued leave entitlements.
- **Ms Kellie Dean** ceased employment following redundancy effective 19 June 2026. Termination benefits comprised accrued leave entitlements, payment in lieu of notice, a redundancy payment and an ex gratia payment.
- **Mr Damian Shirley** ceased employment following redundancy effective 19 June 2026. Termination benefits comprised accrued leave entitlements, payment in lieu of notice, a redundancy payment and an ex gratia payment.

D2 Related parties (continued)

(c) Remuneration principles (continued)

Acting arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence.

Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

- **Mr Darren Harris** acted in the newly created position of Executive General Manager Fleet and Assets from its establishment on 30 April 2026 until 30 June 2026.
- Following the resignation of **Mr Jesse Penfold** on 15 May 2026, **Mr Mathew Driessen** acted in the position of General Manager Financial Services from 18 May 2026 until 30 June 2026.

Related party transactions

For all Tasmanian Government businesses, related parties are considered to include:

- a subsidiary or joint venture;
- key management personnel or close family members of key management personnel;
- ministers or close family members of ministers;
- any entities controlled or jointly controlled by key management personnel or their close family members; and
- any entities controlled or jointly controlled by Ministers or their close family members.

There were no related party transactions with Key Management Personnel (KMP) (including Directors, Executives and Cabinet Ministers) or their Close Family Members (CFM) or entities that are controlled or jointly controlled by KMP or their CFM, during 2025-26.

D3 Superannuation and defined benefits

General information

Due to rounding, some figures may not add exactly to the totals.

Fund information

Nature of the benefits provided by the Scheme

Members of the Contributory Scheme receive lump sum benefits on resignation and lump sum or pension benefits on retirement, death, invalidity or upon reaching preservation age after resignation. The Contributory Scheme is closed to new members.

Description of the regulatory framework

The Scheme operates under the *Public Sector Superannuation Reform Act 2016* and the *Public Sector Superannuation Reform Regulations 2017.*

Although the Scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the Scheme in accordance with the spirit of the SIS legislation, as far as practicable.

As an exempt public sector superannuation scheme (as defined in the SIS legislation), the Scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 such that the fund's taxable income is taxed at a concessional rate of 15%. However, RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the Tasmanian Government and RBF elect) up to the amount of "untaxed" benefits paid to members in the year.

Description of other entities' responsibilities for the governance of the Scheme

The Superannuation Commission (the Commission) has fiduciary responsibility for, and oversees the administration of, the Scheme. The day-to-day running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

D3 Superannuation and defined benefits (continued)

Description of risks

There are a number of risks to which the Scheme exposes Metro. The more significant risks relating to the defined benefits are:

- Investment risk – The risk that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term;
- Salary growth risk – The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term;
- Inflation risk – The risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term;
- Benefit options risk – The risk that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option;
- Pensioner mortality risk – The risk that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period;
- Legislative risk – The risk that legislative changes could be made which increase the cost of providing the defined benefits.

Description of significant events

There were no Scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

D3 Superannuation and defined benefits (continued)

Reconciliation of the net defined benefit liability/(asset)

As at	2026 $'000	2025 $'000
Net defined benefit liability/(asset) at start of year	**16,955**	**17,466**
(+) Current service cost	27	71
(+) Past service cost/curtailments	-	-
(+) Gain/loss on settlements	-	-
(+) Net interest	883	936
(-) Actuarial return on plan assets less interest income	238	148
(+) Actuarial (gains)/losses arising from changes in demographic assumptions	(433)	-
(+) Actuarial (gains)/losses arising from changes in financial assumptions	(657)	305
(+) Actuarial (gains)/losses arising from liability experience	332	(76)
(+) Adjustment for effect of asset ceiling	-	-
(-) Employer contributions	1,187	1,599
Net defined benefit liability/(asset)	**15,682**	**16,955**
Current net liability	1,365	1,170
Non-current net liability	14,317	15,785

Reconciliation of the fair value of the scheme assets

Financial year ending	2026 $'000	2025 $'000
Fair value of plan assets at beginning of the year	**5,021**	**5,136**
(+) Interest income	255	274
(+) Actual return on plan assets less interest income	238	148
(+) Employer contributions	1,187	1,599
(+) Contributions by plan participants	7	28
(-) Benefits paid	1,598	2,163
(-) Taxes, premiums and expenses paid	-	1
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Fair value of plan assets at end of the year	**5,110**	**5,021**

D3 Superannuation and defined benefits (continued)

Reconciliation of the defined benefit obligation

Financial year ending	2026 $'000	2025 $'000
Present value of defined benefit obligations at beginning of the year	**21,976**	**22,602**
(+) Current service cost	27	71
(+) Past service cost/curtailments	-	-
(+) Gain/loss on settlements	-	-
(+) Interest cost	1,138	1,210
(+) Contributions by plan participants	7	28
(+) Actuarial (gains)/losses arising from changes in demographic assumptions	(433)	-
(+) Actuarial (gains)/losses arising from changes in financial assumptions	(657)	305
(+) Actuarial (gains)/losses arising from liability experience	332	(76)
(-) Benefits paid	1,598	2,163
(-) Taxes, premiums and expenses paid	-	1
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
Present value of defined benefit obligations at end of the year	**20,792**	**21,976**

Reconciliation of the effect of the asset ceiling

The asset ceiling has no impact on the net defined benefit liability/(asset).

Fair value of scheme assets

	As at 30 June 2026^			
Asset Category	**Total ($'000s)**	**Quoted prices in active markets for identical assets - Level 1 ($'000s)**	**Significant observable inputs - Level 2 ($'000s)**	**Unobservable inputs - Level 3 ($'000s)**
Cash deposits	26		26	-
Australian equities	1,232		1,232	-
International equities	1,344		1,344	-
Infrastructure	623		-	623
Diversified fixed interest	1,318		1,318	-
Property	567		-	567
Alternative investments	-		-	-
Total	**5,110**	**-**	**3,920**	**1,190**

^ *Estimated based on assets allocated to Metro as at 30 June 2026 and asset allocation of the RBF Schemes as at 30 June 2024. We are not aware of any significant changes in asset allocation since 30 June 2025.*

D3 Superannuation and defined benefits (continued)

Fair value of entity's own financial instruments

The fair value of Scheme assets includes no amounts relating to:

- any of Metro's own financial instruments
- any property occupied by, or other assets used by Metro.

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of each reporting entity's funded liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, we have used the Government Bond yield of 4.55%, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

Significant actuarial assumptions at the reporting date

Financial year ending	**2026**	**2025**
Assumptions to Determine Defined Benefit Cost and Start of Year DBO		
Discount rate (active members)	5.40%	5.55%
Discount rate (pensioners)	5.40%	5.55%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.0% for 2025/26; and then 2.5% pa	3.5% for 2024/25, 3.0% for 2025/26; and then 2.5% pa

Financial year ending	**2026**	**2025**
Assumptions to Determine Year End DBO		
Discount rate (active members)	5.85%	5.40%
Discount rate (pensioners)	5.85%	5.40%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.0% for 2026/27; and then 2.5%pa	3.0% for 2025/26; and then 2.5%pa

D3 Superannuation and defined benefits (continued)

Sensitivity analysis

The defined benefit obligation as at 30 June 2026 under several scenarios is presented below.

Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-1.0% pa discount rate	+1.0% pa discount rate	-1.0% pa pension increase rate	+1.0% pa pension increase rate
Discount rate	5.85%	4.85%	6.85%	5.85%	5.85%
Pension increase rate	2.50%	2.50%	2.50%	1.50%	3.50%
Defined benefit obligation ($'000s)	20,792	22,731	19,126	19,173	22,651

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, while retaining all other assumptions.

The pension increase assumptions in the above table are long-term pension increase assumptions. A higher rate is assumed for the next year before reversion to the long-term assumption. In Scenarios C and D, both the short-term and long-term assumptions have been adjusted.

Asset-liability matching strategies

Metro is not aware of any asset and liability matching strategies adopted by the Fund.

Funding arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

Expected contributions

Financial year ending	2027 $'000
Expected employer contributions	1,365

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for Metro is 9.4 years.

Section E

Financial Instruments

E1 Financial instruments

Financial risk exposures and management

(a) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

There are no material amounts of collateral held as security in either financial years for accounts receivable.

Metro has a material credit risk exposure relating to its passenger service contract receivable; however, Metro considers this exposure to be low risk as the receivable is held with the Department of State Growth. Metro manages its exposure to any single receivable or group of receivables under financial instruments entered into with appropriate credit checks, regular review of balances and structured payment options. Metro limits its exposure to credit risk by establishing a payment period of 30 days.

Metro's remaining trade receivables are of low value with low-risk entities, composed primarily of government agencies, entities funded by government and agents. The majority of Metro's debtors have been transacting with Metro for over 2 years.

Based on the factors noted above and a review identifying nil bad debt write-offs by Metro over the past 4 years, the expected credit loss has been calculated as 0%.

There were no impairment losses on financial assets recognised in the profit and loss during the period ending 30 June 2026 or 30 June 2025.

The following table analyses financial assets that are past due but not impaired.

Analysis of financial assets that are past due but not impaired:

	0 days Past due		1-30 days Past due		31-120 days Past due		Total	
	2026 $'000	**2025 $'000**	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**	**2026 $'000**	**2025 $'000**
Financial assets:								
Receivables	7,073	5,570	-	3	-	4	**7,073**	5,577

E1 Financial instruments (continued)

(b) Liquidity risk

Liquidity risk arises from the possibility that Metro might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

Metro manages this risk through the following mechanisms:

- Monthly reporting of Metro's liquidity position and operating cash flows to the Board;
- Regularly reviewing short-term cash flow forecasts to ensure Metro has sufficient cash to meet day-to-day operations. Rolling 12-month cash flow projections are reviewed monthly and reported to the Board;
- Annual review of medium to long-term cash flow forecasts as part of the preparation of the annual Corporate Plan (4 years) and revision of the Long-Term Financial Plan (10 years);
- Only investing short-term surplus cash with reputable organisations, including TASCORP and the approved financial institutions;
- Monitoring undrawn credit facilities; and
- The Treasurer has provided explicit ongoing support for Metro to ensure it will continue to operate as a going concern as detailed at F9.

Financial liability and financial asset maturity analysis:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2026 %	2025 %	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Financial assets:										
Cash at bank	3.97	3.33	11,478	4,053	-	-	15	15	11,493	4,068
Call deposit at TASCORP	4.50	4.00	2,431	2,339	-	-	-	-	2,431	2,339
Term deposit at CBA	-	4.17	-	-	-	5,057	-	-	-	5,057
Term deposit at WBC	-	4.14	-	-	-	8,187	-	-	-	8,187
Receivables	-	-	-	-	-	-	7,073	5,577	7,073	5,577
			13,909	**6,399**	**-**	**13,244**	**7,088**	**5,592**	**20,997**	**25,228**
Financial liabilities:										
Trade and other payables	-	-	-	-		-	4,543	3,993	4,543	3,993
Borrowings	1.75	1.75	-	-	5,000	5,000	-	-	5,000	5,000
			-	**-**	**5,000**	**5,000**	**4,543**	**3,993**	**9,543**	**8,993**

E1 Financial instruments (continued)

(b) Liquidity risk (continued)

Trade and other payables are expected to be paid as follows:

	2026 $'000	2025 $'000
Less than 6 months	4,543	3,993
6 months to 1 year	-	-
1 - 5 years	-	-

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes to interest rates.

The primary source of interest rate risk for Metro is borrowings, however other sources of interest rate risk include interest-bearing investments, finance and operating leases and credit accounts charging interest for late payments.

Metro manages interest rate risk by:

- Monitoring and reviewing performance of Metro's debt portfolio and interest-bearing investments against approved interest expense and income budgets;
- Considering interest rate risk and the maturity profile of the debt portfolio when developing Metro's Corporate Plan and Long-Term Financial Plans. This will ensure a spread of debt maturity utilising the maximum term offered by the Tasmanian Public Finance Corporation of ten years with no more than 40% of the available facility maturing in a given financial year;
- Prompt payment of creditor invoices on time to ensure no interest is charged for late payment;
- Monitoring of debtors accounts and charging interest for overdue accounts (where appropriate); and
- Reviewing interest rate risks on any finance or operating lease.

Metro's borrowings are held in fixed rate contracts with TASCORP, with the fixed rate period ending on 24 January 2030. Metro has assessed there to be no interest rate risk and has not performed a sensitivity analysis as at 30 June 2026.

E1 Financial instruments (continued)

(e) Financial instruments by categories

	2026 $'000	2025 $'000
Financial assets at amortised cost:		
Cash and cash equivalents	13,925	19,651
Receivables	7,073	5,577
	20,998	**25,228**
Financial liabilities at amortised cost:		
Trade and other payables	4,543	3,993
Borrowings	5,000	5,000
	9,543	**8,993**

(f) Capital risk management

Metro manages its capital tightly to ensure funds are available to implement planned capital expenditure strategies. Metro's long-term capital expenditure program is reviewed annually and key financial ratios are monitored to ensure an appropriate capital structure is maintained.

Metro holds the following bank guarantees:

- Security for the contract performance of the bus supply contract by BusTech (via the Bank of South Australia). These guarantees are valued at $7 million (expiring 2041);
- Security for the supply and installation of a hydrogen refuelling station with H2H Energy (via NAB). These are two bank guarantees, each valued at $79,326; and
- Security for the supply and delivery of three Hydrogen Low Floor Buses with Foton Mobility Distribution Pty Ltd. These are two bank guarantees, each valued at $80,625.

Section F

Other Information

F1 Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions.

	2026 $'000	2025 $'000
Balance at beginning of financial year	56,341	50,275
Equity contribution	419	6,066
Balance at end of financial year	**56,760**	**56,341**

F2 Asset revaluation reserve

2026	Land and buildings $'000	Buses $'000	Total $'000
Balance at beginning of financial year	13,863	5,819	19,682
Transfer attributable to assets disposed of during the year	-	(161)	(161)
Deferred tax asset/(liability)	-	-	-
Balance at end of financial year	**13,863**	**5,658**	**19,521**

2025	Land and buildings $'000	Buses $'000	Total $'000
Balance at beginning of financial year	13,863	4,961	18,824
Revaluation increments/(decrements)	-	1,225	1,225
Deferred tax asset/(liability)	-	(367)	(367)
Balance at end of financial year	**13,863**	**5,819**	**19,682**

The asset revaluation reserves are used to record increments and decrements on the revaluation of non-current assets.

Where a revalued asset is sold, that portion of the asset revaluation reserve which relates to that asset is transferred to retained profits.

F3 Retained profits

	2026 $'000	2025 $'000
Balance at beginning of financial year	(6,582)	(2,347)
Net profit/(loss)	(5,042)	(4,178)
Transfer attributable to assets disposed of during the year	161	-
Defined benefit plan actuarial gains/(losses)	996	(81)
Related income tax	(299)	24
Balance at end of financial year	**(10,766)**	**(6,582)**

F4 Remuneration of auditors

	2026 $'000	2025 $'000
External audit services	88	85
	88	**85**

As at 30 June 2026, Metro has paid $44,500 (ex GST) to the Tasmanian Audit Office for the audit of the 2025-26 financial statements.

F5 Commitments for expenditure

Capital commitments:	2026 $'000	2025 $'000
Payments within 1 year	2,285	580
Payments 1-5 years	-	-
	2,285	**580**

Capital commitments for the 2025-26 financial year comprise contracts for capital works relating to the installation of a new CCTV system on buses.

Operational commitments:	2026 $'000	2025 $'000
Payments within 1 year	1,965	3,118
Payments 1-5 years	2,951	3,432
Payments > 5 years	473	-
	5,389	6,550

Operational commitments disclosed are operating contracts Metro has entered into that have a fixed fee over a set term. These include Metro's cleaning and refuelling contract and licence and support contracts for critical systems.

In addition, Metro has also entered into contracts that are based upon variable fee structures that are not included in the note above. These include Metro's maintenance contracts for both infrastructure and bus fleet, and electricity contracts.

F6 Other accounting policies

(a) Impairment of assets

The carrying values of tangible and intangible assets are reviewed at each reporting date for impairment when events or changes in circumstances indicate that the carrying value may exceed the recoverable amount. The asset is then written down to the recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

(b) Goods and services tax

Revenue, expenses, assets and liabilities are recognised net of the amount of GST, except for receivables and payables that are recognised inclusive of GST or where GST is not recoverable.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from the ATO, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO.

F7 Subsequent events

At the time of signing these financial statements, there have been no material subsequent events.

F8 Contingent assets/liabilities

After due investigation, Metro has identified no material contingent assets or liabilities.

F9 Economic dependency

A significant volume of Metro's operations is performed under contract to the State Government. Metro's passenger service contract with Department of State Growth (State Growth) commenced from 1 September 2022. The contract term expires on 31 December 2029.

The Treasurer has provided explicit ongoing support for Metro to ensure the Company will continue to operate as a going concern.

On 15 June 2020, Metro established an $18 million borrowing facility with the Tasmanian Public Finance Corporation with explicit support from the Treasurer. Metro has a drawdown program in place for the borrowing facility that ensures capacity to meet all capital commitments.
As at 30 June 2026, Metro has drawn down $5 million of this borrowing facility.

Metro has developed a draft four-year Corporate Plan, which is based upon the funding model in the new service contract. The Corporate Plan represents management's best estimate of future financial performance.

Metro's continued operations are dependent upon securing funding beyond 30 June 2026 following government policy to implement free fares. At the date of approving these financial statements, funding agreements for the period commencing 1 July 2026 had not been finalised. These circumstances could indicate the existence of a material uncertainty that may cast doubt on Metro's ability to continue as a going concern. Management is actively negotiating funding arrangements and believes that sufficient funding will be obtained to enable Metro to continue operating. The financial statements have been prepared on a going concern basis because management expects funding to be secured.

Based on these factors, the Board is satisfied that Metro will continue to operate on a going concern basis.


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