



# Annual Report 2023-24

**Metro**

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## 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)  
Yvonne Rundle (Deputy Chair)  
Dianne Underwood  
Jane Sargison  
Ian Vanderbeek

## Shareholders

Minister for Transport, Eric Abetz MP  
Treasurer, Michael Ferguson MP

## Executive Managers

Katie Cooper, Chief Executive Officer  
Darren Turner, Chief Operating Officer  
Jacqueline Allen, General Manager People and Safety  
Chris Breen, General Manager Commercial and Projects  
Kellie Dean, General Manager Corporate Services and Company Secretary  
Jesse Penfold, General Manager Finance

## 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

## 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 approximately seven million passenger journeys and over nine million service-kilometres a year. It operates with a fleet of 236 buses, driven and supported by over 500 Tasmanian employees.

Metro is a state government business enterprise 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 Transport and the Treasurer.

Metro assets, operations and services are managed under a contract administered by the Department of State Growth (DSG) in accordance with revised terms that were finalised in June 2022.

We are committed to the responsible management of our business and financial affairs while delivering safe, reliable and efficient public transport solutions in the Tasmanian communities we operate. 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.



## Message from the Chair and Chief Executive Officer



On behalf of the Board and Executive of Metro Tasmania, we are pleased to present the 2023-24 Annual Report. In the past 12 months Metro has adapted in response to ongoing challenges in the operational environment, as well as increased financial pressures, both of which are reflected in the results presented in this report. Notwithstanding this, Metro has continued to make positive progress with the groundwork and investments needed to make Metro a modern, efficient and customer-focused provider of sustainable transport services.

### Operational and financial performance

#### Review of operations

Metro delivers public transport services in Hobart, Launceston and Burnie on a network of 235 routes with 13,745 scheduled services per week operating with its fleet of 236 buses driven and supported by over 500 employees.

Since late 2022 there has been a marked increase in employee turnover, coinciding with strong economic conditions in Tasmania, a tightening labour market, and widening skills shortages impacting a range of industries. Notwithstanding increased efforts to recruit and retain, in common with other major Australian cities, there have been ongoing driver shortages leading to daily service cancellations in Hobart.

To mitigate the impact of driver shortages and stabilise operations, Metro implemented a temporary service adjustment (TSA) from 28 August 2023, reducing the standard weekday timetable for Hobart by 177 services. This has provided our customers with certainty on the services they can reliably expect from us while we are implementing a longer-term solution. As a result, during this reporting period, Metro delivered 93.57% of scheduled services, below the 99.75% target that is based on Metro's longer-term historical service performance.

In response to this, Metro intensified its recruitment program, training 119 new bus drivers statewide in the 2023-24 financial year. We are sustaining the measures to recruit and retain Bus Operators as we work to progressively restore services. Sustained service reliability is critical for Metro's

customers, which is why we will take a staged approach to restoring services as we further grow our workforce.

Metro, along with other frontline service industries, has been affected by anti-social behaviour and violence across our community. Incidents such as rocks thrown at buses, assaults, and aggressive or abusive passengers has resulted in increases in stress-related workers compensation claims and unplanned workplace absences. It also adds to the challenge of staff attraction and retention.

Metro understands it has a role to play in addressing this difficult community issue, which is why in the latter part of 2023, Metro launched the "It's NOT OK" Campaign, in collaboration with the Rail Train and Bus Union. This campaign demonstrates to the Tasmanian community, Metro customers and our

employees that bad behaviour on Metro buses, in Metro shops, online and in the wider community is not acceptable.

To help protect our employees and customers, Metro has a range of security and safety measures in place, including arrangements with Tasmania Police, CCTV cameras on all buses and internal security and safety programs. Metro has a longstanding partnership with Tasmania Police for a dedicated resource.

## Financial outcomes

For the 2023-24 financial year, Metro recorded a loss before tax of \$4.632m (compared with a loss of \$2.040m in 2022-23) and a loss after tax of \$3.245m (\$1.432m loss in 2022-23). The increased loss is attributable to reduced operational revenues and increased costs.

During the year, patronage levels declined, with total first boardings 1.7% lower than the prior year (6.88m in 2023-24 compared to 6.99m in 2022-23), resulting in ticket revenue being \$0.287m (2.5%) below prior year. The patronage decline appears to be network-wide rather than routes affected by the TSA.

With the introduction of the TSA, DSG reduced contract payments in accordance with the terms of our contract, adjusting for both services impacted by the TSA and lower fuel prices. Hence, in 2023-24 Contract Payments were \$2.894m lower than the prior financial year, of which approximately \$2.37m is attributable to abatements for services affected by the TSA. The reductions in operating costs not incurred as a result of the TSA did not fully offset the impact of this adjustment.

Employee-related expenses increased due to wage increases, including a temporary 10% wage increase for Bus Operators announced in late 2023 that was supported by a funding package from the Tasmanian Government. Additionally staff costs associated with a strategic uplift in safety, human resources and operational support functions, together with resources required to assist the delivery of strategic initiatives, also contributed to increased employee-related expenses. Some of these costs were partially offset by grant funding for specific programs.

Adverse variances in maintenance costs stemming from an aging fleet, which is being exacerbated by the deferral of funding for planned fleet replacement, also contributed to the Company's financial performance. More broadly, the annual results reflect continued inflationary pressure on key input costs.

As at 30 June 2024, Metro held \$20.42m in cash, of which \$12.22m is committed to specific grant-funded projects such as Zero Emission Buses, Intelligent Transport Systems and GreenCard balances.

Over the course of the past two years, it has become evident that patronage has now stabilised at a new steady state that remains materially lower than the pre-pandemic levels around which Metro's sustainable financial model was designed. The "new normal" of the post-pandemic patronage level and the consequent reduction in fare revenue has been compounded by static fare prices. Metro looks forward to constructive engagement with DSG and key stakeholders to address this widening structural funding gap so that Metro can continue to provide services to customers, meet shareholder Ministers' expectations and operate in a financially sustainable manner.

## Strategic initiatives

### Zero emission bus trials in Launceston

Metro is well progressed with preparations for its trial project of zero emission buses (ZEBs), with both battery electric bus (BEB) and hydrogen fuel cell bus electric (HEB) technology.

During the year, Metro launched the first ever BEB trial in Launceston. The four BEBs procured for the trial will operate services on routes across Metro's Launceston network. Metro's trial of the new model of Australian-manufactured Custom Denning BEBs is as an important initiative that aims to contribute to Tasmania's goal to maintain net zero greenhouse emissions, or lower, by 2030.

Not unexpectedly, the BEBs have experienced some technical initial issues during the testing and commissioning of this new technology, all part of the reason why Metro is conducting the two-year trial of these vehicles. Metro continues to work closely with the manufacturer to ensure these matters are addressed.



The BEBs are expected to increasingly be in regular service as the operational testing phase is completed. There has been positive feedback from operators and passengers on the quietness and smoothness of the ride.

### Hydrogen bus trials in Hobart

The key purpose of the HEB trial is to develop local skills in, and a pathway for, commercialisation of future hydrogen technology transport options. Metro has made substantial progress with its HEB trial in Hobart. The HEBs are powered by an electric motor, using hydrogen gas as fuel. The hydrogen is converted to electricity on board through a fuel cell.

During the reporting period, three HEBs were delivered to Metro in May 2024, with pre-service operational testing commenced. Renewables, Climate and Future Industries Tasmania (ReCFIT) is responsible for the Tasmanian Renewable Hydrogen Action Plan's goal of locally produced hydrogen being used in Tasmania by 2022 to 2024. To this end, ReCFIT has been working with the Blue Economy Cooperative Research Centre (BECRC) towards producing and supplying hydrogen for the HEB trial.

These trials will provide Metro with critical operational experience and information to inform the potential long-term transition of Metro's fleet to zero emission buses. We are proud to contribute to Tasmania's pursuit of a key role in the

national and international transition to green energy, while delivering new jobs and investment to the State.

Metro acknowledges the funding support provided by the Tasmanian Government for the project and will continue to work closely with ReCFIT to support them in their role of securing the supply of hydrogen for HEB trials.

### Modernising business systems

Our modernisation journey picked up pace in 2023-24 with a suite of modern technology projects that collectively comprise the Intelligent Transport Systems (ITS) Program. The ITS Program is funded and supported by the Tasmanian Government.

The ITS Program aims to accelerate investment to replace obsolete technology infrastructure and outdated systems reliant on manual processes that will improve the company's services to customers and enable Metro to operate as efficiently as possible.

Over the year, Metro successfully completed a range of projects, including migration of ICT systems to the cloud, an uplift in workplace communications platforms, development of a Data Strategy, a review of Metro's on-bus ICT architecture and enhanced security, and installation of dynamic information displays for staff and customers.

Importantly Metro conducted procurement processes and entered contracts for a new service planning and rostering system and a new Human Resource Information System, to be delivered in the next 24 months. Together with DSG's investment in a new ticketing system, this suite of contemporary industry software solutions will equip Metro with the tools it needs for efficient management of our people, our operations and bus service delivery.

### Investing in our people

Recruitment and retention were priorities for Metro, and in 2023-24 we continued our focus on a range of measures aimed at returning to and retaining a full complement of Bus Operators. Key steps taken include a new recruitment campaign, streamlined employment and induction programs, increased training resources and additional operational support.

The unprecedented tightness in the labour market and wages growth across all sectors has resulted in a disparity between market rates and Metro's pay-scale. This has hampered the capacity to attract and retain the full establishment of operators, particularly in Hobart. The Tasmanian Government's \$8.1m support package announcement in 2023, which included an amount to cover a temporary 10% wage increase for Bus Operators, has assisted in reducing staff attrition. This funding support was provided to assist the Company both before and during the negotiations for an updated agreement that would support productivity gains to enable the temporary increase to be continued. In the short term this temporary pay increase has provided a measure of stability as well as supporting an intensive management effort on an improved framework for recruitment and retention.

Metro continued to address a number of strategic initiatives under its People Plan 2023-2026. This included investing in the skills and development of our people with 14 staff successfully completing their Cert IV in Leadership & Management. In addition, over 300 staff have completed de-escalation training to equip them to deal better with increasing anti-social behaviour and look after their safety and wellbeing as well as that of customers.

In late 2023, Metro developed and implemented a Health and Wellbeing Strategy that is a practical demonstration of Metro's commitment to supporting our people to be mentally and physically fit, empowering them to deliver high-quality customer service for our community.

The vision of our Health and Wellbeing Strategy is to build a culture that empowers all our people, increases awareness and fosters a supportive and inclusive organisation. We prioritise healthy minds, healthy bodies, and a positive and safe workplace for everyone.

### The road ahead

We take this opportunity to thank our hardworking staff for their ongoing dedication to working together to meet customers' needs, and to make the journey better for all Tasmanians. We aim to be an attractive employer, keeping our people safe and supporting them to excel in customer service delivery.

We would also like to thank our customers for their understanding, flexibility and patience as we navigate the external challenges affecting our services. We are working diligently towards a staged reintroduction of services affected by the TSA, along with further ongoing improvements in the services we offer.

Metro remains committed to fulfilling the vision of making the journey better for all Tasmanians. However, structural issues underlying Metro's financial performance this year present a challenge to realising this outcome. With the ongoing support of our shareholders and in collaboration with DSG, Metro remains on track to deliver safe, modern, reliable, customer-focused public transport services.



**Anthony  
Braxton-Smith**  
Chair



**Katie Cooper**  
Chief Executive  
Officer





## Evolution of Metro's Vision, Mission and Values

The evolution of our Vision, Mission and Values in 2023-24 has already begun to influence various aspects of our work. From enhancing team training and internal communications to integrating into employee reward and recognition, we are embedding these values within our organisational fabric.

Our new Vision strives for the work we do to enhance the travel experience for every Tasmanian – be it our customers, fellow road users, or the wider community. This vision steers our strategic choices and initiatives,



with a focused aim on enriching the passenger experience and positively affecting the communities we serve across Tasmania.

Our updated Mission is a promise to our customers. It underscores our ongoing



efforts to improve operational efficiency, modernise our systems and build customer satisfaction, ensuring that our services not only meet but exceed the expectations of today's customers and the demands of tomorrow.

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



## Our Customers and Community



### Our strategic priorities

Keeping our people and customers **safe**

Recruiting and retaining **our team**

Ensuring financial **sustainability**

**Modernising** core systems

Long-term **planning**



**17,018**

average monthly visits  
to the Metro Shops

Total visits ▲ 10% from 2022-23



**254**

compliments  
received statewide

### Compliments and complaints

Metro welcomes feedback from our customers. This feedback assists us to plan and make improvements to our services. We investigate all complaints and incidents to ensure substantiated complaints are addressed and a response provided to the customer within 10 business days. Similarly, we love to hear when a customer has had a great experience or received excellent customer service. We pass on all compliments to our frontline staff to recognise their efforts.

We help customers navigate our networks, from GreenCard top-ups, journey planning, lost property to hotline support. Our team also actively participates in outreach programs and provides onsite support to students returning to school, demonstrating our dedication to customer care in every scenario.

Serving over 204,000 customers annually at our physical locations and handling more than 35,000 calls on the Metro hotline, our efforts provide a positive experience for customers, contributing to continued vision to deliver excellence in service delivery.

These achievements reaffirm how we work together to meet our customers' needs.



**“Anna phoned to compliment the driver of route X20 from Hobart at 16:36. She said some difficult kids boarded the bus at Glenorchy with no fare and he handled them very well. Thank you.”**

## It's Not Ok campaign

In July 2023, Metro Tasmania spearheaded the “It’s Not OK” initiative, a strategic awareness campaign and one part of Metro’s larger efforts to address the community issue of anti-social behaviour. Launched in partnership with the Rail Tram and Bus Union (RTBU), the campaign’s core message emphasised that any form of bad behaviour, be it on our buses, in our Metro shops, through our hotline and social media channels, or in the broader community, is not ok.

The campaign took on a multi-channel approach, including social media, local TV, bus wraps, shopping centres displays, and billboards in Metro’s networks across the state, with specific anti-social behaviours such as spitting, vaping, vandalism, abuse and aggression highlighted.

The “It’s Not OK” campaign received strong community support, with endorsements from various Tasmanian organisations, including the RACT, Hobart City Council, Clarence City Council, Glenorchy City Council, the Property Council of Australia (Tasmania Branch), the Council on the Aging Tasmania (COTA), the Multicultural Association of Tasmania (MCAT), the Youth Network of Tasmania, TasCOSS and Crime Stoppers Tasmania.

Throughout the campaign, Metro continued to collaborate with unions, the Tasmanian Government, Tasmania Police, schools, the transport industry and community groups. This collaborative effort reinforced our commitment to a safer, more respectful environment for both our staff and the wider Tasmanian community.

**Anti-social behaviour is NOT ok!**

**Being rude.** **Abusing.**

**Spitting.** **Vaping.**

**None of it is ok!**  
**Get on board with a safer Metro.**

The graphic features four green cartoon faces with red 'X' marks over their mouths, representing different types of anti-social behavior: being rude (tongue sticking out), abusing (mouth open in a scream), spitting (teeth bared), and vaping (smoke coming out of the mouth). The text is in a bold, green, sans-serif font.

To learn what measures we are taking to make our Public Transport safer, visit [www.metrotas.com.au/ItsNotOk](http://www.metrotas.com.au/ItsNotOk)



“Lady came in to store to compliment the driver of bus 906 just now (8.42 am). She said he was an awesome driver, was very friendly, and that her ride in from Rosny was very enjoyable. Thank you.”



475,000

Social media page visits



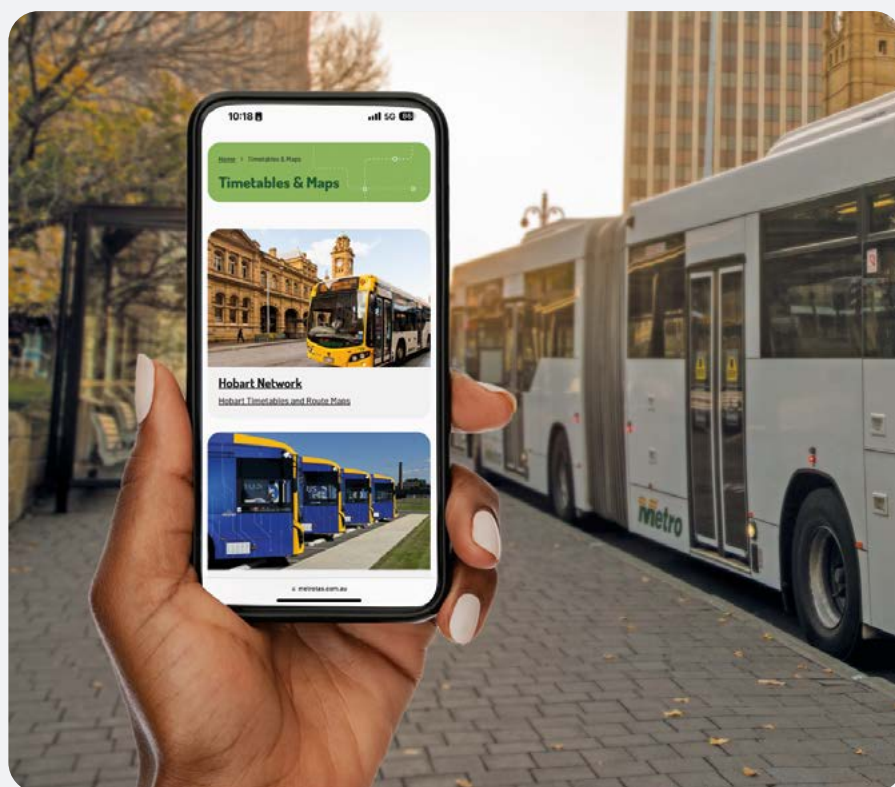
3,250,000

journeys planned using the online trip planner



4.1 million

website visits  
▲ 2.5% from 2022-23



### An upgraded Metro website

Metro embarked on a significant upgrade to its website as part of our commitment to enhance our user experience and provide more efficient ways for customers to plan their travels. This project has been a crucial component of Metro’s strategic priority of modernising core systems, enabling us to improve digital accessibility and streamline customer interactions with our services.

The redesign of the Metro website focuses on user-friendliness and functionality, making it easier for customers to access the information. With improved navigation and a more accessible interface, the website now offers enhanced features such as alignment to Metro’s refreshed brand identity, dynamic timetables and a more intuitive trip planner.

The website has been optimised for mobile devices, acknowledging the growing trend of on-the-go travel planning. This mobile-first approach ensures that whether our customers are using a smartphone, tablet or desktop, the experience remains consistent and reliable.

Accessibility has also been a key focus in the redesign. The new website meets modern accessibility standards to ensure that all users, including those with accessibility needs, can navigate the site effectively.

As we continue to evolve, Metro remains dedicated to leveraging technology to foster a more connected and supportive public transportation network.

### Metro bus donation feeding Tasmanians doing it tough

In 2024, Metro donated a bus, spare engine, gearbox and differential for use as a mobile supermarket offering free and discounted fresh produce and household items to Tasmanians struggling to afford food.

Metro donated the bus and parts, worth around \$14,000, after an approach from charity partners, Action Against Homelessness, Loaves and Fishes Tasmania and Eat Well Tasmania.

Action Against Homelessness is overseeing transformation of the bus from commuter transport to mobile supermarket.

Metro was proud to see the decommissioned commuter bus getting a new life feeding those doing it tough on the north and west coasts of Tasmania.



## Accessibility and Inclusion Plan 2024-2029

In 2024, Metro launched its Accessibility and Inclusion Action Plan 2024-2029 (the Plan), outlining the steps it will take to ensure all Metro services provide a safe and respectful space for all Tasmanians.

The Plan sets out to minimise the barriers individuals face and provide equitable, dignified and safe access to our services.

For the past 10 years Metro had worked hard to make its services more accessible to everyone. We achieved a lot under the previous plan (Disability Action Plan) which expired in 2022, including acquiring easy-to-use buses, better signage and clearer, more helpful information for passengers.

In developing the new plan, Metro listened to Tasmanians' needs and responded by improving our services accordingly - we engaged with community members, stakeholders and our workforce.

The plan consists of five Action Areas as follows:

### Action Area 1

Make Services Accessible and Welcoming for Everyone

### Action Area 2

Involve the Community in Service Improvements

### Action Area 3

Ensure Safe and High-Quality Travel

### Action Area 4

Use Technology to Improve Services

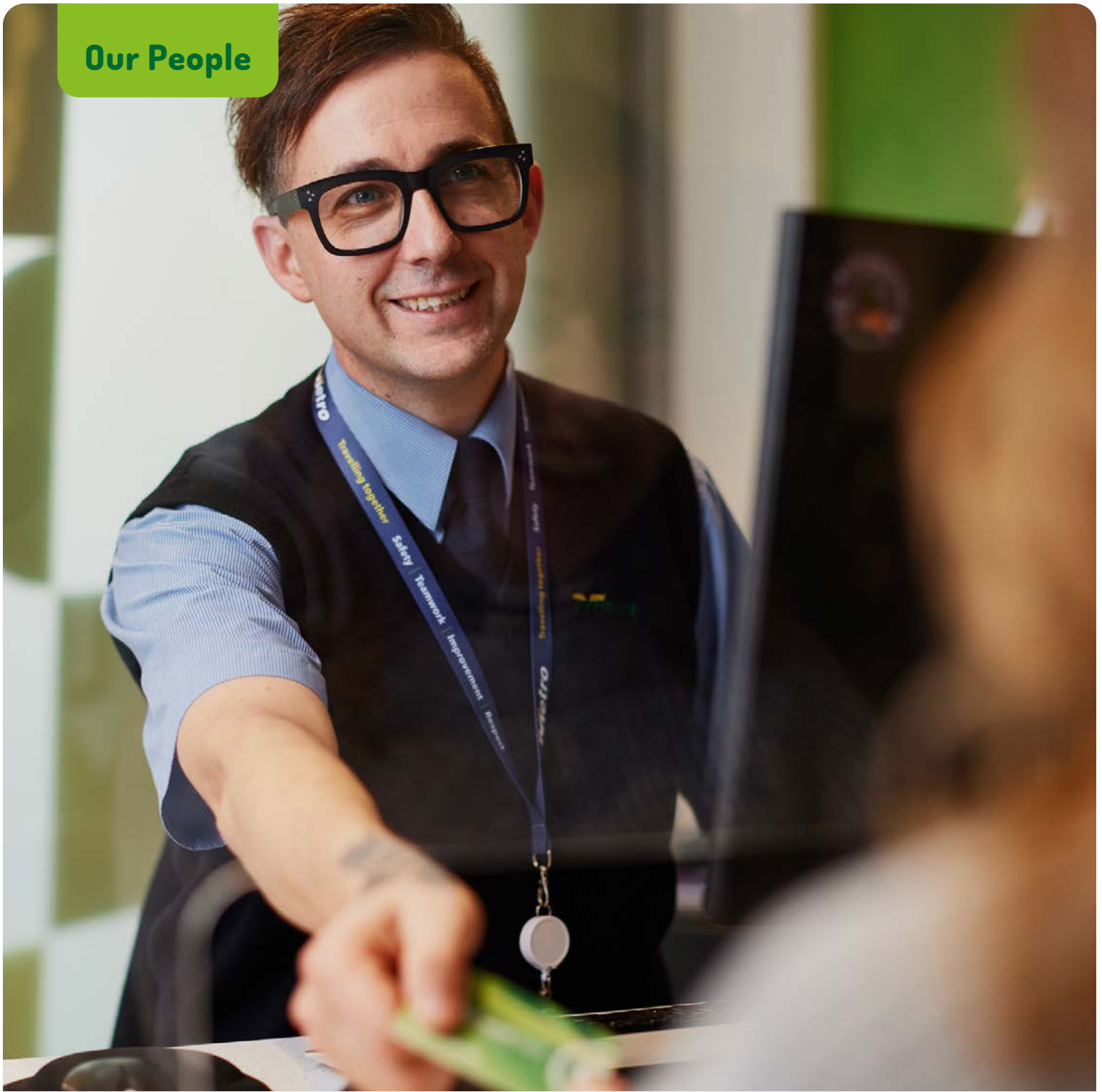
### Action Area 5

Be Open and Responsible



**“The bus driver was friendly, courteous, on time and went out of his way to assist passengers. He promptly offered to assist two families with prams on and off the bus and dealt effectively and gracefully with also having to accommodate a lady in a wheelchair. All Metro drivers are incredible, doing a difficult job with challenging traffic situations but this morning's driver was exceptional.”**

## Our People



**“The gentleman at the metro shop was super helpful and was engaging and friendly and made me laugh. I’ve had a couple of previous interactions with him and he was the same. That would be a very tough job and he still was able to make me laugh! Please look after staff like this and keep those bright lights in your organisation.”**



Metro continues to work hard to address issues within the recruitment portfolio. The recruitment and retention of Bus Operators is a challenge that is being felt nationwide and Metro have partnered with industry bodies, community and employment organisations to promote the occupation and employment opportunities.

## 2024 Employee Engagement Survey

In March 2024, Metro conducted its biennial Employee Engagement Survey, achieving a participation rate of 55% – a notable increase of 8% from the 2022 survey.

This upward trend in participation, characterised by an alignment to Metro’s goals and a sense of pride in the workplace, is reflected across all three of Metro’s depots with participation of 50% in Burnie, 57% in Launceston, and 55% in Hobart. The overall engagement rate rose to 59%, up 8% from the previous survey, underscoring a growing connection among our team members.

The survey highlighted Metro’s strengths in fostering team connections, ensuring alignment and involvement with company goals, and supporting a healthy work-life balance. Employees expressed high confidence in understanding their roles and contributing to Metro’s objectives, with 85% of respondents agreeing that they know what is needed for success in their positions.

Opportunities for continued growth were also identified in learning and development, and connection with Metro’s leadership teams, areas where Metro is actively focusing its efforts to improve.

Significant improvements were seen in Metro recognising outstanding customer service within the team, with a 22% increase since 2022, and in our team’s satisfaction with their physical workspace and team inclusivity.

These survey insights continue to guide Metro’s ongoing strategies to enhance workplace culture and employee satisfaction, ensuring that our team not only understands their role in the company’s success but also enjoys being a part of the Metro team.

**55%**  
participation rate  
▲ 8% from 2022 survey

**59%**  
Engagement factor score  
▲ 8% from 2022

**85%**  
'I know what I need to do to be successful in my role'

**73%**  
'I feel I am part of a team'  
▲ 10% from 2022

## Learning and development

### Safety Training

- 8** Emergency Warden
- 3** First Aid
- 7** Health & Safety Representatives
- 22** Wellbeing Support Officer Training



### Driving Team Training

- 3** Heavy Vehicle Assessor



### Engineering Training

- 15** Hydrogen Bus familiarisation
- 7** Battery Electric Vehicle Servicing Skill Set



### ZEB Training

- 14** BEB overview
- 24** BEB Familiarisation and Charger Training
- 30** BEB Driving Training
- 16** HEB Overview
- 19** HEB Operator Familiarisation
- 7** HEB Driving Training



# 300

employees completed de-escalation training



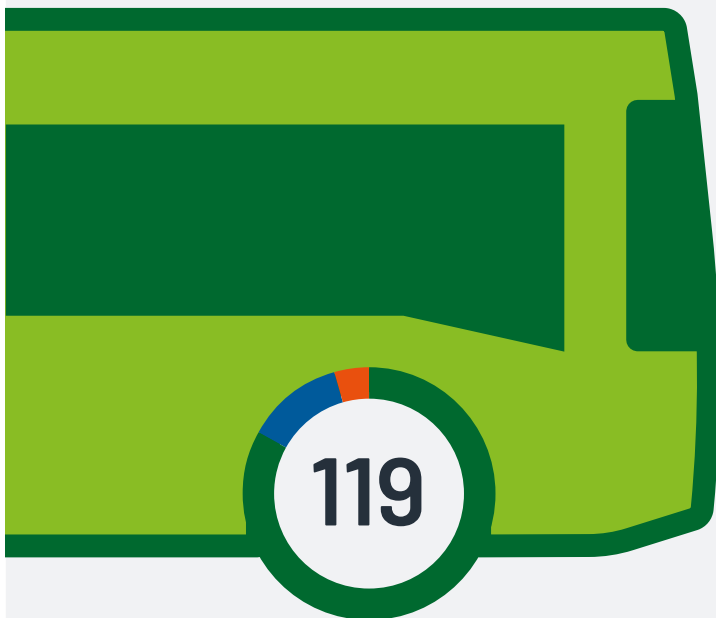
# 14

employees completed Certificate IV in Leadership and Management



# 23

employees completed resilience in the workplace training



### Total Bus Operators Trained

# 99

Hobart

# 15

Launceston

# 5

Burnie

Metro continues to invest in the skills and development of our people with 14 staff successfully completing their Cert IV in Leadership & Management. The Certificate IV in Leadership & Management program is for people who work in any leadership role and is ideal for emerging leaders to prepare them to transition into leadership roles.

De-escalation training for our frontline staff to better equip them in dealing with anti-social and challenging behaviours in the community was developed and run. In the session, staff are encouraged to share their experiences and how they debrief after incidents. The importance of self-care is emphasised as well as practical techniques to de-escalate.

The learning and development for our Bus Operators continue throughout their journey with Metro. The Training team delivers a number of regular assessments and reviews of Bus Operators, especially in their first six months on road.

All of Metro's Executive and Senior Leadership Team continue to participate in ongoing professional development and coaching including a Leadership Development program.



## Wellbeing

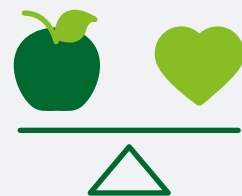
The key fundamental of Metro's Health and Wellbeing Strategy is the establishment of a Wellbeing Committee that provides a forum for our people to communicate, participate, motivate and support physical and mental initiatives to improve Metro's employees mental and physical health in the workplace.

This committee drives an annual calendar of events that includes initiatives such as skin checks, health checks and physical exercise program.

We have implemented Wellbeing Support Officers. Wellbeing Support Officers are employees' who have been trained and are available to support other employees who would like to discuss a concern that may relate to their wellbeing, including discrimination, harassment or bullying in the workplace.

Our Live Better program is designed to reduce workplace injuries and illnesses. The Live Better program focuses on four key areas of wellbeing: psychological wellbeing, sleep and fatigue, musculoskeletal, food and drink.

A total of 165 employees have registered for the program since it launched in November 2023.

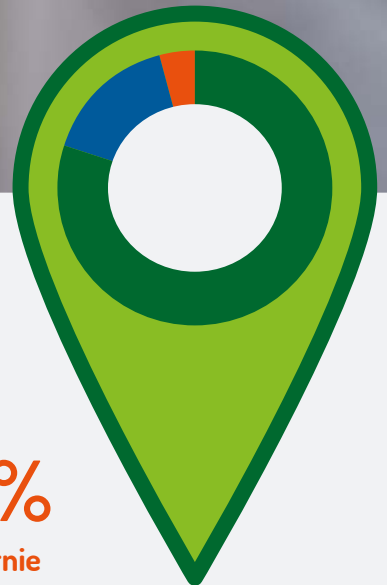


165

employees have registered for the Live Better program since November 2023

**"The female driver of bus 897 doing the X07 that left the city around 5:15pm was lovely and such a great driver – not only was the trip smooth but she was friendly to everyone that got on and off. A very big asset to the Metro family!!!"**

# Our Performance



## Passenger levels

During 2023-24 there were 6.87m passenger journeys, a decrease of 1.8% on the previous year. Since the onset of Covid-19, patronage has stabilised at 81% of pre-pandemic levels.

## Passenger boardings

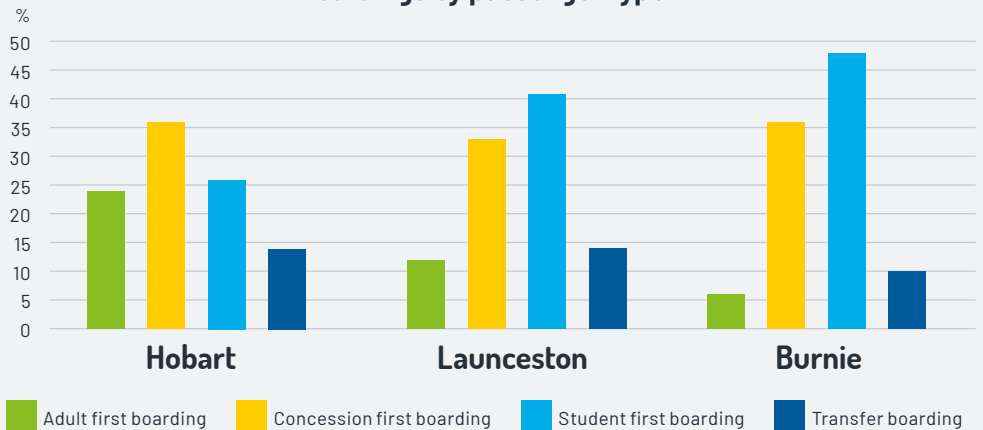


**6.87 million**

passenger journeys

▼ 1.8% from 2022-23

## Boardings by passenger type<sup>(1)</sup>



(1) first boardings means boardings that have not been made within 90 minutes of a previous boarding



## Service initiatives

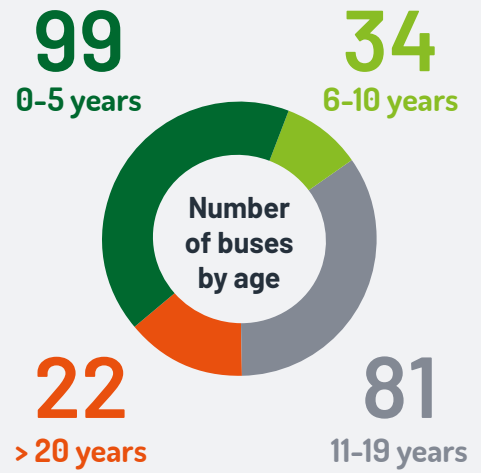
Metro provides services for special events which help to reduce traffic and provide event attendees with a convenient and safe alternative to private vehicles.

Metro provided a bus charter for the Point to Pinnacle Marathon in Hobart, transporting competitors safely back down kunanyi/Mt Wellington after the conclusion of the event.

In partnership with MAIB, Metro operated Nightrider services in Hobart, Launceston and Burnie on New Year's Eve.

### Launceston Tiger Bus

Metro continued to operate the City of Launceston's free Tiger Bus service, which includes a weekday peak period shuttle from Inveresk to Launceston City, two inter-peak city loops and a Cataract Gorge loop.



**236** buses in fleet



**94%** with air conditioning



**100%** with CCTV



**100%** DDA compliant buses



**9.5 years** average age of fleet



## 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.



**Yvonne Rundle (Deputy Chair)**

**BBus, FCA, FAICD**

Ms Rundle is a former owner and director of a statewide chartered accounting practice and has over 30 years of experience in public practice, consulting in areas such as succession planning, strategic planning, corporate governance, risk management, business and taxation advice.

Ms Rundle currently serves on a number of boards in the public and private sector.



**Dianne Underwood**

**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 Colony 47.



**Ian Vanderbeek**

**BBus, GAICD**

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.



**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 and Director of JSA Engineers.

## 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*. 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 is 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 (CEO), 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 *Tasmanian Business Guidelines – Assessing Board Performance*. An external independent review is conducted every three years, with the last one undertaken in 2022.

There is a formal process for reviewing the performance of the CEO and other executives and it includes assessment of performance against key performance indicators and addresses training and development requirements. Performance reviews were 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, and 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 which is managed by the Chair, CEO and the Company Secretary. The Board is also committed to ongoing professional development for directors.

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

Metro has established a set of values and a code of conduct which sets out the expectations of directors and all employees 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 CEO 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 AGM. The Auditor-General or his representatives attend meetings of the Audit and Risk Committee from time to time and attend the annual AGM.

### Principle 5 – Make timely and balanced disclosure

The Chair and CEO 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 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 of how to lodge a Right to Information request is available on Metro’s website.

During the year, Metro received four (4) applications for assessed 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.

## Tasmanian 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 businesses during the financial year:

Purchases from Tasmanian businesses	
% of purchases from Tasmanian businesses	75%
Value of purchases from Tasmanian businesses	\$38,167,315

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
Adaptable HR	TAS	Industrial Relations & Human Resources	24 February 2024 to 30 June 2024	\$138,072
Corneum Consulting Pty Ltd	QLD	Ticketing and Network Planning Project	1 July 2023 to 31 May 2024	\$105,773
Urban Transit Solutions Pty Ltd	VIC	Network Planning	1 February 2024 to 30 April 2024	\$124,108
3P & Associates Pty Ltd	TAS	Marketing	18 September 2023 to 31 May 2024	\$52,850
Datca Pty Ltd	TAS	Marketing	1 April 2024 to 30 June 2024	\$51,700
Johnston Winter & Slatery	SA	Legal	14 March 2024 to 29 May 2024	\$50,173
Edge Legal Holdings Pty Ltd	TAS	Legal	1 July 2023 to 30 June 2024	\$66,485
Page Seager Pty Ltd	TAS	Legal	1 July 2023 to 30 June 2024	\$90,922
<b>Total</b>				\$680,083
<b>There were 23 consultants engaged for \$50,000 or less totalling</b>				\$377,863
<b>Total Payments to Consultants</b>				\$1,057,946

### Overseas travel

During the financial year there was no overseas travel undertaken by Metro directors, executives or employees.

### 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:

Payment of accounts	
Creditor days	24.49
Number of accounts due for payment	8,395
Number of accounts paid on time	7,567
Amounts due for payment	\$52,591,486
Amounts paid on time	\$50,284,059
Number of payments for interest on overdue accounts	0
Interest paid on overdue accounts	\$0

## Key performance targets

Financial targets	2023-24 target	2023-24 actual	Status
Profit/(loss) after tax (\$'000)	(3,056)	(3,245)	●
Returns to Government	87,487	26,496	●
Fares revenue (\$'000)	11,631	11,273	●
Total cost per service kilometre (\$)	6.26	6.44	●
Non-financial targets	2023-24 target	2023-24 actual	Status
Network effectiveness			
Patronage ('000 first boardings)	7,124	6,867	●
First boardings per service kilometre	0.78	0.79	●
Operator efficiency			
% trips delivered within Metro's reasonable control	99.75%	93.57%	●
% trips delivered on time within Metro's reasonable control	90%	84%	●
% of kilometres that are out of service	20%	20%	●
% of paid hours that are undertime	1.0%	0.5%	●
Service quality			
Substantiated complaints / 100,000 service kilometres	13	7.7	●
% customers satisfied with Metro*	80		
Safety			
At fault collisions/100,000 km	4	5.1	●
Reduction in LTI Frequency Rate	27	53.8	●

\* The 2024 customer satisfaction survey was not completed within the reporting period

## Performance commentary

For the 2023-24 financial year, Metro has recorded a loss before income tax of \$4.632 million (loss \$2.040m, 2022-23) and a loss after tax of \$3.245 million (\$1.432m, 2022-23).

The result has been primarily driven by several factors including a reduction in service contract revenue due to service adjustments, decreased ticket fares as a result of declining patronage, and increased operating costs.

Metro's net assets as at 30 June 2024 were \$66.752 million, which was an increase on last year's position of \$63.028 million. This has been driven by contributed equity to procure the assets for the battery electric bus trial and the revaluation increments to Metro's land and buildings and buses. These increases have been partially offset by the impact of the loss generated by Metro in 2023-24 as outlined above.

Metro has seen a significant increase to its cash balance holding of \$20.416 million as at 30 June 2024 (2023: \$11.674 million). This has been driven by grant funding received that has yet to be spent, noting that contract liabilities are \$15.528 million as at 30 June 2024 (up from \$6.454 million as at 30 June 2023).

Metro's committed cash holdings as a result of unspent grants and GreenCard liability are \$12.222 million.

## Non-financial targets commentary

Metro had assumed a 1.8% increase in patronage in anticipation of a gradual return to public transport in the wake of Covid-19. However overall patronage declined by 1.8%, resulting in a 3.6% variance to target.

Metro's temporary service adjustments implemented in August 2023 to restore stability and reliability to the network

were the primary cause of not meeting the 99.75% target as listed above.

Pleasingly, since implementing the service adjustment, we have stabilised the daily dropped trips and have seen greater certainty for customers when planning a trip on a Metro service.

Improved service reliability is critical for Metro's customers, which is why we will take a staged approach to restoring services. This will allow Metro to further stabilise its workforce and provide certainty for our customers at a time when the labour market remains extremely challenging.

Due to data limitations, the 84% result includes services that did not run on time due to circumstances beyond Metro's control, such as roadworks, traffic congestion and adverse weather. Metro's services were severely impacted by major roadworks such as the Bridgewater Bridge construction, and traffic congestion more broadly.

# Directors' Report

The directors of Metro Tasmania Pty Ltd ('Metro', 'the Company') present the annual financial report for the Company and its controlled entity for the year ended 30 June 2024.

## 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 2024, Metro achieved a loss before income tax of \$4.63 million (2023: loss of \$2.04 million) and an after tax loss of \$3.25 million (2023: loss of \$1.43 million).

Metro is holding \$20.42 million in cash and cash equivalents as at 30 June 2024, of which \$12.22 million is committed for projects funded by the State Government and ticket fares received in advance from GreenCard customers.

A detailed review of operations for the year is outlined in the Chair and CEO report.

## Dividends

The directors do not recommend payment of a dividend this year. No dividend was paid for the year ended 30 June 2023.

## Change in state of affairs

During the financial year ended 30 June 2024 Metro deregistered its dormant subsidiary, Metro Coaches(Tas) Pty Ltd.

There were no further significant changes in the state of affairs of Metro during the financial year ended 30 June 2024.

## 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 future developments

Funded by specific purpose grants from the Tasmanian Government, 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 2024-25 to 2027-28.
- Delivering several projects as part of the Intelligent Transport Systems (ITS) State Government grant, which is supporting Metro's modernisation journey. The projects include the implementation of a new rostering and timetable system, a human resource information solution, replacement of CCTV on a portion of Metro's bus fleet as well as new two-way radio communications.
- Supporting the Department of State Growth in the rollout of real time tracking technology in 2024-25, and an integrated ticketing system for application across all general access public transport providers, which will replace Metro's GreenCard.

## 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 2023-24 year.

## Board of Directors

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

### Anthony Braxton-Smith (Chair)

Member of Audit and Risk Committee up until February 2024

Appointed director Nov 2022

Appointed Chair Nov 2023

Current term expires Nov 2025

### Yvonne Rundle (Deputy Chair)

Chair, Audit and Risk Committee

Appointed director Dec 2018

Current term expires Nov 2024

### Dianne Underwood

Member, Audit and Risk Committee

Appointed director Nov 2022

Current term expires Nov 2025

### Ian Vanderbeek

Appointed director Nov 2023

Current term expires Nov 2026

### Jane Sargison

Member Audit and Risk Committee

Appointed director Nov 2023

Current term expires Nov 2024

### Tim Gardner

Appointed director Dec 2015

Term expired Nov 2023

### Greg Wallace

Appointed director Dec 2020

Term expired Nov 2023

## Board and committee meetings

The number of meetings (Board and Committee) attended by each director during the financial year ended 30 June 2024 are:

Director	Board Meetings		Audit and Risk Committee	
	Held*	Attended**	Held*	Attended**
Anthony Braxton-Smith	15	15	3	2
Yvonne Rundle	15	15	5	5
Dianne Underwood	15	15	5	5
Ian Vanderbeek	6	6	-	-
Jane Sargison	6	6	2	2
Tim Gardner	9	8	-	-
Greg Wallace	9	9	1	1

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

\*\* The number of meetings attended by the director

## Remuneration report

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. Fees paid to directors are approved by the Shareholders in accordance with the Remuneration Framework for Government Boards. During the 12 months, no director has received, or become entitled to receive, a benefit by reason of a contract made by the Company with a director or with a firm of which he or she is a member or an entity in which he or she has a financial interest.

Remuneration for Metro executives is set in accordance with the *Guidelines for Tasmanian Government Businesses – Director and Executive Remuneration*, dated July 2021. Under these guidelines the remuneration band for the CEO is determined by the Treasurer and reflects the principles outlined in the guidelines. Positioning within the bands depends on the complexity and size of the business and the environment in which the business operates. Remuneration for other Metro executives is set with reference to the CEO's remuneration 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, vehicles and salary sacrifice provisions. The performance for each senior executive, including the CEO, is reviewed annually which includes a review of their remuneration package.

Metro's approach to executive remuneration supports the ability to attract, retain and motivate competent and experienced executive management personnel. Salary positioning is determined by the skills and experience the individual brings to the role, market factors and performance in the role.

Metro has complied with the *Guidelines for the Tasmanian Government Businesses – Director and Executive Remuneration* for the year ended 30 June 2024.

Details of payments made to directors and senior executives are set out in Note D2 Related parties.

## 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 an 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)  
7 August 2024



**Yvonne Rundle** (Deputy Chair,  
Chair of Audit and Risk Committee)  
7 August 2024

# Auditor's Independence Declaration



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](mailto:admin@audit.tas.gov.au)  
Web: [www.audit.tas.gov.au](http://www.audit.tas.gov.au)

6 August 2024

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 statements of the Metro Tasmania Pty Ltd for the financial year ended 30 June 2024, 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

A handwritten signature in black ink, appearing to read "D Bond", is written over a faint, light-colored signature line.

David Bond  
**Assistant Auditor-General**

**Delegate of the Auditor-General**




## METRO TASMANIA PTY LTD

### DIRECTORS DECLARATION

1. In the opinion of the Directors of the Consolidated Entity:
  - (a) the Consolidated Financial Statements and Notes are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
  - (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declaration required by Section 295A of the *Corporations Act 2001* by the Chief Executive Officer and General Manager Financial Services for the year ended 30 June 2024.

Signed in accordance with a resolution of the Directors:



.....  
Anthony Braxton-Smith

**Chair**



.....  
Yvonne Rundle

**Deputy Chair**

7 August 2024

### SUPERANNUATION DECLARATION

I, Katie Cooper, hereby certify that Metro has met its obligations under the Superannuation Guarantee (Administration) Act 1992 in respect of those employees who are members of a complying superannuation scheme to which Metro contributes.



.....  
Katie Cooper

**Chief Executive Officer**

August 2024



## Independent Auditor's Report

### To the Members of Metro Tasmania Pty Ltd

### Report on the Audit of the Consolidated Financial Report

#### Opinion

I have audited the financial report of the Metro Tasmania Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated 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 Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 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 Group 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.

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 2024 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.

## Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
<p><b>Valuation of bus fleet, land and buildings</b> <i>Refer to note C4</i></p>	
<p>At 30 June 2024, the Group's assets included land and buildings valued at \$24.76 million, and a bus fleet valued at \$48.87 million. These assets are recognised at fair value and are based on a market value basis.</p> <p>The Group undertakes formal revaluations on a regular basis to ensure valuations represent fair value. In between valuations, management considers the application of indexation to ensure that carrying values reflect fair values.</p> <p>During the financial year, management undertook a full revaluation of land and buildings. At balance date, indexation was applied to the bus fleet.</p> <p>The valuations were determined by experts and are highly dependent upon a range of assumptions and estimated unit rates.</p>	<ul style="list-style-type: none"> <li>Assessing the scope, expertise and independence of experts engaged to assist in the valuations.</li> <li>Evaluating the appropriateness of the valuation methodology applied to determine fair values.</li> <li>Critically assessing assumptions and other key inputs into the valuation model.</li> <li>Reviewing the mathematical accuracy of valuation model calculations.</li> <li>Evaluating indexation applied to assets between formal valuations.</li> <li>Reviewing the reconciliation of asset balances in the general ledger to the underlying fixed asset register.</li> <li>Evaluating the adequacy of relevant disclosures in the financial report, including those regarding key assumptions used.</li> </ul>

## 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 2024, 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

## **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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

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.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



David Bond  
**Assistant Auditor-General**  
**Delegate of the Auditor-General**  
Tasmanian Audit Office

8 August 2024  
Hobart



**“Wonderful driver. I’m 85 and I’m not as quick as I use to be. The driver waited a second for me as I would of missed it otherwise. Also during the trip my bag of things fell over down the bus, the driver pulled over to make sure I was okay and helped me collect everything and waited for me to sit down before he took off again. Great and kind service.”**

# Financial Statements

for the year ended 30 June 2024



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# Consolidated Statement of Financial Position

As at 30 June 2024



	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	B4	20,416	11,674
Trade and other receivables	C1	5,486	5,270
Inventories	C2	2,591	2,336
Other current assets	C3	1,459	1,351
<b>TOTAL CURRENT ASSETS</b>		29,952	20,631
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	C4	79,249	74,289
Intangible assets	C5	59	72
Deferred tax assets	B3(d)	13,427	12,631
<b>TOTAL NON-CURRENT ASSETS</b>		92,735	86,992
<b>TOTAL ASSETS</b>		122,687	107,623
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	C6	6,012	3,670
Employee benefits	D1	6,203	5,993
Lease liabilities	C8	215	293
Contract liabilities	C9	12,493	6,454
<b>TOTAL CURRENT LIABILITIES</b>		24,923	16,410
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	D1	16,940	16,693
Borrowings	C7	5,000	5,000
Lease liabilities	C8	499	714
Contract liabilities	C9	3,035	-
Deferred tax liabilities	B3(d)	5,538	5,777
<b>TOTAL NON-CURRENT LIABILITIES</b>		31,012	28,184
<b>TOTAL LIABILITIES</b>		55,935	44,595
<b>NET ASSETS</b>		66,752	63,028
<b>EQUITY</b>			
Contributed equity	F1	50,275	47,007
Asset revaluation reserves	F2	18,824	15,207
Retained profits / (losses)	F3	(2,347)	814
<b>TOTAL EQUITY</b>		66,752	63,028

The Consolidated Statement of Financial Position is to be read in conjunction with the Notes to the Consolidated Financial Statements.



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024



	Note	2024 \$'000	2023 \$'000
<b>REVENUE</b>			
Passenger transport operations	B1(a)	65,492	68,673
Other income	B1(b)	6,280	2,124
Financial income	B1(c)	651	230
		72,423	71,027
<b>EXPENSES</b>			
Passenger transport operations	B2(a)	(54,673)	(54,058)
Engineering and maintenance services	B2(b)	(8,673)	(8,575)
Administration and general	B2(c)	(12,625)	(9,408)
Finance costs	B2(d)	(1,084)	(1,026)
		(77,055)	(73,067)
<b>Profit/(loss) before income tax</b>		(4,632)	(2,040)
<b>Income tax(expense)/benefit</b>	B3(a)	1,387	608
<b>Profit/(loss) for the year</b>		(3,245)	(1,432)
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net asset revaluation increment/(decrement)	F2	4,137	2,340
Actuarial gain/(loss) on defined benefit plan	D3	(85)	(24)
Income tax on other comprehensive income	B3(c)	(351)	(359)
<b>Total other comprehensive income for the year, net of income tax</b>		3,701	1,957
<b>Total comprehensive income for the year</b>		456	525

The Consolidated Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Changes in Equity

For the year ended 30 June 2024



	Contributed equity \$'000	Asset revaluation reserves \$'000	Retained profits/ (losses) \$'000	Total \$'000
<b>Balance at 1 July 2023</b>	47,007	15,207	814	63,028
Profit/(loss)	-	-	(3,245)	(3,245)
Other comprehensive income:				
Net asset revaluation increment/(decrement)	-	4,137	-	4,137
Actuarial gain/(loss) on defined benefit plans	-	-	(85)	(85)
Income tax relating to components of other comprehensive income	-	(377)	26	(351)
Total comprehensive income for the year	-	3,760	(59)	3,701
Transfers between reserves	-	(143)	143	-
Equity contribution	3,268	-	-	3,268
<b>Balance as at 30 June 2024</b>	50,275	18,824	(2,347)	66,752

	Contributed equity \$'000	Asset revaluation reserves \$'000	Retained profits/ (losses) \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	46,610	13,330	2,166	62,106
Profit/(loss)	-	-	(1,432)	(1,432)
Other comprehensive income:				
Net asset revaluation increment/(decrement)	-	2,340	-	2,340
Actuarial gain/(loss) on defined benefit plans	-	-	(24)	(24)
Income tax relating to components of other comprehensive income	-	(366)	7	(359)
Total comprehensive income for the year	-	1,974	(17)	1,957
Transfers between reserves	-	(97)	97	-
	397	-	-	397
<b>Balance as at 30 June 2023</b>	47,007	15,207	814	63,028

The Consolidated Statement of Changes in Equity is to be read in conjunction with the Notes to the Consolidated Financial Statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2024



	Note	2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from sales and service contracts		71,991	68,639
Interest received		640	199
Grant receipts		11,920	4,392
Cash paid to suppliers and employees		(69,787)	(67,252)
Finance costs paid		(129)	(123)
<b>Net cash from operating activities</b>	B4(b)	14,636	5,855
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		12	24
Acquisition of property, plant and equipment		(8,865)	(5,611)
<b>Net cash used in investing activities</b>		(8,853)	(5,587)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability		(309)	(296)
Equity contribution		3,268	397
<b>Net cash from financing activities</b>		2,959	101
Net increase/(decrease) in cash and cash equivalents		8,742	369
Cash and cash equivalents at the beginning of the financial year		11,674	11,305
<b>Cash and cash equivalents at the end of the financial year</b>	B4	20,416	11,674

The Consolidated Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated 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. The Consolidated Financial Statements as at and for the year ended 30 June 2024 comprise the Company and its subsidiary Metro Coaches (Tas) Pty Ltd (together referred to as "Metro"). Metro deregistered Metro Coaches (Tas) Pty Ltd on 19 June 2024.

### A2 STATEMENT OF COMPLIANCE

The Consolidated 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 its subsidiary; and
- Financial disclosure requirements of the *Corporations Act 2001* as amended, where applicable to the operations of Metro and its subsidiary, and other requirements of the law.

### A3 BASIS OF PREPARATION

These Consolidated 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 Consolidated 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.

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

Significant judgements, estimates and assumptions included in the Consolidated 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) – Note C4, C8;
- Provisions for employee benefits – Note D1; and
- Economic dependency – Note F9.

## A6 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

In the current year, Metro has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. Metro has reviewed and where relevant adopted the following standards and amendments:

- AASB 2021-2 Amendments to AASB7, 101, 134 and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies;
- AASB 2021-2 Amendments to Australian Accounting Standards 108 – Definition of Accounting Estimates;
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards;
- AASB 17 Insurance Contracts; and
- AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application for AASB 17 and AASB 9 Comparative Information.

There has been no material impact on Metro's financial results and only minor amendments to disclosures.

Metro has also reviewed Australian Accounting Standards and amendments available for early adoption but these have not been applied in these Consolidated Financial Statements. There is not expected to be any material financial impact from the adoption of those standards/ amendments in future periods.

## A7 BASIS OF CONSOLIDATION

The Consolidated Financial Statements have been prepared by combining the Financial Statements of all the entities that comprise the economic entity, being Metro Tasmania Pty Ltd (the parent entity) and its controlled entity Metro Coaches (Tas) Pty Ltd. Metro deregistered Metro Coaches (Tas) Pty Ltd on 19 June 2024; refer to Note F10 for further details. Consistent accounting policies have been employed in the preparation and presentation of the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, all inter-company transactions, balances, income and expenses are eliminated in full.

## Section B

### Detailed information on financial performance

#### 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. Revenues received in advance represent a contract liability with the customer and is recognised as a current liability until the performance obligations are met.

## B1 REVENUE (continued)

### 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 of services delivered under the contract. 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; refer to 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 June 2024, 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 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.

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

	2024 \$'000	2023 \$'000
<b>(a) Passenger transport operations</b>		
Service contracts	54,219	57,113
Ticket fares	11,273	11,560
	65,492	68,673
<b>(b) Other income</b>		
Advertising income	804	646
Rental income	8	9
Grant income	3,096	422
Other income	2,372	1,047
	6,280	2,124
<b>(c) Financial income</b>		
Interest income	651	230
	651	230

B2 EXPENSES	2024	2023
	\$'000	\$'000
<b>(a) Passenger transport operations</b>		
Fuel	6,719	8,096
Employee and related expenses	36,415	34,041
Depreciation and amortisation expenses	7,272	7,653
Other expenses	4,267	4,268
	54,673	54,058
<b>(b) Engineering and maintenance services</b>		
Maintenance expenses	5,161	4,938
Employee and related expenses	3,168	3,158
Depreciation and amortisation expenses	344	479
	8,673	8,575
<b>(c) Administration and general</b>		
Employee and related expenses	5,372	4,263
Depreciation and amortisation expenses	345	379
(Gain)/loss on disposal of property, plant and equipment	13	527
Other expenses	6,895	4,239
	12,625	9,408
<b>(d) Finance costs</b>		
Interest expense on leases	16	9
Interest expense on borrowings	87	88
Government guarantee fee	26	26
Nominal superannuation interest expense	955	903
	1,084	1,026

### 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 Consolidated 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 Consolidated 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 December 2024 with an option to extend for a further five years. Metro has exercised the option to extend the contract by a five year term, with the new expiry date of 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)	2024	2023
	\$'000	\$'000
<b>(a) Income tax expense recognised in the Consolidated Statement of Profit or Loss</b>		
<b>Current tax expense</b>		
Current tax	995	(1,468)
<b>Deferred tax expense</b>		
Decrease/(increase) in deferred tax asset	(1,792)	382
Increase/(decrease) in deferred tax liability	(239)	851
Less recognised directly in equity	(351)	(373)
<b>Income tax expense/(benefit)</b>	<b>(1,387)</b>	<b>(608)</b>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Prima facie tax/(tax benefit) on profit/(loss) from operating activities before income tax at 30% (2023: 30%)	(1,390)	(612)
Add tax effect of:		
Entertainment (non-deductible)	3	3
Fines and penalties	-	1
	<b>(1,387)</b>	<b>(608)</b>
<b>(c) Income tax expense recognised directly to equity</b>		
Property, plant and equipment (Note C4)	377	366
Superannuation (Note D3)	(26)	7
	<b>351</b>	<b>373</b>
<b>(d) Deferred tax balances</b>		
<b>Assets:</b>		
Deferred tax assets	13,427	12,630
<b>Liabilities:</b>		
Deferred tax liability	5,538	5,777
	<b>7,889</b>	<b>6,853</b>



**B3 INCOME TAX (continued)**  
**(d) Deferred tax balances (continued)**

2024	Opening balance	Recognised in the	Recognised	Balance at
	1 July 2023	Consolidated Statement	in equity	30 June 2024
	\$'000	of Profit and Loss	\$'000	\$'000
Superannuation	5,205	8	26	5,239
Tax losses	5,047	(995)	-	4,052
Employee benefits	1,416	121	-	1,537
Accrued costs	55	(38)	-	17
Other provisions	-	-	-	-
Contract liabilities	683	1,528	-	2,211
Other	198	(51)	-	147
Accrued income	(7)	(27)	-	(34)
Prepayments	(72)	(4)	-	(76)
Inventories	(83)	(26)	-	(109)
Property, plant and equipment	(5,605)	873	(377)	(5,109)
Lease liability	302	(88)	-	214
Right-of-use asset	(286)	86	-	(200)
<b>Total</b>	<b>6,853</b>	<b>1,387</b>	<b>(351)</b>	<b>7,889</b>

2023	Opening balance	Recognised in the	Recognised	Balance at
	1 July 2022	Consolidated Statement	in equity	30 June 2023
	\$'000	of Profit and Loss	\$'000	\$'000
Superannuation	5,262	(64)	7	5,205
Tax losses	3,565	1,482	-	5,047
Employee benefits	1,518	(102)	-	1,416
Accrued costs	102	(47)	-	55
Other provisions	52	(52)	-	-
Contract liabilities	738	(55)	-	683
Other	15	183	-	198
Accrued income	-	(7)	-	(7)
Prepayments	(70)	(2)	-	(72)
Inventories	(124)	41	-	(83)
Property, plant and equipment	(4,473)	(766)	(366)	(5,605)
Lease liability	263	39	-	302
Right-of-use asset	(244)	(42)	-	(286)
<b>Total</b>	<b>6,604</b>	<b>608</b>	<b>(359)</b>	<b>6,853</b>

## 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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	9,050	6,530
Short term deposits	11,366	5,144
<b>Total cash and cash equivalents</b>	<b>20,416</b>	<b>11,674</b>

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.

Unspent grant funds with conditions	9,760	4,244
Ticket fares received in advance	2,462	2,210
<b>Uncommitted cash and cash equivalents</b>	<b>8,194</b>	<b>5,220</b>

### (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	(3,245)	(1,432)
<b>Add (less) non-cash items:</b>		
Depreciation	7,932	8,432
Amortisation	29	79
Income tax expense/(benefit)	(1,387)	(608)
Loss/(profit) on sale of non-current assets	13	535
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	(216)	(4,750)
(Increase)/decrease in inventories	(255)	(32)
(Increase)/decrease in other current assets	(108)	(54)
Increase/(decrease) in trade and other payables	2,342	26
Increase/(decrease) in contract liabilities	9,074	3,995
Increase/(decrease) in employee benefits	457	(336)
<b>Net cash inflow from operating activities</b>	<b>14,636</b>	<b>5,855</b>

## Section C

## Detailed information on Consolidated 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 includes 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 2024 (2023: \$0).

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Contract revenue receivable	4,201	4,756
Trade receivables	377	228
Other receivables	908	286
	5,486	5,270

**C2 INVENTORIES****Accounting Policy**

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Inventories	2,591	2,336
	2,591	2,336

**C3 OTHER CURRENT ASSETS**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Prepayments	1,339	1,234
Other current assets	120	117
	1,459	1,351

## C4 PROPERTY, PLANT AND EQUIPMENT

### Accounting Policy

#### Recognition and measurement

Items of property, plant and equipment greater than \$1,000 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.

#### Revaluations

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 indexation and market indicators, 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.

#### Depreciation

Depreciation is recognised in the Consolidated 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 diesel bus fleet is depreciated using the 'Fleet Depreciation Profile'. For the financial year ended 30 June 2024 this applied an effective life of 25 years for the rigid buses and 30 years for the articulated buses, both of which have a 2.0% residual value.

During 2023-24, Metro added electric and hydrogen buses to its bus fleet. Electric buses have been depreciated on a straight-line basis over the estimated useful life of 25 years. Hydrogen buses have been depreciated on a straight-line basis over the estimated useful life of 15 years.

Land is not depreciated.

C4 PROPERTY, PLANT AND EQUIPMENT (continued)	2024	2023
(a) Carrying amounts	\$'000	\$'000
<b>Land and buildings</b>		
<b>Land</b>		
At fair value	13,650	10,769
Total	13,650	10,769
<b>Buildings</b>		
At fair value	11,110	11,746
Total	11,110	11,746
<b>Total land and buildings</b>	24,760	22,515
<b>Buses</b>		
At cost	48,993	53,967
Less: accumulated depreciation	(119)	(7,175)
Total	48,874	46,792
<b>Office equipment</b>		
At cost	1,900	1,726
Less: accumulated depreciation	(1,631)	(1,574)
Total	269	152
<b>Electronic ticketing &amp; communication equipment</b>		
At cost	5,228	5,228
Less: accumulated depreciation	(5,112)	(5,091)
Total	116	137
<b>CCTV equipment</b>		
At cost	1,579	1,479
Less: accumulated depreciation	(1,474)	(1,470)
Total	105	9
<b>Plant and equipment</b>		
At cost	5,258	4,141
Less: accumulated depreciation	(2,529)	(2,107)
Total	2,729	2,034
<b>Auxiliary vehicles</b>		
At cost	410	317
Less: accumulated depreciation	(299)	(254)
Total	111	63
<b>Right-of-use assets</b>		
At cost	1,673	1,673
Less: accumulated depreciation	(1,005)	(720)
Total	668	953
<b>Work in progress</b>		
At cost	1,617	1,634
Total	1,617	1,634
<b>Total property, plant and equipment</b>	79,249	74,289

## C4 PROPERTY, PLANT AND EQUIPMENT (continued)

### (b) Reconciliation of movements in carrying amounts

	Land at fair value \$'000	Buildings at fair value \$'000	Buses at fair value \$'000	Route infrastructure <sup>1</sup> at cost \$'000	Office equipment at cost \$'000	Electronic ticketing and communication equipment at cost \$'000	CCTV equipment at cost \$'000	Plant and equipment at cost \$'000	Auxiliary vehicles at cost \$'000	Right-of-use assets at cost \$'000	Work in progress at cost \$'000	Total \$'000
<b>2024</b>												
Carrying amount at 1 July	10,769	11,746	46,792	-	152	137	9	2,034	63	953	1,634	74,948
Additions	-	-	-	-	8	-	-	2	93	-	10,231	10,334
Disposals	-	-	(25)	-	-	-	-	-	-	-	-	(25)
Revaluation increments/(decrements)	2,881	(530)	1,786	-	-	-	-	-	-	-	-	4,137
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Net transfers between classes	-	194	7,120	-	165	-	100	1,115	-	-	(8,694)	-
Net transfer from W/IP	-	-	-	-	-	-	-	-	-	-	(1,554)	(1,554)
Depreciation	-	(300)	(6,799)	-	(56)	(21)	(4)	(422)	(45)	(285)	-	(7,932)
Carrying amount at 30 June	13,650	11,110	48,874	-	269	116	105	2,729	111	668	1,617	79,249

	Land at fair value \$'000	Buildings at fair value \$'000	Buses at fair value \$'000	Route infrastructure at cost \$'000	Office equipment at cost \$'000	Electronic ticketing and communication equipment at cost \$'000	CCTV equipment at cost \$'000	Plant and equipment at cost \$'000	Auxiliary vehicles at cost \$'000	Right-of-use assets at cost \$'000	Work in progress at cost \$'000	Total \$'000
<b>2023</b>												
Carrying amount at 1 July	9,650	10,179	49,440	642	99	159	18	2,419	127	812	1,403	74,948
Additions	-	576	-	-	116	-	-	-	-	428	5,063	6,183
Disposals	-	-	(46)	(513)	-	-	-	-	-	-	(191)	(750)
Revaluation increments/(decrements)	1,119	1,221	-	-	-	-	-	-	-	-	-	2,340
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Net transfers between classes	-	36	4,575	26	-	-	-	4	-	-	(4,641)	-
Depreciation	-	(266)	(7,177)	(155)	(63)	(22)	(9)	(389)	(64)	(287)	-	(8,432)
Carrying amount at 30 June	10,769	11,746	46,792	-	152	137	9	2,034	63	953	1,634	74,289

All items of property, plant and equipment are held by the parent company.

<sup>1</sup> Metro de-recognised route infrastructure located on land not owned by Metro during 2022-23.

## C4 PROPERTY, PLANT AND EQUIPMENT (continued)

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

#### Buses

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.

An independent fair value valuation of 'in service' buses was performed as at 30 June 2022 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 & 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 three inputs due to the age profile of the bus fleet. Level three unobservable inputs used to value the assets included reference to historical information, discussions with Metro fleet representatives, reference to current supply contracts and valuer's experience.

The Metro bus fleet valuation was assessed for reasonableness as at 30 June 2024 against CPI and market indicators. Metro determined that a revaluation was required to reflect the CPI increase since the last revaluation was performed, which resulted in a 4.4% increment to the value of the bus fleet.

#### 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 two 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 m<sup>2</sup>. 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.

Details of Metro's buses and land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value as at 30 June 2024 \$'000
Buses	-	-	48,874	48,874
Land and buildings	-	24,760	-	24,760

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value as at 30 June 2023 \$'000
Buses	-	-	46,792	46,792
Land and buildings	-	22,515	-	22,515

There were no transfers between levels during the year.

**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 Consolidated 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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Carrying amounts</b>		
<b>Computer software</b>		
At cost	1,442	1,426
Less: accumulated amortisation	(1,383)	(1,354)
<b>Total intangible assets</b>	<b>59</b>	<b>72</b>
<b>(b) Reconciliation of movements in carrying amounts</b>		
<b>Carrying amount at 1 July</b>	<b>72</b>	<b>106</b>
Additions	16	45
Disposals	-	-
Amortisation	(29)	(79)
<b>Carrying amount at 30 June</b>	<b>59</b>	<b>72</b>

**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 2025. 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 30 June 2024 is based upon the estimated costs for open workers compensation claims.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade creditors	3,001	1,555
Workers compensation	686	1,056
Other	2,325	1,059
	<b>6,012</b>	<b>3,670</b>



**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 Consolidated 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 (2023: \$18 million) with TASCORP. As at 30 June 2024, \$13 million of the facility was unused (2023: \$13 million).

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
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.

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.

## C8 LEASE LIABILITIES (continued)

	2024 \$'000	2023 \$'000
Current	215	293
Non-current	499	714
	714	1,007
Reconciliation of movement throughout the year:		
Balance at 1 July	1,007	875
Interest expense	16	9
Additions	-	419
Payments	(309)	(296)
Balance as at 30 June	714	1,007
The following amounts were recognised in the Consolidated Statement of Profit or Loss in respect to leases where Metro is the lessee.		
Depreciation expense of right-of-use assets	285	287
Interest expense on lease liabilities	16	9
Total	301	296

Metro had total cash outflows for leases of \$309,106 for 2023-24 (\$296,258 for 2022-23).

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 2024				
Lease payments	235	583	-	818
Interest expense	(20)	(84)	-	(104)
Net present value	215	499	-	714
As at 30 June 2023				
Lease payments	309	675	143	1,127
Interest expense	(16)	(79)	(25)	(120)
Net present value	293	596	118	1,007

## C9 CONTRACT LIABILITIES

### Accounting Policy

Metro's contract liabilities represents 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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Grant revenue received in advance	13,066	4,244
Ticket fares received in advance	2,462	2,210
	15,528	6,454
Reconciliation of movement throughout the year:		
Balance at 1 July	6,454	2,460
Cash received during the year	21,322	15,039
Revenue recognised in the reporting period	(12,248)	(10,773)
Repayment of unused grants	-	(272)
Balance at 30 June	15,528	6,454
Current	12,493	6,454
Non-current	3,035	-
	15,528	6,454

## 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 also have 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 Consolidated Statement of Other Comprehensive Income and the Consolidated Statement of Changes in Equity. Interest costs are recognised in finance costs and service costs are recognised in employee and related expenses in the Consolidated Statement of Profit or Loss. Details are referred to at Note D3.

## D1 EMPLOYEE BENEFITS (continued)

	2024 \$'000	2023 \$'000
<b>Current:</b>		
Retirement benefits	1,183	1,149
<b>Compensated benefits:</b>		
Accrued salaries and wages	1,181	1,269
Annual leave	2,010	1,773
Long service leave	1,829	1,802
	6,203	5,993
<b>Non-current:</b>		
Retirement benefits	16,283	16,204
<b>Compensated benefits:</b>		
Long service leave	657	489
	16,940	16,693
	23,143	22,686

## D2 RELATED PARTIES

### Key Management Personnel Compensation

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

	Director Remuneration		Executive Remuneration		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Short-term employee benefits	171	168	1,238	1,225	1,409	1,393
Post-employment benefits	20	18	138	132	158	150
Other long-term employee benefits	-	-	36	13	36	13
Other non-monetary benefits	-	-	7	-	7	-
Termination benefits	-	-	18	33	18	33
	191	186	1,437	1,403	1,628	1,589

For director remuneration, short term employment benefits includes director fees, committee fees and other benefits. Post employment benefits represents superannuation contributions.

For executive remuneration, short term employment benefits includes base salary, vehicles and other monetary benefits. Post employment benefits represents superannuation contributions.

## D2 RELATED PARTIES (continued)

### (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:

#### 2024 Director Remuneration<sup>1</sup>

Name	Position	Period	Directors' Fees \$'000	Committee Fees \$'000	Other Benefits \$'000	Superannuation <sup>2</sup> \$'000	Total \$'000
<b>Non-Executive Directors</b>							
Mr Anthony Braxton-Smith	Director Chair	Full term From 30/11/2023	46	-	-	5	51
Mr Tim Gardner	Chair	01/07/2023 to 30/11/2023	26	-	-	3	29
Ms Yvonne Rundle	Director	Full term	28	-	-	3	31
Mr Greg Wallace	Director	01/07/2023 to 30/11/2023	13	-	-	2	15
Ms Dianne Underwood	Director	Full term	28	-	-	3	31
Mr Ian Vanderbeek	Director	From 30/11/2023	15	-	-	2	17
Ms Jane Sargison	Director	From 30/11/2023	15	-	-	2	17
Total			171	-	-	20	191

#### 2023 Director Remuneration<sup>1</sup>

Name	Position	Period	Directors' Fees \$'000	Committee Fees \$'000	Other Benefits \$'000	Superannuation <sup>2</sup> \$'000	Total \$'000
<b>Non-Executive Directors</b>							
Mr Tim Gardner	Chair	Full term	56	-	-	6	62
Ms Yvonne Rundle	Director	Full term	28	-	-	3	31
Ms Susan Fahey	Director	01/07/2022 to 24/11/2022	12	-	-	1	13
Ms Jude Munro	Director	01/07/2022 to 24/11/2022	12	-	-	1	13
Mr Greg Wallace	Director	Full term	28	-	-	3	31
Mr Anthony Braxton-Smith	Director	From 24/11/2022	16	-	-	2	18
Ms Dianne Underwood	Director	From 24/11/2022	16	-	-	2	18
Total			168	-	-	18	186

#### Board remuneration notes and statements

<sup>1</sup> 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.

<sup>2</sup> 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 that acted as a senior executive during the current and previous financial year:

### 2024 Executive Remuneration

Name	Position	Period	Base Salary <sup>1</sup> \$'000	Other Monetary Benefits <sup>2</sup> \$'000	Vehicles <sup>3</sup> \$'000	Other Non-Monetary Benefits <sup>4</sup> \$'000	Superannuation <sup>5</sup> \$'000	Reported Remuneration <sup>6</sup> \$'000	Long-Term Benefits <sup>7</sup> \$'000	Termination Benefits <sup>8</sup> \$'000	Totals \$'000
Ms Katie Cooper	Chief Executive Officer	Full year	275	-	14	-	32	321	16	-	337
Mr Darren Turner	Chief Operating Officer	From 16/10/2023	136	-	9	7	16	168	13	-	181
Mr Chris Breen	General Manager Commercial and Projects	Full year	176	-	14	-	21	211	5	-	216
Ms Kim Perkins	General Manager Corporate Services	01/07/2023 to 26/09/2023	42	-	4	-	7	53	(30)	18	41
Ms Kellie Dean	General Manager Corporate Services Company Secretary	From 15/01/2024	73	-	6	-	9	88	7	-	95
Ms Jacqueline Allen	General Manager People and Safety	Full year	188	-	14	-	22	224	9	-	233
Mr Jesse Penfold	General Manager Financial Services Company Secretary	Full year	178	-	14	-	21	213	12	-	225
<b>Sub-total</b>		To 28/03/2024	1,068	-	75	7	128	1,278	32	18	1,328
<b>Acting arrangements</b>											
Mr Damien Arkley	Acting Chief Operating Officer	01/07/2023 to 20/10/2023	48	-	-	-	5	53	5	-	58
Ms Rowena Gilbertson	Acting General Manager Corporate Services	25/09/2023 to 10/01/2024	47	-	-	-	5	52	(1)	-	51
<b>Sub-total</b>			95	-	-	-	10	105	4	-	109
<b>Total</b>			1,163	-	75	7	138	1,383	36	18	1,437

## D2 RELATED PARTIES (continued) (b) Executive Remuneration (Continued)

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

### 2023 Executive Remuneration

Name	Position	Period	Base Salary <sup>1</sup> \$'000	Other Monetary Benefits <sup>2</sup> \$'000	Vehicles <sup>3</sup> \$'000	Other Non-Monetary Benefits <sup>4</sup> \$'000	Superannuation <sup>5</sup> \$'000	Reported Remuneration <sup>6</sup> \$'000	Long-Term Benefits <sup>7</sup> \$'000	Termination Benefits <sup>8</sup> \$'000	Totals \$'000
Ms Katie Cooper	Chief Executive Officer	Full year	266	-	14	-	29	309	6	-	315
Ms Natasha Riddoch	Chief Operating Officer	01/07/22 to 27/11/22 and 11/02/23 to 31/05/23	149	-	10	-	18	177	(11)	12	178
Mr Chris Breen	General Manager Commercial and Projects	Full year	169	-	14	-	19	202	.	-	202
Ms Kim Perkins	General Manager Corporate Services	Full year	148	-	14	-	17	179	4	-	183
Mr Peter Olsen	Chief People Officer	18/07/22 to 22/11/22	72	-	5	-	10	87	-	21	108
Ms Jacqueline Allen	General Manager People and Safety	23/01/23 to 30/06/23	69	-	6	-	8	83	8	-	91
Mr Jesse Penfold	General Manager Financial Services & Company Secretary	Full year	149	-	14	-	18	181	5	-	186
<b>Sub-total</b>			1,022	-	77	-	119	1,218	12	33	1,263
<b>Acting arrangements</b>											
Mr Damien Arkley	Acting Chief Operating Officer	28/11/22 to 10/02/23 and 27/02/23 to 30/06/23	80	-	-	-	8	88	(1)	-	87
Ms Natasha Riddoch	Acting Chief People Officer	28/11/22 to 10/02/23	43	-	3	-	5	51	2	-	53
<b>Sub-total</b>			123	-	3	-	13	139	1	-	140
<b>Total</b>			1,145	-	80	-	132	1,357	13	33	1,403

#### Executive Remuneration Notes and Statements

- <sup>1</sup> Base salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.
- <sup>2</sup> Other monetary benefits includes 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.
- <sup>3</sup> 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.
- <sup>4</sup> Other non-monetary benefits include non-monetary benefits such as housing, subsidised goods or services, relocation costs etc.
- <sup>5</sup> Superannuation means the contribution paid to the superannuation fund of the individual.
- <sup>6</sup> 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.
- <sup>7</sup> Other long-term benefits include annual and long service leave movements.
- <sup>8</sup> Termination benefits include all forms of benefit paid or accrued as a consequence of termination.



## D2 RELATED PARTIES (continued)

### (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.

#### Executive Remuneration

Remuneration levels for key management personnel are set in accordance with the Director and Executive Remuneration Guidelines. 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

Termination payments during the current year included:

- Ms Perkins ceased employment effective 26 September 2023 and was paid \$18,350, representing the balance of her leave entitlements.

#### 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.

In the current year:

- Mr Arkley was appointed to the role of Acting Chief Operating Officer for the period from 1 July 2023 to 20 October 2023; and
- Ms Gilbertson was appointed to the position of Acting General Manager Corporate Services for the period from 25 September 2023 to 10 January 2024.

#### 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 2023-24.

## D2 RELATED PARTIES (continued)

During 2022-23 Metro entered into the following transactions with related parties:

Nature of the transaction	Amount of the transactions during the year	Outstanding balances, including commitments at year end
Strategic coaching <sup>1</sup>	\$1,925	-

<sup>1</sup> During 2022-23 Metro entered into a six month contract with Adaptable HR, a company controlled by a member of the key management personnel of Metro. The total contract value is for no higher than \$7,500. The contract terms are based on market rates for these types of services and were due and payable under normal payment terms.

## 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.

#### *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 is 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 is 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 is that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.
- Benefit options risk - The risk is 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 is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Legislative risk - The risk is 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	2024	2023
	\$'000	\$'000
<b>Net defined benefit liability/(asset) at start of year</b>	<b>17,353</b>	<b>17,545</b>
(+) Current service cost	73	87
(+) Past service cost/curtailments	-	-
(+) Gain/loss on settlements	-	-
(+) Net interest	955	903
(-) Actuarial return on plan assets less interest income	49	94
(+) Actuarial (gains)/losses arising from changes in demographic assumptions	-	204
(+) Actuarial (gains)/losses arising from changes in financial assumptions	321	(492)
(+) Actuarial (gains)/losses arising from liability experience	(187)	358
(+) Adjustment for effect of asset ceiling	-	-
(-) Employer contributions	1,000	1,158
<b>Net defined benefit liability/(asset)</b>	<b>17,466</b>	<b>17,353</b>
Current net liability	1,183	1,149
Non-current net liability	16,283	16,204

Reconciliation of the fair value of Scheme assets

Financial year ending	2024	2023
	\$'000	\$'000
<b>Fair value of plan assets at beginning of the year</b>	<b>5,134</b>	<b>5,123</b>
(+) Interest income	282	264
(+) Actual return on plan assets less interest income	49	94
(+) Employer contributions	1,000	1,158
(+) Contributions by plan participants	29	39
(-) Benefits paid	1,357	1,543
(-) Taxes, premiums and expenses paid	1	1
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Fair value of plan assets at end of the year</b>	<b>5,136</b>	<b>5,134</b>

## D3 SUPERANNUATION AND DEFINED BENEFITS (continued)

Reconciliation of the defined benefit obligation (DBO)

Financial year ending	2024	2023
	\$'000	\$'000
<b>Present value of defined benefit obligations at beginning of the year</b>	<b>22,487</b>	<b>22,668</b>
(+) Current service cost	73	87
(+) Past service cost/curtailments	-	-
(+) Gain/loss on settlements	-	-
(+) Interest cost	1,237	1,167
(+) Contributions by plan participants	29	39
(+) Actuarial (gains)/losses arising from changes in demographic assumptions	-	204
(+) Actuarial (gains)/losses arising from changes in financial assumptions	321	(492)
(+) Actuarial (gains)/losses arising from liability experience	(187)	358
(-) Benefits paid	1,357	1,543
(-) Taxes, premiums and expenses paid	1	1
(+) Transfers in	-	-
(-) Contributions to accumulation section	-	-
(+) Settlements	-	-
(+) Exchange rate changes	-	-
<b>Present value of defined benefit obligations at end of the year</b>	<b>22,602</b>	<b>22,487</b>

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 2024

Asset category	Total (\$'000)	Quoted prices in active markets for identical assets - Level 1 (\$'000)	Significant observable inputs - Level 2 (\$'000)	Unobservable inputs - Level 3 (\$'000)
Cash deposits	-	-	-	-
Australian equities	899	-	899	-
International equities	1,115	-	1,115	-
Infrastructure	806	-	205	601
Diversified fixed interest	1,145	-	1,145	-
Property	801	-	82	719
Alternative investments	370	-	370	-
<b>Total</b>	<b>5,136</b>	<b>-</b>	<b>3,816</b>	<b>1,320</b>

The fair value of Scheme assets is estimated based on assets allocated to Metro as at 30 June 2024 and asset allocation of the RBF Scheme as at 30 June 2024.

Fair value of entities' own financial instruments

The fair value of Scheme assets does not include any amounts relating to:

- any of Metro's own financial instruments; or
- 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.

## D3 SUPERANNUATION AND DEFINED BENEFITS (continued)

Significant actuarial assumptions at the reporting date

Financial year ending	2024	2023
<b>Assumptions to determine defined benefit cost and start of year DBO</b>		
Discount rate (active members)	5.70%	5.35%
Discount rate (pensioners)	5.70%	5.35%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.5% for 2023-24, 3.5% for 2024-25, 3.0% for 2025-26 and then 2.5% pa	5.5% for 2022-23, 3.25% for 2023-24 and then 2.5% pa
<b>Assumptions to determine year end DBO</b>		
Discount rate (active members)	5.55%	5.70%
Discount rate (pensioners)	5.55%	5.70%
Expected rate of increase of compulsory preserved amounts	3.50%	3.50%
Expected salary increase rate	3.50%	3.50%
Expected pension increase rate	3.5% for 2024-25, 3.0% for 2025-26 and then 2.5% pa	3.5% for 2023-24, 3.5% for 2024-25, 3.0% for 2025-26 and then 2.5% pa

### Sensitivity Analysis

The defined benefit obligation as at 30 June 2024 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
<b>Discount rate</b>	5.55%	4.55%	6.55%	5.55%	5.55%
<b>Pension increase rate</b>	2.50%	2.50%	2.50%	1.50%	3.50%
<b>Defined benefit obligation (\$'000)</b>	22,602	24,960	20,601	20,700	24,808

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. Higher rates are assumed for the next two years. In Scenarios C & 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	2025 \$'000
Expected employer contributions	1,183

### Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation for Metro is 10.4 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 Consolidated Statement of Financial Position and Notes to the Consolidated Financial Statements.

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 two years.

Based on the factors noted above and a review identifying nil bad debt write-offs by Metro over the past four years, the expected credit loss has been calculated as 0%. There were no impairment losses on financial assets recognised in the consolidated profit and loss during the period ending 30 June 2024 or 30 June 2023.

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

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

	CONSOLIDATED							
	0 days Past due		1-30 days Past due		31-120 days Past due		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>								
Receivables	5,240	5,151	2	10	244	109	5,486	5,270

#### (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 (four years) and revision of 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 the Company will continue to operate as a going concern as detailed at F9.

## E1 FINANCIAL INSTRUMENTS (continued)

### (b) Liquidity risk (continued)

#### Financial liability and financial asset maturity analysis:

	Weighted		Floating		Fixed		Non-interest		Total	
	Average Effective		Interest Rate		Interest Rate		Bearing			
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>										
Cash at bank	3.95	3.80	9,035	6,515	-	-	15	-	9,050	6,530
Call deposit at TASCORP	4.50	4.25	2,238	2,142	-	-	-	-	2,238	2,142
Call deposit at CBA	0.25	0.25	-	1,002	-	-	-	-	-	1,002
Term deposit at CBA	4.35	4.62	-	-	6,108	2,000	-	-	6,108	2,000
Term deposit at WBC	3.99	-	-	-	3,020	-	-	-	3,020	-
Receivables	-	-	-	-	-	-	5,486	5,270	5,486	5,270
			11,273	9,659	9,128	2,000	5,501	5,270	25,902	16,944
<b>Financial liabilities:</b>										
Trade and other payables	-	-	-	-	-	-	6,012	3,670	6,012	3,670
Borrowings	1.75	1.75	-	-	5,000	5,000	-	-	5,000	5,000
			-	-	5,000	5,000	6,012	3,670	11,012	8,670

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

	2024	2023
	\$'000	\$'000
Less than 6 months	6,012	3,670
6 months to 1 year	-	-
1 - 5 years	-	-

**E1 FINANCIAL INSTRUMENTS (continued)****(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 10 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 2024.

**(d) Financial instruments by categories**

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
<b>Financial assets at amortised cost:</b>		
Cash and cash equivalents	20,416	11,674
Receivables	5,486	5,270
	25,902	16,944
<b>Financial liabilities at amortised cost:</b>		
Trade and other payables	6,012	3,670
Borrowings	5,000	5,000
	11,012	8,670

**(e) 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). The guarantee is 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.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	47,007	46,610
Equity contribution	3,268	397
<b>Balance at end of financial year</b>	<b>50,275</b>	<b>47,007</b>

### F2 ASSET REVALUATION RESERVES

2024	CONSOLIDATED		
	Land and buildings	Buses	Total
	\$'000	\$'000	\$'000
<b>Balance at beginning of financial year</b>	11,353	3,854	15,207
Revaluation increments/(decrements)	2,351	1,786	4,137
Impairment losses	-	-	-
Disposal of revalued buses	-	(143)	(143)
Deferred tax asset/(liability)	159	(536)	(377)
<b>Balance at end of financial year</b>	<b>13,863</b>	<b>4,961</b>	<b>18,824</b>

2023	CONSOLIDATED		
	Land and buildings	Buses	Total
	\$'000	\$'000	\$'000
<b>Balance at beginning of financial year</b>	9,379	3,951	13,330
Revaluation increments/(decrements)	2,340	-	2,340
Impairment losses	-	-	-
Disposal of revalued buses	-	(97)	(97)
Deferred tax asset/(liability)	(366)	-	(366)
<b>Balance at end of financial year</b>	<b>11,353</b>	<b>3,854</b>	<b>15,207</b>

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**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at beginning of financial year</b>	814	2,166
Net profit/(loss)	(3,245)	(1,432)
Revaluation increments (decrements) attributable to assets disposed of during the year	143	97
Defined benefit plan actuarial gains/(losses)	(85)	(24)
Related income tax	26	7
<b>Balance at end of financial year</b>	<b>(2,347)</b>	<b>814</b>

**F4 REMUNERATION OF AUDITORS**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
External audit services	80	70
	80	70

As at 30 June 2024 Metro has paid \$38,800 (ex GST) to the Tasmanian Audit Office for the audit of the 2023-24 consolidated financial statements.

**F5 COMMITMENTS FOR EXPENDITURE**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Capital commitments:</b>		
Payments within 1 year	2,078	10,306
Payments 1-5 years	-	-
	2,078	10,306

Capital commitments comprise contracts for capital works relating to the hydrogen electric bus trial.

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operational commitments:</b>		
Payments within 1 year	4,385	500
Payments 1-5 years	2,589	-
	6,974	500

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 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) Tax consolidation**

The parent entity and its wholly owned Australian resident subsidiary formed a tax consolidated group with effect from 1 July 2004 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Metro Tasmania Pty Ltd and the subsidiary entity is Metro Coaches (Tas) Pty Ltd.

**(c) 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 Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated 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 commenced from 1 September 2022. The contract has an initial term to December 2024, with an option to extend for a further five years to December 2029. Metro has exercised the option to extend the contract by a five year term.

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 2024 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.

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

**F10 CONTROLLED ENTITY**

The consolidated financial statements are prepared by combining the financial statements of all entities that comprise the Group, being the Company (the parent entity) and its controlled entity. Controlled entities are all those entities over which the parent entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control that entity. In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the Group, are eliminated in full.

	Country of incorporation	Equity interest	
		2024	2023
<b>Parent entity:</b>			
Metro Tasmania Pty Ltd	Australia	-	-
<b>Controlled entity:</b>			
Metro Coaches (Tas) Pty Ltd	Australia	100%	100%

Metro voluntarily deregistered Metro Coaches (Tas) Pty Ltd during 2023-24.



