



Leading the charge

Annual Report 2022



Acknowledgement of Country

The NRMA acknowledges the Traditional Custodians of the land and waterways on which our business operates.

We pay our respects to Aboriginal and Torres Strait Islander Elders past, present and emerging.



Leading the charge

At the beginning of 2022, our Ocean Beach Holiday Park in Umina on the NSW Central Coast, signed a Memorandum of Understanding with the Darkinjung Local Aboriginal Land Council. This important agreement is the first but not the last that will exist for our organisation. We're committed to working alongside local Aboriginal and Torres Strait Islander communities. We'll offer direct employment, as well as opportunities for local First Nations businesses, while providing our guests with the chance to learn about Indigenous culture and heritage.

Our guests at Ocean Beach can look forward to making a personal connection with the Darkinjung People and taking part in a Welcome to Country, hearing traditional stories and discovering ancient rock art sites right on their doorstep of the Central Coast.

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About this report

As a mutual we are owned by, and work for the benefit of our Members. Being part of the NRMA is belonging to a group that is leading the charge and striving to build a better and more sustainable future for Australia. Our 2022 Annual Report is an opportunity to report back to you, our Members on our performance over the last 12 months and tell you about our plans for 2023.

This report has been prepared with reference to the International Integrated Reporting Council's (IIRC) framework, which aims to produce a cohesive and concise report that demonstrates how we create value, the business value drivers that underpin value creation and the risks that impact our business. Risks are defined as those that senior management and the Board deem could significantly impact how our business creates value in the short, medium and long term. Risks are identified in our Risk Management Framework on page 48.

Business value driver	Description	Contribution to value
 Members and Customers	Our commitment to our Members, customers and stakeholders.	The benefits and experiences we provide to Members, customers and stakeholders enable us to grow our Membership base and sustain our businesses.
 Assets	Our buildings, property, equipment, infrastructure, vessels and vehicles.	The breadth of our physical assets contributes to our financial position and enables us to deliver value to our stakeholders.
 People and Culture	The diversity of our people, our organisational culture and the capacity of the people we employ.	Enables us to sustain and build our business, brand and reputation across sectors.
 Environment	Connecting people to Australia's unique environment.	Through working to preserve our natural environment, we can ensure the sustainability of our businesses.
 Reputation and Community	Our organisation's brand and reputation, and contribution to communities.	The brand and reputation of the NRMA is one of the most trusted in Australia. The trust placed in our organisation underpins our success in existing and new markets.
 Financial Capital	Returns derived from our businesses and investments.	We invest ethically and wisely, maximising opportunities and returns to ensure the sustainability of our business.

United Nations Sustainable Development Goals



The NRMA Group supports the United Nations Sustainable Development Goals (SDGs). These goals seek a global partnership whereby countries and people work together to end poverty, improve education, inequality, health and provide better economic outcomes in conjunction with taking steps to tackle climate change and preserve our natural environment. We have identified six SDGs that relate directly to our businesses and operations which we actively seek to monitor our progress against.

The SDGs we contribute to

-  **Goal 3**
Ensure healthy lives and promote well-being for all at all ages.
-  **Goal 5**
Achieve gender equality and empower all women and girls.
-  **Goal 8**
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
-  **Goal 10**
Reduce inequality within or among countries.
-  **Goal 11**
Make cities and human settlements inclusive, safe, resilient and sustainable.
-  **Goal 13**
Take urgent action to combat climate change and its impacts.

Group highlights

Here are some standout moments from the last year, showcasing our purpose to help and add value for our Members and customers.

	991,235 Member roadside assistance callouts resolved	\$123 million in savings through our NRMA Blue Member benefits program	64 NRMA Group Net Promoter Score (NPS)
	Maintained essential commuter services on Sydney Harbour and Broken Bay during lockdowns	Maintaining our 'best in class' roadside assistance throughout COVID-19	Winner of National Tourism Gold Award for Gordon River Cruises
	12 new EV fast chargers this year bringing the total to 55 across our network	10 million+ kilometres of EV travel on our free charging network	2 new parks acquired in unique locations
	Partnering with the Australian Federal Government to expand our EV charging network across Australia	Transitioned our vehicle rental business to international mobility leader SIXT	50% of SIXT fleet to be electric by 2027
	Received Bronze recognition and Most Improved in the 2022 Australian LGBTQ Inclusion Awards	Recognition in the Australian Financial Review BOSS Best Places to Work List for 2022	Supporting and maintaining our people throughout the pandemic and business stoppages
	Awarded Climate Active Certification for second year in a row for our Motoring and Membership business	Launched and operating first fully-electric commercial ferry service in NSW	Partnered with Wildlife Recovery Australia to conserve and protect biodiversity
	4,500 students participated in the online Youth Eco Summit during lockdown	Established First Nations partnership in Tasmania ensuring we appropriately acknowledge Country across Australia	Supporting Members, customers and communities during 2022 floods
	Investment performance was better than comparable funds	Increased investment in ESG funds	Supporting new ventures that assist with COVID-19 recovery

A message from our Chair



What an apt theme for the 2022 NRMA Annual Report, leading the charge.

The title perfectly encapsulates the year we have had and our vision moving forward. On so many levels the NRMA has played its role as a leadership organisation across mobility and tourism in a year when the nation has faced so much uncertainty.

One area of growing national significance has featured heavily in 2022 – the electrification of our road transport.

Petrol and diesel vehicles will continue to be the dominant force in Australia's fleet for years to come. Ensuring our Members have the freedom to choose is crucial to the NRMA, but we only need to look overseas to get a glimpse into Australia's likely future. In the United Kingdom alone one-in-five new cars sold are electric.

Despite significant disruption to the automotive sector globally due to severe supply chain issues, sales of electric vehicles continue to grow in Australia, now representing almost two per cent of all new cars sold nationwide.

We continue to build the largest fast charging network in Australia and have now partnered with the Federal Government to grow this network further. The growth of our electric vehicle fleet through SIXT car rentals will help ensure choice on the second-hand market and as government incentives to purchase electric vehicles grow – campaigned for by the NRMA – we expect those sales to increase in the coming years.

I am immensely proud of this work and the Board is committed to ensuring we keep leading the charge.

The NRMA has also led the charge in our vital role as advocates.

Our work has resulted in Government agreeing to deliver an extra 70 rest stop areas nationwide to help combat driver fatigue. I am also very proud of the work we did in partnership with Spinal Cord Injuries Australia, making it easier to find accessible parking through real-time data, thus helping improve the journey for people with disabilities.

“Despite significant disruption to the automotive sector globally due to severe supply chain issues, sales of electric vehicles continue to grow in Australia, now representing almost two per cent of all new cars sold nationwide.”

As we face the worst energy crisis in history with record high oil prices, people have again turned to the NRMA as the guide on what these turbulent times mean for the country, and to

ensure motorists are not exposed to higher-than-necessary transport costs.

The last 12 months has seen a contrast of trading conditions across our tourism and car rental businesses. The first half of the year was again heavily impacted by COVID-19 with lockdowns and fears over new variants impacting holidays and travel habits. As these factors eased, global supply chain issues and staff shortages made the recovery harder than expected.

Pleasingly, our Membership has grown yet again to over 2.77 million Members. This, along with a comparatively positive year in our investment portfolio helped the organisation rally to a net profit after tax of \$10.1 million and we are set up for growth this year.

Pandemic and extreme weather conditions have also impacted heavily on our roadside operations, placing extraordinary strain on resources as demand for help peaked. Our world-class award-winning team of Patrols and call-centre staff showed the professionalism and agility they are renowned for to rise to the challenge.

Over the last year we responded to almost one million breakdowns across NSW and the ACT, including 2,221 children and pets rescued from locked cars. I want to thank our frontline teams for this remarkable work under very difficult conditions.

Finally, on behalf of my fellow Directors I want to thank Rohan and his team for another strong year serving our Members and the community, and to you, our Members for your continued support of our mutual.

Tim Trumper
NRMA Chair

A message from our Group CEO



Navigating the pandemic and climate challenges of the last year has been a watershed for the NRMA.

Purpose has always been at the heart of our organisation and ensured we have always had a clear compass for decision making in the face of COVID-19, weather events, inflation, supply chain issues and employment. There were many challenges this year but as a group we exited stronger than before. We continued to grow our Membership numbers, remained financially strong and maintained a relentless focus on societal contributions that aligned and delivered on our purpose – to keep you moving.

Our privileged position enabled us to retain every employee, repaying the loyalty they had shown to the NRMA and the exceptional service they provide to our Members every day. Having a stable, experienced and secure workforce has proved to be an enormous advantage in a resource constrained market. We understand and appreciate that our employees are the heart of the NRMA – they make us who we are. The exceptional experience our teams consistently provide is reflected in our growing Membership base.

2022 was a year where we could review our portfolio of assets and make sure that our investment and effort was inextricably tied to our purpose. We have been leading the charge on the electric revolution, impacting transport globally and lobbied government and industry to support a scaled national network for electric vehicles across Australia. We were there one hundred years ago when roads linked and brought our vast country together. Today we're there to keep our vital regional communities connected and ensure they are not

left behind as we transition to this new form of mobility. In partnership with the NSW Government we have commenced our electric vehicle drive days program to introduce, inform and assist people seeking to experience and understand EV ownership. We launched SIXT, a new mobility and vehicle rental business that leads the market with the largest rental electric fleet. We also built the first electric ferry service on Sydney Harbour and started an important conversation about cleaner waterways. The world is rapidly embracing an electric future and the NRMA has a responsibility to help with this transition.

“We understand and appreciate that our employees are the heart of the NRMA – they make us who we are.”

We have been leading the charge in regenerative tourism expanding our national footprint of holiday parks, lodges, river and ocean cruising; ensuring safe and equitable access to some of this country's most extraordinary natural assets. We consciously shifted our tourism focus away from the urban Travelodge hotels to help stimulate regional tourism. From expeditions through the Kimberley, hikes in the Tasmanian wilderness, to holiday parks from Agnes Waters and Airlie Beach in Queensland, to Ballarat in Victoria, we continue to expand our tourism portfolio. The resurgence of drive tourism over the last years has connected us

all to the unique experiences and environments regional Australia offers.

Our investment arm advanced our strategic objectives, embracing the environment, social and governance principles that underpin our business while still outperforming comparable investment funds. We invested in early stage businesses that were solving emerging problems faced by our Members. These include Sendle which helps with efficient parcel delivery and Elenium, which automates airport check-ins. Important investments such as these reinforce our position as a Member-owned business, one where we can invest and really contribute to a better and more sustainable Australia.

We are committed to reconciliation with Australia's First Peoples evidenced through the employment pathways we are creating and the relationships and partnerships we are building. We are using our unique assets to display and reflect our country's Indigenous heritage, start conversations and create opportunities to acknowledge the special place Aboriginal and Torres Strait Islander peoples hold.

We are ambitious. There is much to be done to keep this country we call home and our communities connected. We believe the NRMA has a critical role to play in helping Members and communities build a better and more sustainable future. Driving the right societal change and caring for our Members, customers and communities while retaining the economic strength to accomplish even more is a delicate balance. I am confident that the transformative changes we have made will ensure we are even stronger and more uniquely placed to deliver on our purpose and keep leading the charge on the issues that really matter to our Members.

Rohan Lund
NRMA Group CEO

About us

We're Australia's largest Member-owned organisation and our business has grown well beyond our iconic roadside services. We appreciate and care for this unique environment we call home and are focused on building a sustainable business that affords everyone the opportunity to explore, experience and connect with people and places across Australia.

Our activities and businesses



Motoring and Membership

Delivering roadside assistance, services and benefits, driver training, advocacy, electric vehicle fast charging and much more to our 2.77 million Members.

Transport and Tourism

One of Australia's largest travel, tourism and leisure businesses, providing unique and sustainable experiences for our Members and customers. We continue to grow, inspiring and encouraging people to experience Australia's unique regions, environments, nature and waterways.

NRMA Parks and Resorts

47 owned and managed holiday parks and resorts across Australia, including the iconic Wilpena Pound Resort in South Australia.

NRMA Expeditions

A suite of unique Tasmanian assets including Cradle Mountain Hotel, Freycinet Lodge, Strahan Village and Gordon River Cruises. We also hold a minority interest in Coral Expeditions.

Marine

My Fast Ferry commuter services, Fantasea Cruising leisure services, Whale Watching Sydney and Yellow Water Taxis in the Sydney Harbour basin.

Vehicle rental

Providing vehicle rental services at 160 SIXT locations across Australia.

Investments

A diversified investment portfolio that generates long-term returns.

Leading the charge

In early 2022, parts of northern NSW and south-east Queensland experienced devastating floods. Unfortunately, natural disasters are not new to this part of the country. From bushfires in 2019-2020 to the Maitland Floods back in 1955, we've always been ready to answer the call when there's help that's needed. So, we did what we do best – we mobilised our staff to help. Two teams of Patrols from Newcastle and Wollongong, volunteered their time to head up to the Northern Rivers region of NSW and lend a hand to our Country Service Centres that were doing it tough. In between trying to save their own businesses and homes, they were also trying to help our Members and the community. So our volunteers came in to help attend to roadside assistance calls, as well as towing and salvaging vehicles inundated or swept away in floodwaters. Paul McNamara, a Field Team Manager in Roadside Delivery headed up the first group of Patrols that waded into the crisis. He said it was a "humbling experience to lead a group of people up there". It wasn't just our Patrols that rolled up their sleeves, our parks and resorts offered displaced families a refuge and our SIXT teams went above and beyond, which you can read about on page 25.



The year that was

The events of the last year have yet again tested our resilience. New variants of COVID-19 emerged, war broke out in Ukraine, global political tensions escalated, and closer to home the La Niña weather event brought devastating floods to the east coast of Australia. In combination with the events of 2020 and 2021, we have all learned that change is constant and resilience is about adapting to new conditions and helping where we can.

Top of mind in Australia has been the impact of La Niña which saw record rainfall result in devastating floods across northern NSW and south-east Queensland. The impact of these floods will be felt for years, with towns like Lismore struggling to determine if they will even survive. Livelihoods have been lost, businesses and homes destroyed and our already impacted biodiversity placed under more pressure. The cost of the flooding will run into the billions.

The scientific community believes that climate change has led to increased weather related catastrophes. At a global level we are seeing an increased frequency of extreme heat, drought and fires. Australia is at the forefront of these disasters having suffered floods, fire, drought and hail over the last years. These events have focused our, and other businesses' attention on what we can all do to prevent these occurrences and mitigate risks. Businesses like our own are taking steps through the development of environmental processes and policies to reduce our impact and help our Members and communities. These important initiatives are outlined in our report. We have also been there on the ground to help with recovery efforts and are looking at ways where

we can mobilise our assets and people even more quickly in times of crisis.

Although borders have re-opened and we are welcoming back overseas visitors and venturing abroad ourselves, the pandemic has continued to impact how we live our lives. Across our businesses we are providing the flexibility our Members and customers need in these uncertain times and have retained rigorous COVID-safe practices. One of the effects of the global pandemic has been the impact on supply chains, which has been exacerbated by the outbreak of war in Ukraine and escalating global political tensions. Although Australia is insulated to some degree, we are all feeling the effects of skyrocketing food, energy and oil prices, and some empty shelves. We are also mindful of the negative impacts a war and a pandemic can have on vulnerable and displaced people through human rights violations and are closely monitoring existing and new supply chains. Our NRMA Blue Member benefits program is helping by providing our Members with savings on everyday items such as fuel and insurance and we continue to expand the savings it offers.

We recognise that globally, mobility is shifting from combustion engines to

electric and are leading the charge through partnering with the Australian Federal government to expand our fast charging network across Australia, providing vital connections. We are helping our Members make this transition by providing them with the information and advice they need, through our Open Road magazine, website and social media. Not only are EVs a cleaner form of transport and therefore have better health and environmental outcomes, vehicle manufacturers driven by emission legislation are also shifting in this direction. Electric is not just limited to personal vehicles, our vehicle rental firm SIXT leads the way in EV rentals and our marine business is operating the first electric ferry service on Sydney Harbour. Change is coming and we are preparing ourselves and our Members for it.

As we move into FY23, the last few years have proved how difficult it can be to predict the impact of external events. Lessons we have learned include taking a long term view and remaining flexible enough to pivot when circumstances call for it. Our strategy, our businesses and our people are prepared for a changing future and ready to embrace new sustainable opportunities as they arise.

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Making journeys in EVs easier

We're working hard to help everyone transition to an electric future by expanding our electric vehicle fast charging network across NSW. This year, we unveiled new ones in Broken Hill, Wilcannia and Cobar.

The NRMA Group

With 2.77 million Members counting on us every day, each decision we make has you at the centre. We are there to help when you need us, and invest in initiatives and businesses that benefit everyone, now and into the future.

The events over the last few years have focused our attention even more keenly on the role we will play on delivering lasting value and benefits to Members, customers and communities. Indeed the strategies we devise, our expansion and exploration of new investments remain bound to our core purpose and the values embodied in our brand and represented by our people.

While we are cautiously optimistic about the future, we understand the many global challenges that we all face. We continue to provide opportunities for people to explore and connect with Australia's unique environments through our tourism portfolio, ever aware of the need to conserve the land and water on which we operate. As our portfolio continues to expand we are working with local and Indigenous communities to create unique sustainable experiences that will drive visitation and improve economic health in our regions.

We continue to help with the transition to new forms of mobility through our investment in our EV fast charging network, partnership with new mobility leader SIXT and providing information and advice that helps people navigate this change. Although the future remains uncertain we remain confident in our capability and capacity to adapt to meet ever changing circumstances.

Highlights for Financial Capital and Assets

2022 presented significant challenges. Due to the Delta variant, domestic borders were closed until November

2021. This crippled the Transport and Tourism segment with significant drops in volume across businesses for the first half of the year. As borders re-opened, we witnessed a surge in demand, and strong trading over the summer holidays. The emergence of the Omicron variant in March 2022 once again disrupted travel and leisure plans and delayed return to offices, resulting in reduced demand for services in our transport and tourism businesses.

New weather event challenges such as flooding emerged in the latter part of the year. This forced temporary closures of some holiday parks and vehicle rental sites, disruptions to Marine services and higher than average job volumes in the Motoring and Membership segment, putting pressure on costs. The combination of influenza and COVID infections affected our workforce, requiring use of overtime and recruitment of resources to manage operations and maintain service levels.

The Group showed resilience, quickly adapting to the changing conditions and pivoting priorities to maintain services while ensuring the safety and well-being of frontline teams, and mitigating financial impacts on the business.

Importantly, the Group continued to invest across all segments to support future growth, with the acquisition of new holiday parks and car rental sites together with a continuation of the roll-out of the EV charging network.

Group revenue from contracts with customers and rental income grew to

\$595.8 million (2021: \$527.2 million). This was largely due to acquisition of new holiday parks and the Tasmanian hotel portfolio in the latter half of 2021. In addition we had solid growth in subscriptions from the Group's new roadside assistance packages, increased battery sales and higher ancillary revenue.

The statutory Operating Profit for the year of \$22.5 million (2021: \$16.6 million) was a good result, delivering a \$5.9 million improvement on the prior year despite the operating environment. The result was in part due to strong returns in a volatile market in the Investment portfolio with total returns of 1.6% (2021: 11.8%) compared to benchmark rates of -3.8%.

The Group's statutory Net Profit After Tax in 2022 is \$10.1 million (2021: \$44.9 million). This includes recognition of unrealised losses from the revaluation of investment portfolio assets that resulted from market volatility in the second half of the year. Equity markets continue to show volatility in light of inflationary pressures and rising interest rates.

The Group's financial position is solid with net assets growing to \$1,086.0 million (2021: \$1,080.2 million), and cash flow is strong with cash flow from operations of \$104.9 million (2021: \$140.6 million).

The outlook for the Group is positive with strong demand across both the Motoring and Membership and Transport and Tourism segments in the last quarter of the year, providing good momentum for 2023.

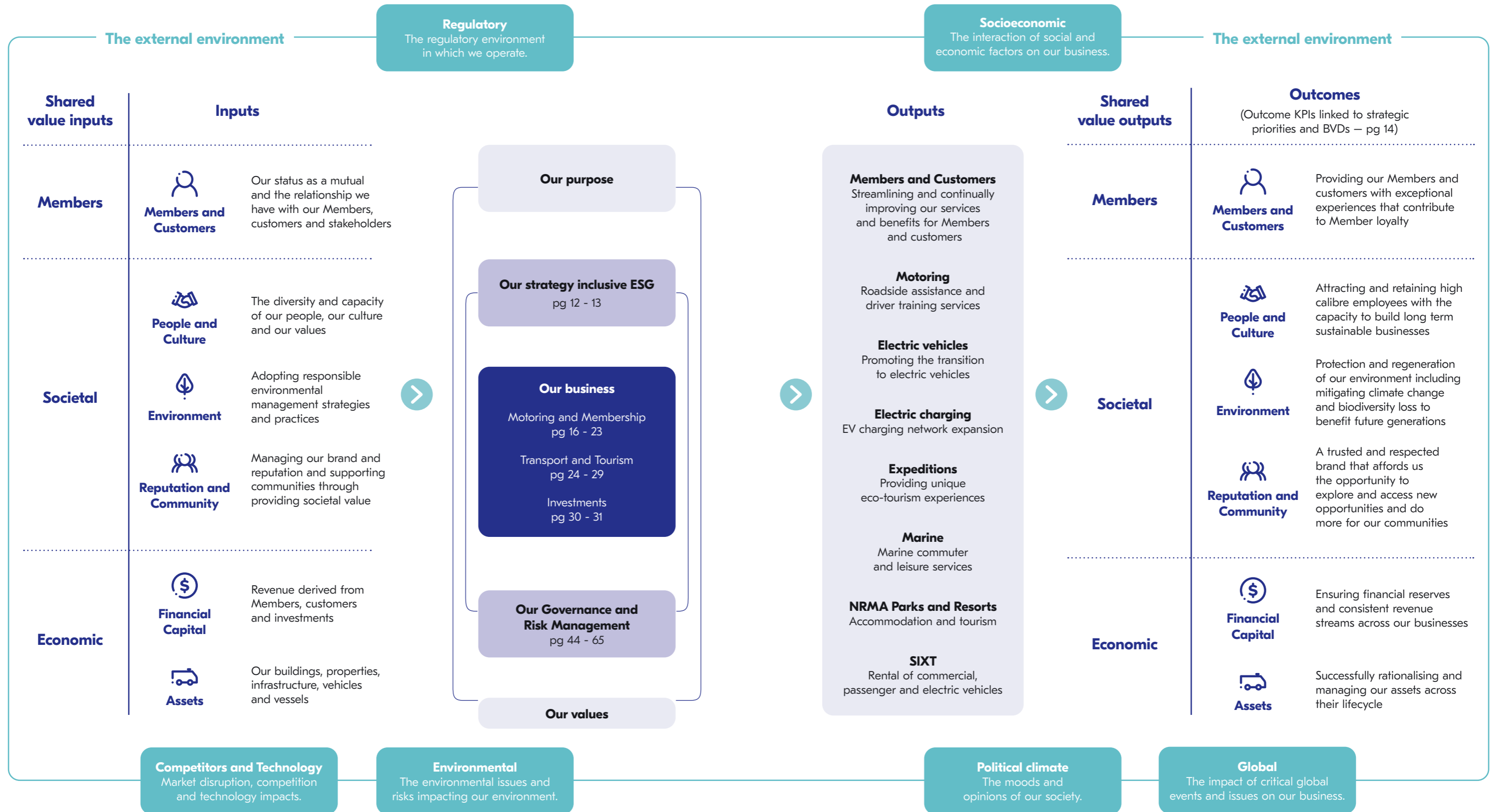
Members and customers	
Group revenue	
\$595.8m	
+13.0% vs 2021	
Group NPS	Membership
+64	2.77m
+3 pts vs 2021	+1.9% vs 2021

Returns and capital	
Core portfolio returns	
1.6%	
vs -3.8% benchmark	
Net assets	Acquisitions
\$1,086.0m	\$72.5m
+\$5.8m vs 2021	

Profit	
Operating profit	
\$22.5m	
+\$5.9m vs 2021	
Operating cashflow	NPAT
\$104.9m	\$10.1m

How we create value

Our value creation process outlines the key inputs that we use to deliver our services and products to our Members and customers. It identifies our outputs and the outcomes we have achieved. These outcomes are reported on in the nominated sections within our Annual Report.



Our FY23 Group Strategy

Our Group Strategy is inspired by the principle of creating 'shared value', building a sustainable business that provides value for our Members, customers, and the broader community. Given the ongoing volatility and complexity in the global economy, our

strategy aims to remain agile – while setting a general direction for Group businesses to collectively strive towards. Our strategy comprises six pillars:

Business value drivers	Pillars (FY23 strategic priorities)	Outcome metrics	SDGs
	Personalising Membership Our Members' needs remain central to all the decisions we make, now and into the future. As the world we live in continues to change, we understand the need to evolve and refresh what Membership means. That's why we're refreshing our Membership design across our businesses to deliver more value, more personalised experiences, and to create opportunities for Members to contribute to their communities directly.	<ul style="list-style-type: none"> - Growth in Members - Improvement in Member experience 	
	Transitioning to electric and future mobility As Australia electrifies and de-carbonises, new forms of mobility such as electric vehicles (EVs) and vessels, ride-sharing and vehicle subscription will proliferate, presenting opportunities and challenges. We are working to support our Members with this transition by providing informed advice, advocating for motorists and developing EV related products and services. We are also expanding our EV fast charging network Australia-wide to accelerate the speed of the transition and ensure that regions are not left behind.	<ul style="list-style-type: none"> - Growth in number of EV chargers - Increase in EV charger usage - Increased fleet share of EVs (vehicles and vessels) - Increased share of Members willing to buy an EV 	
	Growing our tourism business For over 100 years we've kept our Members safe on their journey. Our growing tourism portfolio grants Members the freedom to discover nature, and to connect to people and places across Australia. We continue to expand our portfolio through the acquisition of assets that offer access to unique and iconic environments on land and water, and are investing in improving our guest experience across our sites.	<ul style="list-style-type: none"> - New acquisitions - Growth in visitation - Growth in room yield - Growth in number of sites with signature experience offerings 	
	Enhancing our capabilities Our future growth and transformation will require us to supercharge our organisational capability. This includes continuing to develop a high performing workforce with the agility and knowledge necessary to meet future needs, as well as enhancing our digital capacity, systems and brand value across all our businesses.	<ul style="list-style-type: none"> - Employee feedback - Brand NPS, Reptrak scores - Digital touchpoint NPS 	
	Embedding environmental and social sustainability From our earliest days, the NRMA has strived to create social value for our Members and community; more important today than ever before. In the coming year we will launch and embed our Environmental, Social and Governance (ESG) Strategy and programs group wide. These are detailed on page 13.	<ul style="list-style-type: none"> - Reduction in GHG emissions - Renewable electricity - Reduction in waste to landfill - Increase in tourism sites and community partnerships - LTIFR, SIFR - Gender pay gap - RAP outcomes 	
	Investing for the future Our investment portfolio aims to deliver stable long-term returns while providing flexibility and optionality to fund our growth, currently within tourism. Over time, we are shifting our investment portfolio towards Environmental, Social and Governance (ESG) themed investments.	<ul style="list-style-type: none"> - Return on investment - ESG themed investments % - Liquidity 	

Our Environment, Social and Governance priorities

Underpinning our purpose are our Environment, Social and Governance (ESG) principles. These principles inform how we do business – our environmental and social responsibilities, and our corporate governance. As Australia's largest member-owned organisation, we have both a public and corporate footprint – a position that allows us to bring governments and

corporates together to develop new solutions for identified problems. Over the next year our refreshed ESG approach will be embedded across our businesses and ingrained within our culture. Our key ESG themes are outlined below and we will report on our progress against them annually.

Business value drivers	ESG theme	Programs	SDGs
	 Accelerate the electric transition	<ul style="list-style-type: none"> - Lead the charge on electric vehicles (EVs) Building a connected EV charging network across Australia that gives everyone the confidence to make the transition to an electric vehicle. Lead the charge by electrifying our own vessels and vehicles. - Race to net zero climate impact Setting bold and transparent targets for emissions reduction, rapidly decarbonising our operations and supply chain, and forming partnerships to enable sector-wide change. - Stimulate circular economies in transport and tourism Forming partnerships and adapting our own practices to reduce waste by creating and enhancing, sharing, repairing, reusing and recycling programs. 	
	 Enrich Australia's regional communities	<ul style="list-style-type: none"> - Support communities in times of crisis Lending a helping hand and mobilising our Members to help communities in times of crisis and through the deployment of our resources. - Stimulate regional development Supporting regional communities through sustainable tourism development, our regional fast-charging network, and protection of biodiversity to preserve access and foster economic growth. 	
	 Prioritise people and wellbeing	<ul style="list-style-type: none"> - Accelerate reconciliation Embedding reconciliation across our organisation by deepening cultural awareness, increasing Indigenous employment and procurement, and partnering with Aboriginal and Torres Strait Islander organisations to offer cultural experiences to guests across our parks network. - Enhance safety and wellbeing for our people and communities Continuing to educate and inform Australians on road safety and new mobility, and advocating on their behalf. Maintaining our focus on the provision of a safe working environment for our people. - Promote diversity, equity and inclusion Ensuring every employee can bring their best and full selves to work and thrive professionally, eliminating all forms of discrimination and closing identified gender pay gaps. 	

Board focus area











ESG

The Board provided guidance to Management on further developing our Environment, Social and Governance (ESG) Strategy which is expected to be considered for approval in FY23.









Reporting on our performance in FY22

Despite the pandemic, complex weather events and supply chain issues, our agility and ability to pivot when required enabled us to meet our FY22 performance objectives.

	Strategic priorities	Outcome metrics	Outcomes	Business value drivers
Motoring and Membership	Launch and embed differentiated roadside assistance packages with streamlined digital end-to-end experience for our Members.	- Member feedback - NPS	Pg 18 - 19 Pg 20	
	Further expand our EV fast charging infrastructure across regional Australia for interstate journeys and provide leading EV experiences through EV offers and services.	- Number of EV charging stations - EV charger usage	Pg 23 Pg 23	
	Invest in NRMA Blue product offers to create personalised experiences for Members and a connected experience across our businesses.	- Value of benefits derived	Pg 19	
Transport and Tourism	Build scale through acquisition of unique assets.	- New acquisitions	Pg 28	
	Targeted capital investment to revitalise product.	- Visitation	Pg 27	
	Develop unique visitor experiences and sustainable experiential tourism product.	- Member feedback - Number of new tourism products	Pg 24 - 29 Pg 24 - 29	
Investments	Formulation of Investment Policy statement and strategy for FY22 – FY24.	- Investment objectives agreed by the Board	Pg 31 - 32, 48	
	Integration of ESG principles within our investment strategy.	- Objectives agreed by the Board	Pg 31 - 32	

Underpinning the value we created in FY22

	Strategic priorities	Outcome metrics	Outcomes	Business value drivers
Reputation	Improving road safety and preparing Members for the future of motoring by working closely with government, industry and community to progress investments, technology trials and education campaigns.	- Advocacy outcomes	Pg 36	
	Supporting communities, including regional communities and communities in crisis through social dividend projects.	- Number of community programs - Assistance provided in times of crisis	Pg 37 Pg 6, 7, 25, 37	
Environment	Development of group wide sustainability and ESG plans, and set targets for each of our businesses.	- Board agreement and implementation across our businesses	Pg 13	
	Determine conservation and preservation efforts to be made that will sustain communities and our natural environment.	- Board agreement and implementation across our businesses	Pg 34 and 35	
People and Culture	Cementing our culture through our Playbook and Inclusion, Diversity and Belonging Strategy to build capabilities and behaviours that realise an adaptable and sustainable organisation.	- Employee feedback	Pg 42 and 43	
	Embedding new ways of working through a better designed digital experience.	- Employee feedback	Pg 42 and 43	

Board focus area



Strategy

The Board continued to review the strategic direction of the NRMA with particular focus on personalising Membership, and growing our electric vehicle fast charging network and tourism assets.

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Responding when help is needed

Whether it's mobilising our Patrols during times of natural disaster or ensuring our frontline teams are equipped to continue their important work during a pandemic, our staff are always ready to lend a hand when it's needed. For communities and individuals, the NRMA has become synonymous with help during difficult times.

Motoring and Membership

All things motoring and mobility are at the core of our organisation. Whether that's assisting at the roadside, keeping our children safe through road safety education, helping people navigate the new world of electric vehicles or connecting with regional communities. We're here to help in a powerful way.

To understand what people want from their NRMA, we pay attention to what you tell us. This year, we listened to our Members through surveys, interviews and online research, as well as direct feedback through letters, emails and phone calls. We work hard to continuously improve and evolve everything we do – our performance, our brand, our service and our reputation – and it all starts with our Members. This focus earned us the Customer Experience Leader of the Year Award.

We continue to support and share our expertise with regional communities through our iconic roadside assistance and partnership with Outback Links, which connects volunteers with people in remote Australia doing it tough. We've been there to help during the recent floods and are taking steps to create a sustainable business that conserves our unique environment.

We are proud of being awarded Climate Active Certification for the second year in a row, evidence of our commitment to reducing carbon emissions.

EVs are core to our strategy and in FY22 we continued to lay the foundation to assist our Members make the transition from today's petrol and diesel vehicles to electric vehicles. We have plans to develop a range of EV packages that will make it even easier for everyone to make the transition. We also continue to expand our EV fast charging network, providing necessary links across regional and remote areas, making EV journeys even easier.

We hope you enjoy reading about our achievements in the coming pages.

Highlights for Financial Capital and Assets

The Motoring and Membership segment manages a network of service providers to deliver roadside assistance to Members.

The segment performed strongly despite the challenges in 2022, with Membership at 2.77 million and growing. Revenue from Motoring and Membership of \$322.6 million (2021: \$313.1 million) increased on the prior

year, with solid growth in subscriptions from the Group's new roadside assistance packages, and increased battery sales contributing to the result. In addition, ancillary revenue from international driver permits and driver training increased on the back of the gradual re-opening of the economy and borders in the latter half of 2022. Total roadside job volumes were down 1.7%, with COVID restrictions reducing the number of vehicles on the road in the first quarter of the year. However, poor weather and flooding events in the latter half of the year saw higher than average job volumes in the last quarter, across both metro and regional areas.

The combination of influenza and COVID infections across the workforce in the second half of the year, provided operational challenges for the business, particularly given the increased job volumes resulting from the wet weather conditions. Overtime was increased to maintain service levels to Members, with priority being given to jobs where safety was an issue. Increased people costs were absorbed by the business.

Delivery of high-quality services to Members remained at our core, with the Roadside net promoter score steady at 86 (2021: 86), despite the challenging conditions.

We continued to invest in EV infrastructure in 2022 with 12 new chargers installed, bringing the total number of chargers for the Group to 55. This provides 95% coverage over key routes within NSW. The Group has an additional commitment over the coming years to build the national EV backbone infrastructure.

The Motoring and Membership segment includes costs that are not core to the provision of services under Membership contracts but core to the running of a mutual organisation. This includes advocacy and corporate overhead costs.

The Motoring and Membership segment had an Operating Loss of \$1.2 million in 2022 (2021: loss of \$3.2 million).

Leading the charge

In early June 2022, our roadside assistance team received a phone call from Allan, a Member of over 60 years. Unfortunately, Allan had been visiting a relative's grave in Rookwood Cemetery when he bogged his son's car in some soft grass, away from the road. When our Patrols Stuart and Moodi eventually found Allan in the vast and very dark cemetery, Allan said "I don't think you blokes can help me, I'm going to sleep in the car until Monday morning and try and get a tractor to recover me." Well that wasn't going to work for Stuart and Moodi, they replied "We are not leaving until your car is out."

After assessing the area, our Patrols managed to safely position the tow truck on a narrow road nearby and put a winch out to Allan's car, with the use of a snatch block to redirect the cable. While Stuart dug mud from the front wheels of Allan's car with a shovel, Moodi set up our specialty recovery equipment. Within an hour, they managed to safely recover Allan's car and tow it across a narrow bridge back to the sealed road.

Covered in mud but very relieved, Stuart and Moodi said the effort was all worth it to hear Allan's heartfelt thanks and praise.



Members and customers

For Members

In FY22, after receiving feedback from our Members, we implemented the most important overhaul of our roadside assistance packages in more than a decade. Our new Membership packages deliver greater value and choice for Members and make it easy for them to see the full range of benefits and entitlements they receive as part of their Membership. Feedback from our Members has been overwhelmingly positive.

We have continued to invest in the digital experience, keeping our Members informed and connected. We make sure to test mobile app and website innovations with them, incorporating their suggestions and needs. This year we introduced a Track My Patrol function, which allows Members to track the location of their Patrol in real time. Since launch, 246,000 Track My Patrol links have been sent that have resulted in over

260,000 clicks by Members to monitor the status of their roadside booking.

Our focus on creating the best digital experience has seen our website and app become synonymous for fast and accurate information. Over the last year, we've had almost 14 million visits to the NRMA website and almost a quarter of a million people followed the NRMA Facebook page. We also increased our Instagram followers by 12% with the popular #whyweroadtrip. Our Members and followers used this hashtag to share their unique road trip stories and photos.

Our iconic Open Road magazine grew by 23.7%, becoming the fifth most read magazine in Australia with over 1.24 million readers per issue. Its popularity is illustrative of the fact that it continues to inform and engage our Members. It provides inspiring stories on road trips and unique tourism locations, as well as providing up-to-date motoring information and

updates on Member benefits, as well as our plans for the future.

For our Members, double demerit points were top of mind this year. The topic attracted the most comments on our Facebook page and our dedicated landing page attracted the most visits. This afforded us the opportunity to highlight key safety measures and remind Members about safe driving over long weekends and during holiday periods.

Board focus area



COVID-19

The Board continued to focus on the impact of COVID-19 on employees and managing the provision of services to Members and customers with the large number of employees on sick leave.

More value

This year NRMA Blue, our Member benefits program, helped over 1.5 million Members save more than \$123 million. In a year that posed many challenges, it's another example of how the NRMA helps each day.

Members saved on everyday things like fuel, energy, insurance, groceries, entertainment, dining, movie tickets and attractions. We also helped them save on bigger things too, including domestic and international travel, vehicle rental and road trips. For Members on the hunt for a new or used car, we partnered with RedBook Inspect to deliver pre-purchase vehicle inspections to provide them with expert advice.

This year we partnered with 40 regional cinemas to ensure our regional Members in NSW and the ACT had access to exclusive discounts, as well as adding Hunter Valley Wildlife Park to the program. We opened up a range of unique Indigenous tourism experiences through our partnership with Welcome to Country and continue to expand retail savings

including discounts at OPSM, Sunglass Hut and discounts on eGift Cards for over 30 premium brands. We're always on the hunt for new partners with the right products and services to meet our Members' needs.

Our people

We recognise the vital role played by our people and distinct culture in delivering the experience and service our Members expect from the NRMA. With the COVID pandemic continuing to impact how we work, we have improved and promoted the use of our internal online communication network (Yammer). This digital communication channel enabled us to connect, share ideas and maintain our distinct culture despite lockdowns and restrictions. Our efforts and the 25,000 times our people utilised the channel won us a global award for encouraging employee collaboration.

As we move into FY23 we are proud of what we have achieved and look forward to providing even more reasons to belong to the NRMA.

Highlights	Business value drivers and SDGs
+\$123 million worth of savings delivered to our Members	
Over 1.5 million Members used their Member benefits	
11 new partners joined the NRMA Blue program	

Motoring

As NSW experienced some of the most devastating floods in history, our Patrols responded to calls for help as they have done for over 100 years. We created flood relief teams that delivered power and assistance to those in need and remained on the ground to assist with the clean-up as flood waters receded. In the worst hit areas, our Patrols battled high call volumes and dangerous and demanding conditions to reach stranded drivers and ensure our Members were safe. We thank our Members for being so patient during the longer than normal wait times during the crisis.

Our Patrols continued to maintain strict COVID-safe work practices essential with so many people electing to drive to minimise virus exposure. We updated our Enterprise Agreement to provide more employee flexibility and benefits, and incorporated our diversity and inclusion policies to ensure our workforce reflects the diverse society we operate in. Ensuring our Patrols lead in relation to motoring technology, we are soon to trial our first fully electric Patrol van and mobile charging. All our Patrols also receive regular and comprehensive training on vehicle technology to ensure they can get our Members back on the road promptly regardless of vehicle type. We recognise that the transition to electric will take time, so we'll make sure no one is left behind by ensuring our Patrols are

across both internal combustion engines and electric.

We introduced new digital tablets providing a sustainable technology platform for the future and introduced 'Track My Patrol', which gives Members the ability to monitor where their requested Patrol is and when they can be expected. This innovation saves our Members time and is just another way we are looking to make everyone's lives easier.

Our Members have responded enthusiastically to our battery recycling service. Concern over disposal of toxic battery waste resulted in a total of 93.5% of batteries being returned by Members. During the year, 145,031 new batteries were installed, with 135,600 being recycled.

Our Australian-based call centres remain the critical point of contact for our Members answering over 1,426,600 calls this year. While many worked from home during lockdowns, we strived to maintain high service levels. These flexible and hybrid work practices and our technology interface are some of the many reasons we retain and attract great people to help our Members.

In a year filled with challenges to Member safety, getting you back on the road quickly and safely always remained a priority for our Patrols.

Highlights	Business value drivers and SDGs
Over 1,426,600 calls for assistance taken by the NRMA in FY22	
73,085 roadside calls were logged in the my nrma app	
We provided motoring advice to 16,815 Members	
889 children rescued from locked vehicles	
1,332 animals rescued from locked vehicles	
+86 Net Promoter Score	
Recycled 135,600 batteries	



“Sometimes roadside assistance isn’t just about helping someone broken down. It’s about doing all you can to help people in vulnerable situations when they have no one else to call.”

Stuart
NRMA Patrol

Driver training

With multiple locations across NSW and the ACT, we are recognised as a leader in the delivery of safe driving programs and driving instruction for individuals, communities and businesses.

In combination with our driving instruction services, we have delivered the Safer Drivers Course on behalf of Transport for NSW (TfNSW) to over 40,000 participants since its inception in 2013. The Safer Drivers Course is designed to educate young people on how to develop safe driving skills and prepare for solo driving. In addition, we are accredited to deliver the Keys2Drive program and have secured a six month contract to deliver TfNSW's Helping Learning Drivers Become Safe Drivers (HLDBDS) programs. The Keys2Drive program provides parents teaching children to drive with the practical skills necessary to impart road and driving safety. HLDBDS in northern NSW provides support to parents and driving supervisors of learner drivers.

We have also partnered with the Australian Red Cross to deliver the Indigenous Learner Driver Mentor

Program, which is designed to assist Aboriginal and Torres Strait Islander peoples gain their P1 licence, opening pathways to future training and employment. The program combines driving instruction and supervised driving hours in accordance with P1 requirements.

The ongoing pandemic, including lockdowns and safety concerns has again challenged the team who have responded by adjusting operations to suit environmental conditions. This has included the development of engaging online teaching modules that minimised the impact on learning during the pandemic. We have continued to develop our online booking platform and made it easier than ever for Members and customers to reschedule their bookings to align with changing conditions.

As we transition to an electric future, we are investing in electric training vehicles that will enable us to deliver dedicated EV training programs and provide the experience necessary to feel comfortable and safe with this new form of mobility.

Highlights	Business value drivers and SDGs
28 participants successfully completed our Indigenous Learner Driver Mentor Program	
Booking platform flexibility to cater for changing conditions	

Leading the charge

Our Project Officer, Toni, has been working consistently with 'Cindy' for a significant length of time as part of our Indigenous Learner Driver Mentor Program.

Cindy's journey to licencing has not just been about driving. Toni and Cindy forged a bond that went beyond being behind the wheel, and as Cindy's confidence grew, it gave her the encouragement she needed to book her test. Having a licence will make an enormous difference to Cindy and her family, as she has an extremely ill husband who needs to get to many medical appointments. Cindy will be able to be more independent.

After much support and encouragement, Cindy faced up to the challenge and took the test.

Cindy was successful and regained her licence with a near perfect score. Toni said that Cindy was so excited and relieved after her results were given to her, she even teared up, thanking us for all the help and guidance she received during the program.



Electric vehicles

The transition to electric is a good thing for Australians, which is why we are playing a leadership role through advocacy and investment. We want lower motoring costs, maximised vehicle choice, and better health and environmental outcomes to support future generations. We understand the concerns many motorists have about EV ownership. Charging and charging infrastructure remains of paramount concern. Recognising this, we are partnering with the government to expand our network of chargers across Australia.

To help inform Members about EVs, the NRMA has published a growing number of stories and reviews about EVs. Every issue of Open Road has included information, facts, new vehicle reviews and EV road trip stories. Our Members regularly shared their opinions and experiences in the Letters page of the Open Road. We have created a dedicated EV section on our website and continue to publish relevant information and articles online. To make EV ownership even easier, we will soon be launching a new NRMA EV app, and have exciting plans for new EV packages for our Members. We launched an expression of interest for Electric Vehicle Membership bundles to inform our future propositions with 2,000 people registering their interest over a 2 month

period. Of the Members surveyed, 50% indicated they would consider an EV when looking to purchase a new vehicle. We are also ensuring our Patrols are trained on the latest EV technology and problems that may arise and can get you back on your way safely.

EV drive days

Alongside the NSW Government, the NRMA commenced a program aimed at giving Members and the public a taste of what it's like to drive an EV in a safe and friendly environment. There are a lot of unknowns when it comes to EVs and we have found a test drive is the best way to experience what driving and living with an EV is really like. So far, the feedback on the experience is overwhelmingly positive, with participants much more inclined to purchase an EV as their next vehicle.

We're taking this experience to Members and the public right across NSW and the ACT. In addition to driving, attendees can view a range of different EV models, talk to experts about buying, owning and charging EVs, plus be involved in live information sessions with industry experts. These events are free to attend and open to all. More information and updates on the our EV drive days can be found at mynrma.com.au/drive-days

Highlights	Business value drivers and SDGs
Partnering with the NSW Government to deliver EV drive days	
Continuing to be a reliable source of truth on all things EV	

Board focus area



Electric vehicles

The Board focused on growing the investment in electric vehicle charging infrastructure.



“Thanks NRMA! This was an absolutely excellent event. I was amazed how much genuine interest there was as thousands of people attended. The information sessions were top notch as well.”

David on EV drive days
Facebook



EV fast charging network

Our knowledge and experience across the motoring sector gives us an understanding of just how broad the reach of EVs is. Across the world we are already seeing electric cars, buses, utes, trucks and ferries and use is expected to grow exponentially in the coming years. With so many options, owning an EV will be open to all our Members, not just those residing in urban areas.

Since the launch of our EV fast charging network (the largest in Australia) we have enabled more than 10 million kilometres of EV journeys and more than two million kilowatt hours of renewable energy has been provided. The growing popularity of EVs has seen network demand increase by an additional 21% with more than 50,000 charging sessions delivered. Our research indicates that 51% of EV owners use a public charger at least once a month, demonstrating the importance of a public EV network charging system.

To date we have installed more than 55 EV fast charging stations powered by 100% renewable energy. The expansion of our network in partnership with NSW and local governments has been planned to provide the connections and links necessary to enable journeys across NSW and the ACT.

Alongside the NSW Government, the recent launch of new chargers across the Barrier Highway in Broken Hill, Wilcannia and Cobar, mean that an EV road trip across one of the most remote arterial routes in NSW is now possible. We worked with local Aboriginal artist Eddie Harris in Wilcannia to wrap our chargers in his artwork, cementing the relationship between Country and community. Eddie's artwork depicts swimming river fish in the Darling (Baaka) River. We are keen to expand this program incorporating First Nations people's artwork into our EV fast charging installations.

Highlights	Business value drivers and SDGs
Enabled more than 10 million kilometres of EV journeys	
Partnering with the Australian government to build a connected fast charging network across Australia	
55 EV fast charging stations installed across NSW and the ACT to date	



Section 3

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Giving you the best guest experience

Our parks and resorts are paving the way with new and innovative experiences to ensure they're providing guests with more memorable holiday moments. This year we partnered with the Bear Grylls Survival Academy to bring kids SHIPWRECKED, an action-packed survival and adventure program.

Transport and Tourism

We're always seeking new ways to help everyone connect with people and with places, while responding to the needs of our Members, customers and the environment. From our expeditions business and marine services to holiday parks and car rental, we're giving people ways to explore and recharge.

The year remained challenging for the tourism industry, with international borders remaining closed for much of the year, and varying state approaches to interstate visitation. Despite this, our commitment to the value Australians place on travel and a holiday as a way of recharging and reconnecting with one another.

We continued to expand our holiday parks portfolio, offering Members more locations to holiday domestically, and progressed our refurbishment plans at our destination assets in Tasmania. We also worked with partners identifying future opportunities for the Expeditions business. We successfully transitioned our rental vehicle business from Thrifty to SIXT, building a new culture to deliver an enhanced service experience and continued our ferry operations in Sydney Harbour, at a reduced level, to support commuters.

As restrictions eased and consumer confidence returned, Members and Australians sought to explore and rediscover our regions. Working with local operators, we looked to profile and connect travellers to the best of regional and rural Australia. This included partnerships with organisations such as Wildlife Recovery Australia, focused on supporting recovery efforts and conserving our unique flora and fauna that's so vital to the tourism sector. We continue to explore opportunities to connect guests with Indigenous tourism experiences. This has included partnering with the Adnyamathanha people at Wilpena Pound, signing a Memorandum of Understanding with Darkinjung Aboriginal Land Council and consulting with Ochre Rain on the development of our Tasmanian assets.

Highlights for Financial Capital and Assets

The Transport and Tourism segment manages a portfolio of premium accommodation and leisure assets, including holiday parks, hotels, rental vehicles and Marine vessels, to deliver unique experiences to Members and customers.

The Transport and Tourism segment continued to be heavily impacted by COVID-19 restrictions in the first half of 2022. Lockdowns in NSW and Victoria in July 2021 resulted in the closure of domestic borders for much of the first half of the year. Domestic borders reopened from November 2021 as vaccination rates increased leading to a surge in demand over the peak summer holiday period. However, as demand rebounded, outbreaks of the new Omicron variant emerged and quickly spread, disrupting travel and leisure plans and delaying return to offices.

In the second half of FY22, the segment faced significant operational challenges with temporary site closures and disruption to services from weather and flooding. Additionally, increased sick leave from both influenza and COVID infections among staff proved challenging, while supply chain constraints and inflation put pressure on costs. The Marine businesses felt the largest impact with a significant drop in passenger numbers in Sydney for most of the year, and higher fuel costs in the second half.

Revenue for the segment was \$273.6 million in 2022 (2021: \$214.5 million). On a like-for-like basis, after adjusting for growth in holiday park and hotel accommodation stock, and the acquisition of new car rental sites, revenue reduced by 6.7%. This is reflective of the disruption to operations during the year. The Operating Loss for the Transport and Tourism segment was \$4.2 million in 2022 (2021: operating profit of \$2.7 million), with a reduction in Government support through wage subsidy programs, and rent relief in 2022.

The demand for transport and tourism services remains strong, with a significant uptick in activity in the tail end of the year and a positive outlook for 2023. We continue to invest in this segment, with the acquisition of two new parks in 2022, Agnes Water and Airlie Beach, bringing the total number of holiday parks to 47.

Leading the charge

In February 2022, south-east QLD experienced almost three times the month's average rainfall, resulting in tragic flooding. Our SIXT team in south QLD lost 13 cars and four trucks, while our Rocklea office went underwater.

Throughout these adverse circumstances, our team led the charge and contacted customers, offering free car hire, removing relocation fees and changing return locations. However, helping our customers wasn't the only thing on our mind. We donated four vehicles to the State Emergency Service (SES) to deliver sandbags across the region. We made trucks and drivers available to the Gold Coast Airport Authority to move donations south into northern NSW and our staff donated items of their own, as well as their time to help with the recovery efforts.

Despite our staff and their families experiencing damage to their homes and loss of personal items, everyone rallied together to help each other in the community. And with the support of the NRMA, the staff who were affected were provided with gift cards for fuel and food.



Marine

The last year has presented a number of challenges for our marine businesses. These include extended lockdowns due to the continuation of COVID-19, resulting in subdued commuter patronage, and the La Niña weather event that discouraged locals and visitors from enjoying time on our waterways.






We are proud of, and grateful for, the dedication and resilience shown by our frontline teams – on vessels, on wharves and in our customer support areas. They ensure that our focus always remains on securing the safety and comfort of our Members and customers. A testament to this is our staff engagement score which improved by 9 points or 20% on the previous year.

In December 2021 My Fast Ferry launched New South Wales' first fully electric, zero emission commercial ferries. We are committed to leading the way in creating a transport network powered by clean sustainable energy. These two Australian built vessels, Barangaroo and Wallaru, run on 28.8kWh rechargeable batteries that can be fully charged in 2.5 hours, providing 7 hours of operation. We are now commencing investigations into hybrid hydrogen fuel solutions to further reduce emissions on our

waterways in the future. There are considerable environmental benefits to electric ferries compared to diesel, saving 40,000 litres of diesel a year and 100 tonnes of CO2 emissions. Plus, they're much quieter.

Our commitment to reconciliation with First Nations peoples continued in the last year with ongoing recognition and celebration of NAIDOC Week and National Reconciliation Week, continued support of Babana Aboriginal at several community events including employment expos and mental health awareness days. As well as collaboration with Tribal Warrior around Indigenous recruitment, vessel charters and tourism development, we are also actively seeking a more diverse workforce through our partnership with NOVA Employment in supporting jobseekers with a disability.

As we move into the next financial year, we're optimistic that while the pandemic will continue to change the way we live, work and travel, our need for safe and reliable transport options will remain. International borders are reopening, visitors are returning and workers, while continuing to enjoy hybrid work arrangements, will again seek opportunities to reconnect and collaborate in-person.

Highlights	Business value drivers and SDGs
Launched first fully-electric commercial ferry service in NSW	
Supported community groups including Babana Aboriginal, Bear Cottage and Royal Far West	
Linked the communities of Palm Beach basin and Ettalong during recent severe weather events	
Maintained essential commuter services on Sydney Harbour and Broken Bay during prolonged lockdowns	
Developed Aboriginal Dreaming Cruises with Tribal Warrior for the Sydney Festival	

Board focus area



Marine

The Board considered and approved the bid for the Transport for NSW Ferry Tender with the inclusion of options to reduce carbon emissions.



Vessel wrapped with Indigenous artwork commissioned from Gomeri artist Warwick Keen

Expeditions

Despite the lingering impacts of COVID and border closures, NRMA Expeditions saw increased visitation across its Tasmanian properties at Freycinet Lodge, Cradle Mountain and Strahan Village, welcoming 127,000 guests in FY22.

While visitation to Tasmania is still recovering, those that visited stayed longer and spent more than in FY21. This is a testament to the appeal of Tasmania's tourism offering and natural environment, and the visitor experience offered across our portfolio.






In the last months of trading of FY22, Coral Expeditions saw a return to profitability as COVID restrictions were eased. Coral Expeditions is a bespoke expeditionary cruise company, in which the NRMA made a significant minority investment in FY21. The division also assessed a further 24 acquisition and tourism investment opportunities across the accommodation, marine and nature-based tourism sector, with the ambition of expanding the portfolio nationally.

We continue to excel in offering exceptional visitor experiences that

celebrate wild places with Gordon River Cruises winning Gold at the National Tourism Awards for Best Tour and Transport Operator. This is the highest industry accolade that can be achieved in the sector. Freycinet Lodge also held its 4.9 out of 5 Average Tripadvisor Bubble Rating for three consecutive months for the year ending FY22.

Planning works commenced on our refurbishment activities across the portfolio, despite supply chain disruptions and labour shortages, with prototypes trialed and tested in key locations. FY23 will see significant works commence onsite, creating luxurious havens in the wild, showcasing local character, and transforming the guest experience.

As our attention turns to building stronger relationships with the Tasmanian Aboriginal Community, Expeditions partnered with innovative Aboriginal-led enterprise, Ochre-Rain, to understand the story of Aboriginal people across our properties and appropriately acknowledge Country. This will form an integral part of staff training and guest engagement moving forward.

Highlights	Business value drivers and SDGs
Winner of National Tourism Award – Gordon River Cruises	
Maintained a 4.9 out of 5 Average Tripadvisor Bubble Rating for Freycinet Lodge in last quarter of FY22	
Welcomed 127,000 visitors across our Tasmanian portfolio, an increase of 30% on FY21	
Commenced planning works to support refurbishment activities	
Established First Nations partnership to appropriately acknowledge Country	



“Pristine wilderness that everyone should see”

Customer NRMA Expeditions



Parks and resorts

NRMA Parks and Resorts faced the same challenges as the entire Australian tourism industry in FY22. Visitation was impacted by park closures, restrictions on interstate travel, vaccine mandates, labour shortages and unseasonal weather – all resulting in cancelled or postponed trips. NRMA Parks and Resorts' Booking Promise provided our guests with peace of mind enabling them to opt for either a credit or refund if their holiday was impacted by COVID-19.





Having memorable holidays with family and friends became even more important for Australian travellers over the last year.

We continue to grow our holiday park footprint, with holiday options in Queensland, regional NSW and Victoria. The acquisition of holiday parks at Airlie Beach and Agnes Water, and a new management contract for Batemans Bay after July 2022 will bring the portfolio total to 38 NRMA-branded holiday parks, with Members enjoying benefits of over \$2.6 million.

We launched new experiences across the portfolio including the hugely successful, Australian exclusive, Bear Grylls Survival Academy for kids (and keen parents), weekly hosted guest events, new giant inflatables and kids' games, movies under the stars, the Kombi Keg drinks truck and new fleets of e-bikes for exploring the great outdoors.

Safety remains paramount for our parks and resorts, so we secured important partnerships to help deliver vital messages to the broader public, Members and guests. These ongoing partnerships include Royal Life Saving Australia for water safety and Tow-ed towing training for expert advice and hands-on tips for towing caravans – very important skills as more people headed out on road trips. We have continued to invest in environmental sustainability across the portfolio including the expansion of our electric vehicle facilities with 39 charging stations now available and high-capacity solar panels now installed at 15 parks.

We are proud to announce a national partnership with Camp Quality to provide holidays to kids with cancer and their families, donating much needed funds to the organisation. Additionally, we designed Australia's first new accessible safari tents for guests with mobility issues. We continue to work alongside First Nations communities, employing more than 50% Indigenous staff at Wilpena Pound Resort in the Flinders Ranges, and signing a Memorandum of Understanding (MoU) at Ocean Beach with the Darkinjung Aboriginal Land Council, enabling us to offer guests cultural tourism experiences that support local Indigenous employment.

Highlights	Business value drivers and SDGs
Launched partnership with Camp Quality – fundraising, accommodation and driving awareness to assist children with cancer	
Installation of 39 EV chargers and 25 new e-bikes at 5 parks	
\$2.6 million in savings to NRMA Members	
50% Indigenous employment at Wilpena Pound	

Leading the charge

To support our ESG Strategy, NRMA Parks and Resorts have been hard at work. We installed solar street lighting at 10 parks, pool blankets at parks in Victoria, introduced 25 e-bikes and transitioned from paper-based registration forms to digital, reducing over one million pieces of paper per annum. We also installed an accessibility ramp at Treasure Island and established two new accessible cabins at Portland and Eastern Beach, ensuring that everyone can enjoy a holiday there.

To help with the tragic flooding, we provided short-term accommodation to people who were temporarily displaced, as well as allocating Dubbo Holiday Park to NSW Health for quarantine purposes over four months. These are just a few examples of how we're contributing socially, environmentally and in the interests of our Members and customers. In the coming year we'll continue what we've started and look for new initiatives to help support the organisation's focus on ESG.



SIXT

In December 2021 we seamlessly transitioned our national vehicle rental business to global mobility leader SIXT. Operating in over 100 countries, SIXT affords customers a range of mobility options including vehicle rental, ride share, ride hailing and vehicle subscription services, all available through the easy to use SIXT app. We are looking forward to offering our Members and customers the full range of SIXT mobility options in the near future.

The last year has presented a number of challenges. These included the ongoing effects of COVID-19, which impacted vehicle supply globally and natural disasters locally such as the floods in south-east Queensland and northern NSW. Despite this, our dedicated company-owned and franchised location network continued to go above and beyond to deliver uninterrupted service to Members, leisure, corporate, commercial and wholesale customers across Australia. Throughout this period and despite these issues, we have increased our fleet nationwide, including a range of premium make and model options, and aim to surpass pre-COVID fleet levels by the end of 2023.

As one of the largest fleet operators in Australia and conscious of the

need to play our part in Australia's transition to clean energy, we are committed to moving to an electric fleet. We have set ourselves a target to have 50% of our fleet electric by 2027 and continue to work towards achieving this goal. Currently we have electric vehicles available for rent in all major capitals and continue to make them available across new locations. We would encourage all of our Members and customers to try one for themselves and discover just how reliable and easy they are to drive and recharge. As we move into FY23, we acknowledge the work all the SIXT team have put in to ensure we maintain the high levels of customer satisfaction recorded in our net promoter score.

Board focus area



Vehicle rental

The Board had oversight of the negotiations and transition of the vehicle rental business to SIXT, which included the acquisition of the business from a franchisee that operated in the South East Queensland and North NSW.

Highlights	Business value drivers and SDGs
Completed the SIXT brand transition maintaining Member service levels, discounts and benefits	
Increased the SIXT corporate location footprint in south-east Queensland and Northern NSW by 40 locations	
Leading the vehicle rental market with EV availability	
Supporting Aboriginal communities through the supply of two vehicles to ID Know yourself	



Section 4

31 Investments

A more sustainable way to explore

We're invested in exploring not just electrification on land, but also on water. Our electric-powered shuttle that transports people from Pyrmont Bay to King Street Wharf on Sydney Harbour has been going strong for over a year now.

Investments

Our portfolio is diversified across a wide variety of asset classes including equities, property, infrastructure, private equity, fixed income and cash assets.

Highlights for Financial Capital and Assets

The Investments segment manages a diversified portfolio of assets to support the short-term income and liquidity needs of the Group, while also delivering longer term capital growth for reinvestment. To achieve this, the allocation of assets in the portfolio is balanced across risk and defensive assets including equities, property, infrastructure, fixed income and cash assets in accordance with the Group's Investment Policy Statement (IPS).

2022 was a mixed year for equity markets. Markets trended up in the first half of the year on the back of low interest rates, while the war in Ukraine, inflationary pressure and rising interest rates rattled markets in the second half of the financial year, resulting in elevated market volatility. Overall, the Australian equity market was down 6.5%.

Despite this, the total returns delivered by the core portfolio of 1.6% (2021: 11.8%), outperformed similar strategy investments such as balanced superfunds, which delivered -3.8% for the year. Over the longer term, the core portfolio has delivered strong returns at 6.7% and 9.6% per annum over five and ten years respectively.

The total returns of the 2022 portfolio are inclusive of \$22.0 million in net unrealised losses from fair value adjustments (2021: net unrealised gains of \$48.4 million) with equity markets sharply declining in June 2022. Shortly after the end of the financial year, these unrealised losses were more than recouped, with strong performance

in markets delivering unrealised gains of \$54.4 million by the end of August. Markets continue to be volatile and the outlook remains challenging.

Investments delivering positive environmental, social and governance (ESG) outcomes are an important component of the segments portfolio, and the Group continues to explore opportunities to expand investments in this space.

During the year, investments were made in two new ESG funds, one focused on investing for environmental and social impact and one focused on agriculture and food technology promoting regional Australia, while providing a positive environmental impact. We also continue to hold other social infrastructure investments.

The Investments segment also includes our joint venture and associate investments. This included the Group's investment in a portfolio of hotels through Australia (operating under the Travelodge brand). These assets were classified as a discontinued operation in 2021, following an agreement for sale. Settlement of all but one property in the portfolio occurred in 2022 with settlement on the remaining property anticipated to occur in the first half of 2023.

The Operating Profit for the Investments segment for 2022 is \$279 million (2021: \$171 million). The increase in Operating Profit is primarily due to an increase in dividends in 2022, with many fund managers distributing gains from their realised positions throughout the year.

Highlights	Business value drivers and SDGs
Outstripped the market with 1.6% total return on core portfolio	\$
Increased investment in ESG funds	\$ 13

Board focus area



Travelodge

The Board had oversight of the negotiations of the divestment of the Travelodge portfolio of hotels jointly owned with Mirvac.

Investment Portfolio

The Board had oversight of asset allocation in the investment portfolio and regularly reviewed performance.

Section 5

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Everyone's welcome at work

Thanks to SHINE, our employee-led LGBTQI and Ally group, we were recognised at the Australian LGBTQ Inclusion Awards as a 2022 Australian Workplace Equality Index (AWEI) Bronze Employer, as well as the 2022 AWEI Most Improved Employer. We take pride in being an organisation that supports people for who they are and continue to work to ensure everyone feels comfortable being their true selves.

Underpinning the value we created

Everything we do is because of our commitment to our Members, communities, conservation of our natural environment and building a more sustainable future for all Australians. Whether it's investing in our EV fast charging network to assist with the transition to cleaner mobility, helping in times of crisis or supporting communities through our partnerships and programs, we continue to work towards a better future.

Natural disasters and extreme weather events have focused everyone's attention on the need to protect our natural environment. Across our businesses we're intent on implementing systems and innovations that minimise our impact and have refreshed and embedded ESG targets across our businesses. We are partnering with organisations such as Wildlife Recovery Australia to play our part in halting biodiversity loss and setting targets with respect to emissions. We remain committed to supporting regional Australia through the expansion of our EV fast charging network, highlighting unique environments through our tourism assets and supporting regional communities through

programs such as Outback Links. We continue to work with Aboriginal and Torres Strait Islander peoples through our Reconciliation Action Plan and have actively sought to develop and promote Indigenous tourism experiences across our businesses.

The commitments we as an organisation hold are embodied within our culture and the people we employ. Our people's commitment to helping, volunteering in times of crisis and going the extra mile at every opportunity is one of the many things that makes us proud. The following pages outline our achievements and activities over the last year.

"I love forward thinking companies and the NRMA is one company that can see the future."

Phillip
Instagram

Leading the charge

Here in Australia, we're lucky enough to have diverse wildlife and many animals that aren't found anywhere else in the world. To keep our precious fauna safe near roads we've teamed up with Wildlife Recovery Australia (WRA). A joint venture of Byron Bay Wildlife Hospital (BBWH) and Odonata Foundation. Our partnership exists to help fund critical programs that rescue, treat, rehabilitate and release native animals, and conserve biodiversity. As part of this partnership, drivers can purchase a veterinary-endorsed Wildlife Rescue Kit to use if they encounter injured wildlife, particularly if they're found near the roadside. The kits include practical tools, safety guidelines for helping native animals and information about the IFAW

Wildlife Rescue App to locate your closest veterinary hospital or wildlife rescue.

In July, CEO of BBWH Stephen Van Mil was travelling to sister organisation, the Raptor Recovery Australia to transport Pancake the Peregrine Falcon to their rehabilitation aviaries. On the way, he came across a severely injured female wombat with head trauma and a baby still in her pouch. Unfortunately the mother passed away, but thanks to his Wildlife Rescue Kit, Dr. Van Mil was able to save the joey and transport him to care. Now named Kenny, the baby wombat is doing well in care and has been a joy to look after. We are all tracking his progress.



Environment

As a member-owned mutual, the NRMA Group is focused on caring for and conserving the natural environment – playing our part to build a better future for all Australians.

In order to achieve this, we are developing strategies and initiatives that reduce the environmental impacts of our operations and by leading the charge, engaging communities and Members on transport electrification. We are also embarking on a program to assist our Members in understanding how they can reduce their own impacts and contribute to a sustainable Australia. Our focus areas include transitioning to an electric future, protecting and contributing to biodiversity, and addressing how in our assets and operations we can reduce our own carbon footprint and impact on the environment.

Transitioning to an electric future

Fossil fuels have limited reserves and produce pollution and greenhouse gases (GHG), which contribute directly to climate

change and cause environmental harm. EVs produce less GHG emissions and other pollutants in comparison to internal combustion vehicles improving air quality and our natural environment. The transition to EVs by our Members and the community will enable power to be drawn from non-polluting renewable sources, directly benefiting our environment.

To support this transition, we have invested in Australia's largest fast charging network across regional ACT and NSW. We have also invested in Electric Highway Tasmania, which currently has six chargers and is expanding their network to meet demand. We are also partnering with the Australian Government to expand the EV fast charging network across the country and continue to expand the NSW network in partnership with the NSW Government. In addition, we are installing chargers across NRMA Parks and Resorts, enabling our Members and guests to holiday in their EV and are planning to install chargers across the SIXT network. Our My Fast Ferry business has

commenced its electric transition through the conversion of the Barangaroo to Pymont shuttle from diesel to electric.

Operational environmental impacts

One of our largest direct impacts is our GHG pollution. Our emissions are reported under the federal NGER scheme and for FY21 were 26,150tCO_{2e}, with 239,492GJ of energy consumed. The Scope 1 and 2 emissions are listed in this table.

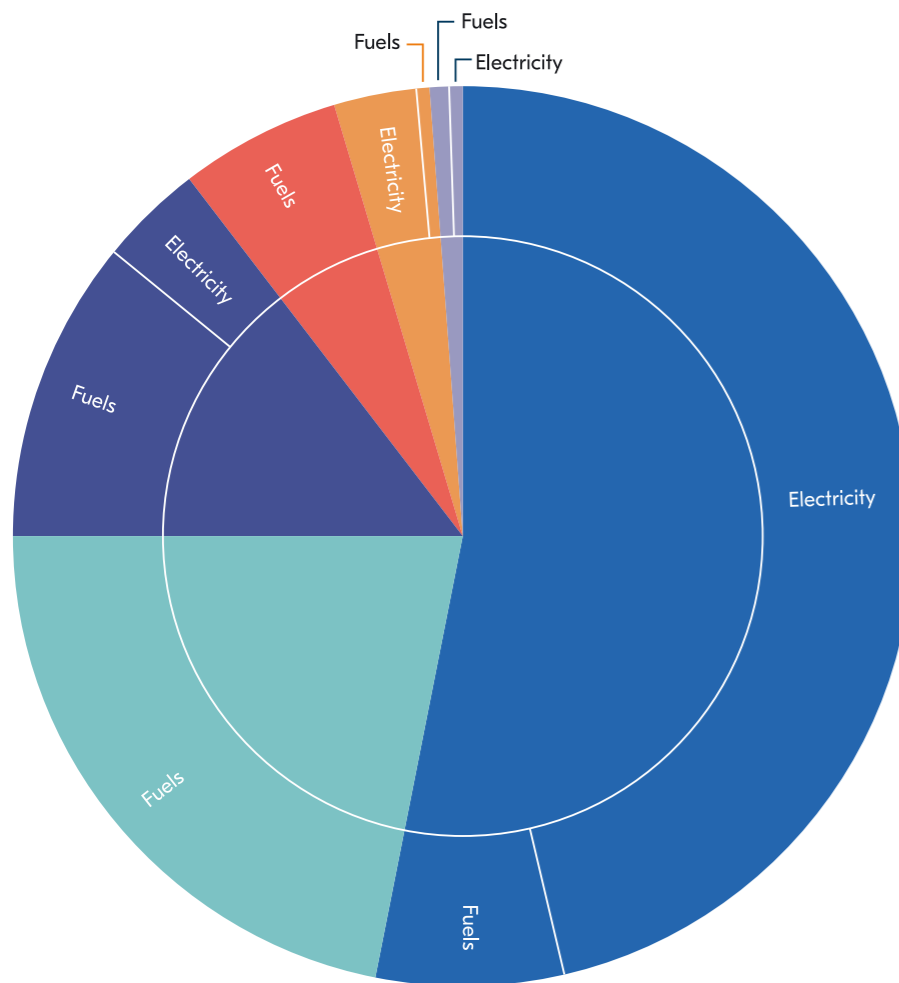
FY21 emissions	NRMA Group
Scope 1 direct (fuel based)	11,921tCO _{2e}
Scope 2 indirect (electricity)	14,229tCO _{2e}

(The GHG emissions for FY22 are being prepared concurrently with this Annual Report and will be included in next year's Annual Report.)
The emissions from each source and business unit are shown below.
Only the 2 months for which the NRMA owned Freycinet Lodge, Cradle Mountain Hotel, Strahan Village and Gordon River Cruises are included.

Our GHG emissions sources

GHG emissions in FY21 were down for the 2nd consecutive year, largely due to reduced activity during the pandemic. Fuel for the ferry fleet is a major emissions source and the reduced services during the pandemic lockdowns reduced emissions from fuel. Electricity consumption and its associated emissions from our offices also decreased during the lockdowns.

We will lower our GHG emissions in the near term through energy efficiency programs and in the longer term by converting the electricity supply to renewable sources, changing vehicles over to electric as suitable models become available and converting gas based heating appliances to electric.



We will also estimate our broader Scope 3 (supply chain) emissions and have started to consider the risks a changing climate will have on our operations.

To reduce our own environmental impact, Motoring and Membership operations were certified as carbon neutral for a second year through the Federal Government's Climate Active program. The certification acknowledges the work Motoring and Membership has undertaken to reduce GHG emissions and the remaining emissions are offset through carbon credits. In addition to international carbon credits, we purchased Australian biodiversity credits from the WatchBox Road Biodiversity Project located in central Victoria to help protect Grassy and Healthy Dry Forest, which is home to the endangered Brush-tailed Phascogale.

Partnering to conserve wildlife and increase biodiversity

Recognising the critical role of biodiversity in sustaining life on our planet, we have announced a two year partnership with Wildlife Recovery Australia (WRA). WRA is a joint venture between the Odonata Foundation and Byron Bay Wildlife Hospital. They're undertaking vital work in saving our unique wildlife, reversing climate change and increasing biodiversity. None of us will forget the fires of late

2019 and early 2020, where an estimated three billion animals died and thousands of hectares of land, including critical ecosystems were destroyed. Now, with the recent flooding across NSW thousands more will die or face habitat loss.

Our work with the Odonata Foundation will enable us to develop a richer understanding of vital ecosystems across our tourism assets and we will work together with them to create wildlife sanctuaries and unique ecotourism experiences for our Members and guests. Through our support of Byron Bay Wildlife Hospital whose mobile wildlife hospital, Matilda can be deployed to disaster areas and their Wildlife Rescue Kits for personal use, it is our belief that we can have a positive impact on preserving our unique wildlife and ecosystems.

Board focus area



Environment

The Board continued to monitor the impact from extreme weather events on not only our business performance but also on the Members and communities affected and, assisting people where possible.

Highlights	Business value drivers and SDGs
Expansion of the EV charging network and chargers at NRMA Parks and Resorts	
Electrification of ferries and SIXT hire cars	
Climate Active carbon neutral certification for Motoring and Membership	
Recycled 135,600 12V auto batteries	
Launched a partnership with Wildlife Recovery Australia	



Byron Bay Wildlife Hospital's mobile wildlife hospital

Reputation and Community

Advocacy

Our Policy and Advocacy team worked closely with government, industry and community stakeholders in FY22 to progress a range of short and long term initiatives for Members.

With natural disasters continuing to impact economic conditions and key transport assets, we prioritised work on regional roads, driver safety and cost of living.

Our work in these areas led to significant upgrade and maintenance works on local roads, the implementation of new road safety policies, and the expansion of our fuel transparency tool that gives motorists the opportunity to easily search for the lowest cost fuel within their Local Government Area.

To improve road conditions and transport sustainability, the implementation of our policy on road reclassifications was progressed, alongside investment of more than \$3.5 billion in the road network across NSW and the ACT.

To improve road network user equity and funding sustainability over the short and long term, our views on toll roads in Sydney and road pricing – how we fund, finance and charge for roads – were presented to governments to support continuing reviews and reforms.

As the transition to EVs continues, we partnered with the NSW Government to progress a public education campaign, and announced an initiative to deliver more than 20 public EV drive days

to enable Members to experience what it's like to drive an EV.

More information and updates on our EV drive days can be found at mynrma.com.au/drive-days










To support road trips and regional connectivity, we continued to advocate for equitable access to EV charging infrastructure nationwide, leading to a commitment alongside the Australian Government to deliver more than 100 new EV fast charging sites nationally.

We also progressed policies with government and industry aimed at encouraging greater supply of EVs to the Australian market, and we are seeing promising signs in this regard.

Our relentless work with stakeholders on road safety in FY22 led to meaningful policy change, new road safety plans, and billions of dollars in targeted investment to support safer driving, riding and vulnerable road users.

We also continued our work on reform options across land-use planning, transport modelling, park-and-ride infrastructure investment and technology utilisation aimed at improving the transparency, provision and efficiency of parking, including for those living with a disability.

Digital parking upgrades with new technology to make it easier to find and access disabled parking spaces across Sydney are now being progressed.

Highlights	Business value drivers and SDGs
Commitment from the Australian Government to partner with the NRMA to deliver more than 100 new EV fast charging sites nationally to support connecting Australia	 
Upgrade of more than 70 roadside rest areas to help combat driver fatigue	
NSW Government and NRMA partnership to educate on EV initiatives and deliver more than 20 EV drive days	 
Implementation of the road reclassification policy to upgrade priority regional roads, complemented by investment of more than \$3.5 billion in the road network across NSW and the ACT	 
Progression of reviews and reforms aimed at rationalising toll roads in Sydney and making road funding and maintenance more equitable and sustainable	 

Board focus area



Advocacy

The Board continued to prioritise advocating for improvements to road safety for all users, in particular, focusing on renewing the NSW Road Safety Plan and combatting driver distraction. As a result, government investment is supporting better data use, improved detection practices, renewed infrastructure and new awareness programs.



Community

Once again we faced a year full of challenges. One that tested our resolve and impacted so many. Torrential rainfall and flooding on the east coast, dangerous fire conditions in the west and a pandemic that shows no sign of ending. Throughout it all we have done what we always do, roll up our sleeves and looked for ways to help.

The flooding on the east coast this year devastated communities. Who can forget the images of homes and businesses inundated with flood water and roads that resembled rivers? When the crisis hit, our business sprang into action. We mobilised our Patrols, our people and our vehicle rental business, SIXT to help. Battling difficult conditions, our Patrols headed to the Northern Rivers region of NSW to assist with stranded vehicles, moving people to safety and staying to assist with the clean-up. In south-east Queensland the SIXT team provided the SES vehicles and made truck drivers available to the Gold Coast Airport Authority to assist with transporting donated goods. NRMA Parks and Resorts offered accommodation to people whose homes were destroyed and are planning a mattress donation to help people rebuild their lives. In times like these we want to do more and have formed a group taskforce to help us mobilise our assets

no matter the disaster, to provide those affected with the support they need.

Through our partnership with Frontier Services we continue to help farmers through our Outback Links program. The program enables volunteers from across the NRMA Group including our mechanics, to provide much needed free assistance to farmers. This year our volunteer teams headed to Parkes in March and Condobolin in May. They repaired and rebuilt critical farm equipment, vehicles and bikes and also helped paint houses, clean, clear sheds and even assisted with hooking up the internet. These programs not only benefit the people we help but also have a lasting positive impact on our people. Great relationships and friendships are formed and the stories and photos they bring back are an inspiration to us all.

We are thrilled that despite a COVID impacted year, our Indigenous Learner Driver Mentor Program in partnership with the Australian Red Cross saw 15 participants in Nowra and 11 in Wagga Wagga gain their P1 licence. The program provides participants with expert driving instruction and driving experience to meet licence hour targets. The gaining of a P1 licence has a significant impact on participants, opening up employment opportunities and giving people the

ability to undertake further training not available in their immediate area.

As a group we continue to look for ways to help people, our Members and communities across Australia. The challenges of the last few years have highlighted how important it is to work together in times of crisis and the need to build a better future.

"It's not all about giving you a hand with what you need done around the farm. It's just having somebody to talk to, somebody to lift your spirits. We really needed a lift."

Farmer
2022 Outback Links Trip



Reconciliation Action Plan

The NRMA Group is committed to reconciliation with Australia's First peoples. We believe that by working in partnership with Aboriginal and Torres Strait Islander people we can help heal the scars of the past, ensure equality of opportunity and move forward to a brighter shared future for all Australians.

Over the last five years we have been on a journey to learn, appreciate and understand how our organisation can best contribute to reconciliation through our Reconciliation Action Plans. These plans set out the initiatives and actions our organisation will take to contribute to reconciliation. Our current Stretch Reconciliation Action Plan (RAP) ends in July 2022, and despite the pandemic impacting some of our planned actions we are proud of what we have achieved.

Of the many highlights this year perhaps the most significant was the appointment of our Indigenous Engagement Manager, Di Ellis. Di's connections with Indigenous communities across Australia, approachability and generosity in imparting her knowledge and experience has resulted in renewed excitement and engagement with our RAP across our businesses. Di took advantage of online channels to program a series of Lunch and Learn workshops that gave all our people the opportunity to hear from Di herself, Elders and community representatives on Indigenous history, language and culture. In addition Di led our group wide Reconciliation Week activity bringing our people together to reflect on the meaning of reconciliation through the creation of individual artworks. During NAIDOC Week we partnered with OzHarvest and Nathan Lyons of Kooking with a Koori fame, bringing together a representative from each business to collaboratively cook a dish using fabulous native ingredients. Seventy lunches were prepared and served at the Redfern Community Centre.

The core focus areas of our Stretch RAP include employment, the creation of employment pathways, and supporting the development of Indigenous owned businesses and Indigenous tourism. Over the last 12 months we have continued to promote Indigenous tourism experiences to our Members and reached out to local Indigenous communities to develop relationships and open up opportunities.

NRMA Parks and Resorts have signed a Memorandum of Understanding (MoU) with Darkinjung Land Council, enabling our Ocean Beach guests to experience unique Indigenous cultural experiences and continue to work with the Adnyamathanha people on the development of the iconic Wilpena Pound Resort in South Australia.

Although employment was impacted by the downturn in the tourism industry, it remains a focus and we are working with CareerTrackers to identify and place Indigenous students across our businesses.

"We believe that by working in partnership with Aboriginal and Torres Strait Islander people we can help heal the scars of the past"

Our existing partnerships with the Adnyamathanha people, Darkinjung Land Council, Tribal Warrior in Sydney and community relationships across Australia remain central to our employment strategy. We have continued to partner with the Australian Red Cross on the Indigenous Learner Driver Mentor Program, which provides vehicles, driving instruction and the support necessary to gain a P1 licence, opening pathways to employment and further education. Our SIXT business is supporting Aboriginal mentoring organisation ID Know Yourself by providing vehicles and moving assistance to Aboriginal children who are in, or leaving foster care. We continue to actively seek to employ, mentor and retain Aboriginal and Torres Strait Islander people across our businesses and continue to refine our Indigenous employment strategy.

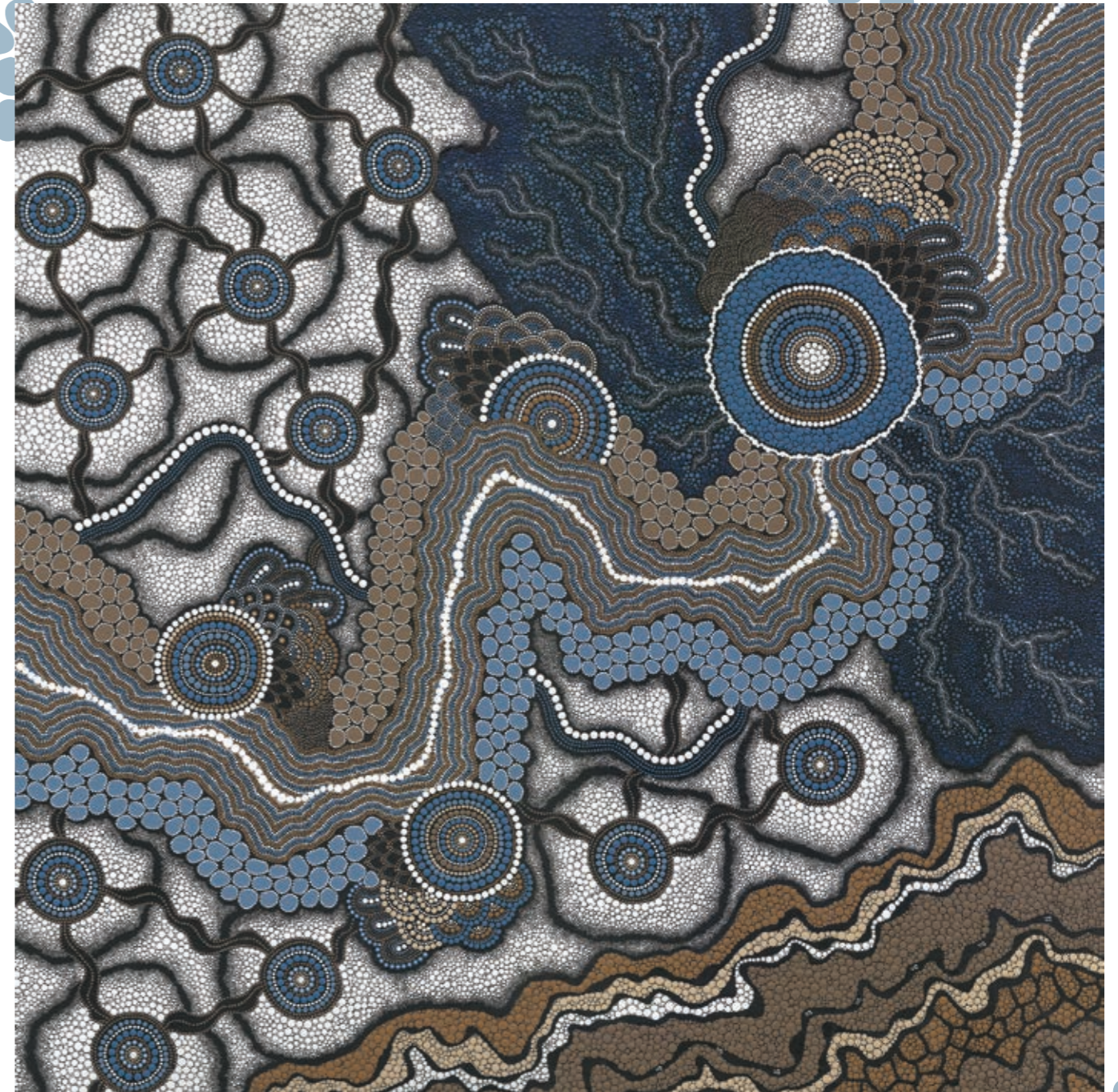
Under Di's stewardship we are working to formulate our new Stretch RAP and align our activities with our businesses to maximise our impact.

Highlights	Business value drivers and SDGs
MoU signed with Darkinjung Land Council	 
Supporting ID Know Yourself by providing 2 vehicles to assist in their vital work with Aboriginal children in out of home care	 
Meeting all non COVID impacted deliverables in our Stretch RAP	 
Commissioned new artwork to represent our maturing approach toward reconciliation	



Meet our new Indigenous Engagement Manager

Di Ellis is a proud Aboriginal woman from her father's Country Wiradjuri. Brought up in Peak Hill in Kinship and loved and cared for by her Aunties, Uncles and cousins galore. Di also identifies as Torres Strait Islander as her mother's father was born on Badu Island. Di is a mother of 3 and grandmother to 3 gorgeous grandchildren who all live in the central west of NSW. Di graduated from Peak Hill Central School in 1990. Di's love for her culture is infectious. She has been a passionate advocate for reconciliation working with corporates, and government alike to lead their reconciliation journey. Respected by communities across Australia, Di is an inspirational mentor and leader to our people.



About Bianca Gardiner-Dodd

Meet Kamilaroi woman Bianca Gardiner-Dodd, the Contemporary Australian Aboriginal Artist who has created our RAP artwork. Her work reflects the coastal environment and surrounding elements of the landscapes she was raised and continues to live in. Bianca's work is symbolic of her interpretation of her coastal life, exploring a variety of environments such as estuaries, forests and beaches, drawing

upon the organic harmony and unity of life that exists within. Born in 1978, Bianca spent her early years in the Western Suburbs of Sydney on Dharug Country before moving to the Tweed coast as a young child. She now resides in the coastal village of Pottsville Beach on the Far North Coast of NSW, Bundjalung Country.

Education

The NRMA continued to champion road safety awareness in FY22 delivering a series of education programs designed to help keep some of our most vulnerable road users safe.

With lockdowns impacting the first half of the year, we developed online road safety programs that reached a total of 18,678 school students and 196 primary and secondary schools across NSW and the ACT.

When lockdown restrictions were lifted, we re-started our face-to-face primary school Science & Road Safety program in February. We visited 91 schools and educated 40,225 students across a 6 month period.





At the same time, the relaunch of high school in person programs resulted in visits to 25 schools and 112 workshops for 2,500 students.

Responding to a pattern of children playing on or near roads during lockdown

periods, NRMA Driver Training also delivered a program to primary school students, focusing on the dangers of playing near traffic. More than 12,000 students from 109 schools participated.

During the peak of lockdown, we continued to participate in the Youth Eco Summit. In partnership with the Sydney Olympic Park Authority, we delivered five live webinars centered on the Future of Transport. We successfully reached 4,500 students across NSW and the ACT.

In our annual Future of Transport Challenge, we invited students to show us what a more socially, economically and environmentally sustainable future would look like. Our aim is to encourage the next generation of Science, Technology, Engineering and Maths (STEM) leaders to start planning for the next era of mobility. The challenge attracted 41 submissions and reached more than 700 students from years 7-10.

Highlights	Business value drivers and SDGs
Online reach: 18,678 students across 196 schools	
Online YES event live webinars reaching 4,500 students	
Attracted 41 Future of Transport submissions	
Bespoke road safety program reaching 109 schools and 12,000 students	



Brooke, Harry and David from St Matthews Catholic School in Mudgee won the 2021 NRMA Future of Transport Challenge with 'SMSC Technologies'.

People and Culture

Safety

Our purpose is to provide a considered and agile safety solution for the NRMA Group to ensure a safe, healthy and sustainable workplace for our people. We also strive for best practice and timely solutions to support current business activities and strategic initiatives.

In FY22 we continued to manage the rapidly shifting health guidelines related to COVID-19, doing everything possible to keep our people, Members and customers safe and healthy. This meant thinking flexibly and being innovative in the way we managed the risks presented while providing services to our Members, customers and guests.

As our business diversifies, the need to have an accessible and multi-faceted safety system solution is paramount. This year we launched several new modules within our safety technology platform including risk and contractor management modules. These additional modules enable the NRMA to more effectively manage workplace health and safety risks at a business and site level and informs our risk control practices in enterprise risk registers.


As we continue to refine our safety management system, we commenced preparation for ISO 4501 certification by undertaking a detailed gap analysis of our current system. The opportunities for

improvement have been implemented and phase 1 certification is in scope for FY23.

Our program of innovation and support in the area of injury prevention and management has seen a further reduction in Loss Time Injury Frequency Rate (LTIFR) and Serious Injury Frequency Rate (SIFR) across the Group resulting in targets met for both key metrics.

Serious Risk Observations (SRO) continue to be a valuable lead indicator, which enables our Senior Leaders to promote a Just Safety Culture by having meaningful conversations about risks that could cause serious injury, and make changes swiftly if an opportunity for improvement is identified. Importantly, our SRO scope broadened this year to include conversations about Environmental risks as well as Safety and Security Risks.

The mental and physical wellbeing of our people continues to be a major focus. This year we launched a partnership with Sonder Safe, made the 28bySam fitness app available to all our people and further developed our Mental Health Peer Support program. These initiatives provide support and resources for our people, including exercise and nutrition options, medical advice, counselling services and physical security options for when our people are travelling or working alone.

Highlights	Business value drivers and SDGs
Reduced lost time injuries by 50%, resulting in a total of 7	

Board focus area

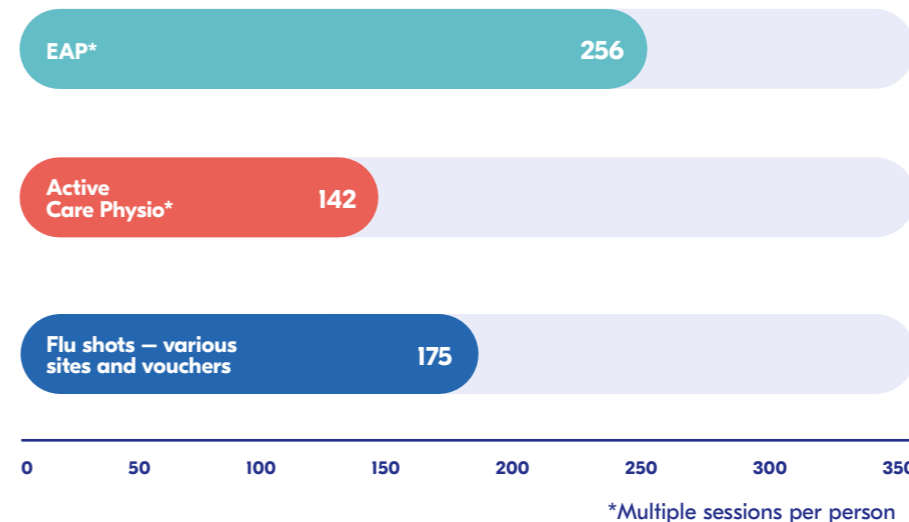


Safety of our people

The Board received the findings from the external review of safety within the NRMA group, with ARMC having oversight to implement identified improvements.

NRMA Group health and wellbeing programs in 2022

We actively support positive help-seeking and our Employee Assistance Program (EAP) provides support with a range of services in addition to counselling such as financial and legal advice, wellbeing coaching, manager assist and nutritionist services. This ensures an holistic approach to support the wellbeing of our people.



We celebrated Take Your Dog To Work Day at our Sydney Olympic Park office

People and Culture

Since our inception, we've existed to make the lives of everyone in our communities better. This is fundamental to who we are, and is reflected in our workforce. As one of Australia's most trusted brands we know it's our people who build trust with our Members, customers, communities and each other. That's why it's important we continue to put our people front and centre by building an inclusive and purpose-led workforce that ensures the NRMA remains a great place to work.

Strengthening culture and new ways of working

We are proud of what we have achieved in 2022, particularly given the ongoing pandemic and natural disasters that have affected parts of Australia over the last 12 months. We continue to develop and build for our future, our workplace and our people. Making the 2022 Australian Financial Review 'Best Places to Work' list in recognition of our people and our culture. We continue to lead the way with innovative workplace policies and practices such as embedding flexibility within our hybrid work practices. This is one of the primary reasons we retain our talented employees. Currently over 80% of our people say they enjoy the flexibility needed to balance work and private commitments.

With its focus on Diversity, Equity & Inclusion (DE&I), our 2022 Patrol Enterprise Agreement (EA) is leading the way on several fronts. We are especially proud that our Patrol team instigated the inclusion of an Acknowledgement of Traditional Owners within the agreement, which we believe is the first of its kind in the industry. The EA has also set a new benchmark with a shared goal of preserving generous pay and conditions for the Patrol workforce, while providing greater flexibility for

our people and our Members. The new additions in the EA align with our goal of creating a contemporary enterprise agreement that reflects our diverse society and builds an inclusive culture.

Embedding diversity, equity and inclusion

Our Belong employee network is focused on the creation of a diverse and inclusive workplace and contributing to the delivery of our DE&I strategy. SHINE, our LGBTQI network strives to create a culture of inclusion, safety, well-being and belonging, for our LGBTQI employees. At this year's Australian LGBTQI Inclusion Awards, we received both the Bronze award along with the Most Improved award.

We are proud to be an Employer of Choice for Gender Equality and continue to strive to deliver on our Strategy and action plan to create an equitable work environment for all. We are committed to reducing the gender pay gap and have reported a gender pay gap of 14.6% (total remuneration all employees), this being well below the national average.

We are also proud to be listed as one of the first 70 organisations certified as a Family Inclusive Workplace™ in Australia. A family friendly workplace culture positively impacts society, the economy and promotes gender equality.

Gender	Male	Female
Population	47.3%	52.7%
Executive	62.5%	37.5%
Senior leadership	49%	51%

Board focus area



Board performance and diversity

The Board completed an independent review of its performance, its skills matrix and diversity and agreed to review progress against the agreed action during FY23.

Talent retention

The Board monitored the retention of talent and the improvements to the employee value proposition to attract talent due to the skills shortage in particular industries.

People and Culture

The Board continued to monitor the implementation of the plan to embed the desired culture of the NRMA during FY22, which included a focus on leadership, embedding leadership capabilities, introducing a senior leadership program and building a more structured approach to assessing and developing senior talent.

To continue to promote a level playing field for all and to promote a Family Inclusive Workplace, we have removed secondary carer from our parental leave policy to recognise the role of all care givers in the initial years of a child's life.

Our Video Production Manager Vinny told us he's grateful he works for an employer who values the benefits that can be enjoyed by either parent taking parental leave. It meant he was able to spend quality time with his son at a crucial stage in his early development and it also allowed his wife to return to work and continue her professional journey.



Leadership and building capabilities for the future

Our newly created 'Lead at the NRMA' framework develops leadership skills through setting out the behaviours and capabilities necessary for impactful leadership. This tailored program reflects differing levels of responsibility and aligns with our culture and the evolving and critical role great leadership plays in building and sustaining our business. This year we introduced our Lead with Impact program to develop employees aspiring to leadership roles, building on our foundational program for leaders, Take the Lead. We also introduced our senior leadership program Lead for the Future. We've had 191 leaders participate in our leadership programs during the FY22 year and 338 since the commencement of the program in 2020.

In our most recent employee Your Voice survey, our leadership score of 80% is tangible evidence of the way our leaders enable and support our people to be the best they can be.

Future focus

As we look to implement our 2023-2025 people strategy, we will build on what we have achieved in 2020-2022, with a particular focus on supercharging our capabilities. We will continue to identify required capabilities for our future and build them through targeted development initiatives. We're investing in our technology and people systems to ensure we have quality data and to support the sustainability and success of our business through improved employee and customer experiences.

Highlights	Business value drivers and SDGs
Australian LGBTQI Inclusion Awards - Bronze and Most Improved award	
Certified as a Family Inclusive Workplace™	
Making the 2022 Australian Financial Review 'Best Places to Work' list	

"We have been focused on creating a workplace that is truly supportive and inclusive, where everyone is treated fairly and belongs. The last couple of years have demonstrated the importance of flexible work practices, and the many benefits that this approach has for not only our employees but also our Members and our organisation as a whole. I am committed to ensuring the NRMA is a place where everyone, irrespective of gender, carer responsibilities, background or lived experience are given equal opportunity to achieve their goals and make meaningful contributions."

Rohan Lund
Group CEO

Leading the charge

At the end of 2021, we launched a report with Spinal Cord Injuries Australia (SCIA) to improve accessible parking in NSW, titled 'Where do I park?' Our report called for long overdue improvements to reduce barriers for people with a disability to access mobility parking spaces. Susan Wood from SCIA shared her experience as a driver with disabilities saying, "...going out, no matter what disability the driver has, requires planning." After a lot of hard work from our advocacy team and SCIA, we're happy to share the NSW Government has announced the roll-out of real time data for accessible parking spots. 3,600 sensors will be introduced across the state so people can see in real time where and when accessible parking spots are available.



Section 6

45 Our approach to risk management

48 Strategic risk management

Experiencing a different way to road trip

After leading customer experience in the car rental industry – something SIXT has already achieved on a global scale – we introduced the brand to Australia. With ambitions of being the number one mobility partner in the country and driving change for a clean future, we're making electric vehicles a growing part of the fleet for everyone to experience and enjoy.

Our approach to risk management

The overall objective of our risk management approach is to drive innovation and opportunities that help achieve our strategy and purpose, while aligning to our risk culture.

Risk management is everyone's responsibility at the NRMA and we enable this through our Risk Management system which has been developed in accordance with ISO/AS 31000: 2018 – Risk Management. It aims to influence our culture to better manage risk and opportunities.

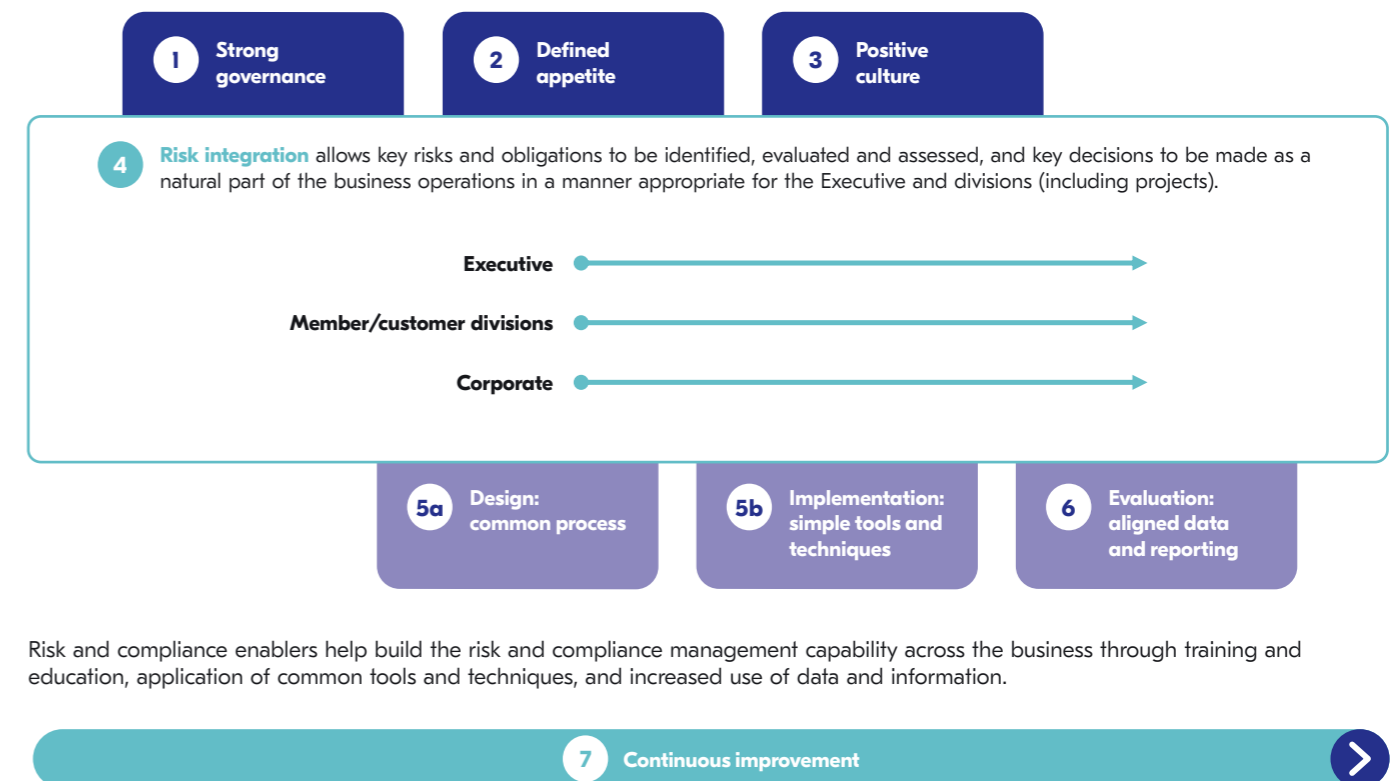
As a consequence of the easing of restrictions and international borders re-opening, there is a level of stability in the business. However, there are ongoing and constantly changing impacts to operations as a result of the natural catastrophic events witnessed by Australians in the past financial year. Across our operations,

the NRMA has been focused on the prevention or management of the impacts of floods, storms, bushfires, COVID-19 and cyber security and data governance risks. The prevention and management of these risks are regularly discussed at the Executive and Board level. We also have a co-ordinated group approach to manage crisis or business continuity incidents where they arise, consisting of executives and operational representatives from each business unit. We aligned our COVID-19 approach with Government and Health advice and the Board was regularly updated and informed of any major impacts and decisions.

Risk Operating Model

We've adopted a robust and fit for purpose risk operating model to deliver on our strategic priorities. Over the last 12 months, the NRMA has seen some key changes from both internal decisions and external factors. As a result, the model was reviewed during FY22 to improve its operating effectiveness in a decentralised structure.

Leadership and commitment are risk and compliance pillars. They establish the foundation for risk and compliance management. This includes clearly articulating risk and compliance governance, risk appetite and risk and compliance culture and alignment. They align with business direction, strategy, objectives and organisational policy.



Risk and compliance enablers help build the risk and compliance management capability across the business through training and education, application of common tools and techniques, and increased use of data and information.

Risk appetite and positive risk culture

Our risk appetite sets its direction for risk management and informs strategic options and decisions whilst supporting strategy execution, the delivery of the business objectives and our positive risk culture.

The NRMA Group Risk Appetite Statement (RAS) is a dynamic, directional document that evolves in line with our strategic direction and:

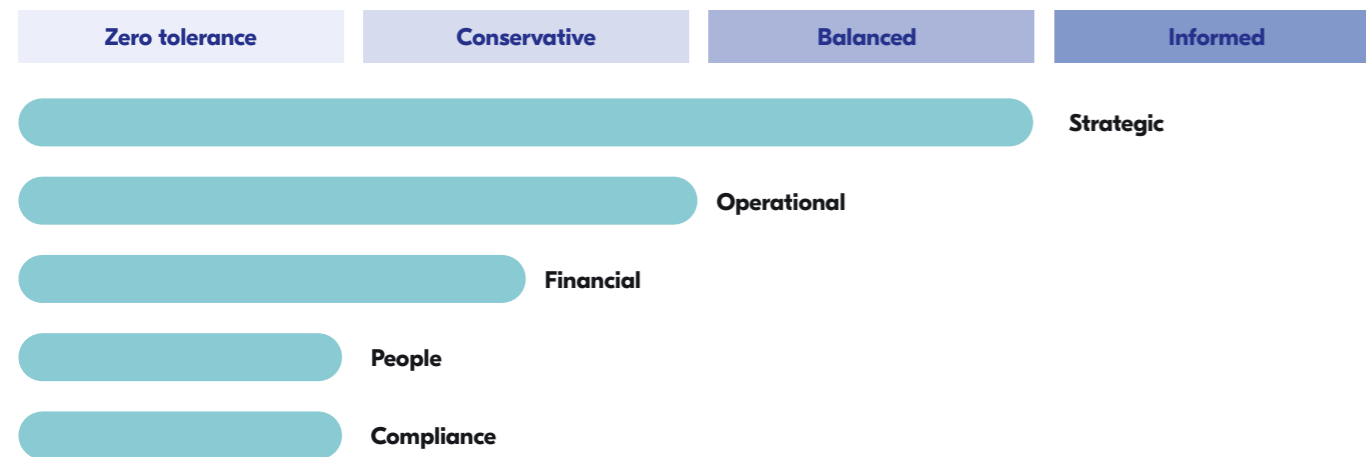
- articulates consistent, simply defined minimum standards or 'guard rails'

to support timely, autonomous decision making at the right level;

- identifies areas we have zero appetite for, while also defining what we have appetite for to support staff opportunities to achieve our strategy;
- promotes the discussion of risk and increases the capability of our people to inherently consider risk (increasing risk culture maturity);
- is the basis of all our Group Policies which are supported through frameworks

or processes to maximise control effectiveness and efficiencies.

Our Risk Appetite Statement is reviewed annually to align with any changes in accordance with the Board's strategic and business plan expectations. The NRMA Risk Appetite Statement focuses on five strategic risk categories that align with the material issues to our strategic delivery and key stakeholders including Members, partners, suppliers, thought leaders and customers.



Our risk culture is integrated with our culture and our Playbook. Ongoing risk discussions are held with our Board, ARMC, Executive team and general managers to build our RAS into the way we work, our stakeholder discussions and relationships.

Framework

Board of Directors - sets risk appetite		
Relevant committees set and own risk and assurance reporting to the Board		
Executive committee	Risk committee	Audit committee
First line	Second line	Third line
Risk management and management controls	Risk framework and oversight	Independent assurance
Business unit management with a focus on specific risks.	Group risk management with independence, risk oversight and advisory role.	Independent function with a focus on reviewing the effectiveness of risk governance and management controls.
Ownership, responsibility and accountability for identifying, assessing, managing and mitigating risk inherent in the business process.	Monitor, challenge and advise on the implementation of risk management practices to ensure first line is adequately designed. Monitors and reports risk profiles.	Responsible for the independent review of risk governance and management across the Group on an as needs basis.

Risk management approach

The Board is updated at every Board meeting on the status of risk management. This approach helps us benefit from opportunities while mitigating anticipated risks. The NRMA management team provides either a full or critical risk review to the Board's Audit and Risk Management Committee (ARMC). The timing of these risk reviews is aligned with the strategy development plans of each division and overall group to identify:

- Risks to achieving the strategy, and;
- Actions required to mitigate or manage the risks within the Risk Appetite to include in the business plan and budget – or to identify areas that exceed the Risk Appetite.

Risks are assessed on their control effectiveness, likelihood and their consequences. Consequence is assessed on the basis of impact to reputation, financial impairment, compliance, operating ability, people and culture and effect on our Members and wider community. These reviews provide confidence to the ARMC that our business managers are effectively identifying and managing risks to a level that they consider tolerable, or have plans in progress to bring it within tolerance.

Compliance

The NRMA conducts its operations to comply with relevant legislative and regulatory requirements using a prudent governance approach which identifies, manages, monitors and reports our compliance obligations and compliance performance for our key compliance risk areas. Our internal policies and procedures

and our employee training program support this compliance approach. Group Compliance is responsible for monitoring and reporting our compliance approach for key compliance risk areas and escalating notifiable incidents to our Board. Compliance Coordinators (our subject matter experts) are allocated for each of these areas and are responsible for ensuring that policies and procedures are implemented and support the frontline teams to manage and monitor their compliance obligations. Notifiable incidents are reported monthly to our Board through the CEO report, a formal quarterly report is provided to the ARMC. This is consolidated into an annual report provided to the Board on the compliance landscape.

Internal audit

The internal audit function is carried out by Group Internal Audit and is independent of the external auditor. The General Manager of Risk, Compliance and Audit has a direct reporting line to the chair of the ARMC. The ARMC approves the Internal Audit Charter and the internal audit plan. The internal audit plan is prepared on an agile basis. The original IA Plan is based on the current business strategy and operating environment, using a risk based approach, while also including three year rolling critical financial and IT controls audits. The Group Internal Audit team then regularly review proposed audits based on specific strategic considerations or risk areas that have been identified by management and the Internal Audit team with proposed changes approved by the ARMC. The objectives of the Internal Audit Plan are to provide independent and objective insights and confidence to the ARMC over the management of key risks through effective controls, systems and processes to achieve strategic objectives.

Board focus area

















Risk appetite, risk management and mitigation.

The Board supported and continued to monitor the implementation of the Risk and Compliance Operating Rhythm Project during FY22, which focused on uplifting the risk and compliance maturity of staff at the business unit level by increasing capability and clarifying accountability.



Strategic risk management

Risk category and risk appetite	Key risks	Risk movement over FY22	Opportunities and mitigating actions	Value drivers
1. Strategic risk	<p>Member relationship – The NRMA is unable to execute strategic intent to deepen Member relationship and attract a broader demographic.</p> <p>Member expectations – We do not pursue strategic objectives that are addressing the ever changing Member and customer expectations.</p> <p>Environmental, Social and Governance (ESG) – Failure to align on and deliver against NRMA ESG strategy.</p>	↔	<ul style="list-style-type: none"> We will drive growth and impact in Membership space through Member Value Loop (MVL) project. We will consider all mergers, acquisitions and divestments to achieve targeted growth but also assessing for climate risk, including potential liability to abate our future impact in emissions-intensive sectors. Developing group wide sustainability goals and developing ESG targets for each business unit. Continuing to focus on delivering our services in a sustainable way and ask the same of stakeholders and suppliers. 	   
2. Operation risk	<p>Cybersecurity and resilience – Risk that our data security arrangements are compromised leading to inappropriate access to data and/or cyber incident.</p> <p>Disaster recovery – Insufficient disaster recovery arrangements leading to the inability to provide services to Members and customers.</p> <p>Climate risk – Risk of increased frequency and impact of external weather events leading to increased operational, financial and reputational impacts.</p> <p>Hybrid operational model – Risk of an ineffective work environment that constrains the hybrid working model.</p>	↑	<ul style="list-style-type: none"> Close monitoring of action plans underway through specific data forums to minimize the risks associated with data security and data misuse. Maintain appropriate processes and teams to manage crisis and business disruption to critical processes and systems. Minimizing our carbon footprint by exploring alternative energy sources, continuing the transition to electric fleet vehicles. Proactive measures implemented to manage weather event impacts where possible. Appropriate insurance cover to protect against external events where feasible. Flexible work policy rolled out in FY22. 	     
3. Financial risk	<p>External factors – Risk of significant financial impact from external economic and political factors (non-insurable).</p> <p>Investment planning and execution – Our investment decisions do not deliver on their intended benefits or outcomes.</p> <p>Cost management – Inefficient cost management including Capex.</p>	↑	<ul style="list-style-type: none"> Strict governance, budgeting, monitoring, and project management procedures and a strong risk management framework to minimize the financial impact caused due to COVID-19, floods, etc. during the year. Operating within our Investment Policy Statement including the agreed asset risk classes. Key controls in place to ensure sufficient liquidity and debt capacity for the group within investment grade credit metrics. 	   

Legend ↑ Higher ↓ Lower ↔ No change

Risk category	Key risks	Risk movement over FY22	Opportunities and mitigating actions	Value drivers
4. People risk	<p>Talent shortage – Risk to strategy execution due to loss of or inability to attract key personnel/critical staff with no contingency plan.</p> <p>Work, health and safety – Significant permanent injury/death to staff, Member and/or customer during provision of services.</p> <p>Risk of actions of the NRMA impacting staff mental health and well-being.</p>	<p>↑</p> <p>↔</p>	<ul style="list-style-type: none"> Promoting employee development and learning initiatives and opportunities within the NRMA. Number of health and well being initiatives promoted throughout the year. Launched the services of Sonder during FY22 to support wellbeing and safety support for mental, physical and medical challenges. Business is continuously improving the NRMA customer experience across our different products through innovation, robust safety management standards and sustainability initiatives. 	   
5. Compliance risk	<p>Legislative and regulatory requirements – Risk of non-compliance with relevant legislative and regulatory requirements.</p>	↔	<ul style="list-style-type: none"> Project RACOR initiated in FY22 to uplift the overall compliance maturity of the organisation in phased approach. Working groups to address legislative changes and periodic review of Group policies and compliance risk areas through embedding group compliance structure and frameworks. 	 

Legend ↑ Higher ↓ Lower ↔ No change

Section 7

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Shining a light on Indigenous cultural experiences

Whether it's promoting Indigenous cultural immersions, highlighting tourism across the state or managing the Indigenous-owned Wilpena Pound Resort, we're always looking for new, accessible ways to get people back to Country, to appreciate our rich history and to experience it for themselves.

Credit: Tourism Australia

Board of Directors



- | | | |
|--|---|--|
| <p>1 Mr Tim Trumper
MBA
Chair and Non-Executive Director (Harbour Region)</p> | <p>2 Ms Fiona Simson
BA (Bus), GAICD
Deputy Chair and Non-Executive Director (Townsend Region)</p> | <p>3 Mr David Berger
Non-Executive Director (Cox Region)</p> |
| <p>4 Ms Kate Lundy
GAICD
Non-Executive Director (Mann Region)</p> | <p>5 Ms Marisa Mastroianni
B.Com, M.Com, GAICD, FCPA, AFIML
Non-Executive Director (Hoddle Region)</p> | <p>6 Ms Jane McKellar
MA (Hons), GAICD
Non-Executive Director (Board Appointed)</p> |
| <p>7 Dr Kirsten Molloy
BSc (Hons), PhD, MBA, GAICD
Non-Executive Director (Howe Region)</p> | <p>8 Mr Gary Smith
B.Com, FCA FAICD
Non-Executive Director (Board Appointed)</p> | <p>9 Mr Derek Stanwell
BA (Hons), LLB (Hons), BCL, GAICD
Non-Executive Director (Board Appointed)</p> |

Role of the Board

The strategy, culture, performance, corporate governance and risk appetite of the NRMA is the responsibility of, and managed under the direction of, the Board of Directors (Board). The Board also has responsibility for appointing the Appointed Directors and Group CEO, and for reviewing its own, the Group CEO's and the direct reports' performance.

Governance

This section provides an overview of the NRMA corporate governance structure and includes a review of changes and key activities carried out by the Board and Committees during the year. Additional corporate governance information about the NRMA, the Board, Committees, charters, Directors' fees, the election and appointment of Directors, as well as copies of prior Annual Reports, can be found at mynrma.com.au/board

Our corporate governance structure facilitates the continued creation of value for Members by delivering strategic outcomes through sensible risk taking. We do this primarily by ensuring that the accountability and control systems are commensurate with the risks involved.

The Board continued to encourage Member participation in the governance of the NRMA through the Annual General Meeting (AGM). Since 2017, the NRMA has been holding hybrid AGMs. However, due to the extraordinary circumstances presented by the COVID-19 pandemic and for the continued safety of everyone in our community, the 2021 AGM was held virtually with Members able to participate and ask questions in writing or verbally in real time. Members were also afforded the opportunity to submit questions in advance, and popular questions were addressed by the Chair and Group CEO at the meeting.

Key functions of the Board

The Board undertakes several key functions.

- confirming the strategic direction of the NRMA to create value for Members: An annual Board strategy offsite is held and the strategic direction and priorities are confirmed at the Board meeting following the offsite.

- setting the risk appetite to guide decision-making by our people. The Board, with support from the Audit and Risk Management Committee (ARMC) review the risk appetite statement annually, and management communicates the Board-approved statement to senior leaders to guide their decision-making.
- confirming the values and behaviours of how the NRMA expects its people to conduct themselves: The Board periodically approves the code of conduct, desired culture and the Inclusion, Diversity and Belonging Strategy and is supported by the Governance, Compensation and Nomination Committee (GCNC), through GCNC's monitoring of management's implementation and embedding with our people.

- monitoring the organisation's culture in line with the values, behaviours and risk appetite: The Board monitors the culture, with support from GCNC and ARMC, through culture survey results, monitoring the implementation of culture initiatives, and reviewing incidents raised including from the speak up hotline. Metrics for culture, for example leadership or engagement, are included on the NRMA Group Scorecard, with annual targets set.

- ensuring an effective governance structure with appropriate controls in place: The Board monitors key controls mainly through internal audits that are reported to ARMC and their enquiry of management.

Committees of the Board

As at 1 July 2022 the Committees with delegated authority from the Board set out on page 56-58, continued to exist to assist the Board to perform its functions and the membership of each Committee was last reviewed by the Board on 9 December 2019.

Significant changes

Board succession

Board composition

The Board comprises six Member-elected Directors and up to three Directors appointed by the Board (Appointed Directors). This ensures the Board has the necessary blend of skills, experience and knowledge to successfully deliver on the strategy and other key functions, while still enabling Members to elect the majority of Directors. Board succession occurs through retirement and Member elections every four years, Board appointed Directors for a term of up to four years, and appointment where casual vacancies arise. The last election of the six Member-elected Directors was held in 2019. The next scheduled election is to be held in 2023. Each Director can serve on the Board for a maximum of 12 years. During the year, Board succession planning was a matter the Board considered.

Director retirements and Appointed Director re-appointments

There have been no retirements of Directors or Board re-appointments of Appointed Directors during the year.

Board skills, experience, knowledge and continuing education

The Board aims to ensure that it has a range of skills, experience and knowledge. This range provides the foundations for the Board to effectively fulfil its role, in particular provide strategic direction, grow the business and manage risks and emerging threats, and therefore create value for Members. The Board has various ways in which it manages the skills, experience and knowledge of Directors, both individually and collectively as a Board.

Board effectiveness assessment

A review of the effectiveness of the Board is periodically conducted and is a responsibility led by GCNC.

An external experienced expert governance advisory firm (External Provider) conducted a Board Performance Review during the first half of FY22. Their independent assessment of the Board's performance found the Board was performing well, which aligned to both the Board's self-assessment and the Executive team's rating of the Board's performance. The Board's achievements and strengths, as well as, incremental improvements to lift Board performance identified by the External Provider, included:

Achievements

- Withstood the challenges of bushfires and the COVID-19 pandemic well, with a reinforced sense of purpose
- Maintained a strategic focus even while dealing with day to day COVID-19 pressures
- Valuable annual strategy session
- Increased the strategic focus of the Committees to better meet the Board's operational oversight needs

Strengths

- Effective Directors with diverse experience and backgrounds
- Mutually respectful and open to different perspectives
- Deep commitment to the NRMA and delivering value to Members
- Shared desire to contribute and make a positive difference
- Effective trust-based relationship with Management
- Rigorous governance processes
- Welcoming environment for new Directors and Executives

Lifting Performance

- Maintain a constructive tension, by the Board increasing its constructive challenging of each other and the Executive team
- Increase the active shaping of the strategic direction, by the Board increasing its frequency during the year of reflection on and discussion with management to refresh the strategic direction of the NRMA

- Modify Committees' contributions at Board meetings, by the Board receiving not just the outcomes at Committee meetings but through the Committee Chairs providing additional insights from the Committee's discussions

The Board discussed the results of their Board Performance Review and agreed an action plan of incremental improvements to lift its performance. The Board also agreed it would review its progress during FY23.

Skills and experience of Directors – Board Skills Matrix

The Board periodically reviews its matrix of skills and experience with reference to the NRMA strategic direction in order to make the best decisions on behalf of Members, and this responsibility is led by GCNC. The External Provider also conducted the review of the Board Skills Matrix, where they used an approach that increased the consistency between Directors' answers and the overall objectivity of the self-assessments.

For each of the 17 categories of skills and experience there were several questions on skill, capability or experience that was in total 90 questions. For each question, Directors selected which of four levels most closely described their level of capability. The four levels of capability were, Expert, Advanced, Capable and Limited and were based on the number of years of experience as a senior executive or director of the NRMA or a comparable organisation:

The External Provider found that:

- collectively the Board has a good mix of skills and experience that cover most areas necessary for high performance boards and recognise the current and future needs of the NRMA;
- there was scope to deepen the Board's experience in the sectors where the NRMA currently operates and where it is considering increasing its presence, including motoring, the transport sector, energy or clean transport, and to a lesser extent, the tourism and leisure industry;
- the Board has limited levels of skills and experience in Data and Cyber Security and Systems and Technology Infrastructure, although in both cases one Director has strong capabilities and experience.

It was noted that not all Directors are expected to be strong in all categories, with different Directors contributing different skills and experiences, and levels of capabilities, to the Board.

The Board discussed the outcome of the review of its collective mix of skills and experience and agreed that the Board skills matrix would be used:

- to reflect on whether the Board would obtain external expertise as part of its deliberations and decision making; and
- in the recruitment of Appointed Director or casual vacancies as they arise and where possible in the election process of Member-elected Directors.

Board Skills Matrix

Category of skills and experience	Capability level
Leadership and Change Management	Expert
Strategy setting and Delivery	Expert
Membership Organisations	Advanced
Public Policy and Advocacy	Advanced
Stakeholder and Media Engagement	Advanced
Brand, Marketing and Promotion	Advanced
Digital Enablement and User Experience	Advanced
Governance, Risk and Compliance	Advanced
Sustainability and ESG	Advanced
People and Culture	Advanced
Finance and Accounting	Advanced
Motoring Industry Experience	Capable
Tourism and Leisure Industry Experience	Capable
Transport Industry Experience	Capable
Energy or Clean Transport Experience	Capable
Systems and Technology Infrastructure	Capable
Data and Cyber Security	Capable

Board diversity

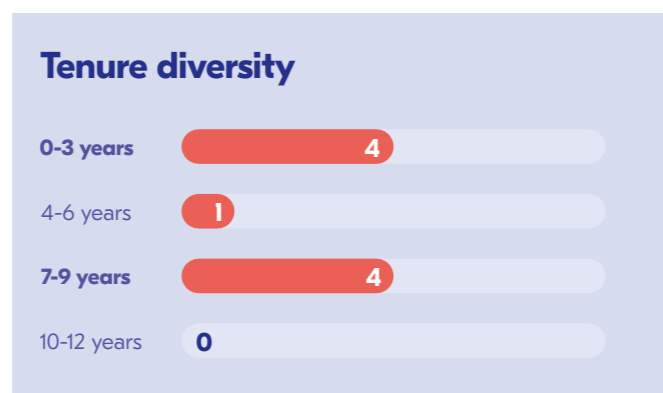
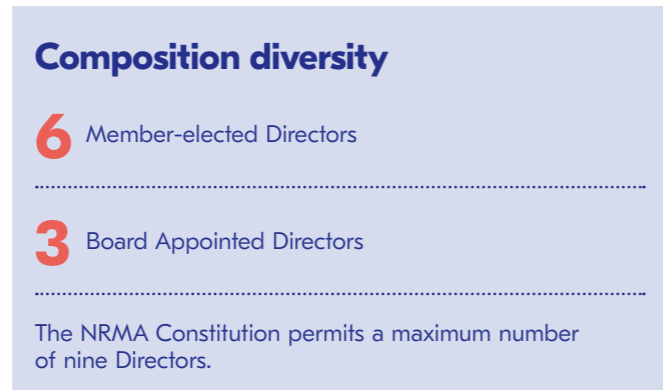
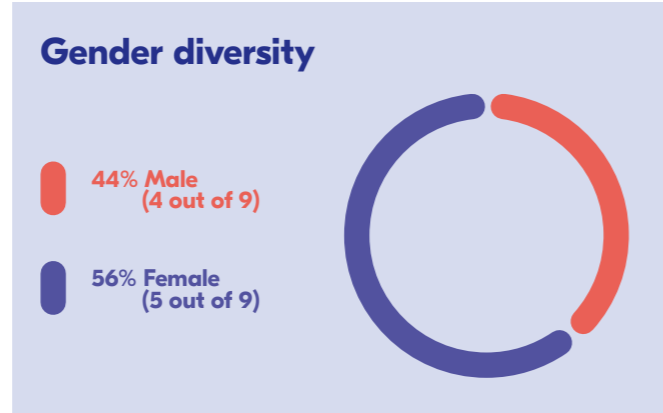
As an additional component to the Board Skills Matrix, the External Provider conducted their assessment of the Board's diversity, which the Board can use to reflect on and discuss whether it has the diversity needed to optimise its decision making. The External Provider's Board Diversity Assessment covered demographic diversity, cognitive diversity, experiential diversity, and personality diversity. The assessment involved Directors identifying where they saw themselves and each of their colleagues typically sitting between two equally valid end points, as well as providing information on gender, age and, cultural background and identity.

The External Provider found that the Board's diversity, has:

- very good gender representation with more than 50% of Directors female;
- a good mix between Directors who generally focus on the detail of decisions and performance, and Directors who take a 'big picture' view;
- a good mix between Directors who use facts, metrics and hard evidence to assess performance and Directors who use the mood in the organisation, the Board's dynamic with Management, and external sentiment;
- a good spread between challengers and conciliators, with some weighting towards a conciliatory approach
- a weighting towards those Directors who are likely to drive change over those who believe in sticking with what has been shown to work;
- limited age and cultural diversity.

Overall, the Directors' self-assessment ratings were mostly close to the average ratings given by their peers, which suggests a high degree of self-awareness in the Board and in each Director.

The Board discussed the results of the review of its diversity assessment and agreed that it provided good insights to reflect on and be aware of when it is considering matters and making decisions.



Director course

Under the NRMA Constitution, all Directors must attend the Australian Institute of Company Directors 'Company Directors Course' or an equivalent course approved by the Board. Each Director who has not attended the course before joining must do so within two years of the date of their election or appointment. All Directors are in compliance with this constitutional requirement.

Board continuing education

Directors are encouraged and assisted to attend educational courses that enhance their performance as a Director on the Board. An annual allocation of funding is provided to support these activities. Additionally, the Board or Committees are briefed on emerging trends and developments across the industries in which the NRMA businesses operate. The Board also obtains expertise and advice in other ways it determines necessary from time-to-time, including obtaining external advice from experts. The list of topics below were all provided to Directors by external speakers who are subject matter experts.

Financial Capital

Assets

During the period the:

- FIC received economic briefings providing a market update and outlook from its asset manager, to inform oversight of the Core Investment Portfolio given the continued economic uncertainty arising from global and local events;
- FIC received briefings from its asset manager on ESG investment strategies and responsible investment

policies, to inform the drafting of our Responsible Investment Policy;

- Board received a briefing on the global learnings on electric vehicle charging infrastructure and services, and on car manufacturers and;
- their transition to electric vehicles, supporting the Board's review of the strategic direction of transitioning to electric and the future of mobility.

Members and Customers

Reputation and Community

Board heard from a panel of Members and customers on what it means to be a Member, how they would like to be recognised as a Member and what role they want the NRMA to play in the community, supporting the Board's review of the strategic direction to grow Membership.

People and Culture

During the period the:

- Board received a briefing on how companies compete in 'The Great Reshuffle', to better understand and support the Group CEO and Executive team in remaining agile in retaining and attracting talented people and maintaining the humanistic culture of the NRMA, so it had the skills and experience to continue to execute on its strategy;
- ARMC received a short summary on the information released to the public on the Star casino inquiry and it agreed that when the report was released it would be discussed by ARMC for continuous learning.

Environment

Board received briefings on the Australian energy landscape, the role of energy storage in supporting renewable energy transition, the electrification of transport and the community economic abundance through zero emission electrification, the future of mobility and global usage of electric vehicles. This supports the Board's review of the organisation's strategic direction and its investment in the electric vehicle fast charging network infrastructure.

Governance framework

Constitution review

The review of the Constitution was completed during the year with the Board approving a revised constitution to be proposed to Members for their consideration and approval at the 2022 Annual General Meeting. The two key changes in the proposal are the introduction of staggered elections, so that not all six Member-elected Directors stand for election at the same time, and a candidates' skills assessment as part of the Director election process.

Integrated reporting approach

The Board acknowledges responsibility for the Annual Report, which is prepared with reference to the International Integrated framework (for integrated reporting), now owned by the IFRS Foundation. A working group of Directors provided guidance and feedback to management on the report, including the key messaging and readability for Members, over the course of three meetings. Each year the Annual Report is reviewed and approved by the Board.

Our Board and Committees' activities and focus areas

Our Board

The activities of the Board during the year include:

- reviewing the strategy direction, refer to pages 12 - 13.
- monitoring the safety of staff, customers and the public, refer to page 41.
- confirming the desired culture and values of how the NRMA expects its people to conduct themselves when working at the NRMA, refer to pages 42 - 43.

- reviewing the organisation's risk appetite for decision-making and the risk framework to identify and mitigate risks, refer to pages 45 - 49.
- reviewing and assessing the board composition, succession, skills, experience, knowledge and continuing education, and diversity, refer to pages 51 - 61.
- monitoring the voice of our Members and customers, refer to pages 17 - 19.

- overseeing and monitoring of performance aligned to the key drivers, including responding to and recovering from the COVID-19 situation, refer to pages 3, 4, 5, 7, 19, 20, 21, 25, 26, 27, 28, 29, 39, 42, 45, 48.

The areas of focus for the Board during the year are set out on the relevant page in the Annual Report.

Our Committees

The delegated authority and responsibilities of each Committee is determined by the Board and set out in a charter. Each Committee charter, along with the protocol for Committee meetings, is approved and periodically reviewed by the Board and are available at mynrma.com.au/board

Finance and Investments Committee

The FIC oversees

- Investment portfolio and Investment Policy Statement
- Property investments
- Strategic corporate transactions
- Capital, treasury and financing



Areas of focus in FY22

- Reviewed corporate development opportunities across all of our businesses, including the expansion of the Parks and Resorts network, the Expeditions portfolio and the electric vehicle charging network, and also including the divestment of the Travelodge hotel portfolio.
- Reviewed some of our current businesses, particularly the car rental business in the context of the new partnership with SIXT, and the marine business in the context of changing commuter behaviour and the Transport for NSW Ferry Tender.
- Reviewed the portfolio of office properties in the context of the economic recovery from COVID-19 and the increase in working from home.
- Considered overall asset allocation and portfolio strategy for the Group, and considered debt strategy.
- Reviewed the Investment Policy Statement and the Treasury Policy and oversaw the development of the new Responsible Investment Policy.
- Reviewed the performance and positioning of the investment portfolio, considering views from Management and external asset consultants, including in relation to market volatility and outlook, asset allocation and investment manager selection.

Policy and Advocacy Committee

The PAC oversees

- Implementation of the strategic advocacy plan approved by the Board



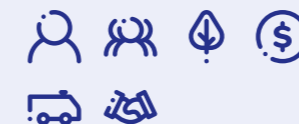
Areas of focus in FY22

- Monitored the implementation of the Board-approved FY22 strategic policy and advocacy plan.
- Considered and, as relevant, approved policy and advocacy positions, reports or submissions relating to parking with disabilities.
- Received a briefing on the FY22 Media Strategy and requested more information be provided on the social media component of the media strategy.

Audit and Risk Management Committee

The ARMC oversees

- Financial reporting
- External audit
- Internal audit
- Risk management
- Regulatory compliance
- Safety
- Data governance and cyber security
- Organisational resilience



Areas of focus in FY22

- Continued the open discussion at each meeting on any 'keeping awake at night' matters, with Management considering them in the next quarterly risk review.
- Reviewed our external auditor and approved the external audit scope, terms and fee.
- Approved the FY23 strategic internal audit plan and reviewed the internal audit reports presented, and monitored the implementation of the actions to address the internal audit findings.
- Reviewed the outcomes from payroll assurance program.
- Reviewed the full risk reviews and critical risk reviews and the mitigating actions.
- Reviewed the annual insurance renewal and adequacy of cover.
- Monitored the implementation of policies in key compliance areas, any regulatory compliance matters raised, and received the annual Compliance and Environmental Compliance reports.
- Approved the revised Speak Up Policy (Whistleblower Policy).
- Monitored the items people raised, either with staff or on the Speak Up Hotline and the progress of the investigations through to completion.
- Monitored the progress of activities related to the FY20 Modern Slavery Statement and approved the FY21 Modern Slavery Statement.
- Reviewed our tax position, approved the review of the NRMA Tax Policy and Tax Framework, approved the Voluntary Tax Transparency Report and monitored the ATO streamlined assurance review of GST.
- Reviewed the safety incidents, investigations and mitigating actions to completion.
- Monitored the activities relating to lifting the maturity of our data governance across the group and improving our cyber security posture, as well as the implementation of actions to address IT governance and security findings from internal audits.
- Approved our business continuity and crisis management approach and monitored the management of major business continuity or crisis management incidents.

Governance, Compensation and Nomination Committee

The GCNC oversees

- Remuneration
- Nomination
- Succession planning for Directors, the Group CEO and direct reports
- Culture
- Governance



Areas of focus in FY22

- Reviewed the approach to the remuneration of our people in FY23 with reference to the recovery from COVID-19, the increased cost of living and increase in inflation.
- Recommended the Board approve the revised Remuneration Strategy, where external advice was obtained.
- Received updates on the successor fund transfer to Australian Retirement Trust (formerly called SunSuper) where the transition occurred smoothly.
- Received updates on the Group CEO succession plan and direct reports succession plans and recommended the Group CEO succession plan to the Board for approval (which the Board approved) and approved the direct reports succession plans.
- Received updates on talent retention and acquisition, in light of the competitive talent market in Australia.
- Reviewed the results of the staff engagement survey and received updates on the implementation of the Playbook (a guide on the NRMA culture, values and behaviours expected from staff).
- Received updates on the improvements to the employee value proposition, which aligns to the Playbook, and how Management would implement it.
- Reviewed the progress made against gender targets, as part the Australian Government's Workplace Gender Equality Agency (WGEA) Employer of Choice Gender Equity citation.
- Received an update on the LGBTQI+ workplace inclusion activities to raise awareness, educate, celebrate and recognise our LGBTQI+ diversity and on the achievement of the 'Bronze' level of the Australian Workplace Equality Index (AWEI), (an improvement from 'Participatory' level last year).
- Received an update on the completion of our three-year stretch Reconciliation Action Plan and the journey of establishing relationships, employment partnerships and continuing to increase respect through cultural awareness and education on Aboriginal and Torres Strait Islander peoples.
- Completed the review of the Constitution and proposed the revised Constitution to the Board for approval.
- Completed the Board Performance Review, Board Skills Matrix Review and Board Diversity Assessment and proposed actions to address key matters to the Board for approval.

Board focus area



Constitution

The Board completed a review of the Constitution and approved a revised Constitution to be proposed to Members for approval at the 2022 AGM.



Our Board's profiles

Mr Tim Trumper

MBA

Chair and Non-Executive Director (Harbour Region)

Tim is an Advisor to Quantum, Australia's leading data and analytics company, and holds interests in several private high growth innovative companies. He is an authority on how to use information and technology to drive innovation, for corporate strategy and for a better society. His core interest relates to the role of Directors to create good governance, for the service of customers and the community.

Tim is an experienced Chair, Non-Executive Director, former CEO, and advisor for high-performance global and Australian companies. His career has spanned diverse categories including artificial intelligence and machine learning, big data, digital transformation, mobility and transport, financial services and media.

Along with fellow Directors and Chairman the late Hon. R J Hawke, Tim helped to establish The Bestest Foundation. This charity has raised over \$5 million for disadvantaged Australian children.

Tim brings to the Board a wealth of experience in working with large scale complex consumer facing businesses, where new technology is impacting the current and future needs of customers. He is passionate about helping organisations become more customer centric for a future that is sustainable for all stakeholders.

Term of office

Date first appointed (casual vacancy): 12 May 2014

Last re-elected: 7 December 2019 for a four year term

Board

Re-elected Chair: 9 December 2019

Committees

Chair and member of the: Governance, Compensation and Nomination Committee

Member of the: Finance and Investments Committee

Ms Fiona Simson

BA (Bus), GAICD

Deputy Chair and Non-Executive Director (Townsend Region)

Fiona is a collaborative and passionate advocate for rural and regional communities and issues. She has been an agricultural industry leader at both a state and federal level since 2008. Elected in 2016 as the first female President of National Farmers' Federation, she is now leading industry through an exciting period of change.

She, husband Ed and family, farm on the Liverpool Plains near Premer in northwest NSW. She holds a Bachelor of Arts Degree, and is a graduate of the Australian Institute of Company Directors. She has represented her local community on a variety of community groups, and served as an elected councillor on Liverpool Plains Shire Council.

She is the current Chair of the Board of the National Farmers' Federation, Commissioner and Chair, Australian Council of International Agricultural Research (ACIAR), Chair of the Future Food Systems CRC, and sits on the Board of the Australian Made Campaign Ltd. She is also Patron of the Gunnedah Gatepost Mental Health Support Service and the National Rural Press Club.

An experienced Chair, Fiona is particularly interested in the development of good governance and policy, and passionate about outcomes to support the potential, sustainability and growth of rural and regional communities.

Term of office

Date first appointed (casual vacancy): 19 January 2015

Last re-elected: 7 December 2019 for a four year term

Board

Re-elected Deputy Chair: 9 December 2019

Committees

Chair and member of the: Policy and Advocacy Committee

Member of the: Governance, Compensation and Nomination Committee

Mr David Borger

Non-Executive Director (Cox Region)

David is the Executive Director of the Western Sydney Business Chamber. He led a campaign in support of the Western Sydney Airport at Badgerys Creek including establishing the Western Sydney Airport Alliance. He has collaborated with Chief Executive Officers, Managing Partners and Vice Chancellors to support campaigns like the Powerhouse Museum to Parramatta, the Westmead and Liverpool Innovation Precincts, Sydney Olympic Park, Parramatta Light Rail and Sydney West Metro.

Prior to this, David served in the NSW Labor Government as the Minister for Roads, Minister assisting the Minister for Transport and Roads, Minister for Housing, as well as Minister for Western Sydney. He was the Member for Granville between 2007 and 2011.

As Housing Minister, David oversaw the construction of approximately 9,000 new social housing dwellings – including 6,300 through the Nation Building Economic Stimulus Plan. He has also worked as an Urban Planner and adviser to the Minister for Planning.

He was the youngest person, at 30 years of age, to hold the office of Lord Mayor of Parramatta, where he served for three terms.

David is currently a Director of Think Planners, and serves as a non-executive Director on the boards of the Museum of Applied Arts and Sciences, Evolve Housing, Chair of the Liverpool Innovation Precinct and Interim Chair of Placemaking NSW.

David brings to the NRMA Board a wealth of experience in both the private and public sectors. He is passionate about ensuring that all communities are great places to live regardless of where they are located.

Term of office

Date first elected: 7 December 2019 for a four year term

Committees

Member of the: Policy and Advocacy Committee

Ms Kate Lundy

GAICD

Non-Executive Director
(Mann Region)

Kate retired as the Senator for the ACT on 24 March 2015, having been first elected to the Federal Parliament in 1996. She was re-elected at every subsequent general election. She served as the Federal Minister for Sport and Multicultural Affairs and Minister Assisting for Industry, Innovation and the Digital Economy in the Gillard/Rudd Government.

She is a graduate of the Australian Institute of Company Directors.

Kate is actively involved in a number of community and sporting clubs which reflect her broad range of interests. She is also a Director of the Cyber Security Cooperative Research Centre, Electro Optic Systems, the Australian Grand Prix Corporation, Canberra Institute of Technology and the National Youth Science Forum. Kate also supports local small businesses in her role as ACT Defence Industry Ambassador. Kate has been recognised with an Honorary Doctorate of Letters by the Australian National University for her contribution to policy and advocacy in the information and communication technology sector.

Kate brings to the Board her interest and experience in the impact of technological change on our society, community and economy. She maintains her long-standing commitment to regional development over many years.

Term of office

Date first appointed (casual vacancy):

25 March 2015

Last re-elected:

7 December 2019 for a four year term

Committees

Member of the:

Audit and Risk Management Committee
Policy and Advocacy Committee

Ms Marisa Mastroianni

B.Com, M.Com, GAICD, FCPA, AFMIL

Non-Executive Director
(Hoddle Region)

Marisa is an experienced Board Director and Executive. She is currently the Managing Director and Group Chief Executive Officer UOW Global Enterprises; a global higher education company which is a subsidiary of the University of Wollongong. Marisa brings global insights leading an international team across campuses in Dubai, Hong Kong, Malaysia, and Australia. Marisa has extensive service industry sector experience having held executive roles at the Illawarra Port Corporation and NSW Uniting Care.

Marisa holds a Bachelor and Master of Commerce, is a Harvard Alumnus, Fellow of CPA Australia, Assoc. Fellow of Australian Institute of Management and a Graduate of the Australian Institute of Company Directors. Marisa is a member of the Illawarra Regional committee of Venues NSW and a past Director of the Illawarra Shoalhaven Health District Board and Chair of its Audit and Risk Committee.

Marisa lives in Wollongong and is a strong advocate for regional Members' needs and for safe and efficient transport links as an enabler of regional prosperity and growth.

Marisa brings to the Board expertise in strategic planning, financial and risk management, mergers and acquisitions and change management. She has extensive experience in corporate governance with an emphasis on transparency and sustainable performance and on delivering Member value. She is a committed advocate of Diversity Equity & Inclusion and Wellness, Health and Safety in the workplace.

Term of office

Date first appointed (casual vacancy):

19 January 2015

Last re-elected:

7 December 2019 for a four year term

Committees

Chair and member of the:

Audit and Risk Management Committee

Member of the:

Governance, Compensation and Nomination Committee
Finance and Investments Committee

Ms Jane McKellar

MA (Hons), GAICD, CISL

Non-Executive Director
(Board appointed)

Jane is an experienced Non-Executive Director in both public and private companies in Australia and the USA, bringing deep international consumer, digital, brand, marketing and governance experience. Her key contributions are in customer/consumer-focused business transformation, harnessing digital, technology, brand and marketing to enhance business performance.

Jane's executive experience spans the consumer-focused FMCG, luxury and retail industries and she is one of the original 'digital natives' in the Australian digital/e-commerce industries – both as a chief executive officer and chief marketing officer. She has held senior roles in Unilever, Microsoft, Ninemsn, Elizabeth Arden (Australia) and Stila Corporation. Jane has extensive global experience, particularly in Asia, Europe and North America.

Jane has built a strong reputation over the years for leading teams and transforming businesses in difficulty back on the road to profitability and growth. She is particularly interested in sustainability and also the future of mobility.

On a personal note, Jane is a passionate motorbiker and loves vintage cars and aeroplanes.

Jane brings to the Board a wide breadth of experience in many industries and countries. She is passionate about customers, transformation and helping businesses utilise their assets to enhance both the customer experience and business performance.

Term of office

Date first appointed by the Board:

13 May 2019 for a fixed two year term

Last re-appointed by the Board:

13 May 2021 for a fixed three year term

Committees

Member of the:

Governance, Compensation and Nomination Committee
Policy and Advocacy Committee

Dr Kirsten Molloy

BSc (Hons), PhD, MBA, GAICD

Non-Executive Director
(Howe Region)

Dr Kirsten Molloy is a business leader and Non-Executive Director, sitting on a range of Boards of commercial and not-for-profit businesses since 2013. Kirsten is a highly commercial, technology focussed strategist, who enjoys working to improve and transform businesses. She brings extensive experience in operational leadership in heavy industry/resources, logistics and supply chain, service delivery and customer focus, negotiation and strategic stakeholder management, organisational culture and governance. Her executive career included a role as CEO of a complex member-based construct in the resources/supply chain sector, and executive commercial and technology roles in a large global Mining Equipment, Technology and Services (METS) organisation.

Kirsten is very interested in social progress and community. A passionate advocate for diversity and inclusion, she has supported many initiatives, including the creation of mentoring scholarships and programs supporting women and other under-represented groups in leadership. Kirsten has a love of learning and STEM, with an MBA, PhD and an honours degree in Science and is a Graduate of the Australian Institute of Company Directors.

On a personal note she is married with one child, lives in Newcastle and is a keen traveller.

Kirsten brings a regional lens, a passion for improving outcomes for people, and a belief in engaged, connected and authentic leadership. She places material importance on creating great workplace cultures, transforming organisations and embracing innovation and new technology to deliver to the needs of customers and the community. Road safety, transport connectivity and lifestyle are of great interest.

Term of office

Date first elected:

7 December 2019 for a four year term

Committees

Member of the:

Audit and Risk Management Committee

Mr Gary Smith

B.Com, FCA, FAICD

Non-Executive Director
(Board appointed)

Gary is Chairman of Flight Centre, one of the world's largest retail and corporate travel businesses, operating in over 30 countries and one of the industry's enduring success stories. He is also a Director of Michael Hill International Limited and Chair of their Audit and Risk committee.

Gary is founder and Managing Director of Tourism Leisure Corporation, which has for over 20 years operated several businesses within the tourism and leisure industries. He also has extensive experience in audit and risk due to his early career at Arthur Andersen & Co and his long career as a public company director where he has served on a number of audit and risk committees. He is a chartered accountant.

An experienced chairman and Non-Executive Director, Gary is a life member of the Queensland Tourism Industry Council and a former Chairman of that organisation. He is also a former deputy chair and director of Ecotourism Australia, which is Australia's leading industry group representing the nature based segment of the tourism industry. He was also a director of Tourism and Events Queensland.

Gary has extensive experience in regional tourism; he and his colleagues conceived the much heralded Kingfisher Bay Resort on Fraser Island. Gary guided the establishment of the resort as a leader in the relatively new area of ecotourism and operated the business from opening in 1992 until its sale in early 2018.

Gary brings to the board a very broad experience of developing, acquiring and operating a wide variety of tourism businesses, from resorts and hotels to tourist attractions. He has a deep understanding of the tourism industry, including how tourism can play a major role in the improvement of economies in regional Australia.

Term of office

Date first appointed by Board:

6 February 2019 for a fixed two year term

Last re-appointed by the Board:

6 February 2021 for a fixed three year term

Committees

Member of the:

Audit and Risk Management Committee
Finance and Investments Committee

Mr Derek Stanwell

BA (Hons), LLB (Hons), BCL, GAICD

Non-Executive Director
(Board appointed)

Derek is a corporate advisor with over 20 years' experience advising large companies in Australia and overseas. He has worked with many of Australia's leading brands on transformational transactions across a wide range of industries including travel and tourism, real estate, telecommunications, financial services and media. His experience includes advising on well over \$100 billion worth of corporate transactions. For many years, Derek held senior roles at Morgan Stanley in Sydney, New York and Hong Kong. More recently, he founded Northcliff, a specialist corporate advisory firm.

Derek is focused on helping leading Australian companies adapt and succeed in times of rapid change. He is a strong supporter of the ideals of community and access which led to the founding of the NRMA and underpin its success.

He lives in Sydney with his wife and two children and has a long-standing involvement in community sport – as coach, player and spectator. He was educated at Sydney and Oxford universities.

Derek brings to the Board the benefit of his strategic and financial insight, developed over many years advising companies in Australia and overseas. He has particular expertise in corporate strategy and in the execution of corporate M&A transactions.

Term of office

Date first appointed by the Board:

14 May 2018 for a fixed two year term

Last re-appointed by the Board:

14 May 2020 for a fixed three year term

Committees

Chair and member of the:

Finance and Investments Committee

Member of the:

Audit and Risk Management Committee

Board meetings and Director attendance

During FY22 the Board held seven formal Board meetings. The meetings were held in different formats, virtually using video conferencing, as a hybrid of attending in person and by video conferencing and attendance by all in person. For the meetings attended in person, the location was at Level 13, 151 Clarence Street in Sydney, on Gadigal land of the Eora Nation. The Board also makes decisions through written resolutions outside of scheduled meetings, and five resolutions were passed in this way during the year.

The Chair and the Group CEO, with advice from the Company Secretary, establish Board agendas to ensure Board meetings have adequate coverage of items related to strategy review and

delivery, financial and operational performance, safety, risk, culture and other major areas of business focus.

Papers for Board and Committee meetings are prepared by senior management and circulated electronically to Directors prior to the meetings, allowing time to familiarise themselves with the content. Senior management also attends the meeting, giving the Directors an opportunity to discuss matters and ask questions directly.

In addition to the Board and Committee meetings, a number of working groups of Directors were established during FY22 as a more informal way for Directors to give guidance and feedback to Management on a matter. A Director does not receive fees

for being a member of a working group. These Director workings groups included:

- Annual Report Working Group, with Mr Trumper (Chair), Ms Mastroianni, Dr Molloy and Mr Stanwell as the members, and met three times;
- Constitution Review Working Group, with Mr Trumper (Chair), Ms Mastroianni, Ms McKellar and Ms Simson as the members, and met four times;
- ESG Working Group (focused on responsible investing), with Mr Stanwell (Chair), Dr Molloy, Ms McKellar and Mr Trumper as the members and met twice.

The Board and Committee meetings attended by Directors for the past financial year are in the below table. There were no changes to the Directors on the Board or Committees in FY22.

Directors	Board of Directors			Audit and Risk Management Committee			Finance and Investments Committee			Governance, Compensation and Nomination Committee			Policy and Advocacy Committee		
	Held	Attend		Held	Attend		Held	Attend		Held	Attend		Held	Attend	
Mr D Borger	7	6	1A			1V							1	1	
Ms K Lundy	7	7		5	5								1	1	
Ms M Mastroianni	7	7		5	5		4	4		7	7				
Ms J McKellar	7	7				1V			1V	7	7		1	1	
Dr K Molloy	7	7		5	4	1A			2V						
Ms F Simson	7	7								7	7		1	1	
Mr G Smith	7	7		5	5		4	4							
Ms D Stanwell	7	7		5	5		4	4							
Mr T Trumper	7	7				5V	4	4		7	7				1V

(A) Absent (V) Visitor

Company Secretary

Ms Gemma Piper

BSc (Hons), PG (Dip) Law, PG (Dip) Legal Practice, GIA (Cert)

Ms Gemma Piper is the General Counsel and Company Secretary of the NRMA. She was appointed as Company Secretary on 15 December 2017.

Remuneration

The design of our remuneration strategy is to ensure that the reward outcomes for our people are directly linked to the NRMA Group strategy. This incorporates a balanced approach that considers the expectations of our key stakeholders, aligning market competitive remuneration outcomes that deliver strong individual performance and behaviours that align to our Playbook, supporting us to motivate, retain and attract outstanding people to our organisation.

To support this strategy, our key focus is to out perform against the short and long term incentive metrics on our balanced scorecard, realising increased value for our Members and customers. The NRMA Group strategy, business plans and individual objectives we set each year guide us in delivering our performance.

Executive remuneration

Given the external market pressures, we are obsessed in ensuring our remuneration approach enables us to attract, motivate and retain amazing people to deliver outstanding value for our Members and customers. We ensure that our competitive reward practices for executive and senior management remuneration are designed to encourage and compensate performance and behaviours that are consistent with our Playbook.

Directors' remuneration

Under the Constitution, the Directors' fee pool for the conduct of ordinary services is subject to review at 1 January each year following any year in which no increase to the Directors' fee pool has been approved by Members at a general meeting. The Directors' fee pool for the conduct of

ordinary services excludes Committee fees and superannuation payments.

The Constitution sets out that in the year a review of the Directors' fee pool is undertaken, the increase in the fee pool is the 'percentage CPI change'. The 'percentage CPI change' is defined as the percentage change between the September quarter before the 1 January review and the September quarter in the year prior, for the All Groups Consumer Price Index for the weighted average of eight capital cities as published by the Australian Bureau of Statistics.

The Board must pass a resolution to determine the Board fees for Directors, but the total amount of fees must not exceed the Directors' fee pool. The Board must also pass a resolution to determine the fees for those Directors who are members of a Committee. The Board obtains independent external advice as required from time to time to assist with determining Board and Committee fees.

The Board has determined that Board fees and Committee fees will increase in line with any CPI increase of the Directors' fee pool. The Chair and Deputy Chair do not receive fees for being

members of a Committee or attending Committee meetings. Superannuation is paid by the NRMA on behalf of the Directors at the rate of 13 per cent.

As an increase in the Directors' fee pool was not proposed to Members at the 2021 AGM, on 1 January 2022 the Directors' fee pool was increased by the percentage CPI change of 3%.

The Board fees and Committee fees paid to each Director is available on the NRMA website: mynrma.com.au/committees

Key Management Personnel (KMP) remuneration

The table below relates to the NRMA Group as an aggregate of Directors and Executives remuneration (for the years ended 30 June 2022 and 2021) being the key management personnel (KMP). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

For the year ended 30 June 2022, salary and incentive payments across the NRMA Group were reduced as part of the impacts of COVID-19.

Consolidated

	2022 \$	2021 \$
Short term employment benefits	\$5,483,650	5,469,082
Post-employment benefits	\$254,185	242,334
Other long-term employment benefits	\$990,764	994,046
Total	\$6,728,599	6,705,462

Executive Leadership Team

Our team are passionate about the NRMA leading the charge to help Australia keep moving in the right direction.

Rohan Lund*

Group Chief Executive Officer

Group Chief Executive Officer, Rohan Lund joined the NRMA in January 2016. He has an extensive background in digital technology and strategy innovation, bringing a wealth of experience in building human centred culture and delivering sustainable transformation across a range of customer-focused companies.

An energetic and growth minded leader, Rohan provides strategic and commercial expertise to the

NRMA and has led the transformation to an electric future, while concurrently developing the agenda to expand into sustainable domestic tourism. Before joining the NRMA, Rohan was the Chief Operating Officer (COO) for Foxtel, Australia's largest subscription business. His previous roles also include COO of Seven West Media, CEO of Yahoo!7 and Strategy Director for SingTel Optus. Rohan holds a Master of Laws.



Michael Gabriel*

Chief Financial Officer

Michael Gabriel was appointed Group Chief Financial Officer in August 2016. Michael is responsible for ensuring the NRMA reaches its financial and business targets through the Group's business performance, risk, property and tax and treasury functions.

Prior to joining the NRMA, Michael was General Manager Corporate Finance at Woolworths,

responsible for resource and capital prioritisation, group planning and budgeting and managing finance transformation.

Michael has also held senior executive positions including the Finance Director of Diageo in Australia and NZ, and senior finance and supply chain roles at Diageo across Asia, Europe and the Americas.



Cormac Hodgkinson*

Chief Technology Officer

Cormac Hodgkinson was appointed Chief Technology Officer in March 2016 after guiding the delivery of the Group's Membership System.

Cormac holds responsibility for the Group's technology, covering infrastructure and architecture, security and data governance, operations and project delivery, digital, data and core technology platforms.

In addition to this, Cormac is also responsible for the Group's Health and Safety, and People and Culture functions.

Before joining the NRMA, Cormac held key executive roles both here and overseas, specifically telecommunications company 3 in the UK and Australia, as well as Vodafone Australia.



Vivian Miles*

Executive General Manager Strategy and Investments

Vivian was appointed to the role of Executive General Manager, Strategy and Investments in June 2021. She is responsible for the NRMA Group's corporate and portfolio strategies, corporate development, investments, ESG, sustainability, legal, company secretariat, brand and corporate affairs functions. She sets the strategic direction of the NRMA Group and pursues opportunities that delivers shared value – Member value, economic value and societal value.

Vivian has extensive experience in strategy consulting in Australia, the United States, New Zealand, China and South East Asia. In her previous role with Booz & Company / PwC Strategy&, she advised a range of organisations in areas including growth strategy, portfolio strategy, operating model design, organisation and culture transformation. Prior to this, she worked at Deutsche Bank investment banking, and in carbon markets with GreenCollar.



Emma Harrington*

CEO Motoring and Membership

Emma Harrington is CEO of the iconic Motoring and Membership business on which the brand and reputation of the NRMA is founded. Building on the legacy from the past 100 years, the focus remains on growing a sustainable and Member-centric business. While delivering our best-in-class roadside assistance, the business is focused on leading the way to an electric future. A trusted expert for electric vehicles and

all things motoring, we will continue our proud tradition of adding value to Members and the communities in which they live by championing regional communities and being an influential advocate for road safety and equitable mobility. Before joining the NRMA, Emma held national and international roles for major organisations; most recently as the Director of Wholesale and Distribution at Foxtel.



Rachel Wiseman

CEO NRMA Expeditions

Rachel Wiseman is the Chief Executive Officer of NRMA Expeditions. Rachel is charged with growing the organisation's interest in experiential tourism, with a focus on bespoke product that showcases Australia's natural environment.

Prior to this, Rachel served as NRMA Group's Chief Investment Officer leading the commercial

interests of the Group including corporate development, investments and strategy.

A member of the Australian Institute of Company Directors, Rachel has held executive positions across the entertainment and media industries including Tabcorp, Fox Sports and Telstra.



Paul Davies

CEO NRMA Parks and Resorts

Paul has been CEO at NRMA Parks and Resorts since 2017, during which time the business has expanded to 50 holiday parks owned or managed across Australia.

Paul is currently Board Director of Caravan & Camping Industry Association of NSW, Advisory Board member for Tourism

Industry Council NSW and a Graduate of Australian Institute of Company Directors. Prior to the NRMA, Paul has held senior commercial roles in tourism and travel organisations, both in Australia, the UK and Africa. These organisations have included Taronga Zoo, Tourism Australia, Qantas and British Airways.



Matthew Beattie

CEO SIXT

Matthew Beattie was appointed Chief Executive Officer, SIXT Australia in December 2021. Prior to this, he was Managing Director, Car Rental from May 2020. Matthew joined the NRMA Group in 2011, holding roles in strategy and product development, B2B sales as well as leading technology projects in vehicle connectivity. Matthew was the General Manager of NRMA MotorServe, a role accountable for

automotive servicing and repairs, as well retail and wholesale distribution of NRMA-branded automotive products.

Prior to joining the NRMA, Matthew held leadership roles at ANZ and ING Australia. He holds a MBA and Masters of Management from Macquarie School of Business as well as Membership with the AICD.



Directors' report

The report of the Directors of National Roads and Motorists' Association Limited (the NRMA, Company or the Group) in respect of the consolidated entity consisting of the NRMA and its controlled entities (the consolidated entity) for the year ended 30 June 2022 has been prepared in accordance with the requirements of the Corporations Act 2001.

The information below forms part of the Directors' report.

- Principal activities of the consolidated entity on page 10 - 11 and how these activities assisted the entity to achieve its objectives on pages 14 - 15.
- Short and long term objectives of the entity and the strategy for achieving those objectives on pages 12 - 13.
- Review of operations and activities for the reporting period on pages 17 - 31.
- How the NRMA measures its performance, including the key performance indicators on pages 12 - 15.
- Biographical information for the Directors and Company Secretary on pages 59 - 62.
- Board and Committee meetings and attendance on page 62.
- Key management personnel remuneration on page 63.
- Auditor's independence declaration on page 67.

Indemnification and insurance of officers

The NRMA has entered into standard form deeds of indemnity with the Directors named in this report, the Company Secretaries, Officers and former Directors and Officers of the NRMA and its related bodies corporate.

In broad terms, they are indemnified against all liabilities, which may be incurred in the

performance of their duties as Directors or Officers of the Company, except liability to the Company or a related body corporate, liability for a compensation order under the Corporations Act and liability arising from conduct involving a lack of good faith.

The NRMA also holds a Directors' and Officers' Liability Insurance Policy on behalf of current and former Directors and Officers of the Company and its controlled entities. The period of the policy extends from 31 August 2022 to 31 August 2023. The policy prohibits disclosure of the nature of the liabilities and the amount of the premium in respect of that insurance.

Significant changes in the state of affairs

Other than as referred to in the review of operations and financial condition pages 68 - 125, there were no significant changes in the affairs of the consolidated entity during the year.

Matters subsequent to the end of the financial year

Other than the events disclosed in the subsequent events note on page 119, there are no other events, matters or circumstances that have arisen since 30 June 2022, up until the date of this report that would significantly affect:

- The operations of the consolidated entity.
- The results of those operations.
- The state of affairs of the consolidated entity.

Company limited by guarantee

As a company limited by guarantee the NRMA is required to provide the following information under the Corporations Act 2001:

- In the event of a winding-up, the Ordinary Members undertake to contribute a sum not exceeding \$2.10 per Ordinary Member; and
- The total amount that Ordinary Members of the NRMA are liable to contribute if the company is wound up is \$3,689,000.

Signed in accordance with a resolution of the Board of Directors.



Tim Trumper
Chair and Director

22 September 2022



Fiona Simson
Deputy Chair and Director



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

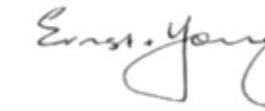
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of National Roads and Motorists' Association Limited

As the lead auditor for the audit of the financial report of National Roads and Motorists' Association Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;
- No contraventions of any applicable code of professional conduct in relation to the audit; and
- No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of National Roads and Motorists' Association Limited and the entities it controlled during the financial year.



Ernst & Young



Trent van Veen
Partner
22 September 2022

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Section 8

Financial report

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Maintaining and regenerating wild places

We're always looking for ways to minimise our impact on the environment, to keep wild places beautifully wild for future generations to enjoy. This year, our team at Freycinet Lodge successfully removed all single-use plastics from the business. In addition to recycling, they've also been working with suppliers to replace shampoo bottles, toiletry products and milk cartons with more eco-friendly sustainable options.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
Revenue from contracts with customers and rental income	B2	595,802	527,168
Cost of goods sold	B3	(41,488)	(28,801)
Cost of providing services		(351,451)	(320,746)
Gross profit (loss)		202,863	177,621
Administrative expenses		(211,547)	(177,283)
Investment income	B2	34,311	21,145
Share of operating profit / (loss) from equity accounted investments	F1	(3,152)	6,757
Impairment and carrying value adjustments		-	(11,685)
Operating profit / (loss)		22,475	16,555
Finance costs	B3	(17,103)	(13,342)
Operating profit / (loss) before change in fair value of investments		5,372	3,213
Share in net fair value movement in equity accounted investments	F1	808	523
Change in net fair value of investments	C9	(22,839)	47,916
Profit / (loss) before tax from continuing operations		(16,659)	51,652
Income tax (expense) / benefit	B4	15,408	(12,187)
Profit / (loss) for the year from continuing operations		(1,251)	39,465
Discontinued operations			
Profit / (loss) after tax for the year from discontinued operations		11,349	5,452
Profit / (loss) for the year		10,098	44,917
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Revaluation of land and buildings		-	-
Exchange differences on translation of foreign operation		299	21
Share of other comprehensive income of equity accounted investments		216	141
Income tax relating to those items		(65)	(42)
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income		(10,685)	1,503
Actuarial gain / (loss) on defined benefit plan		3,881	(990)
Income tax relating to those items		2,089	(154)
Other comprehensive income for the year, net of tax		(4,265)	479
Total consolidated comprehensive income for the year		5,833	45,396

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June 2022

	Notes	2022 \$000	2021 \$000
Current assets			
Cash and cash equivalents	C1	239,270	105,820
Trade and other receivables	C2	37,492	36,958
Inventories		3,809	3,433
Finance lease receivable	C8	18	2,218
Financial assets at fair value through profit or loss	D3	57,859	54,879
Other financial assets	D3	18,553	9,787
		357,001	213,095
Assets held for sale	C3	25,717	209,895
Total current assets		382,718	422,990
Non-current assets			
Finance lease receivable	C8	55	3,176
Financial assets at fair value through profit or loss	D3	424,625	462,668
Financial assets at fair value through other comprehensive income	D4	66,857	72,800
Property, plant and equipment	C4	465,352	371,273
Investment property	D5	41,800	39,200
Equity accounted investments	F1	80,062	74,461
Right-of-use assets	C5	386,956	277,484
Pension assets		6,519	2,574
Intangible assets and goodwill	C6	203,708	192,484
Total non-current assets		1,675,934	1,496,120
Total assets		2,058,652	1,919,110
Current liabilities			
Trade and other payables		106,580	99,256
Employee benefits provisions	E1	39,831	31,900
Income tax payable		12,799	(7,063)
Lease liability	C7	20,132	23,937
Unearned income		111,724	116,052
Customer deposits		24,766	19,077
Interest bearing liabilities	D6	2,557	-
		318,389	283,159
Liabilities held for sale	C3	95	41,548
Total current liabilities		318,484	324,707
Non-current liabilities			
Employee benefits provisions	E1	6,347	6,292
Provision for make good obligation		3,106	2,920
Lease liability	C7	353,810	237,262
Deferred tax liabilities	B4	77,826	104,594
Unearned income		6,881	9,355
Customer deposits		(1,534)	4,444
Interest bearing liabilities	D6	183,394	127,241
Contingent consideration	D7	24,310	22,100
Total non-current liabilities		654,140	514,208
Total liabilities		972,624	838,915
Net assets		1,086,028	1,080,195
Equity			
Reserves		17,629	24,611
Retained earnings		1,068,399	1,055,584
Total equity		1,086,028	1,080,195

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the year ended 30 June 2022

2022	Equity investments reserve at FVOCI \$000	Equity accounted reserve \$000	Foreign currency reserve \$000	Revaluation of land and buildings \$000	Retained earnings \$000	Total \$000
At 1 July 2021	17,576	(2,379)	(690)	10,104	1,055,584	1,080,195
Net profit / (loss) for the year	-	-	-	-	10,098	10,098
Other comprehensive income (net of tax)	(7,432)	151	299	-	2,717	(4,265)
Total comprehensive income for the year	(7,432)	151	299	-	12,815	5,833
Changes in equity investments at fair value through other comprehensive income	(10,685)	-	-	-	-	(10,685)
Equity accounting	-	216	-	-	-	216
Translation of foreign subsidiary	-	-	299	-	-	298
Actuarial gain / (loss) on defined benefit plan	-	-	-	-	3,881	3,881
Deferred tax arising	3,253	(65)	-	-	(1,164)	2,024
At 30 June 2022	10,144	(2,228)	(391)	10,104	1,068,399	1,086,028

2021	Equity investments reserve at FVOCI \$000	Equity accounted reserve \$000	Foreign currency reserve \$000	Revaluation of land and buildings \$000	Retained earnings \$000	Total \$000
At 1 July 2020	16,524	(2,478)	(711)	10,104	1,011,360	1,034,799
Net profit / (loss) for the year	-	-	-	-	44,917	44,917
Other comprehensive income (net of tax)	1,052	99	21	-	(693)	479
Total comprehensive income for the year	1,052	99	21	-	44,224	45,396
Changes in equity investments at fair value through other comprehensive income	1,503	-	-	-	-	1,503
Equity accounting	-	141	-	-	-	141
Translation of foreign subsidiary	-	-	21	-	-	21
Actuarial gain / (loss) on defined benefit plan	-	-	-	-	(990)	(990)
Deferred tax arising	(451)	(42)	-	-	297	(196)
At 30 June 2021	17,576	(2,379)	(690)	10,104	1,055,584	1,080,195

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Nature and purpose of reserves

The Fair Value through Other Comprehensive Income Reserve is used to record increments and decrements in the value of financial assets at fair value through other comprehensive income and non-current assets.

The Equity Accounted Reserve is used to record increments and decrements in the reserves booked in equity accounted investments.

The Foreign Currency Reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Consolidated statement of cash flows for the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
Cash flows from operating activities			
Receipts from Members and customers		662,646	630,318
Payments to suppliers and employees		(575,536)	(495,967)
Dividends received		25,268	19,971
Interest received		4,107	2,155
Interest paid		(5,935)	(3,093)
Interest on leases		(11,315)	(8,708)
Tax paid		5,657	(4,038)
Net cash flows from operating activities	C1	104,892	140,638
Cash flows used in investing activities			
Proceeds from disposal of investments		336,269	175,874
Proceeds from disposal of subsidiary		12,732	1,707
Proceeds from disposal of fixed assets and software		67,216	31,877
Equity accounted distributions		-	8,838
Outlays to acquire businesses	F2	(76,161)	(81,726)
Outlays for investments acquired		(163,865)	(103,957)
Outlays for equity accounted investments		(7,727)	(30,638)
Outlays for fixed assets and software acquired		(153,955)	(35,896)
Net cash flows from investing activities		14,509	(33,921)
Cash flows used in financing activities			
(Repayments) / proceeds from bank loans		26,730	(98,662)
Repayments of lease liabilities		(17,167)	(18,576)
Net cash flows from financing activities		9,563	(117,238)
Net (decrease) / increase in cash and cash equivalents		128,964	(10,521)
Cash and cash equivalents at the beginning of the financial year		110,741	121,262
Cash and cash equivalents at the end of the financial year	C1	239,705	110,741

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

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About this financial report

- A1.** Corporate information
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A1. Corporate information

National Roads and Motorists' Association Limited is an Australian company, the ultimate Australian Parent entity. The financial report of National Roads and Motorists' Association Limited and its controlled entities (the Consolidated Entity or the Group) for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the Directors on 22 September 2022.

National Roads and Motorists' Association Limited is a company limited by guarantee. In the event of a winding-up, the Members undertake to contribute a sum not exceeding \$2.10 per Member.

The Company's Constitution prevents the payment of dividends.

In accordance with the Terms and Conditions of Membership by which all Members are bound, only one person or corporate representative per Membership is entitled to voting rights. A Member who holds two or more Memberships is issued with a "duplicate Membership" and is not entitled to additional voting rights.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

A2. Summary of significant changes in the current reporting period

The financial position and performance of the Group was particularly affected by the following transactions and events during the reporting period:

The coronavirus global pandemic and the related government-mandated restrictions (COVID-19).

- A3.** Basis of preparation
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A3. Basis of preparation

The Group's financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board;
- comply with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board;
- have been prepared on a historical cost basis, except certain non-current assets and financial instruments, which have been measured at fair value;
- are presented in Australian dollars, which is the Group's functional and presentation currency;
- have been rounded to the nearest thousand dollars ('\$000) unless otherwise stated in accordance with Legislative Instrument 2016/191, issued by the Australian Securities and Investment Commission; and
- have restated the presentation of comparative amounts, where applicable, to conform to the current period presentation.

A4. Accounting estimates and judgements

Preparation of the Financial Report requires management to make judgements, estimates and assumptions about future events. Information on material estimates and judgements used in applying the accounting policies can be found in the following notes:

Accounting estimates and judgments	Notes	Page
Impairment and carrying value adjustments of assets	C9	96
Revaluation of investment properties	D5	104
Accounting for acquisition of businesses	F2	113
Accounting for leases	C7	94

A5. Summary of significant accounting policies

The Group has consistently applied all accounting policies to all periods presented in these consolidated financial statements. Other significant accounting policies are contained in the notes to the financial statements.

(i) Basis of consolidation

The Financial Report incorporates the financial statements of the Company and entities controlled by the Group and its subsidiaries. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Financial Report includes the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the Financial Report, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity, are eliminated in full.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position, respectively.

Investments in subsidiaries held by the Company are accounted for at cost in the separate financial statements of the Parent entity less any impaired charges. Where indicators of impairment exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

(ii) Foreign currency

Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at the reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from the translation of assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Reporting date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.

(iii) New standards, interpretation and amendments

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021, including Interest Rate Benchmark Reform — Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, and Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16. These did not have a material impact to the Group on adoption. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



Business performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the year-end, where relevant, the accounting policies applied, and the critical judgements and estimates made.

B1. Segment information

B2. Revenue from contracts with customers and other income

B3. Expenses

B4. Taxation

B1. Segment information

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision-maker to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports reviewed and used by the Group CEO to assess performance and determine the allocation of resources.

The consolidated entity operates in Australia.

The operating segments are identified by the Group based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the Group CEO on a recurring basis.

The reportable segments are based on a combination of operating segments determined by the similarity of the services provided and the sources of the Group's major risks that could therefore have the greatest effect on the rates of return. The Group has determined that reportable segments are best represented as service lines.

The reportable segments identified within the Group are outlined below:

Service line	Segment description
Motoring and Membership	Provision of road assistance and other services to Members and customers. The Motoring and Membership segment includes costs that are not core to the provision of services under Membership contracts but core to the running of a mutual organisation, including advocacy and corporate overheads.
Transport and Tourism	Generates revenue from contracts with customers for ferry services, holiday park and hotel accommodation, and income from vehicle rental.
Investments	Derives income from the Group's portfolio of investments, including investments in associates and joint ventures.

B1. Segment information continued

	Motoring and Membership		Transport and Tourism		Investments		The NRMA Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Revenue								
Revenue from contracts with customers								
Subscription and joining fees	264,316	257,908	-	-	-	-	264,316	257,908
Rendering of services	-	-	160,555	121,122	-	-	160,555	121,122
Sales of goods	49,928	45,968	-	-	-	-	49,928	45,968
Advertising and publishing revenue	1,480	1,233	-	-	-	-	1,480	1,233
Other revenue	6,480	7,562	-	-	-	-	6,480	7,562
Total revenue from contracts with customers	322,204	312,671	160,555	121,122	-	-	482,759	433,793
Discontinued operation	-	-	(5,889)	(13,605)	-	-	(5,889)	(13,605)
Rental income	-	-	118,932	106,980	-	-	118,932	106,980
Investment income								
Interest	325	411	51	32	1,551	1,712	1,927	2,155
Dividends	-	-	-	-	30,885	17,855	30,885	17,855
Property income	61	57	-	-	1,483	1,099	1,544	1,156
Discontinued operations	-	-	(45)	(21)	-	-	(45)	(21)
Total investment income	386	468	6	11	33,919	20,666	34,311	21,145
Total revenue and other income	322,590	313,139	273,604	214,508	33,919	20,666	630,113	548,313
Results								
Impairment and carrying value adjustments	-	-	-	(11,685)	-	-	-	(11,685)
Segment operating profit/(loss)	(1,194)	(3,237)	3,081	3,860	23,740	9,175	25,627	9,798
Share of profit/(loss) of equity accounted investments	-	-	(7,273)	(1,203)	4,121	7,960	(3,152)	6,757
Operating profit / (loss)	(1,194)	(3,237)	(4,192)	2,657	27,861	17,135	22,475	16,555
Share of unrealised profit / (loss) of equity accounted investments	-	-	-	-	808	523	808	523
Change in net fair value of investments	-	-	-	-	(22,839)	47,916	(22,839)	47,916
Total unrealised profit / (loss) of equity accounted and other investments.	-	-	-	-	(22,031)	48,439	(22,031)	48,439
Total reported segment results	(1,194)	(3,237)	(4,192)	2,657	5,830	65,574	444	64,994
Finance costs							(17,103)	(13,342)
Profit/(loss) before tax							(16,659)	51,652
Income tax (expense) / benefit							15,408	(12,187)
Net profit / (loss) for the year							(1,251)	39,465
Discontinued Operations								
Profit / (loss) after tax for the year from discontinued operations							11,349	5,452
Profit / (loss) for the year							10,098	44,917
Assets								
Segment assets	92,460	146,563	950,736	842,268	935,396	855,818	1,978,592	1,844,649
Equity accounted investments	-	-	22,161	29,435	57,900	45,026	80,061	74,461
Consolidated total assets							2,058,653	1,919,110
Liabilities								
Segment liabilities	93,889	88,502	517,770	432,796	360,967	317,617	972,626	838,915
Consolidated total liabilities							972,626	838,915

B2. Revenue from contracts with customers and other income

	2022 \$000	2021 \$000
Revenue from contracts with customers		
Subscription and joining fees	264,316	257,908
Rendering of services	160,555	121,122
Sales of goods	49,928	45,968
Advertising and publishing revenue	1,480	1,233
Other revenue	6,480	7,562
Total revenue from contracts with customers	482,759	433,793
Rental income	118,932	106,980
Discontinued operations	(5,889)	(13,605)
Total revenue from contracts with customers and rental income	595,802	527,168
Investment income		
Interest	1,927	2,155
Dividend	30,885	17,855
Property income	1,544	1,156
Discontinued operations	(45)	(21)
Total investment income	34,311	21,145

(a) Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised if it meets the criteria below:

(i) Subscription and joining fees

Revenue from ongoing subscriptions is recognised on a straight-line basis over the term of the subscription. Revenue from Members' entrance fees is recognised over the initial subscription period. Revenue relating to the future periods is classified as unearned income on the balance sheet.

(ii) Rendering of services

Revenue from services rendered is recognised in the statement of profit or loss as performance obligations are fulfilled. Performance obligations are considered to be fulfilled on the rendering of services for the businesses listed below:

- Vehicle servicing
- Holiday park and hotel accommodation
- Advertising and publishing
- Ferry commuter and tourism service

No revenue is recognised if there are significant uncertainties about the recovery of the consideration due.

(iii) Sales of goods

Revenue is recognised as performance obligations are fulfilled under contracts with customers, and control of the goods are transferred to the customer. Control over the goods is considered to be transferred to the buyer at the time of delivery of the goods.

(iv) Other revenue

Other revenue relates to the provision of other services to Members, which is recognised when the performance obligation is fulfilled. In addition, this also includes the provision of payroll services for holiday parks managed contract arrangements.

(v) Rental income

Lease income from operating leases is recognised on a straight-line basis over the lease term.

(vi) Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(vii) Dividend income

Revenue is recognised when the Group's right to receive the payment is established.

(viii) Property income

Income from letting investment properties is accounted for on a straight-line basis over the lease term. Contingent income from letting is recognised as income in the periods in which it is earned. Lease incentives granted are recognised as an integral part of the total rental income.

(b) Contract balances

Opening and closing balances of trade receivables and contract liabilities arising from contracts with customers are disclosed separately. Refer to notes C2 and C9.

B3. Expenses

	Notes	2022 \$000	2021 \$000
Profit before income tax includes the following expenses			
Cost of goods sold		41,488	28,801
Cost of providing services		352,406	333,122
Administrative expenses		212,606	179,873
Impairment and carrying value adjustments		(6,195)	19,725
Discontinued operations		4,181	(23,006)
Total cost of sales, cost of providing services and administrative expenses		604,486	538,515
These expenses relate to the following categories:			
Employee benefits expense	E1	251,208	210,386
Fleet, road service and towing contractors expense		92,290	103,347
General and administrative expense		61,491	46,850
Marketing expense		25,843	17,652
Commissions and cost of sales expense		54,120	39,723
Printing and postage expense		13,474	13,306
Other expenses		19,864	19,846
		518,290	451,110
Depreciation	C4/C5	68,616	70,477
Amortisation	C6	19,594	20,210
Total depreciation and amortisation		88,210	90,687
Impairment and carrying value adjustments	C3/C9	(6,195)	19,724
Discontinued operations	C3	4,181	(23,006)
Total cost of sales, cost of providing services and administrative expenses		604,486	538,515
Finance costs			
Bank loans and overdraft		3,696	3,092
Defined benefit fund		226	214
Provision discounting unwind		2,205	2,377
Interest expense on leases		11,380	8,708
Discontinued operations		(404)	(1,049)
Total finance expense		17,103	13,342

Finance costs

Finance costs arise due to the defined benefit obligation and the impact of the unwinding of discounted provisions, such as the restoration obligation and contingent consideration, as the settlement date of the expected future obligation draws nearer. Borrowing costs and finance charges payable under finance lease and hire purchase contracts are also included in finance costs.

B4. Taxation

Tax expense

	2022 \$000	2021 \$000
Accounting profit / (loss) before tax from continuing operations	(16,658)	51,651
Accounting profit / (loss) before tax from discontinued operations	14,800	19,867
Accounting profit / (loss) before income tax	(1,858)	71,518
Income tax expense / (benefit) calculated at 30% (2021: 30%)	(557)	21,455
Tax effect of permanent differences:		
Tax offsets	(1,238)	(3,581)
Non-assessable net mutual benefit	(6,789)	(6,047)
Derecognition of deferred tax asset	-	7,634
Tax effect of tax losses and temporary differences not recognised	(2,642)	-
Net capital losses after applying against capital gains	(2,463)	-
Non-deductible capital losses	-	2,068
Non-deductible asset impairments and carrying value adjustments	2,846	4,229
Non-deductible acquisition related costs	1,109	1,216
Other	299	25
Adjustment recognised in the current year in relation to:		
- the current tax of prior years	(1,659)	(2,346)
- the deferred tax of prior years	(863)	1,949
Total tax expense	(11,957)	26,602
Income tax expense / (benefit) reported in the statement of profit or loss	(15,408)	12,187
Income tax expense / (benefit) attributable to a discontinued operation	3,451	14,415
Current tax expense / (benefit)	14,300	(568)
Deferred tax expense / (benefit)	(26,257)	27,170

B4. Taxation continued

Deferred taxes

2022 \$000	Opening balance	Charged to income	Charged to equity	Other	Net balance at 30 June	Deferred tax assets	Deferred tax liability
Trade and other receivables	446	(1,237)	-	-	(791)	-	(791)
Financial assets at fair value through profit or loss	(12,868)	10,329	-	-	(2,539)	-	(2,539)
Financial assets at fair value through other comprehensive income	(7,532)	331	3,253	-	(3,948)	-	(3,948)
Equity accounted investments	(52,993)	41,087	(65)	-	(11,971)	-	(11,971)
Property, plant and equipment	(7,159)	(28,720)	-	(1,032)	(36,911)	-	(36,911)
Intangibles	(28,974)	2,290	-	(651)	(27,335)	-	(27,335)
Investment property	(4,330)	(1,464)	-	-	(5,794)	-	(5,794)
Defined benefit asset	(773)	(19)	(1,164)	-	(1,956)	-	(1,956)
Lease liability	68,522	12,963	-	16,568	98,053	98,053	-
Trade and other payables	3,388	136	-	-	3,524	3,524	-
Provisions	2,622	1,361	-	170	4,153	4,153	-
Right - of - use assets	(66,001)	(11,809)	-	(16,568)	(94,378)	-	(94,378)
Other assets and liabilities	1,058	1,009	-	-	2,067	2,067	-
Tax assets / (liabilities) before set-off	(104,594)	26,257	2,024	(1,513)	(77,826)	107,797	(185,623)
Set-off of DTA against DTL						(107,797)	107,797
Net tax assets / (liabilities)					(77,826)		(77,826)
Continuing operations					(75,148)		(75,148)
Discontinuing operations					(2,678)		(2,678)

2021 \$000	Opening balance	Charged to income	Charged to equity	Other	Net balance at 30 June	Deferred tax assets	Deferred tax liability
Trade and other receivables	(593)	1,039	-	-	446	446	-
Financial assets at fair value through profit or loss	2,101	(14,969)	-	-	(12,868)	-	(12,868)
Financial assets at fair value through other comprehensive income	(7,081)	-	(451)	-	(7,532)	-	(7,532)
Equity accounted investments	(41,949)	(11,001)	(42)	(1)	(52,993)	-	(52,993)
Property, plant and equipment	3,878	(1,560)	-	(9,477)	(7,159)	-	(7,159)
Intangibles	(29,079)	105	-	-	(28,974)	-	(28,974)
Investment property	(4,331)	1	-	-	(4,330)	-	(4,330)
Defined benefit asset	(1,063)	(6)	297	(1)	(773)	-	(773)
Lease liabilities	72,902	(8,448)	-	4,068	68,522	68,522	-
Trade and other payables	986	2,403	-	(1)	3,388	3,388	-
Provisions	2,448	(174)	-	348	2,622	2,622	-
Tax losses	2,683	(2,683)	-	-	-	-	-
Right-of-use assets	(70,878)	8,983	-	(4,106)	(66,001)	-	(66,001)
Other assets and liabilities	1,917	(860)	-	1	1,058	1,058	-
Tax assets / (liabilities) before set-off	(68,059)	(27,170)	(196)	(9,169)	(104,594)	76,036	(180,630)
Set-off of DTA against DTL						(76,036)	76,036
Net tax assets/(liabilities)					(104,594)		(104,594)
Continuing operations					(95,070)	-	(95,070)
Discontinuing operations					(9,524)	-	(9,524)

(a) Recognition and measurement

Tax payable

The NRMA company income tax payable this year has been offset by franking credits passed on by its investment portfolio. The franking credits represent income tax already paid by entities within the investment portfolio. In addition, the NRMA is a Mutual organisation and, as such, derives income and incurs costs in its transactions with Members as owners of the company. These transactions with Members are not subject to company income tax.

(i) Current tax

Current tax assets and liabilities are measured at the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(ii) Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority, and the Company/Group intends to settle its current tax assets and liabilities on a net basis, where there is a legally enforceable right to offset.

(iii) Tax consolidation

The Company and its wholly-owned Australian subsidiaries are part of a tax-consolidated group under Australian taxation law. National Roads and Motorists' Association Limited is the head entity of the tax-consolidated group. Tax expense/income, deferred tax liabilities

and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the group allocation approach.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the Company (as the head entity in the tax-consolidated group).

Tax contribution amounts payable to or receivable by the Company are recognised in accordance with the Group's tax funding arrangements. To the extent the tax contribution amounts determined under the tax funding arrangement differ from the current tax liability or asset assumed by the Company in respect of a particular entity, the difference is recognised as a contribution from (or distribution to) equity participants.

(iv) Franking account balance

The amount of franking credits available at 30 June 2022 are \$334.1 million (2021: \$320.7 million), and the balance is calculated using the corporate tax rate of 30% (2021: 30%).

The balance of the franking account arises from franked income received and income tax paid. The Company's Constitution prevents the payment of dividends, and accordingly, the franking credits are not utilised.

(v) Carried forward tax losses

The Company has not recognised a deferred tax asset (2021: Nil) with respect to its carried forward tax losses.



Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group. The NRMA focuses on maintaining a strong balance sheet through a continued focus on cash conversion. The Group's strategy also considers expenditure, growth and asset management requirements.

- | | |
|--|---|
| C1. Reconciliation of cash flow from operating activities | C7. Lease liabilities |
| C2. Trade and other receivables | C8. Finance lease receivable |
| C3. Discontinued operations | C9. Impairment and carrying value adjustment of assets |
| C4. Property, plant and equipment | C10. Unearned income |
| C5. Right-of-use assets | |
| C6. Intangible assets and goodwill | |

C1. Reconciliation of cash flow from operating activities

	Notes	2022 \$000	2021 \$000
Reconciliation to cash flow statement:			
Cash at bank and in hand		239,270	105,820
Cash at bank attributable to discontinued operations		435	4,921
Total cash at bank and in hand		239,705	110,741

C1. Reconciliation of cash flow from operating activities continued

	Notes	2022 \$000	2021 \$000
Net profit / (loss) from continuing operations		(1,250)	39,465
Net profit / (loss) from discontinued operations		11,348	5,452
Non-cash items			
Profit / (loss) on disposal of non-current assets		(908)	872
Depreciation, amortisation and impairment and carrying value adjustments	B3	82,015	114,821
Change in net fair value of investments		22,839	(47,916)
Acquisition related costs	F2	3,705	1,249
Defined benefit plan		(2,717)	693
Equity accounted investments (profit) / loss	F1	3,152	(37,576)
Finance cost		2,436	2,591
Rent relief		(4,857)	(9,412)
(Increase) / decrease in operating assets			
Trade and other receivables		(4,548)	(1,132)
Inventories		(375)	(143)
Non-current assets held for sale		(3,072)	17,981
(Decrease) / increase in operating liabilities			
Payables		4,558	21,418
Income tax payable		19,862	(4,606)
Provisions		6,333	7,539
Unearned income		(6,802)	2,504
Change in contingent consideration		-	(4,410)
Customer deposits		3,680	5,365
Security deposit		(4,345)	(1,294)
Net deferred tax liability		(26,162)	27,177
Net cash from operating activities		104,892	140,638

(a) Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash is held as part of the investment strategy.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represents fair value.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the representative short-term deposit rates.

C2. Trade and other receivables

	2022 \$000	2021 \$000
Trade receivables ^(b)	16,756	17,672
Allowance for expected credit loss ^(a)	(1,863)	(1,684)
	14,893	15,988
Prepayments	11,400	11,338
Other receivables	11,199	9,632
Total trade and Other receivables	37,492	36,958
Movements in expected credit losses are:		
At 1 July	(1,684)	(1,874)
Charges for year	(680)	(1,034)
Amounts written back	501	1,224
At 30 June	(1,863)	(1,684)

(a) Recognition and measurement

Trade and other receivables are initially recognised at fair value, less an allowance for uncollectible amounts and expected credit losses. Trade receivables are non-interest bearing.

The recoverability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. Financial difficulties of the debtor, default payments or debts more than 91 days overdue are considered objective evidence of impairment. The amount of impairment loss is the receivable carrying amount.

At the reporting date, trade receivables of \$1,863,000 (2021: \$1,684,000) were past due and considered impaired.

(b) Trade and other receivables ageing

At 30 June, the ageing analysis of trade receivables is as follows:

	Total \$000	Current \$000	0-30 days \$000	31-60 days \$000	61-90 days \$000	91+ days \$000
2022 Consolidated	16,756	12,089	2,227	957	692	791
2021 Consolidated	17,672	8,976	4,819	1,774	650	1,453

(i) Other receivables

These include prepayments and other receivables incurred under normal terms and conditions and which do not earn interest. None of these balances is considered to be past due or impaired.

(ii) Fair value

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

(c) Calculation of expected credit loss (ECL)

In determining the ECL for the group, NRMA uses historical customer information, adjusted for known forward looking conditions such as the revenue forecast for each business unit and the general economic outlook. With the deterioration in trading conditions resulting from COVID-19, a further layer of profiling was completed to add further robustness to the calculation of the provision.

In particular:

- Specific industry risk and impacts were assessed and customers segmented on that basis;
- Intensive profiling of historical payment patterns of customers and likelihood of default;
- Assessment of recent changes in pattern or method of settling debts, for instance, requests for payment plans or use of credit card facilities; and
- Specific provisions were raised for debts considered to be bad.

C2. Trade and other receivables continued

The ECL provision by segment for 30 June 2022 is outlined in the table below:

Business Unit	Total outstanding \$'000	Total overdue \$'000	ECL provision 2022 \$'000
Motoring and Membership	4,089	36	297
Transport and Tourism	12,667	4,630	1,566
Total	16,756	4,666	1,863

C3. Discontinued operations

As at 30 June 2022, the sale of the 50% equity accounted investment in Tucker Box Hotel Group had completed with 10 of the 11 properties having settled. The operations of the Thrifty Brand in New Zealand ceased on 30 November 2021 with the remaining leases due to terminate in December 2022.

The results of the Tucker Box Hotel Trust and Thrifty Brand in New Zealand for the year are below:

Notes	2022 \$000	2021 \$000
Revenue from contracts with customers and rental income	5,889	13,605
Expenses	(2,014)	(14,967)
Operating profit / (loss) before investment, impairment and finance costs adjustments	3,875	(1,362)
Investment income	45	21
Share of operating profit / (loss) from equity accounted investments	3,857	(1,014)
Impairment and carrying value adjustments	6,195	(8,039)
Finance costs	(404)	(1,049)
Share in net fair value movement in equity accounted investments	1,232	31,310
Profit / (loss) before tax from discontinued operations	14,800	19,867
Income tax (expense) / benefit	(3,451)	(14,415)
Profit / (loss) for the year from discontinued operations	11,349	5,452

C3. Discontinued operations continued

The major classes of assets and liabilities of discontinued operations at 30 June are as follows:

	Notes	2022 \$000	2021 \$000
Assets			
Cash and cash equivalents	C1	435	4,921
Trade and other receivables		(16)	1,037
Property, plant and equipment			12,732
Right-of-use-assets	C5	-	78
Equity accounted investments		25,298	191,127
Assets held for sale		25,717	209,895
Liabilities			
Trade and other payables		85	2,334
Employee benefits provisions		-	307
Lease liability		70	9,666
Customer deposits		(60)	1,284
Interest bearing liabilities	D6	-	27,957
Net liabilities directly associated with assets held for sale		95	41,548
Net assets directly associated with disposal group		25,622	168,347

The net cash flows incurred by discontinued operations are as follows:

	Notes	2022 \$000	2021 \$000
Operating		429	20,019
Investing		11,600	1,834
Financing		(16,515)	(36,254)
Net cash (outflow) / inflow		(4,486)	(14,401)

C4. Property, plant and equipment

	Land and buildings \$000	Leasehold improvements \$000	Leased motor vehicles \$000	Motor vehicles \$000	Plant and equipment \$000	Marine vessels \$000	Total \$000
Year ended 30 June 2022							
At 1 July 2021	168,466	20,355	-	95,604	40,450	46,398	371,273
Additions	18,217	2,649	5,675	119,551	2,277	879	149,248
Acquisition of businesses	11,233	418	-	34,944	724	-	47,319
Transfers	(28)	-	(1,571)	1,571	28	-	-
Transfers – Right-of-use assets	-	-	791	-	-	-	791
Disposals	(383)	(90)	-	(63,697)	(1,465)	(1,447)	(67,082)
Assets held for sale	-	-	-	-	-	-	-
Other adjustments	4,217	1,903	-	-	182	(1,847)	4,455
Impairments	-	-	-	-	-	-	-
Depreciation charge for the year	(9,793)	(1,252)	(840)	(16,765)	(7,914)	(4,088)	(40,652)
Foreign exchange differences							
At 30 June 2022	191,929	23,983	4,055	171,208	34,282	39,895	465,352
Cost	248,806	29,502	4,857	211,259	66,972	72,548	633,944
Accumulated depreciation	(56,877)	(5,519)	(802)	(40,051)	(32,690)	(32,653)	(168,592)
Assets held for sale	-	-	-	-	-	-	-
Year ended 30 June 2021							
At 1 July 2020	133,586	8,962	-	142,020	26,321	40,684	351,573
Additions	5,635	1,402	-	12,185	11,122	541	30,885
Acquisition of businesses	36,747	11,918	-	589	11,052	9,038	69,344
Transfers	960	(553)	(1,143)	1,143	(899)	-	(492)
Transfers – Right-of-use as-sets	-	-	1,143	-	-	-	1,143
Disposals	(367)	(631)	-	(27,960)	(1,143)	(224)	(30,325)
Assets held for sale	-	-	-	(12,732)	-	-	(12,732)
Depreciation charge for the year	(8,095)	(743)	-	(19,585)	(6,003)	(3,641)	(38,067)
Foreign exchange differences	-	-	-	(56)	-	-	(56)
At 30 June 2021	168,466	20,355	-	95,604	40,450	46,398	371,273
Cost	215,834	24,673	-	159,298	66,998	75,514	542,317
Accumulated depreciation	(47,369)	(4,318)	-	(50,964)	(26,547)	(29,114)	(158,312)
Assets held for sale	-	-	-	(12,732)	-	-	(12,732)

C4. Property, plant and equipment continued

(a) Recognition and measurement

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Item	Useful life	Depreciation method
Land	n/a	No depreciation
Buildings	20-40 years	Straight-line
Leasehold improvements	Life of lease	Straight-line
Leased motor vehicles	Life of lease	Straight-line
Motor vehicles	2-9 years	Straight-line
Plant and equipment	2-10 years	Straight-line
Marine vessels	10-20 years	Straight-line

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each reporting date.

For detail on the approach to testing for impairment, refer to note C9.

C5. Right-of-use assets

The Group leases many assets, including land, building, equipment and motor vehicles. Information about the leased assets for which the Group as a lessee is set out below.

	Land \$000	Buildings \$000	Equipment \$000	Motor vehicles \$000	Total \$000
Year ended 30 June 2022					
At 1 July 2021	129,325	147,960	-	199	277,484
Additions	32,153	50,431	-	2	82,586
Transfers – Finance lease receivables	-	2,549	-	-	2,549
Transfers – Property, plant and equipment	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Acquisition of businesses	-	-	-	-	-
Lease modification	-	52,225	-	78	52,303
Impairment and carrying value adjustments	-	-	-	-	-
Depreciation charge for the year	(7,103)	(20,584)	-	(277)	(27,964)
Foreign exchange differences	-	-	-	(2)	(2)
At 30 June 2022	154,375	232,581	-	-	386,956
Cost	188,572	279,068	-	-	467,640
Accumulated depreciation	(34,197)	(46,487)	-	-	(80,684)
Year ended 30 June 2021					
At 1 July 2020	108,232	179,089	6	673	288,000
Additions	4,090	2,794	-	87	6,971
Transfers – Finance lease receivables	-	(1,444)	-	1,143	(301)
Transfers – Property, plant and equipment	-	-	-	(1,143)	(1,143)
Assets held for sale	-	-	-	(78)	(78)
Acquisition of businesses	23,255	1,930	-	-	25,185
Lease modifications	-	(654)	-	(2)	(656)
Impairment and carrying value adjustments	-	(8,036)	-	-	(8,036)
Depreciation charge for the year	(6,252)	(25,672)	(6)	(480)	(32,410)
Foreign exchange differences	-	(47)	-	(1)	(48)
At 30 June 2021	129,325	147,960	-	199	277,484
Cost	157,603	196,535	12	592	354,742
Accumulated depreciation	(28,278)	(48,575)	(12)	(393)	(77,258)

C5. Right-of-use assets continued

(a) Recognition and measurement

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment and other carrying value losses, if any, and adjusted for certain remeasurements of the lease liability.

See note C9 Impairment of Assets and carrying value adjustments for further details.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with the leases as an expense on a straight-line basis over the lease term. The expense relating to payments not included in the measurement of the lease liabilities is as follows.

	2022 \$000	2021 \$000
Short-term leases	4,221	3,433
Leases of low value assets	173	202
Variable lease payments	23,429	23,155
Total	27,823	26,790

C6. Intangible assets and goodwill

	Land use rights \$000	Software \$000	Goodwill \$000	Licence agreement \$000	Contracts \$000	Total \$000
Year ended 30 June 2022						
At 1 July 2021, net of accumulated amortisation	-	41,416	78,400	-	72,668	192,484
Additions	-	3,916	24,049	-	2,169	30,134
Acquisitions of businesses	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Disposals	-	(91)	-	-	-	(91)
Impairment and carrying value	-	-	-	-	-	-
Other adjustment	-	(43)	818	-	-	775
Amortisation expense	-	(12,793)	-	-	(6,801)	(19,594)
Foreign exchange differences	-	-	-	-	-	-
At 30 June 2022		32,405	103,267	-	68,036	203,708
Gross carrying amount		146,845	140,056	-	97,397	384,298
Accumulated amortisation		(114,440)	(36,789)	-	(29,361)	(180,590)
Year ended 30 June 2021						
At 1 July 2020, net of accumulated amortisation	-	56,369	79,538	-	72,402	208,309
Additions	-	3,306	14,957	-	6,604	24,867
Acquisitions of businesses	-	69	-	-	-	69
Transfers	-	493	-	-	-	493
Disposals	-	(4,949)	-	-	-	(4,949)
Impairment and carrying value adjustments	-	-	(16,095)	-	-	(16,095)
Amortisation expense	-	(13,872)	-	-	(6,338)	(20,210)
Foreign exchange differences	-	-	-	-	-	-
At 30 June 2021		41,416	78,400	-	72,668	192,484
Gross carrying amount	-	143,302	115,189	-	95,228	353,719
Accumulated amortisation	-	(101,886)	(36,789)	-	(22,560)	(161,235)

*Transfer of Land use rights to classify as a right-of-use asset under AASB 16 Leases.

C6. Intangible assets and goodwill continued

(a) Recognition and measurement

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the consideration over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If this consideration is less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised in the profit or loss as a bargain purchase.

(ii) Research and development

The Group is undertaking a number of development projects aimed at producing new products and services, along with the ongoing investment in information technology systems.

Expenditure on research into areas such as potential new products and services is recognised as an expense as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied, requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Given the significant investment, there is an element of judgment regarding the recoverability of the asset values and in the classification of expenditure as capital rather than ongoing operational in nature.

(iii) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the NRMA Group with the right to access the cloud provider's application software over the contract period. As such, the NRMA Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	<ul style="list-style-type: none"> • Fee for the use of application software
Recognise as an operating expense as the service is received	<ul style="list-style-type: none"> • Configurations costs • Data conversion and migration costs • Testing costs • Training costs

Costs incurred for the development of software code that enhances or modifies or creates additional capability to existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

(iv) Amortisation

Where applicable, amortisation is calculated on a straight-line basis over the estimated finite life of the intangible assets as follows:

- Licence agreements - over the life of the licence
- Software - over 3 to 10 years
- Contracts - over 8 to 45 years

C7. Lease liabilities

The following table sets out the maturity analysis of lease liabilities for leases, showing the undiscounted lease payments to be paid after the reporting date. Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities includes exposure arising from:

- variable lease payments;
- extension options and termination options;
- residual value guarantees; and
- leases not yet commenced to which the lessee is committed.

	Land \$000	Buildings \$000	Motor vehicles \$000	Total \$000
Year ended 30 June 2022				
At 1 July 2021	101,222	158,865	1,112	261,199
Additions	32,087	50,400	2	82,489
Liabilities held for sale	-	-	-	-
Acquisition of businesses	-	-	-	-
Repayments	(6,822)	(25,213)	(288)	(32,323)
Payouts	-	-	(829)	(829)
Lease modifications	-	52,225	-	52,225
Interest	4,133	7,045	3	11,180
Foreign exchange differences	-	-	-	-
At 30 June 2022	130,620	243,322	-	373,942
Current	6,016	14,116	-	20,132
Non-current	124,604	229,206	-	353,810
Less than one year	8,063	22,407	-	30,470
One to five year	30,515	77,216	-	107,731
More than five years	175,357	228,658	-	404,015
Total undiscounted lease liabilities	213,935	328,281	-	542,216
Year ended 30 June 2021				
At 1 July 2020	80,267	191,066	3,067	274,400
Additions	3,610	2,736	87	6,433
Liabilities held for sale	-	(9,666)	-	(9,666)
Acquisition of businesses	21,671	1,862	-	23,533
Repayments	(7,492)	(31,774)	(917)	(40,183)
Payouts	-	(63)	(1,167)	(1,230)
Lease modifications	-	(745)	(2)	(747)
Interest	3,166	5,497	45	8,708
Foreign exchange differences	-	(48)	(1)	(49)
At 30 June 2021	101,222	158,865	1,112	261,199
Current	4,564	18,525	848	23,937
Non-current	96,658	140,340	264	237,262
Less than one year	7,807	25,394	866	34,067
One to five year	25,347	73,735	267	99,349
More than five years	131,529	99,302	-	230,831
Total undiscounted lease liabilities	164,683	198,431	1,133	364,247

Rent concessions due to COVID-19

The Group applied the practical expedient for rent concessions received as a consequence of COVID-19. These concessions met the following criteria:

- the revised consideration was substantially the same or less than the original consideration;

C7. Lease liabilities continued

- the reduction in lease payments relates to payments due on or before 30 June 2022; and
- no other substantive changes have been made to the terms of the lease.

As a result, concessions of \$4.3 million for continued operations (2021: \$8.3 million) and \$0.6 million for discontinued operations (2021: \$1.1 million) were recognised in the profit or loss account as a credit against lease expense and not accounted for as lease modifications.

(a) Recognition and measurement

The Group recognises a lease liability at the lease commencement date. 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, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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 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 the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Variable lease payments that do not depend on an index or rate and are not, in substance, fixed, such as those based on performance or usage of the underlying asset, are not included as lease payments. Instead, they are recognised in profit or loss in the period in which the event that triggers the payment occurs.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. 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-of-use asset has been reduced to zero.

The likely duration of leases is assessed based on available information. Where options to extend a lease are available, an assessment of the likelihood of exercising the option is made based on relevant facts and economic incentives.

Extension assumptions are also made, in some instances, on leases that have expired and moved to month-to-month arrangements. The assumptions are based on the criticality of the site to the operation of the business, and the general industry practice of long-term month-to-month contracts at these locations.

C8. Finance lease receivable

The following table sets out a maturity analysis of finance lease receivables, showing the undiscounted lease payments to be received after the reporting date.

Finance lease receivables	2022 \$000	2021 \$000
Within one year	20	2,313
One to five years	51	3,234
More than five years	8	20
Total undiscounted lease payment receivables	79	5,567
Unearned finance income	(6)	(173)
Net investment in the lease	73	5,394
Current	18	2,218
Non-current	55	3,176
Total finance lease receivables	73	5,394

The Group has a number of sub-lease agreements in place with rental franchisees for property rentals. As the lessor, the sub-lease arrangements have been classified as a finance lease as substantially all the risk and rewards of the underlying asset are transferred.

Property rentals are currently under operating head leases. The assets are sub-let to franchisees on back-to-back agreements, passing on the same terms and conditions in the lease agreement with the lessor to the franchisee.

(a) Recognition and measurement

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies AASB 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

C9. Impairment and carrying value adjustment of assets

Intangible assets that have an indefinite useful life, such as goodwill, are not subject to amortisation and are tested annually for impairment and carrying value adjustments, or more frequently if events or changes in circumstances indicate that they might be impaired.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable (or when the asset is not yet available for use, annually or more frequently when an indication of impairment arises during the reporting period).

Equity accounted investments are reviewed annually for indicators of impairment (or more frequently if events or changes in circumstances indicate that they might be impaired). The recoverable amount of the asset is determined as the higher of the fair value less costs of disposal and the value in use.

If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets which generate cash inflows that are largely independent of those from other assets or groups of assets (CGUs). Goodwill is allocated to each of the Group's CGUs that are expected to benefit from the business combination in which the goodwill arose. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income

(v) Impairment loss and carrying value adjustments

	2022 \$000	2021 \$000
Year ended 30 June		
Unrealised fair value changes recognised in profit or loss - note D7	-	(4,410)
Goodwill	-	16,095
Plant and equipment	-	3
Right-of-use (reversal of impairment)	(6,195)	8,036
Discontinued operations – note C3	6,195	(8,039)
Total impairment and carrying value adjustments	-	11,685

Key estimate and judgement: impairment of assets

Determination of potential impairment requires an estimation of the recoverable amount of the CGUs to which the goodwill and intangible assets with indefinite useful lives are allocated. In 2022, the Group used the "value in use method" (2021: "value in use method") to determine the recoverable amount. A valuation methodology based on a discounted cashflow (DCF) analysis was completed, using inputs including estimated maintainable operating profit applying mutual tax rates and an appropriate discount rate and growth rate.

C9. Impairment and carrying value adjustment of assets continued

The following table summarises the quantitative information about the significant unobservable inputs used in measuring the recoverable value of the CGU's.

Description	Carrying value of Goodwill at 30 June 2022 \$'000	Unobservable inputs	Range of inputs 2022	Relationship of unobservable inputs to fair value in use measurement
Parks and Resorts CGU	79,107	WACC discount rate	7.7%	The higher the WACC rate, the lower the value in use
		Growth rate	2.5%	The higher the growth rate, the higher the value in use
Expeditions CGU (NRMA Tasmania)	7,660	WACC discount rate	7.7%	The higher the WACC rate, the lower the value in use
		Growth rate	3.0%	The higher the growth rate, the higher the value in use

The discount rate is calculated at the weighted average cost of capital utilising the capital asset pricing mechanism.

These value in use assessments, based on the above inputs, support the carrying value of goodwill associated with these CGU's at 30 June 2022.

Goodwill arising from the acquisition of newly acquired parks and vehicle rental franchises has not been impairment tested given the proximity of the acquisition to year end, its value approximating value in use.

Impact of possible changes in key assumptions

Reasonably possible changes in the key assumptions outlined above, could potentially cause the carrying value of the CGUs to exceed their recoverable amount, and result in an impairment. These are:

- an increase of WACC discount rate and/or decrease in growth rate of 1%; and
- the ability to deliver capital programs as planned, given current supply chain constraints, to achieve growth targets.

Reversal of impairment loss

In 2021 NRMA impaired all right-of-use assets relating to NRMA New Zealand. In 2022 the group successfully novated the leases to NZ Leisure Ltd, generating a benefit that triggered the reversal of impairment taken in the prior year.

C10. Unearned income

Unearned revenue comprises of amounts received from Members for entrance fees and roadside subscriptions, prepayments for ferry and tourism related services, and deposits on holiday park accommodation.

For Member entrance fees and roadside subscriptions, the earned portion of amounts received is recognised as revenue evenly over the subscription period using the 365 day method (earned over one year). Revenue received applicable to the unexpired period of the subscription term is recognised as unearned income.

Amounts received in respect of prepaid ferry and tourism related services and deposits for holiday park and hotel accommodation are recognised as revenue as the customer utilises the service. Revenue received in respect of services yet to be provided is recognised as unearned income.



Financial instruments

This section provides information relating to the Group's capital structure, its investment portfolio and its exposure to financial risk, how they affect the Group's financial position and performance, and how the risks are managed.

- D1.** Financial risk management objectives and policies
- D2.** Fair value estimation
- D3.** Financial assets at fair value through profit or loss
- D4.** Financial assets at fair value through other comprehensive income

- D5.** Investment property
- D6.** Interest bearing liabilities
- D7.** Contingent consideration

D1. Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, which include: market risk (mainly price risk as the Group has minimal exposure to interest rate risk and foreign exchange risk which are not material), credit risk and liquidity risk. The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit and liquidity risk.

Financial risk management is carried out by the Chief Financial Office (CFO) team under policies approved by the Board of Directors (the Board). The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board, which provide written principles on the use of financial instruments and other derivatives. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuing basis.

The Parent is not exposed to any significant financial risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Section D to the financial statements.

Market risk

(i) Interest rate risk

The Group's interest rate risk is minimal. Interest rate risk arises from floating rate borrowings and capped bank loan facilities. It also has third party borrowings in the form of finance leases.

Further details of the Group's interest bearing liabilities are provided in note D6.

(ii) Foreign exchange risk

While the Group transacts in a range of currencies and is therefore exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the New Zealand Dollar, this exposure is minimal as the Group's volume of overseas transactions is low.

The Group does not enter into forward exchange contracts to hedge foreign currency denominated receivables and payables.

(iii) Price risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as other non-current financial assets. The investment balance is comprised of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

The Group's investment in financial assets at fair value through other comprehensive income are in IAG shares that are publicly traded on the Australian Stock Exchange. In addition, the group also carry investments in a few startup companies that are not publicly listed. The Group's intention is to hold these financial assets to collect contractual cash flows or sell financial assets to maximise the return on the portfolio until the need arises for the invested cash. In the absence of public trading, the acquisition costs of these shares will be treated as a proxy for its fair value. There has been no market decline in value based on recent capital raising with investors apart from the NRMA.

D1. Financial risk management objectives and policies continued

The table below analyses the Group's other investments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Investment category	2022 \$000	2021 \$000
Current assets		
Cash deposits	57,859	54,879
Other investment receivables	18,553	4,787
Other financial assets	-	5,000
Total current assets	76,412	64,666
Non current assets		
Australian shares	93,933	97,171
International shares	103,669	101,551
Fixed interest securities	168,431	177,716
Diversified unit trust	54,230	81,868
Other financial assets	4,362	4,362
Financial assets at fair value through other comprehensive income	66,857	72,800
Total non-current assets	491,482	535,468

Group sensitivity

The following table analyses the sensitivity of price risk on the Group's financial assets. The group is not exposed to price risk on financial liabilities.

A 10% strengthening or weakening of market prices at the reporting date would have changed the result by the amounts shown in the below table.

	Carrying amount \$000	Price risk			
		-10%		+10%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
2022					
Financial assets	549,341	(19,397)	(6,686)	19,397	6,686
Total increase/ (decrease)		(19,397)	(6,686)	19,397	6,686
2021					
Financial assets	590,347	(28,059)	(7,280)	28,059	7,280
Total increase/ (decrease)		(28,059)	(7,280)	28,059	7,280

DI. Financial risk management objectives and policies continued

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk is managed on a business unit basis. No business unit has a significant concentration of credit risk. Each business unit has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above. The Group does not hold any guarantees over the debts of customers.

For information on the ageing profile and impairment of trade receivables refer to note C2(b).

(b) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying business, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table opposite analyses the Group's financial liabilities, financial guarantees and net settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 5 years \$000	Total \$000
2022					
Trade payables	17,272	5,337	(492)	214	22,331
Interest bearing liabilities			2,557	183,394	185,951
Customer deposits ⁽¹⁾	20,234	3,517	(399)	(120)	23,232
2021					
Trade payables	19,966	4,693	156	838	25,653
Interest bearing liabilities	-	-	-	127,241	127,241
Customer deposits ⁽¹⁾	5,722	9,531	6,436	1,832	23,521

⁽¹⁾Customer deposits are only refundable if the underlying service is not provided.

Where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay. When the Group is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Group is required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment and investments in working capital (e.g. inventories and trade receivables).

Liquid non-derivative assets comprising cash and receivables are considered in the Group's overall liquidity risk. The Group ensures that sufficient liquid assets are available to meet all the required short-term cash payments.

D2. Fair value estimation

The Directors consider that the carrying amount of financial assets, financial liabilities and the investment property recorded in the statement of financial position approximate their fair values.

The Group uses various methods in estimating the fair value of these assets and liabilities. The methods comprise:

Level 1

The fair value is calculated using quoted prices in active markets.

Level 2

The fair value is estimated using inputs other than quoted prices included in Level that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3

The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	Quoted market price (Level 1) \$000	Valuation technique – market observable inputs (Level 2) \$000	Valuation technique – non market observable inputs (Level 3) \$000	Total \$000
2022				
Financial assets at fair value through profit and loss				
Listed investments	370,395	-	-	370,395
Unlisted investments	-	54,230	-	54,230
Financial assets at fair value through other comprehensive income				
Listed investments	48,166	-	-	48,166
Unlisted investments	-	18,691	-	18,691
Investment property	-	-	41,800	41,800
Total	418,561	72,921	41,800	533,282
2021				
Financial assets at fair value through profit and loss				
Listed investments	380,800	-	-	380,800
Unlisted investments	-	81,868	-	81,868
Financial assets at fair value through other comprehensive income				
Listed investments	60,150	-	-	60,150
Unlisted investments	-	12,650	-	12,650
Investment property	-	-	39,200	39,200
Total	440,950	94,518	39,200	574,668

D2. Fair value estimation continued

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

(i) Valuation techniques used to determine Level 1 and Level 2 fair values

The total value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include unlisted unit trusts valued at the redemption value per unit, as reported by the managers of such trusts.

(ii) Valuation techniques and processes used to determine Level 3 fair values

The Group engages external, independent and qualified valuers to determine the fair value of its land and buildings classified as an investment property at least every three years.

Description	Fair value at		Unobservable input	Range of inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
	30 June 2022 \$000	30 June 2021 \$000		2022	2021	
Wynyard	22,000	18,000	Discount rate ¹	-	5.0%	The higher the discount rate and terminal yield, the lower the fair value
			Terminal yield ¹	-	5.2%	
			Capitalisation rate	4.25% to 4.75%	4.7%	The higher the capitalisation rate and expected vacancy rate, the lower the value
			Expected vacancy rate	8.4%	5.0%	
Vehicle servicing properties	19,800	21,200	Terminal yield	2.0% to 5.5%	1.3% to 6.0%	The higher the terminal yield, the lower the fair value.
			Capitalisation rate	5.5% to 5.75%	6.0 to 6.5%	The higher the capitalisation rate and expected vacancy rate, the lower the value.
			Expected vacancy rate	-	-	

¹The valuation methods used in 2022 were capitalisation of net income and direct comparison methods. In 2021, a discounted cash flow (DCF) approach was used to value the properties.

D3. Financial assets at fair value through profit or loss

Current	2022 \$000	2021 \$000
Cash deposits	57,859	54,879
Other investment receivables	18,553	4,787
Other financial assets	-	5,000
Total current assets	76,412	64,666

Non-current	2021 \$000	2021 \$000
Investments designated at fair value through the profit or loss:		
Australian shares	93,933	97,171
International shares	103,669	101,551
Fixed interest securities fund	168,431	177,716
Other financial assets	4,362	4,362
Diversified unit trust	54,230	81,868
Total	424,625	462,668

(a) Recognition and measurement

The Group classifies its financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVOCI)

Management determines the classification of its investments at initial recognition depending on the purpose for which the investments were acquired or originated. The classification is determined by the business model in which a financial asset is managed and its contractual cash flow characteristics.

When financial assets are recognised initially, they are measured at fair value. Subsequent changes in fair value are recognised in the profit or loss as they arise (FVTPL), unless a more restrictive criteria is met for classifying and measuring the assets at either amortised cost or fair value through other comprehensive income (FVOCI).

Assets carried at amortised cost

Subsequent to initial recognition, receivables with less than 12 months maturity are classified and measured at amortised cost.

(i) Financial assets at fair value through profit or loss

The Group has classified certain financial assets at fair value through profit or loss. Fair value is determined in the manner described in note D2. Gains and losses arising from changes in fair value are recognised directly in the statement of profit or loss. Financial assets at fair value through profit or loss are designated as such on the basis that this group of financial assets are managed and performance is evaluated on a fair value basis in accordance with a documented investment strategy and information about the portfolio is provided internally on this basis to the Group's key management personnel.

D4. Financial assets at fair value through other comprehensive income

	2022 \$000	2021 \$000
Listed investments	48,166	60,150
Unlisted investments	18,691	12,650
At 30 June	66,857	72,800

(a) Recognition and measurement

The Group has elected to hold certain equity instruments that are not actively traded at fair value through other comprehensive income. Future valuation changes will not flow through profit or loss but instead will be accounted for in other comprehensive income.

D5. Investment property

	2022 \$000	2021 \$000
At 1 July	39,200	39,200
Transfer out	(2,701)	-
Transfer in	420	-
Change in net fair value through profit and loss	4,881	-
At 30 June	41,800	39,200

(a) Recognition and measurement

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value (refer to note D2 (ii)), which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

In the event of a change in use of assets from operating assets to investment assets, the asset is revalued to its fair value with the difference between the carrying value and fair value accounted in the asset revaluation reserve.

(b) Amounts recognised in the statement of profit or loss for investment properties

	2022 \$000	2021 \$000
Amounts recognised in the statement of profit or loss		
Rental income derived from investment properties	1,544	1,156
Direct operating expenses generating rental income	(778)	(803)
Net profit arising from investment properties carried at fair value	766	353

D6. Interest bearing liabilities

	2022 \$000	2021 \$000
Current liabilities		
Obligations under finance leases	2,557	-
At 30 June	2,557	-
Non-current liabilities		
Obligations under finance leases	1,466	-
Bank loan	181,928	127,241
Bank loan – discontinued operations	-	27,957
At 30 June	183,394	155,198

(a) Recognition and measurement

All loans and interest bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing liabilities are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and interest bearing liabilities. Interest bearing liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Assets held as security

During 2022 the Group refinanced the revolving cash advance facility. The facility was increased from \$250 million to \$300 million with \$75 million on a five year term and \$225 million on a three year maturity. Under the new facility all wholly owned subsidiaries have provided customary negative pledge undertakings and are subject to financial undertakings. Kingmill Pty Ltd has retained their existing finance lease facilities.

(c) Financial commitments

At the reporting date, the following financing facilities had been negotiated and were available:

	Total facilities		Used facilities		Unused facilities	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Corporate debt facility	300,000	250,000	183,133	155,120	116,867	94,880
Leasing facility	40,000	50,703	4,023	832	35,977	49,871
Corporate card facility	1,203	2,000	477	437	726	1,563
Bank guarantees	29,307	29,376	15,559	18,605	13,748	10,771
At 30 June	370,510	332,079	203,192	174,994	167,318	157,085

D7. Contingent consideration

	2022 \$000	2021 \$000
Non-current liabilities		
At 1 July	22,100	24,100
Unwind of discount in interest expense	2,210	2,410
Unrealised fair value changes recognised in profit or loss	-	(4,410)
At 30 June	24,310	22,100

(a) Recognition and measurement

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred is measured at the amount of cash and cash equivalents transferred, the fair value of any equity instruments transferred and the fair value of any contingent consideration arrangement. Subsequent changes to the fair value of the contingent consideration which is classified as a financial liability that is within the scope of AASB 9 are recognised in profit or loss.

The Group has valued the contingent consideration to pay the selling shareholders at \$24.3 million (2021: \$22.1 million), after incorporating adjustments that impact the probability of meeting financial and other targets.

The final consideration will be based on future circumstances and will be subject to annual revisions of the probability of meeting agreed outcomes.



Employee benefits

This section provides a breakdown of the various employee entitlements the NRMA provides to reward and recognise employees and key executives, including Key Management Personnel (KMP). The NRMA believes these entitlements reinforce the Group's values and drive performance both individually and collectively to deliver better outcomes for Members.

E1. Employee benefits

E2. Key management personnel compensation and related party transactions

E1. Employee benefits

	2022 \$000	2021 \$000
Current	39,831	31,900
Non-current	6,347	6,292
Total	46,178	38,192

(a) Recognition and measurement

The employee benefits liability represents accrued wages and salaries, leave entitlements and other incentives recognised in respect of employees' services up to the end of the reporting period. These liabilities are measured at the amounts expected to be paid when settled and include related on-costs, such as worker's compensation insurance, superannuation and payroll tax.

	2022 \$000	2021 \$000
Defined contribution superannuation	16,974	14,172
Employee benefits	234,234	196,214
Total	251,208	210,386

Job Saver payments

On 26 June 2021, a new Public Health Order led to the creation of the Job Saver program starting in July. This program replaced Job Keeper which had been in place between 30 March 2020 and 31 March 2021. The new program provided assistance to small and medium businesses responding to the Omicron variant of COVID-19 to assist in maintaining jobs and support the economy as restrictions were being lifted. During financial year 2022 the Transport and Tourism business received \$0.8 million under this scheme (2021: \$9.4 million from Job Keeper). There were no other payments received by the NRMA Group.

(b) Superannuation

Contributions are made to various defined contribution superannuation plans and a defined benefit superannuation plan in accordance with their governing rules and, for the defined benefit superannuation plan, recommendations from the plan's actuaries, which are designed to ensure that the plan's funding provides sufficient assets to meet liabilities over the longer term. Most employees are defined contribution members, with less than 100 employees participating on a defined benefits basis. The defined benefit superannuation plan is closed, so all new employees are provided with defined contribution arrangements. The plans provide benefits for members or their dependents in the form of a lump sum or pension payments generally upon ceasing relevant employment.

E2. Key management personnel compensation and related party transactions

	2022 \$	2021 \$
Short term employee benefits	5,483,650	5,469,082
Post-employment benefits	254,185	242,334
Other long term benefits	990,764	994,046
Total	6,728,599	6,705,462

The table above shows the aggregate of Directors and Executives, being the key management personnel (KMP), remuneration for the NRMA Group. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

A Long Term Incentive (LTI) was introduced on 1 July 2016 to attract and retain the right level of KMP, critical to driving company results consistently, sustainably and aligned to Members' interest. Payment in respect of LTI is subject to meeting performance hurdles in accordance with the LTI scheme rules. At the conclusion of the year ended 30 June 2022, performance was assessed against LTI targets, and 100% of the LTI was deemed payable, with payment due in September 2024. Payment in respect of 2019 was paid in September 2021.

(a) Transactions with related parties

The wholly-owned Group consists of National Roads and Motorists' Association Limited and its wholly-

owned Controlled Entities. Ownership interests in these Controlled Entities are set out in note F3.

Key management personnel from time to time acquire goods or services from the NRMA and its related entities, such as SIXT car rental and Travelodge accommodation. Key management personnel obtained the usual staff benefits and discounts applicable to all NRMA employees.

Terms and conditions of transactions with related parties:

All transactions with related parties are conducted at an arm's length basis in the normal course of business and on commercial terms and conditions.

(b) Associate related entities

All transactions with Associate entities listed in note F1 are conducted at an arm's length basis in the normal course of business and on commercial terms and conditions.



Group structure

This section explains significant aspects of the Group structure including equity, accounted investments, the entities over which the Group has control and how changes have affected the structure. It also provides information on business acquisitions made during the year and the financial statements of the Parent entity.

F1. Equity accounted investments

F2. Acquisition of businesses

F3. Controlled entities

F4. Parent entity information

F1. Equity accounted investments

	2022 \$000	2021 \$000
Carrying amount of investments		
Investments in associates	66,032	62,000
Investments in joint ventures	14,030	12,461
Total carrying amount of investment	80,062	74,461
Net profit accounted for using the equity method		
Share of operating profit from investments in associates	(3,695)	5,799
Share of operating profit from investments in joint ventures	543	958
Total share of operating profit from equity accounted investments	(3,152)	6,757
Interest in associates at the end of the financial year		
Carrying amount of investment in associates at the start of the year	62,000	35,617
Purchases	-	30,638
Increase in investment	7,727	-
Impairment and carrying value adjustments	-	(1,616)
Distributions received from associates	-	(8,438)
Share of associates' net profits / (losses)	(3,695)	5,799
Carrying amount of investments in associates at end of the year	66,032	62,000

FI. Equity accounted investments continued

	2022 \$000	2021 \$000
Interest in joint ventures at the end of the financial year		
Share of revenue from ordinary activities	837	1,244
Share of unrealised gain / (loss) for interest rate swaps	216	-
Share of unrealised gain / (loss) on revaluation of non-current assets	808	523
Share of expenses from ordinary activities	(292)	(286)
Share of profit / (loss) from ordinary activities before income tax expense	1,569	1,481
Share of income tax (expense) related to ordinary activities	-	-
Share of joint ventures' net profit accounted for using the equity method	1,569	1,481
Summary financial position of joint ventures		
The Group's share of aggregate assets and liabilities of the joint venture is as follows:		
Current assets	653	833
Non-current assets	22,177	20,610
Total assets	22,830	21,443
Current liabilities	50	48
Non-current liabilities	8,750	8,934
Total liabilities	8,800	8,982
Net assets	14,030	12,461
Accumulated profits of the Group attributable to the joint ventures		
Balance at the beginning of the year	5,730	4,649
Share of joint ventures' net profits / (losses)	1,569	1,481
Distributions received from joint ventures	-	(400)
Balance at the end of the year	7,299	5,730
Movement in carrying amount of investments		
Carrying amount of investments in joint ventures at the beginning of the year	12,461	172,112
Discontinued operations	-	(160,830)
Joint ventures' reserve movements	-	98
Distributions received from joint ventures	-	(400)
Shares of joint ventures' net profits / (losses)	1,569	1,481
Carrying amount of investments in joint ventures at end of the year	14,030	12,461

FI. Equity accounted investments continued

The Group has interests in the following joint ventures and associates, which are equity accounted:

Name of arrangement	Principal activity	Country of operation	Ownership interest	
			2022 %	2021 %
Associates				
Australian Motoring Services Pty Ltd ⁽ⁱ⁾	Motoring and travel assistance services	Australia	35.30	35.30
Barralong Leisure Holdings Pty Ltd	Tourism and Leisure	Australia	46.08	46.08
Club Assets Pty Ltd ⁽ⁱⁱ⁾	Motoring assistance services	Australia	50.00	50.00
⁽ⁱ⁾ NRMA increased their interest in Australian Motoring Services Pty Ltd to 35.61% from 1 July 2022. ⁽ⁱⁱ⁾ Club Assets Pty Ltd owns a 75% interest in Club Assist Corporation Pty Ltd.				
Joint ventures				
KJ Hotel Trust	Accommodation	Australia	50.00	50.00
Tucker Box Hotel Trust	Accommodation	Australia	50.00	50.00

(a) Recognition and measurement

Investments in entities over which the Group has the ability to exercise significant influence but not control are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted after that to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including

any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described in note C9.

F2. Acquisition of businesses

During the financial year the NRMA group acquired 100% interest in two holiday parks and the assets and business operations of two car rental franchisees set out in the table below:

Business	Principal activity	Acquisition date
Agnes Water First Point Pty Ltd ("Agnes Water")	Operating as a tourist park	2 November 2021
Coldstone Enterprises Pty Ltd ("Airlie Beach")		30 July 2021
Hibberd Projects Pty Ltd	Operating as a vehicle rental business	13 October 2021
Jonday Holdings Pty Ltd		14 November 2021

(i) Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Consideration paid and payable	\$000
Cash paid	72,456
Cash payable	0
Total consideration paid and payable	72,456

(ii) Acquisition related costs

The Group incurred acquisition related costs of \$3.705 million on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

(iii) Identifiable assets acquired and liabilities assumed

The accounting and tax values for the acquisition have been determined on a provisional basis as the fair value of certain assets and liabilities acquired have not been determined at balance date. NRMA has 12 months from acquisition date to establish and finalise these values and where necessary has stated these amounts at book value established by the vendor.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at acquisition date:

	\$000
Property, plant and equipment	47,326
Trade and other receivables	945
Right-of-use assets	64,894
Contractual rights	2,169
Trade and other payables	(518)
Customer deposits	(665)
Lease liabilities	(65,247)
Deferred tax liabilities	(497)
Total identifiable net assets acquired	48,407

F2. Acquisition of businesses continued

The valuation techniques used for measuring the fair value of material assets and liabilities acquired were as follows:

Assets and liabilities	Valuation techniques
Property, plant and equipment	Market comparison technique and cost technique: the valuation model considers quoted market prices for similar items when available and depreciated replacement cost when appropriate.
Contractual rights	Recognised and valued the contractual right associated with the ability to receive economic benefits.
Trade and other receivables	Cost technique: considers the expected economic benefits receivable when due.
Right-of-use assets and lease liabilities	Recognised and valued in accordance with AASB16 and Market participant IBR percentage.
Inventory	Market comparison and cost technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.
Customer deposits	This amount is the actual value of reportable fees in advance as agreed to with the vendor.
Trade and other payables	Cost technique: considers the expected economic outflow of resources when due.
Deferred tax liabilities	Calculated on the fair value balance sheet position.

(iv) Goodwill

Goodwill arising from acquisitions has been recognised as follows:

	Notes	\$000
Gross purchase consideration		72,456
Fair value of identifiable net assets acquired		(48,407)
Goodwill arising from acquisition		24,049
Provisional accounting change ^(a)		818
Total goodwill arising from acquisition	C6	24,867

^(a) Represents the change to provisional accounting on the valuation of previously acquired Tasmanian tourism assets acquired in 2021.

The goodwill represents revenue growth opportunities, the skills and talent of staff retained and expected synergies to be achieved from integrating the companies into the Group's existing business. Goodwill is based on managements current view of the future opportunities and will be reviewed annually in accordance with the Group's accounting policies. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

F2. Acquisition of businesses continued

(v) Purchase consideration – cash outflow

	Notes	\$000
Gross purchase consideration paid		72,456
Less: cash balances acquired		-
		72,456
Acquisition related costs	C1	3,705
Outflow of cash from investing activities		76,161

Key estimates and judgement: accounting for acquisition of businesses

Accounting for acquisition of businesses requires judgement and estimates in determining the fair value of acquired assets and liabilities. The relevant accounting standard allows the fair value of assets acquired to be refined for a window of a year after the acquisition date and judgement is required to ensure that the adjustments made reflect new information obtained about facts and circumstances that existed as of the acquisition date. The adjustments made on fair value of assets are retrospective in nature and have an impact on goodwill recognised on acquisition.

(vi) Impact of our acquisition of businesses on the result of the Group

In the year ended 30 June 2022, the businesses acquired contributed revenue of \$26.3 million and an operating profit of \$5.4 million to the Group's results, since acquisition. If the acquisitions had occurred at 1 July 2021, management estimates that the Group's full year contributed revenue would have been \$18.0 million.

(a) Recognition and measurement

The Group accounts for businesses it acquires using the acquisition method when control is transferred to the Group. The consideration transferred is measured at the amount of cash and cash equivalents transferred, the fair value of any equity instruments transferred and the fair value of any contingent consideration arrangement. Subsequent changes to the fair value of the contingent consideration which is classified as a financial liability that is within the scope of AASB 9 are recognised in profit or loss. Acquisition related costs are expensed as incurred in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(b) NRMA Tasmania Pty Ltd

On 31 May 2021, the Group acquired the Tasmanian tourist assets, made up of Freycinet Lodge, Cradle Mountain Hotel, Strahan Village and Gordon River Cruises. As at 30 June 2021 provisional accounting was undertaken given the proximity of the transaction to period end. In 2022, the NRMA finalised its provisional accounting, resulting in an increase in the fair value of land of \$1.34 million using the market approach, a reduction in the fair value of vessels of \$1.85 million using the indirect cost approach and an increase in goodwill of \$0.31 million.

(c) Ballarat

On 18 June 2021, the Group acquired Big 4 Ballarat Goldfields Holiday Park. As at 30 June 2021 provisional accounting was undertaken given the proximity of the transaction to period end. In 2022, the NRMA finalised its provisional accounting, resulting in an increase in goodwill by \$0.512 million.

F3. Controlled entities

The consolidated financial statements include the financial statements of National Roads and Motorists' Association Limited and the subsidiaries listed in the following table:

Name of entity	Place of incorporation	Percentage of shares held	
		2022 %	2021 %
NRMA Travel Pty Limited	Australia	100	100
AFG Investments Pty Limited	Australia	100	100
TR Australia Holdings Pty Ltd	Australia	100	100
Kingmill Pty Ltd	Australia	100	100
NRMA New Zealand Ltd ¹	New Zealand	100	100
Australian Tourist Park Management Property Pty Ltd (ATF Australian Tourist Park Management Property Trust)	Australia	100	100
Australian Tourist Park Management Pty Ltd	Australia	100	100
NRMA Holiday Parks Pty Limited	Australia	100	100
NRMA Tourist Parks Pty Limited	Australia	100	100
NRMA Tourist Park No.1 Pty Ltd	Australia	100	100
NRMA Tourist Park No.2 Pty Ltd	Australia	100	100
NRMA Tourist Park No.3 Pty Ltd	Australia	100	100
NRMA Tourist Park No.4 Pty Ltd	Australia	100	100
NRMA Holiday Parks Licensing Pty Ltd	Australia	100	100
NRMA Expeditions Holdings Pty Limited	Australia	100	100
NRMA Expeditions Pty Limited	Australia	100	100
NRMA Tasmania Pty Ltd	Australia	100	100
NRMA Marine Pty Limited	Australia	100	100
Noorton Pty Ltd	Australia	100	100
FantaSea Pty Ltd	Australia	100	100
Manly Fast Ferry Pty Ltd	Australia	100	100
Portunes RW Pty Ltd (ATF Portunes Unit Trust)	Australia	100	100
NRMA Electric Highways Holdings Pty Ltd ²	Australia	100	-
NRMA Electric Highways Pty Ltd ³	Australia	100	-
NRMA Electric Highways Tas Pty Ltd ⁴	Australia	100	-
NRMA Treasury Limited	Australia	100	100
NRMA Limited	Australia	100	100
NRMA Driver Training Pty Ltd	Australia	100	100
NRMA Open Road Pty Limited	Australia	100	100
NRMA Enterprise Pty Ltd	Australia	100	100
NRMA Motoring Limited	Australia	100	100
National Roads & Motorists' Assoc. (N.S.W.) Limited	Australia	100	100
NRMA Holdings Limited	Australia	100	100
NRMA Consolidated Limited	Australia	100	100
NRMA Mutual Group Limited	Australia	100	100
NRET Pty Ltd	Australia	100	100
NRET Holding Pty Ltd (ATF NRET Real Estate Trust)	Australia	100	100
MB RET Pty Ltd (ATF MB Real Estate Trust)	Australia	100	100
NRMA Technology Pty Limited	Australia	100	100

¹ Company name changed from Motoka Rentals Limited to NRMA New Zealand Limited on 17 February 2022.

² NRMA Electric Highways Holdings Pty Ltd was incorporated on 4 May 2022.

³ NRMA Electric Highways Pty Ltd was incorporated on 10 May 2022.

⁴ NRMA Electric Highways Tas Pty Ltd was incorporated on 4 May 2022.

All Australian subsidiaries are members of the tax consolidated Group at 30 June 2022.

F4. Parent entity information

Information relating to National Roads and Motorists' Association Limited:	Parent	
	2022 \$000	2021 \$000
Current assets	68,838	72,151
Non-current assets	527,920	531,988
Total assets	596,758	604,139
Current liabilities	105,178	95,434
Non-current liabilities	24,541	30,724
Total liabilities	129,719	126,158
Net assets	467,039	477,981
Retained earnings	467,039	477,981
Total shareholders' equity	467,039	477,981
Profit / (loss) of the parent entity	(10,941)	9,029
Total comprehensive loss of the parent entity	(10,941)	9,029

The Parent entity has a deficiency of net working capital of \$36.3 million at 30 June 2022 (2021: net working capital deficiency of \$23.3 million). This represents the movement in intercompany loans drawn by the parent entity. The intercompany loans are payable to controlled subsidiary entities where the parent entity can control the timing of repayment. Payment will not be made on these loans in preference to meeting obligations to external suppliers.

The Parent entity has entered into a Deed of Cross Guarantee as noted in note G3.

There are no contingent liabilities of the Parent entity.

There are no contractual commitments for the Parent entity in relation to the acquisition of property, plant or equipment.



Other

This section provides detail on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

- G1.** Impact of new accounting standards
- G2.** Commitments
- G3.** Deed of cross guarantee
- G4.** Auditor's remuneration
- G5.** Subsequent events

G1. Impact of new accounting standards

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standard and application date	Summary	Future impact on the Group
AASB 17 Insurance contracts Application date of standard: 1 Jul 2023. Application date for Group: 1 Jul 2023.	The revised Standard introduces changes to the accounting for Insurance contracts, the most significant changes of which are: An entity shall consider its substantive rights and obligations, and whether they arise from a contract, law or regulation, when applying AASB17. A contract is an agreement between two or more parties that creates enforceable rights and obligations. Enforceability of the rights and obligations in a contract is a matter of law. Contracts can be written, oral or implied by an entity's customary business practices. Contractual terms include all terms in a contract, explicit or implied, but an entity shall disregard terms that have no commercial substance (i.e. no discernible effect on the economics of the contract). Implied terms in a contract include those imposed by law or regulation. The practices and processes for establishing contracts with customers vary across legal jurisdictions, industries and entities. In addition, they may vary within an entity (for example, they may depend on the class of customer or the nature of the promised goods or services).	The Group has assessed the impact of AASB 17 on roadside service contracts and is of the view that there will be no change to the accounting for car breakdown services. This is due to the Group electing to apply AASB 15 – Revenue from contracts with customers under paragraph 8 (a) to (c) of AASB 17 whereby the roadside service, though identified as a fixed fee service that falls under the standard, meets the following conditions: - The fixed fee is not customer specific and is set by the NRMA (8a); - NRMA is providing roadside assistance which includes repairs and towing, cash payments are not distributed to the customer (8b); and - There is uncertainty over the frequency of customer vehicle breakdowns and towing costs (8c). Further, the previous requirements for insurance contracts (AASB 4) notes that applying IFRS 4 to fixed fee service contracts (with car breakdown services as a specific example) would not be expected to result in a different outcome to AASB 15. The Group continues to assess the impact of the standard on other group companies. The Group does not expect to adopt the new standard before 1 July 2023.

G2. Commitments

At the reporting date the Group's estimated expenditure for contracted, but not provided for or payable, capital commitments was \$34.0 million (2021: \$24.9 million).

G3. Deed of cross guarantee

The consolidated income statement and statement of financial position of the Closed Group is shown below.

	Closed Group	
	2022 \$000	2021 \$000
Consolidated statement of profit or loss		
Profit / (loss) from operations before income tax	(25,468)	81,948
Income tax expense	11,957	(21,711)
Profit / (loss) after income tax	(13,511)	60,237
Actuarial gain / (loss)	2,717	(692)
Retained earnings at the beginning of the year	1,169,207	1,109,662
Retained earnings at the end of the year	1,158,413	1,169,207
Consolidated statement of financial position		
Cash and cash equivalents	239,270	105,820
Trade and other receivables	37,492	36,958
Inventories	3,809	3,434
Finance lease receivables	18	2,218
Financial assets at fair value through profit or loss	57,859	54,879
Other financial assets	18,553	9,787
Non-current assets classified as held for sale	25,299	191,127
Total current assets	382,300	404,223
Finance lease receivable	55	3,176
Financial assets at fair value through profit or loss	424,625	462,668
Financial assets at fair value through other comprehensive income	66,857	72,800
Property, plant and equipment	465,352	371,270
Right-of-use assets	386,956	277,484
Investment property	41,800	39,200
Equity accounted investments	80,062	74,461
Pension asset	6,519	2,575
Intangible assets and goodwill	203,708	192,484
Non-current assets	1,675,934	1,496,118
Total assets	2,058,234	1,900,341
Trade and other payables	106,580	99,255
Employee benefit provisions	39,831	31,900
Lease liability	20,132	23,937
Income tax payable	12,799	(7,063)
Unearned income	111,724	116,052
Customer deposits	24,766	19,077
Interest bearing liabilities	2,557	-
Current liabilities	318,389	283,158
Employee benefit provisions	6,347	6,292
Provision for make good obligations	3,106	2,920
Lease liability	353,810	237,262
Deferred tax liabilities	77,826	104,594
Unearned income	6,881	9,355
Customer deposits	(1,534)	4,444
Interest bearing liabilities	183,394	127,241
Contingent consideration	24,310	22,100
Non-current liabilities	654,140	514,208
Total liabilities	972,529	797,366
Net assets	1,085,705	1,102,975
Reserves	(4,642)	(883)
Retained earnings	1,103,858	1,043,621
Current year profit/(loss)	(13,511)	60,237
Total equity	1,085,705	1,102,975

G3. Deed of cross guarantee continued

The Closed Group financial statements include the financial statements of National Roads and Motorists' Association Limited and all subsidiaries listed in note F3 with the exception of NRMA New Zealand Limited, NRMA Electric Highways Holdings Pty Ltd, NRMA Electric Highways Pty Ltd and NRMA Electric Highways Tas Pty Ltd.

Entities subject to class order relief

Pursuant to ASIC Instrument 2016/785, relief has been granted to the above entities from the Corporations Act 2001 requirements for preparation, audit and lodgement of their financial statements.

As a condition of the Class Instrument, National Roads and Motorists' Association Limited and the above entities, (the

Closed Group), entered into a Deed of Cross Guarantee on 7 December 2006 and subsequent Assumption Deeds on 22 June 2007, 25 June 2008, 2 March 2009, 29 June 2009, 29 June 2011, 30 June 2017, 15 June 2018, 3 April 2019 and 7 June 2021 and Notices of Disposal dated 31 October 2013 and a Notice of Disposal dated 31 January 2020.

A Deed of Variation to the Deed of Cross Guarantee was entered into on 21 August 2018. This Deed of Variation updated the original Deed of Cross Guarantee dated 7 December 2006 to be in line with the ASIC Instrument 2016/785.

G4. Auditor's remuneration

The auditor of National Roads and Motorists' Association Limited is Ernst & Young (EY). Amounts received or due and receivable by EY for:

Fees to Ernst & Young (Australia)

	2022 \$	2021 \$
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	570,000	510,000
Fees for assurance services that are required by legislation to be provided by the auditor	-	-
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	37,000	29,500
Fees for other services	-	-
- Assessment of eligibility, preparation and lodgement of Temporary Skill Shortage Visa	-	-
- Assessment of Safety Metrics	-	-
- Export market development grant	-	5,313
Total fees to Ernst & Young (Australia)	607,000	544,813

Fees to other overseas member firms of Ernst & Young (Australia)

Fees for auditing the financial report of any controlled entities	-	40,000
Fees for assurance services that are required by legislation to be provided by the auditor	-	-
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	-
Fees for other services	-	-
- Tax compliance	-	-
Total fees to overseas member firms of Ernst & Young (Australia)	-	40,000
Total auditor's remuneration	607,000	584,813

The Group, through its Board and Audit and Risk Management Committee, considers these other services as ancillary to or an extension of the external audit services provided by the auditors.

G5. Subsequent events

There were a number of events subsequent to year end that require disclosure in the Annual Report as listed below:

NRMA Parks and Resorts settled on the lease agreement for Forster-Tuncurry, a leasehold property with a lease tenure of 30 years on 20 July 2022. On 9 September 2022, a binding offer was executed to purchase the Turtlesands Tourist Park at Mon Repos. Settlement is expected in November 2022. In addition, an agreement was entered to acquire Cape Hillsborough on 30 June 2022. Settlement is expected in November 2022.

NRMA Tasmania entered into a Sale and Purchase Agreement for Pumphouse Point in Tasmania in July 2022 with completion expected to take place in November 2022. In addition, an

offer was executed on 16 September 2022 with Freycinet Adventures to acquire the existing kayak and water taxi business. Settlement is expected in November 2022.

The Group entered into a contract for the sale of the Kotara Motorserve site was executed on 23 August 2022 with settlement expected in October 2022. In addition, settlement on the remaining property held for sale by the Tuckerbox Hotel Trust is expected to occur in October 2022.

Other than the events outlined above, there are no other events, matters or circumstances that have arisen since 30 June 2022 up until the date of this report that would significantly affect the Group.

Directors' declaration

In accordance with a resolution of the Directors of National Roads and Motorists' Association Limited, we state that:

1. In the opinion of the Directors:

- a) the financial statements, notes and the additional disclosures in the Directors' Report designated as audited, of the Company and of the Group are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2022 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and

- b) there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

Note a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2022.
3. In the opinion the Directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note G3 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Mr T Trumper
Chair and Director



Ms F Simson
Deputy Chair and Director

22 September 2022



200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Members of National Roads and Motorists' Association Limited

Opinion

We have audited the financial report of National Roads and Motorists' Association Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our 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 consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 relating 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

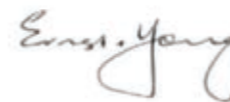
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that 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, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.



Ernst & Young



Trent van Veen
Partner
Sydney
22 September 2022

Leading the charge

We've taken a look back at our achievements over the last year and highlighted important stories from all parts of the business, showcasing the support our staff have provided to each other and communities in need. Now, we're looking forward again, into the future and leading the charge along the way.

While the way we move may change with the electric vehicle revolution upon us, one thing that won't is our mission to help. It's your support that allows us to do what we do, and as we continue helping people transition to electric vehicles, we're also looking forward to finding new ways to support our Members every day with benefits that go far beyond the roadside. We hope you'll join us on this journey, because it's an exciting time to be a part of the NRMA.

2022 Annual Report of National Roads and Motorists' Association Limited ABN 77 000 010 506. National Roads and Motorists' Association Limited (NRMA) is a public company limited by guarantee, incorporated and domiciled in Australia. The registered office and principal place of business is Level 13, 151 Clarence St, Sydney NSW 2000, Australia.



