Go further. Together.

Annual Report 2023

Acknowledgement of Country

We acknowledge the land on which we gather, from places as widespread and diverse as the NRMA. In the presence of Elders past, present and future, we recognise all journeys and our mutual role in creating new paths together.

Go further.
Hear from locals at our Broken Hill EV Drive Day

Left and cover: Our people connect to Country during EV Drive Days in Broken Hill, Wilyakali.

Go further. Together.

As one of Australia's largest member-owned organisations, we know that with the support of our 2.9 million members, we can do great things.

This strength in numbers inspired us to form and campaign for better roads, it enabled us to grow Australia's largest roadside assistance network, and it has motivated us to look for new ways to help beyond the roadside.

Although we're a family of diverse businesses, the NRMA Group has a common purpose. To 'Go further. Together.' It's a future driven by teamwork, an invitation to explore, and a pledge to plan for tomorrow today.

Across the following pages, you'll encounter achievements made possible thanks to our members, customers and employees — showcasing that together, we can go further.

Spot a QR code? Scan with your smart phone to unlock exciting video content.

2023 Annual Report of the National Roads and Motorists' Association Limited ABN 77 000 010 506. The National Roads and Motorists' Association (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 Street, Sydney NSW 2000, Australia.

Contents

About this report

Our 2023 Annual Report is a chance to share our progress and plans for the future. Our achievements highlight that we're an organisation with a clear vision for supporting our 2.9 million members on every journey.

This report presents a concise summary of the NRMA Group's operations, activities and financial performance over 2023. Referencing principles from the International Integrated Reporting Council (IIRC) Framework, we demonstrate how, through our activities and businesses, we create value for our members. Six Business Value Drivers underpin how we create value, and these are represented throughout our report.

This report is part of our corporate reporting suite which includes our:

- Annual Report
- Modern Slavery Statement
- Tax Transparency Report

Our Modern Slavery Statement and Tax Transparency Report, alongside additional information about our businesses, can be found on our website at **mynrma.com.au** and in our member publication, Open Road.

Business Value Driver	Description	Contribution to value
Members and Customers	Our mutuality and the relationship we build with our members and customers.	The benefits and experiences we provide enable us to sustain and grow our membership.
Reputation and Community	Managing our trusted brand and reputation, and contributing to communities.	The trust placed in our organisation underpins our success in existing and new markets.
People and Culture	The diversity and capability of our people, culture and values.	Enables us to sustain and build our brand and business.
Financial Capital	Returns derived from our business and investments.	Investing ethically and wisely to ensure the sustainability of our business.
Environment	Adopting responsible environmental management strategies and practices.	Caring for and protecting our natural environment for future generations.
Assets	Our buildings, properties, infrastructure, vehicles and vessels.	The breadth of our assets contributes to our financial position.

United Nations Sustainable Development Goals

The NRMA supports and endorses the United Nations Sustainable Development Goals (SDGs). These 17 SDGs seek a global partnership whereby countries, companies and people work together to solve identified global problems. We have identified six SDGs and targets where we feel our business and operations can best contribute to their realisation.

United Nations Sustainable Development Goals: 2030	
3 GOOD HEALTH AND WELL-BEING	**Goal 3** Ensure healthy lives and promote well-being for all at all ages.
5 GENDER EQUALITY	**Goal 5** Achieve gender equality and empower all women and girls.
8 DECENT WORK AND ECONOMIC GROWTH	**Goal 8** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
10 REDUCED INEQUALITIES	**Goal 10** Reduce inequality within or among countries.
11 SUSTAINABLE CITIES AND COMMUNITIES	**Goal 11** Make cities and human settlements inclusive, safe, resilient and sustainable.
13 CLIMATE ACTION	**Goal 13** Take urgent action to combat climate change and its impacts.

Group highlights

From helping accelerate the electric transition and supporting communities in need to providing even more value for members, our 2023 achievements contribute to building a better future for all Australians.

Members and Customers

2.9m
Members in total

1,499,200
Requests for roadside assistance answered

$142m
Savings delivered to our members

Reputation and Community

$1.5bn
Rate Your Road secures pledge from government for road repairs

4,500
Charitable organisations connected to us through GIVIT partnership

Yes
NRMA Group endorsement of the Uluru Statement from the Heart

People and Culture

One of 128
Australian Employers of Choice for Gender Equality

1st
Launched our first Disability Inclusion Action Plan and Group Carers' Policy

12.8%
Gender pay gap, a 1.8% improvement on last year

Financial Capital

30.8%
Uplift in revenue

$27.2m
Boost in operating profit

$1.134bn
In net assets

Environment

156,500
Vehicle batteries recycled

6%
Electric vehicles in SIXT fleet

2 years
Supporting Wildlife Recovery Australia

Assets

5
New tourism acquisitions across NSW, QLD and TAS

15 years
Extension of My Fast Ferry government contract

40
New roadside assistance Patrols to meet demand

A message from our Chair

At the heart of the NRMA, our purpose is to 'Go further. Together.' and throughout the year our business has been integral in helping our members go further than ever before. The NRMA team has responded to nearly 1.5 million calls from members in need of assistance and rescued 1,537 children and pets locked in cars. More than one million visitors have travelled further to one of our incredible holiday destinations and our EV charging network has provided more than 74,000 charging sessions across Australia.

I am pleased to say that the NRMA has continued to grow with more than 2.9 million members, with our revenue growth up over 30% compared to last year. For an organisation which is more than 100 years old, the growth across our business is a testament to the incredible work we do and the way we bring generations of Australians on the journey to a safer and more sustainable future. This success is what allows us to do the work we do.

The NRMA over the last year has continued to be a strong voice for Australians, campaigning for improvements to road infrastructure and advocating for road safety. Following torrential rain and floods across the east coast of Australia which devastated local communities last year, we began a grassroots campaign for communities in NSW and ACT to vote for their worst local roads.

> "The most powerful resource we have at the NRMA is our members"

The most powerful resource we have at the NRMA is our members and when we received close to 30,000 responses, it helped us in talking to governments to drive sensible funding and policy outcomes across Australian communities. This community-led advocacy works, as some of the state's worst roads no longer make the list because government has responded by investing in solutions.

This important advocacy work has resulted in the NSW Government announcing a trial of artificial intelligence road monitoring software to allow councils to better plan for future road maintenance programs.

It is not only in our advocacy work where we are creating positive change in Australian communities. It starts with how we embrace environmental and social sustainability and responsibility in our own organisation. We have set a decarbonisation agenda for our business, and are working to decarbonise our supply chains, and towards closing the gender pay gap.

I am immensely proud of the work we do and I know the Board is committed to advocating for members across Australia. Looking to 2024, we will ensure this important advocacy work continues, engaging with government on the NSW Government tolling review, continuing to call for a significant increase in random breath testing and working with the government as new fuel efficiency standards are developed.

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 your mutual.

Tim Trumper

Tim Trumper
NRMA Chair

A message from our Group CEO

2023 has seen Australian families confront some of the toughest cost of living pressures in decades and the national economy continues to grapple with rising inflation. The strain of interest rate rises alone has hit every suburb and town and for many of our members, covering large jumps in mortgage repayments has forced severe cost cutting across family budgets.

The cost of doing business has also risen considerably and the NRMA is not immune. Across our operations the NRMA Group has experienced increasing operational costs. We have gone to great lengths to shield our members and customers from these increases.

How large businesses show up in the middle of this economic crisis has received considerable attention this year with little sympathy for businesses that leave the community behind. In this environment the NRMA is focused on using our resources to solve problems.

To deliver on our purpose we are executing a simple strategy to create more value for members. As a mutual we constantly balance carrying the legacy of past members, investing for the benefit of future members and making sure we meet the needs of today's members. Growth is important to create more value for more members. It ensures the mutual is sustainable and has a voice to advocate real change. Sometimes this means we fill the white space through investment in infrastructure or operating businesses where government and corporations have been slow to respond to what the country needs. It also means we are constantly trying to secure exclusive offers and discounts for members today, particularly in times like this when it matters most.

> "We also know that when our community is confronted with a crisis our reaction is to reach out and help"

This year we launched My NRMA, an updated membership program that delivers on our commitment to help you get more value from your membership. Making it easier and cheaper to access the amazing experiences Australia has to offer is central to this program. Being one of Australia's largest mutuals means we have strength in numbers and can get better outcomes for our members.

This is best demonstrated when it comes to the cost of fuel on the family budget. The Reserve Bank of Australia has consistently called out rising petrol prices as one of the main factors leading to Australia's inflationary crisis. Every time the cost of fuel spikes its impact can be felt across the whole economy – and your budget.

Your membership delivers discounts at the bowser and gives you the information you need in real-time to find the cheapest fuel in your neighbourhood or along your journey. Although the price of fuel is driven by global factors outside of Australia's control we help shield your family from these increases by making it easier to save.

We also know that when our community is confronted with a crisis our reaction is to reach out and help. Australia is not an inward looking society and we have seen this time and again throughout our history – during natural disasters, war, pandemics and grief.

During COVID our staff mobilised to deliver essential parcels to those in our community at risk and staffed helplines. We wanted to build on this momentum this year and built a volunteering component into membership. The NRMA's partnership with GIVIT connects our members with local charities, support services and volunteer associations that need volunteers. Mutuals were created to help build a stronger society and we can now use our membership program to connect members who might be looking for ways to help their local community.

It has been a difficult year financially for many of our members. Cutting costs on already strained family budgets is extremely hard. In this climate we have committed to ensuring we retain a strong balance sheet so that we can reinvest in our community and our members. I want to thank our members and customers for their continued loyalty and support and look forward to a positive and productive year ahead as we go further, together.

Rohan

Rohan Lund
NRMA Group CEO

Reflections

This year we all drew a collective sigh of relief that the worst of the pandemic was over. For many of us it was a chance to travel unhindered, return to the workplace, and reconnect with family and friends.

The rising cost of living remains of primary concern and as a member-owned organisation, we have been working hard to ensure we provide members with even more value. We've made the My NRMA app even easier to use and will shortly launch our reimagined membership program. The new membership program will retain the discounts offered by NRMA Blue while expanding member benefits across our businesses. From offering great savings on everyday necessities and keeping members safe on every journey to providing unique holiday and leisure experiences, we are continually seeking ways to make membership work even harder.

Mindful of mobility costs, this year we successfully lobbied for a six-month trial of real-time fuel pricing in the ACT and are working with the NSW Government to review tolling policies, reinforcing the necessity for impactful pricing reform across the broader road network.

We are aware that the transport sector remains the third largest emissions producer in Australia and are playing our part in helping the Australian Government meet its target of net zero emissions by 2050. This target is contingent on the transition to cleaner forms of mobility, and we have focused our resources on accelerating the transition to electric vehicles. We continue to invest in the expansion of our electric vehicle (EV) fast charging network, partnering with the Australian Government to build a national network, and are working with the NSW and Queensland Governments on state-based EV charging infrastructure. We understand the questions and concerns our members have about transitioning to an electric vehicle and in 2023 we launched our electric vehicle hub, an online community providing vital information on buying and owning an EV, and the opportunity to connect with EV owners.

Australia remains at the forefront of climate related disasters, experiencing storms, flooding, and bushfires in 2023 alone. While we have always been there to help, this year we set about assessing how we could better utilise our people and resources to assist as required. We have formed a partnership with GIVIT, an organisation focused on supplying necessary goods and services to people in need. This partnership provides the opportunity for our members to get involved by volunteering their time in communities across Australia. Understanding that these disasters also have an impact on our flora and fauna, we have continued our partnership with Wildlife Recovery Australia.

With cities sparking back to life, many of us embraced the opportunity to return to the office and interact directly with colleagues. A positive outcome of the pandemic has been the adoption of hybrid and flexible work practices. This new norm has realised many benefits, including giving back valuable personal time. At the NRMA, we continue to focus on creating a dynamic and engaging workplace while providing our people with the flexibility to meet their familial and personal obligations.

We continue to champion and support regional and First Nations tourism development, contributing to sustainable economic development, and to work with communities in need through our Outback Links program. There is a lot to do and our work isn't finished, however we are confident that by meeting challenges head on and working together with our members, we can help build a better future for Australia.

About us

Since our inception over 100 years ago, our business has expanded beyond our iconic roadside services. Today, our business includes a network of unique holiday parks and resorts across Australia, vehicle rental, our electric vehicle fast charging network, and several cruise and ferry operators.

Our family of businesses and brands

Motoring and Membership

- NRMA Roadside Assistance
- NRMA Driver Training
- Motoring services
- Member benefits and communications
- Motoring advocacy
- Open Road magazine

NRMA Electric

- Electric vehicle fast charging network
- Electric vehicle hub

Transport and Tourism

NRMA Parks and Resorts

Marine

- My Fast Ferry
- Fantasea Cruising
- Gordon River Cruises
- Investment in Coral Expeditions

SIXT Australia vehicle rental

Investments

The NRMA maintains a diversified portfolio of investments.

Fostering diversity. Together.

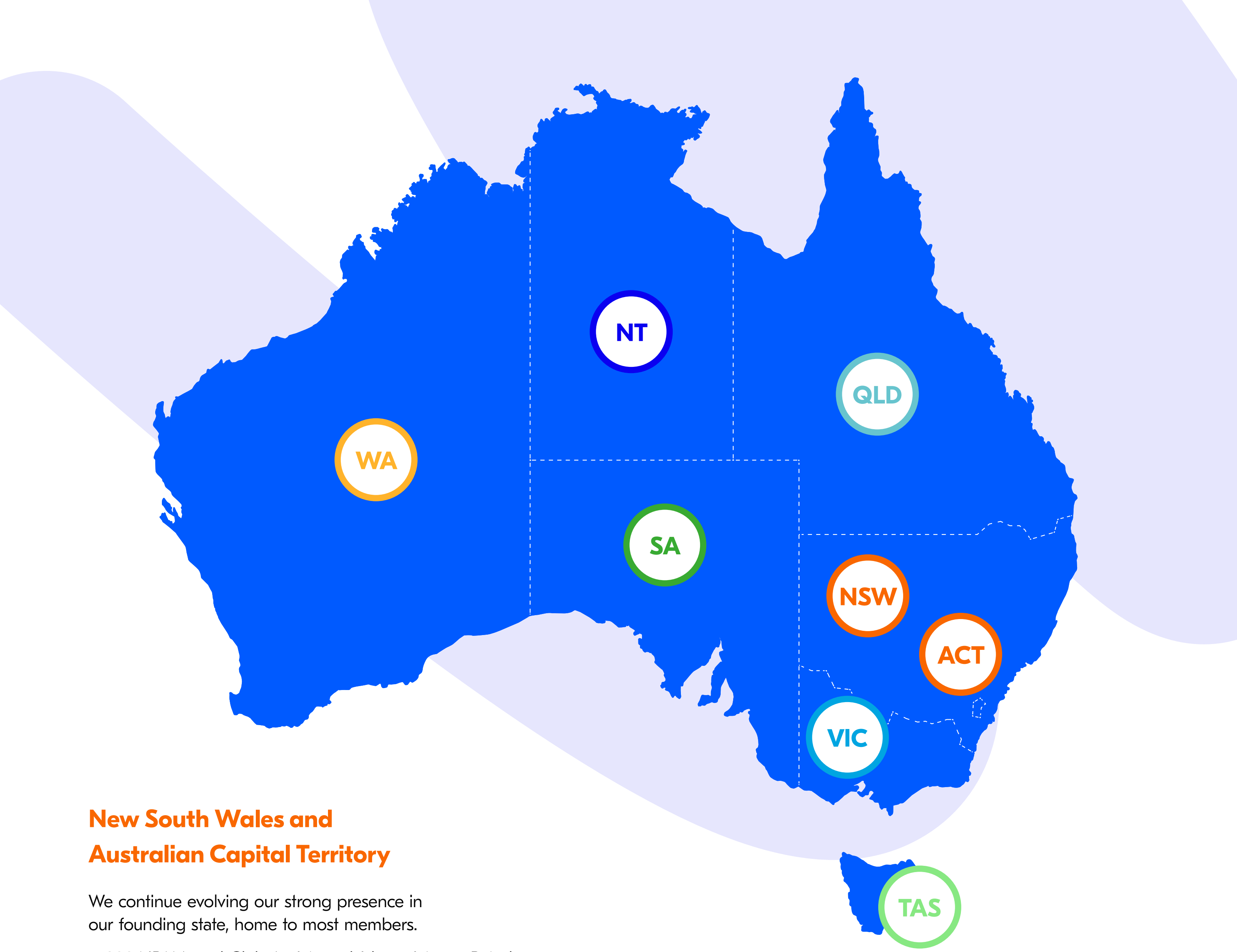
For our roadside assistance team, helping people is just another day on the job. But for our members, a breakdown has the potential to derail their entire day.

This happened on March 3, when a member reached out to share her experience with the NRMA. After calling for assistance, new recruit Chris Alexiou was despatched to the job. Chris started with the NRMA in February this year and is our first female Patrol.

Our member told us that Chris was "Simply wonderful, caring and competent. She got me back on the road without making me look or feel silly. Please recruit more women to the service!"

This is just one of many great stories we hear each year, and to receive this on International Women's Day felt particularly apt. We're proud to see our focus on diversity, equity and inclusion enriching the employee experience and providing tangible benefits for our members.

This year we welcomed our first female Patrol



New South Wales and Australian Capital Territory

We continue evolving our strong presence in our founding state, home to most members.

- **892** NRMA and Club Assist roadside assistance Patrols
- **121** Country service centres
- **99** Current EV charging sites
- **25** NRMA Parks and Resorts destinations
- **76** SIXT locations
- **31** My Fast Ferry and Fantasea Cruising vessels

Victoria

We provide locals and travellers alike with car rentals, getaways and a growing EV network.

- **1** EV charging site
- **7** EV charging sites planned
- **11** NRMA Parks and Resorts destinations
- **36** SIXT locations

South Australia

We continue to grow in SA, particularly through our planned national EV backbone.

- **2** Current EV charging sites
- **20** EV charging sites planned
- **2** NRMA Parks and Resorts destinations
- **8** SIXT locations

Tasmania

Our southernmost state sees us continue a keen focus on tourism.

- **2** EV charging sites planned
- **4** Resorts and lodges
- **1** NRMA Parks and Resorts destination
- **6** SIXT locations
- **2** Gordon River Cruises vessels

Queensland

A favoured holiday state, we're growing our strong presence in the tourism sector.

- **33** EV charging sites planned
- **12** NRMA Parks and Resorts destinations
- **36** SIXT locations

Western Australia

Our growth in WA will be key to joining dots in the national EV charging network.

- **29** EV charging sites planned
- **8** SIXT locations

Northern Territory

Planned EV sites will connect Territorians from north to south and east to west.

- **15** EV charging sites planned
- **3** SIXT locations

Our expanding reach

With our origins grounded in New South Wales, as Australian roads and communities became more connected, so too have our networks expanded. Today, our businesses have a presence in every state and territory, enabling us to make a difference on a national level.

Although we're a family of diverse businesses spread across the continent, the NRMA Group has a common purpose. To 'Go further. Together.' It drove our inception in 1920, when we made it our mission to 'cover everything necessary for the advancement and protection of motorists'. It guided us through the century that followed, ensuring we became Australia's largest roadside assistance network, a trusted advocate for road safety and mobility, and a facilitator of domestic travel.

Our iconic roadside assistance Patrols have kept members moving since 1924. Back then they were known as guides, rode Douglas motorcycles, and helped members with everything from breakdowns to finding accommodation. They quickly earned a reputation for good humour and a willingness to go above and beyond to help. So much so, that an unofficial early catchcry was 'Never Refuse Motorists Assistance'. It's a reputation that we remain proud of today.

As the number of road fatalities rose sharply mid-century, we began supporting initiatives to stem the rise. Following eight years of campaigning, speed zones came into effect on state highways in 1966. We supported the moves to mandatory seatbelt installation in 1967 and their compulsory use in 1971. We were also instrumental in the introduction of random breath testing in 1968 and drink driving limits in 1985, both of which had a significant positive impact on the road death toll.

In 2019, our Rate Your Road campaign resulted in more than $1 billion in funding for local roads after 23,000 members identified roads in desperate need of improvement. In 2023, we secured another $1.5 billion in government commitments — the latest achievement in our proud history of advocacy.

When auto clubs began forming in other states, we established reciprocal networks to provide roadside assistance to interstate travellers, giving members the peace of mind to explore further. We've always championed road trips for their ability to stimulate regional tourism and economies, and even established popular NRMA motor camps across NSW and the ACT in the 1920s.

As these campgrounds gave way to more established holiday parks and domestic travel increased, we expanded our tourism business, which now includes 51 owned and managed holiday destinations across five states. From Freycinet Lodge in Tasmania to Cape Hillsborough Nature Tourist Park in North Queensland, we continue encouraging members to explore our unique country.

Today, the help that we provide is evolving as Australians find more ways to travel. Since 2017, we've welcomed commuters and visitors on board our ferry and cruise services. We also introduced SIXT vehicle rental to Australia in 2021, a leading global brand that now has 173 locations across the country.

While electric vehicle ownership may still seem a long way off for many Australians, we're getting on the front foot to support the transition. Through initiatives like our electric vehicle hub and EV Drive Days, we're creating opportunities for current and future EV drivers to access unbiased information and connect with EV experts.

We've also partnered with the federal government to build Australia's EV charging backbone, with 117 sites slated for installation and supported by renewable energy. This will add to our existing network of 99 chargers, deliver national coverage, and importantly includes regional areas.

The future will see us continue growing our national presence, enabling journeys in new ways, and delivering even more value for our members. It's a future made possible through collaboration across our businesses, the support of 2.9 million members, and a willingness to go above and beyond — just as we've always done.

Since day one: Roadside help and holiday destinations

Section 1

Hosting moments made together

With many Australians opting for domestic holidays, we're finding new ways to facilitate immersive, unique experiences. Like this moment, with guests and kangaroos enjoying the sunrise at our new Cape Hillsborough destination.

Cape Hillsborough Nature Tourist Park, QLD

The NRMA Group

Go further.
Scan to discover the story of our Group purpose

As a mutual with 2.9 million members, we know we can all go further together. That's why we invest in businesses and initiatives that make a difference to our members — and help build a more resilient Australia.

At the centre of our Group is mutuality. Being member-owned means our responsibilities extend beyond those of most other corporations. First and foremost, we are about people and contributing where we can to enrich lives, bring about positive change, and protect for the future. This ethos drives our strategies, decisions, and people. It's why we continue to invest in our EV charging network, paving the way to cleaner forms of mobility. It's why we develop regional tourism through our holiday parks and resorts that offer everyone the chance to unwind and connect with nature and loved ones. It's why we focus on giving back to communities, advocating on behalf of our members and being there to help when we're needed.

This year, in conjunction with the impact of inflation and interest rate rises, we have witnessed the rapid growth of digital technologies, including the exciting and disruptive advent of artificial intelligence on publicly available platforms. As we investigate what this will mean in our future, we also face unprecedented environmental and economic challenges. These are just some of the reasons why we're working hard to help members with the cost of living by reimagining membership, providing greater savings and benefits, and giving everyone more reasons to belong.

Highlights for Financial Capital and Assets

The Group grew strongly in 2023 as our businesses continued to emerge from the crippling impacts of the pandemic in the preceding years.

Group revenue from contracts with customers and rental income grew to $779.2 million (2022: $595.8 million), an increase of 30.8%, with all segments rebounding strongly in 2023. In particular, the Transport and Tourism segment flourished. Demand for all business offerings returned to near pre-pandemic levels as domestic life returned to normal in Australia, with employees returning to the office and overseas tourism resuming.

Variable operating costs increased across all segments due to the swift, large-scale uplift in activity, and were put under additional pressure given the inflationary economic conditions, which saw large increases in supply chain costs. Despite this, the Group operating profit for the year of $49.7 million (2022: $22.5 million) was a pleasing result, delivering a $27.2 million improvement on 2022. The result was largely driven by the bounce back in the Transport and Tourism segment, but also partly due to growth in the Group's share of operating profit from joint ventures and associates, which was $10.4 million in 2023 (2022: operating loss of $3.2 million). The increase of $13.6 million year on year is largely due to the turnaround of the Coral Expeditions business which saw losses in 2022 from deferral and cancellation of cruises due to pandemic related travel restrictions.

The Group's statutory Net Profit After Tax in 2023 is $39.1 million (2022: $10.1 million). This includes recognition of unrealised gains of $18.2 million from the revaluation of investment portfolio assets, an improvement of $41.1 million on 2022, with greater investor optimism reflected in pricing in the equity markets despite uncertain economic conditions.

The Group's financial position is solid, with net assets growing to $1.134 billion (2022: $1.086 billion), and cash flow is strong with cash flow from operations of $105.6 million (2022: $104.9 million).

The Group continued to invest in key initiatives across all segments to support future growth, including the refresh of the My NRMA app to make it easier for members to access our services, and development of a new electric vehicle hub to provide members with a trusted source of information on electric vehicles. In addition, the Group acquired new holiday parks and accommodation assets, and continued the rollout of the EV charging network.

The outlook for the Group is positive, with strong demand across both the Motoring and Membership and Transport and Tourism segments despite the uncertain economic conditions. Inflationary pressures remain a challenge and will be a focus for the Group in 2024.

Members and customers

Group revenue
$779.2m
+30.8% vs 2022

Group NPS	Membership
+62	2.9m
-2 pts vs 2022	+5.2% vs 2022

Returns and capital

Core portfolio returns
7.7%

Net assets	Acquisitions
$1.1bn	$43.0m
+47.5m vs 2022	

Profit and dividends

Operating profit
$49.7m
+27.2m vs 2022

Operating cashflow	NPAT
$105.6m	$39.1m

How we create value

The following value creation process illustrates how our shared value model informs the inputs we use in our businesses to deliver our services and products to members and customers. It identifies our key outputs and shared value outcomes, mapped to our Business Value Drivers.

The external environment

Shared value inputs	Inputs: Our Business Value Drivers	
Members	**Members and Customers**	Our mutuality and the relationships we build with our members and customers.
Societal	**People and Culture**	The diversity and capability of our people, culture and values.
	Environment	Adopting responsible environmental management strategies and practices.
	Reputation and Community	Managing our trusted brand and reputation, and contributing to communities.
Economic	**Financial Capital**	Returns derived from our business and investments.
	Assets	Our buildings, properties, infrastructure, vehicles and vessels.

Purpose: Go further. Together.

Governance

Strategy

Our business activities

Motoring and Membership
pg 18-25

Transport and Tourism
pg 26-31

Investments
pg 32, 33

ESG priorities

Risks and opportunities

Our values

Outputs

Members
Providing value, services and benefits.

Roadside Assistance
Providing roadside assistance services across Australia.

Driver Training
Providing driver training and road safety programs.

Electric
Our EV charging network and accelerating the transition to EVs.

Parks and Resorts
Providing unique tourism experiences across Australia.

Marine
Providing leisure, tourism and commuter services.

Vehicle rental
Passenger, commercial and EV rental across Australia.

Advocacy
Advocating for the interests and safety of road users.

Community
Contributing to communities and helping during times of crisis.

Education
Educating children and young people on road safety.

Environment
Caring for and protecting our unique natural environment.

Reconciliation
Contributing by delivering on our Reconciliation Action Plan.

People and culture
Fostering a culture of safety and belonging.

The external environment

Shared value outputs	Outcomes	
Members	**Members and Customers**	Member and customer value, services and benefits that contribute to membership growth.
Societal	**People and Culture**	A diverse and inclusive culture founded on values that attract and retain employees who contribute to building our business and brand.
	Environment	Implementing sustainable practices and initiatives that protect and conserve our environment for future generations.
	Reputation and Community	A trusted brand with strong community relationships, affording us license to explore new opportunities.
Economic	**Financial Capital**	Sustained financial reserves and consistent revenue streams over the long term.
	Assets	Rationalising and managing our assets across their lifecycle.

Reporting: 2023 Group performance

The last three years have demonstrated how important it is to remain adaptable and willing to embrace change. Our ability to pivot and innovate has enabled us to not only deliver on our performance objectives, but also have a meaningful impact.

Business Value Drivers	Strategic priorities	Outcome metrics	Outcomes
	Personalising membership	- Growth in membership - Improvement in member experience	Pages 20-22 Pages 20-22
	Transitioning to electric and future mobility	- Growth in number of EV chargers - Increase in EV charger usage - Increase in EV fleet (vessels and vehicles) - Increase in number of members willing to buy an EV	Pages 24, 25 Pages 24, 25 Pages 23, 29 Pages 24, 25
	Growing our tourism business	- Number of new acquisitions - Growth in visitation - Growth in room yield - Growth in number of sites with signature experience offerings	Pages 28, 29 Pages 28, 29 Pages 28, 29 Pages 28, 29
	Enhancing our capabilities	- Employee feedback - Brand NPS - Digital touchpoint NPS	Pages 35, 36 Page 22 Page 22
	Embedding environmental and societal sustainability	- Reduction in greenhouse gas emissions - Renewable electricity - Reduction in landfill waste - Increase in tourism sites and community partnerships - Lost time injury frequency rate, serious injury frequency rate - Gender pay gap - Reconciliation Action Plan outcomes	Pages 42, 43 Pages 42, 43 Pages 42, 43 Pages 28, 29, 40 Page 37 Pages 35, 36 Page 41
	Investments	- Return on investment - ESG themed investments % - Liquidity	Page 33 Page 33 Page 33

Reporting: Our 2023 environmental, social and governance (ESG) priorities and programs

We believe that success goes hand in hand with environmental sustainability, social responsibility and good governance. By integrating ESG practices into our business strategy, we strive to have a positive impact. Join us on this journey towards a more sustainable and inclusive future for all.

Business Value Drivers	ESG priorities	ESG program	Outcomes
	Accelerate the electric transition	**Leading the charge on electric vehicles** Building a connected EV fast charging network. Electrifying our own vehicles and vessels.	Pages 24, 25 Pages 23, 29
		Mitigating our climate impact Setting bold and transparent targets for emissions reduction. Decarbonising our operations and supply chains. Forming partnerships to enable sector wide change.	Pages 42, 43 Pages 42, 43 Pages 42, 43
		Reducing waste Through our car battery recycling program.	Pages 42, 43
	Enrich Australia's regional communities	**Helping communities recover from climate related disasters** Lending a hand and mobilising members to help communities in times of crisis, and through the deployment of our resources.	Page 40
		Contributing to regional development and connectivity Supporting regional communities through tourism development and our regional EV fast charging network, and protection of biodiversity to preserve access and foster economic growth.	Pages 24, 25, 28, 29
	Advance a safe and equitable society	**Embracing 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.	Page 41
		Improving safety and wellbeing for 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.	Pages 36, 37, 38, 39
		Promoting diversity, equity and inclusion Ensuring all of our employees can bring their authentic selves to work and thrive professionally, eliminating discrimination, and closing gender pay gaps.	Pages 35, 36

Board focus area

Strategic focus
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.

Our 2024 Group and ESG strategy

The NRMA Group is united by our common purpose — to 'Go further. Together.' This purpose establishes an overarching set of priorities which enable us to grow the value we deliver, while ensuring we maintain a financially sustainable business.

2024 Group strategy

Business Value Drivers	Pillars	Outcome metrics	SDGs
	1. Personalising membership After the successful launch of our new My NRMA app, our focus in 2024 will be on delivering new offers, new experiences, and better member rewards — giving everyone more reasons to belong.	- Membership numbers - Member savings - Member experience and engagement — touchpoint Net Promoter Score (NPS)	
	2. Future-proofing our mobility businesses Re-imagining and reinventing our roadside services, vehicle rental and EV charging businesses to meet the mobility and sustainability needs of the future.	- Number of mobility subscribers - Digitisation of processes - Number of EV chargers - % EVs in SIXT fleet	11
	3. Expanding and showcasing regional tourism Expanding our Parks and Lodges to provide guests with more opportunities to escape, unwind and experience nature while enjoying the hospitality we are known for.	- New acquisitions - Visitation - Guest experience NPS	8
	4. Enhancing our capabilities In 2024 we will enhance our digital and data capabilities, aligning with best practice privacy and data protection, and invest in attracting and retaining talent through our employee value proposition.	- Employee experience scores - IT security scores	
	5. Embedding our ESG principles Further embedding environmental, social and governance (ESG) principles and strategies across the Group and continuously reviewing and improving our efforts against our material topics.	- Greenhouse gas emissions: Scope 1 & 2 - Renewable electricity % - Lost time injury frequency rate, serious injury frequency rate - Reconciliation Action Plan outcomes - Gender pay gap - Modern Slavery Statement	13, 8, 10, 5

Our 2023 materiality assessment

During 2023 the NRMA undertook an ESG materiality assessment to refresh and validate our view on which material topics are most important to our key stakeholders for the purposes of determining actions to address them, allocating resources and reporting on progress. We have defined material topics as those which are important to both our key stakeholders and to the NRMA, insofar as they impact our ability to generate value over the short, medium and long term. Employees, members and customers contributed through surveys and targeted focus groups, with identified topics reviewed and prioritised by the Executive Leadership Team and Board.

Seven material topics were identified. These are reflected in our ESG strategy and, where relevant, our Risk Framework.

Material issues — opportunities, risks and emerging risks.

Material topic	ESG theme	Addressed
Climate risk		Pages 42, 43
Customer privacy and data security		Pages 45-49
Diversity and equal opportunity		Pages 35, 36
Greenhouse gas emissions and decarbonisation		Pages 42, 43
Reconciliation		Page 41
Regional communities: engagement and economic inclusion		Page 40
Safety and wellbeing		Page 37

Electric transition pillar

Regional communities pillar

Safe and equitable society pillar

Governance approach and risk alignment

In addition to our seven material ESG topics, we identified four emerging risks that were important to some stakeholder groups, but which do not yet represent critical issues for the organisation. We are continuing to monitor and manage these issues as part of business as usual, with relevant disclosures included throughout this report:

(i) Biodiversity — pages 42, 43
(ii) Business ethics — pages 51-60
(iii) ESG in investments — page 33
(iv) Waste management — pages 42, 43

Our 2024 ESG themes

Based on our sustainability related opportunities and risks across the Group and the priorities of our key stakeholders, the NRMA has prioritised three ESG themes and nine programs across which we aim to positively impact the community.

Business Value Drivers	ESG theme	Programs	SDGs
	Accelerate the electric transition	**Leading the charge on electric vehicles (EVs)** by building a national EV charging network, electrifying our own fleets, and providing EV education and support services to ensure no one is left behind in the electric transition. (Pages 24, 25) **Mitigating our climate impact** through development of emission reduction plans in each of our businesses. (Pages 42, 43) **Reducing waste** through our car battery recycling program. (Pages 42, 43)	11, 13, 8
	Enrich Australia's regional communities	**Helping communities recover from climate related disasters** through resource deployment and community programs. (Page 40) **Contributing to regional development and connectivity** through regional tourism development, and building regional EV infrastructure. (Pages 24, 25, 27, 28, 29) **Promoting biodiversity awareness** through our nature parks and partnerships with specialist organisations, and mitigating nature risk through effective environmental management at our nature parks. (Pages 24, 25, 42, 43)	11, 13, 8
	Advance a safe and equitable society	**Embracing reconciliation** by setting impactful Reconciliation Action Plan targets, engaging with community groups, embedding cultural awareness, and supporting First Nations employment opportunities in the organisation. (Page 41) **Improving safety and wellbeing for people and communities** by prioritising employee safety across the Group and advocating for policies and educating the community in support of road safety outcomes. (Pages 37, 38, 39) **Promoting diversity, equity and inclusion** by ensuring all employees can thrive at work, eliminating discrimination and celebrating difference through alignment of our policies, practices, leadership behaviours, and staff engagement initiatives. (Pages 35, 36)	10, 8, 10

Section 2

Supporting members on new adventures

EV drivers can now request help if they run out of charge, with two roadside assistance vehicles equipped with mobile EV chargers. It's another new way we're making the transition to electric easier for members.

Yilawura
Bathurst, NSW

Motoring and Membership

Go further.
See our mobile EV chargers in action

As always, keeping members and customers moving with mobility solutions remains at our core. From investing in new technologies to providing advice, together we head towards a brighter future.

As post-pandemic life returns to a more familiar cadence, we're reminded that change is a constant. In 2023 we continued to lay foundations so we can better serve members today and prepare for tomorrow. This year we invested heavily in technology, including a major overhaul of the My NRMA app, making it even more intuitive to use. We continued EV Drive Days and launched an online electric vehicle hub, establishing ourselves as a trusted source of information. Our NSW regional EV charging network doubled, and we announced a national electric vehicle fast charging network in partnership with the Australian Government, a timely expansion as the first half of 2023 saw a 345% increase in EV sales, compared to the same period in 2022.

We also continued to invest in people, with our roadside assistance business onboarding 40 new Patrols and expanding its towing fleet to anticipate increased demand.

Our focus on sustainability remains a priority and the NRMA batteries recycling program continues to perform strongly. We also welcomed our first electric roadside assistance patrol van and mobile EV charging units in 2023. While the following highlights are powerful symbols of our commitments, they're also tangible, practical ways we're meeting members' changing requirements.

Highlights for Financial Capital and Assets

The Motoring and Membership segment manages a network of service providers to deliver emergency roadside assistance services to members to keep them moving. The services include replacing flat batteries and tyres, performing minor mechanical repairs, towing vehicles requiring significant repair and accessing keys locked in cars. The segment is also rolling out a national EV charging network.

The core business continued to perform strongly, with members growing to 2.91 million, an increase of 5.2% on 2022. Revenue from Motoring and Membership of \$346.6 million (2022: \$322.6 million) increased on the prior year, with solid growth in subscriptions, an improvement in premium mix and increased battery sales all contributing to the result. In addition, the segment saw an increase in ancillary revenue from international driver permits with international borders open for the full year in FY23, compared to six months in 2022.

Total roadside assistance job volumes increased 3.9% on the prior year, with an uptick in return to work resulting in more vehicles on the road. Costs for roadside grew 8.1%, partly due to increased activity from higher job volumes and partly due to inflationary pressures in the supply chain. Despite this, the business remained committed to delivering high-quality services to members, with the roadside net promoter score steady at 83 (2022: 84).

The Group made significant investments in assets and technology in 2023 to enhance services to members. This included investment in the Patrol fleet, including four new tow trucks in 2023, to drive continuous improvement in first service resolution to members. In addition, the Group heavily invested in technology with a refresh of the My NRMA app to make it easier for members to access our services, and development of a new electric vehicle hub to provide members with a trusted source of information on electric vehicles.

Rollout of the EV charging network remains a key priority for the Group with 29 new chargers added to the network in 2023, bringing the total to 99. The Group has committed further investment in partnership with the federal and state governments.

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 costs and corporate overhead. It also includes costs associated with a range of community and social programs that the Group supports.

The Motoring and Membership segment had an Operating Loss of \$16.6 million in 2023 (2022: loss of \$1.2 million), largely due to the increased investment in assets and technology as well as the continued rollout of the EV charging network.

The outlook for the Motoring and Membership segment is positive, with member numbers continuing to grow. Inflationary pressures continue to be a challenge for the segment, and will be a focus in 2024.

In 2023, we answered nearly 1.5m calls for roadside assistance

Transforming the My NRMA app

This year, we began to revolutionise membership. To support the changes, we've made significant updates to the My NRMA app.

In designing our new membership program, we asked 1,500 current and potential members what interests them most. Seventy-four percent told us that app functionality would play a major role in their level of engagement with the program. So, in developing the new My NRMA app, a key focus was close consultation with existing and potential members.

The My NRMA app enables members to request roadside assistance, search fuel prices, redeem member benefits, browse travel content, and seek opportunities to volunteer across Australia.

Along with a makeover and updates to navigation, we added a new map layout and community section, plus a refreshed benefits section. There's now more travel and educational content, reinforcing our role as leaders in mobility, road safety and exploring. The updates also shine a brighter light on our advocacy work, amplifying the good that we do.

As a practical tool that members can use every day, the new app is helping to deliver on our ambition to foster one of the most highly engaged membership bases in Australia. We'll continue to revolutionise membership in the coming year, encouraging members to be rewarded, go exploring and get involved.

Be rewarded

Members can browse and redeem exclusive perks from NRMA Group businesses, savings with partners and earn rewards along the way.

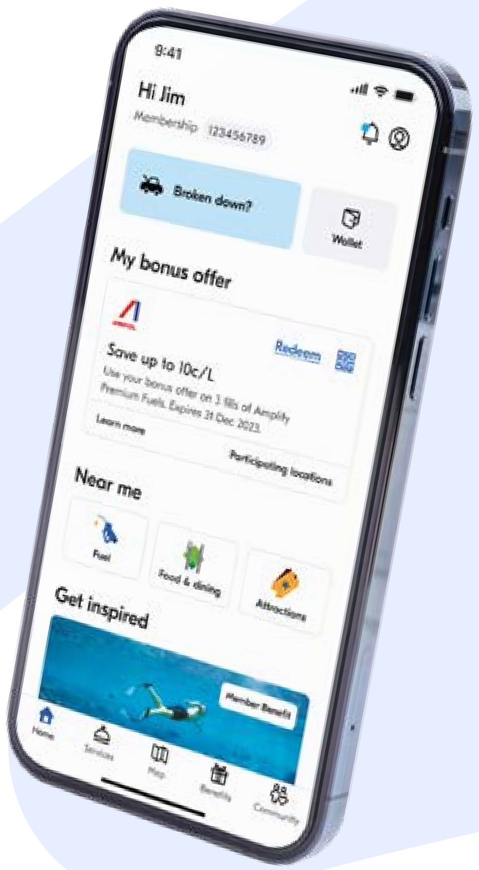
Go exploring

Travel tools like maps, road trip itineraries and collated content to help members plan their next trip, and experience new adventures in unique locations.

Get involved

Through our partnership with GIVIT, members can volunteer and make a positive difference in communities across Australia.

Go further.
Scan to download the My NRMA app



"Every aspect, from design and button style to layout and language, was tested with our members"

Jason Rumble,
Senior Digital Product Manager

Getting involved with GIVIT

In recent times, we've heard from more members looking for ways to get involved and make a positive difference in the community. And so, the NRMA is excited to announce that we've partnered with GIVIT to connect members with opportunities to volunteer across Australia.

GIVIT hosts a unique online platform connecting the generosity of Australians with support groups, grassroots charities, and local governments. All 4,500 organisations they partner with are genuinely working to help people, communities and causes in need.

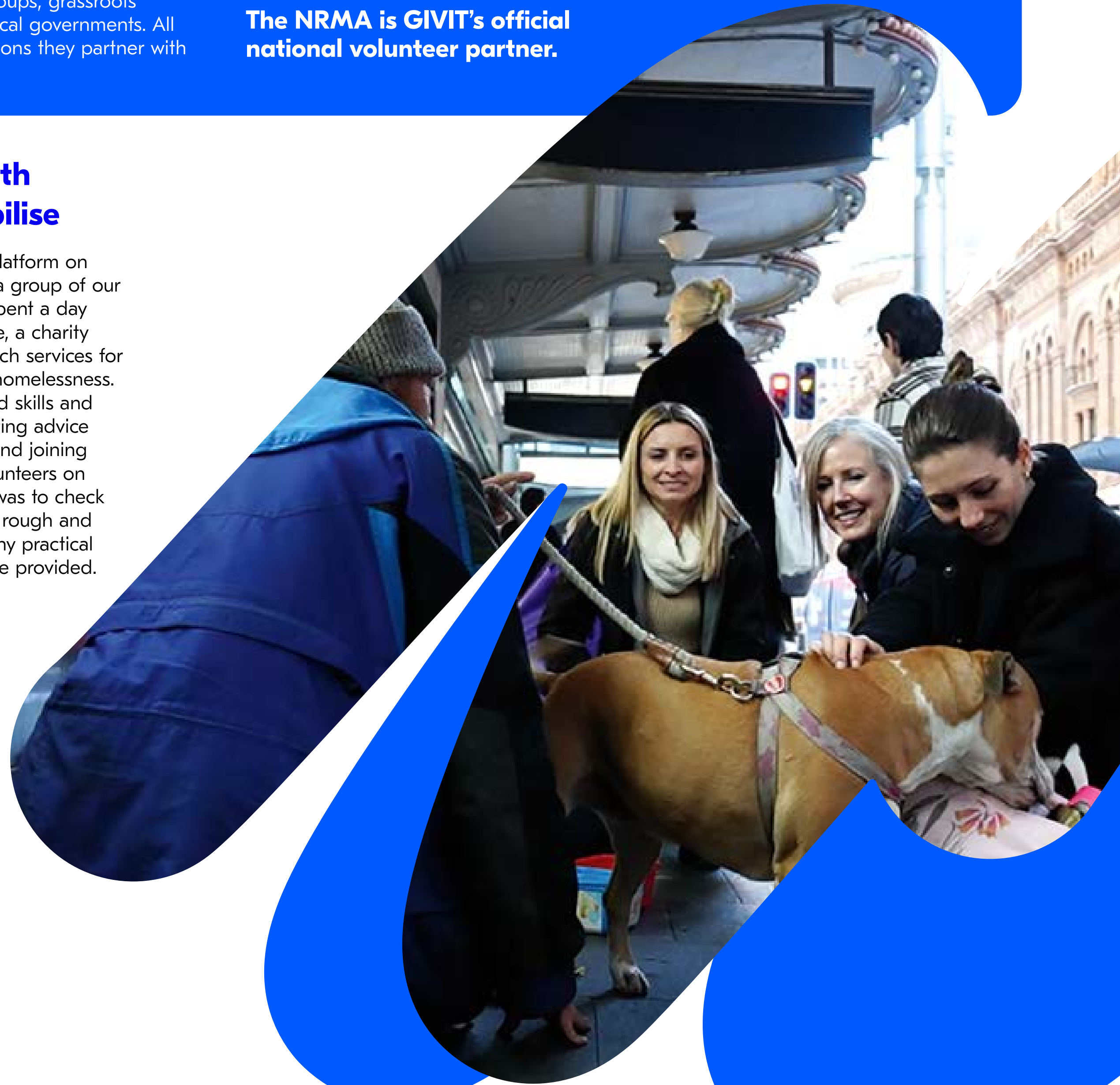
Through the My NRMA app, members can now find ways to get involved in person or remotely with initiatives that suit their interests and lifestyle.

Go further.
Hear from a GIVIT volunteer

The NRMA is GIVIT's official national volunteer partner.

Outreach with We Are Mobilise

Through the GIVIT platform on the My NRMA app, a group of our Sydney employees spent a day with We Are Mobilise, a charity that performs outreach services for those experiencing homelessness. The team volunteered skills and time, offering marketing advice to the organisation and joining We Are Mobilise volunteers on the street. The goal was to check in with people living rough and to see if there was any practical support that could be provided.



"It really broke down some of the unconscious bias we have about homelessness and gave me the confidence to volunteer again in the future"

Lisa,
Copywriter

Members and Customers

Purpose, membership and belonging are at the heart of our identity and 100+ year legacy. As one of Australia's largest member-owned organisations, we continue to find new ways to serve our members and communities.

In 2023, we started to build on this legacy by designing a new membership program. It will bring together our family of businesses and feature more partners, transforming how we connect with members and enriching the experiences we provide.

Our team in SIXT joined NRMA Parks and Resorts in offering membership to their customers and guests. Collectively, all three Group businesses have signed up over 54,000 new members in 2023 and played a critical role in helping us expand our membership base to 2.9 million members.

In May, we launched a new partnership with GIVIT to help us mobilise the collective power of our members to support communities right across Australia. The GIVIT online platform – accessible via the new Community tab in the My NRMA app – connects members to over 4,500 charities and local support groups. Members can search for current volunteering opportunities or post an offer of help to make a real difference.

Over 700,000 members used the My NRMA app in 2023 and we've continued to invest in our digital channels, with the most significant visual and navigational enhancements to the My NRMA app in five years. It's now easier for members to access travel inspiration, exclusive member benefits, and volunteering opportunities.

The number of visits to the My NRMA website also remained strong, with around 15.4 million visits in 2023. Around 57% were new visitors, demonstrating a growing interest in what the NRMA has to offer. We also started redesigning our website to improve the user experience and better align with the forthcoming membership program.

The Track My Patrol feature gained popularity among our members for real-time Patrol tracking. Around 34% of members who received a tracking link used the feature, saving over 100,000 calls to the contact centre. This freed up capacity for our teams to help other members in need.

In addition to our digital channels, members continued to rely on our Open Road magazine and WhyWeRoadTrip Instagram account as sources of travel inspiration. We've seen a 3.3% increase in Open Road engagement, now reaching 1.281 million readers. WhyWeRoadTrip had a big year, achieving 1.98 million organic reaches across Meta platforms, 27,800 engagements, over 4,000 new followers, 872 hashtag mentions, and overall positive sentiment.

More value

With interest rate increases and inflation causing cost of living pressures, the savings members accessed from our partners through our benefits program helped ease some of the burden. This includes discounts on everyday items such as fuel, insurance, groceries and dining. Over 1.6 million members used their benefits, amounting to $142 million worth of savings. This is an increase of $19 million in savings for members compared to the previous financial year.

We also launched our electric vehicle (EV) car loans product, which offers a discounted interest rate to help make it easier for members to make the switch to an EV.

Our people

Membership is at the heart of everything we do across the Group and this is reflected in how we work together to provide more value to our members. This includes a dedicated membership team focused on building our new membership program. The team works closely with all Group businesses and listens to members to ensure they can experience the best of what we have to offer and be rewarded along the way.

A network of frontline team members from each Group business has also been established to ensure changes to the membership program are successfully embedded and provide their unique perspective on new member benefits.

In 2024, we will officially launch and continue to enhance the new membership program, with new member perks, features and rewards to come.

Highlights	Business Value Drivers and SDGs
1.6 million members accessed their member benefits	
Over 700,000 members used the My NRMA app	
Group Net Promoter Score of +62	
Digital Net Promoter Score for the My NRMA app +50	

Board focus area

Member voices and services
The Board provided guidance to management on the development of the membership proposition.

Roadside Assistance

The last 103 years have witnessed many motoring innovations, and we've been beside our members every step of the journey. No matter where they travel across Australia, we'll be there to help whenever we're needed. This is at the heart of our iconic roadside assistance. To ensure we can continue to support our members, over the past year we've focused on laying important foundations for the future. If the last three years have taught us anything, it's that change is a constant and we must be ready. The following actions will ensure that we can continue to keep people safe on every journey and meet the needs of the future.

To ensure we retain our reputation for providing the best roadside service, we consistently invest in our roadside patrol network. This includes recruiting new roadside Patrols that share our values and purpose. This year, we welcomed 40 new Patrols and our first qualified female mechanic. These new recruits will continue our proud legacy of keeping people moving, which has been at the core of our business for over 100 years. The growing demand for towing services as a result of more technologically complex vehicles has also seen us invest in the expansion of our towing fleet and staff.

This year we took possession of our first EV patrol van, which we will trial over the coming months. Transitioning our fleet to electric is a priority. It will help us realise our ambition to eliminate our carbon footprint and build a sustainable roadside service. We have also introduced mobile EV charging and launched our EV advice service, embedded within our new online electric vehicle hub. This service enables members and customers to interact directly with EV experts who provide free, honest advice on all things EV.

Over the last year, 83% of members who used our car battery replacement service took advantage of our battery recycling program. This year we fitted more batteries than ever before – 192,585 with a total of 156,499 recycled.

Our local contact centres remain the preferred way for our members to contact us. In 2023, our team answered 1,499,200 calls for assistance. Although the pandemic has ended, we have continued to offer our contact teams flexible work conditions that enable them to adopt hybrid work practices, working from home, the office, or a combination of both. The flexibility in our technology interface has seen rises in productivity and a motivated, high performing team. Our exceptional Net Promoter Score of +83 is evidence of our teams' strong performance.

Highlights	Business Value Drivers and SDGs
769 children rescued from locked vehicles	
768 pets rescued from locked vehicles	
Over 100,000 NRMA members used the My NRMA app to request roadside assistance	
Net Promoter Score of +83	
Implemented processes to reduce waiting times at unsafe locations	
2022-23 Winner of Canstar Award for Most Satisfied Customers – Roadside Assistance	

Board focus area

Roadside assistance
The Board monitored the roadside assistance business delivered to members to continue to maintain our high level of service and invest for the future.

NRMA Electric

As more Australians transition to electric vehicles, the NRMA continues to connect communities and enable journeys not only in NSW and the ACT, but across the country. While continuing to expand our NSW network, this year we've taken our focus national; addressing network gaps and connecting towns cross-border, ensuring no one is left behind in the transition to electric vehicles.

Our charging network

Our NSW regional charging network almost doubled this year, to include further infrastructure in Wollongong, Temora, Batemans Bay, Nyngan, and Inverell, taking our total footprint of chargers in NSW to 99. This included the transfer of 29 Chargefox chargers to the NRMA network. We are expanding our charging footprint well beyond NSW, providing drivers with the freedom to travel safely and confidently to any destination.

In April this year the NRMA, in partnership with the Australian Government, announced a $78.6 million national electric vehicle fast charging network, connecting regional communities across Australia's national highway network. The co-funded 117 ultra-fast chargers will feature next generation technology, delivering 300kw of charge across the sites, with a range of battery and telecommunication solutions for rural and remote areas to ensure charging time is minimised. This will ensure EV drivers can travel the National Highway network – from Adelaide to Alice Springs or Bondi to Broome – without dramatically increasing their driving time.

In addition, we'll deliver a further 11 chargers across regional NSW, and 12 chargers in Queensland, in partnership with respective state governments. These investments will be complemented by reinvestment in our existing charging assets – ensuring our network is fit-for-purpose and features the latest charging technology available.

Current grid capacity constraints necessitate us working closely with distribution network service providers to expedite EV charging site connections.

Supporting the electric transition

In addition to our EV charging network, we're helping members and customers make this transition in a myriad of ways. From providing trusted advice online and opportunities to rent or test drive, to mobile charging for peace of mind, we have motorists covered. With the end of the pandemic and lessening of the supply chain issues that have hampered EV sales over the last three years, our research indicates that more Australians will look to an EV for their next vehicle purchase. Supporting the move to this new form of mobility is a priority for us, and over the past year we have implemented a number of core initiatives, highlighted on the adjacent page.

Our charging network continues to expand

Launching our electric vehicle hub

We've made it easier for members and customers to research and choose an EV through the launch of our new online electric vehicle hub. This comprehensive and user-friendly website is perfect for Australians who are considering making the switch and want reliable and trusted information about the benefits of EV ownership. The site provides informative and comparative information on EV models, EV affordability, what to do if your EV breaks down, where and how to charge and running costs. We've even included a handy tool whereby members and customers can calculate how much EV ownership will save them. Explore the electric vehicle hub at **mynrma.com.au/electric-vehicles**

Getting behind the wheel at our EV Drive Days

In partnership with the NSW Government, we've held 14 EV Drive Days across five locations – Ku-ring-gai, Eastern Creek, Wagga Wagga, Newcastle and Broken Hill – with more planned for 2024. These free events afforded members and the public the opportunity to test drive a range of available EV models and speak to experts about EV ownership, maintenance and costs. Over 3,500 people have attended and we've provided over 5,000 test drives. Responses have been overwhelmingly positive, with the majority of people saying they were now more likely to consider an EV when purchasing a vehicle.

A highlight was our EV Drive Days event in Broken Hill where members of our EV team proved just how far everyone can travel in an EV by driving nine EVs 1,100km from Sydney to Broken Hill for the event. Charging along the way was provided by the NRMA regional fast charging network.

Mobile EV charging

We understand that one of the biggest concerns of those considering making the transition to an EV is charging, and what happens if no charging facility is available or an EV breaks down. With this in mind, our roadside teams, along with providing roadside assistance, have launched mobile EV charging to ensure we'll continue being there to help in this new era of motoring. We will be expanding this service in line with member demand over the coming years.

Rent an EV with SIXT

With an expanding range of EVs, SIXT is providing opportunities for drivers to experience what it's like to drive and charge an EV before they commit to buying one.

Highlights	Business Value Drivers and SDGs
Doubling EV charging infrastructure across regional NSW in 2022	
Launching our electric vehicle hub	
14 EV Drive Days across NSW	
Providing more than 74,000 charging sessions	

Board focus area

Electric vehicles
The Board focused on growing the investment in electric vehicle charging infrastructure through grants and acquisitions, and on increasing members' awareness and familiarity of electric vehicles with EV Drive Days held around NSW and the ACT.

Driving the electric future. Together.

Supported by the NSW Government, we've been hosting a series of EV Drive Days around the state, where members and the public can discover everything about owning and driving an EV.

Kicking off in July 2022, our drive days offered the chance test drive an EV, check out a range of models and chargers, and talk to experts about buying and running an EV. Attendance has been strong, with great feedback from all events.

Explains Bronya, who test drove an EV in Broken Hill, "It was a great opportunity to see and drive electric vehicles, particularly in locations like where I live, where there are no dealerships with EVs readily available to inspect or drive".

Erich came along to our Ku-ring-gai event and praised our team of NRMA volunteers and experts who make the drive days possible, "I was very impressed by the extremely helpful and very friendly volunteers who helped out on the day".

Getting hands-on at EV Drive Days

Section 3

Ensuring mutually enriching experiences

By fostering authentic and lasting relationships with First Nations communities and organisations, together we can offer guests the opportunity to connect with Indigenous culture — all the way from Tasmania to Townsville.

Ngaro Country
Airlie Beach, QLD

Transport and Tourism

Go further.
Meet a warm welcome at our parks and resorts

A post-pandemic world saw our domestic and international borders reopen, welcoming back overseas visitors and loved ones. Whilst some Australians headed abroad, many opted for exploring their own backyard and reconnecting with interstate family and friends.

Despite the challenges posed over the last few years, our commitment to growing and supporting regional tourism is unwavering. We've continued to expand our holiday park network, drawing in families and travellers in search of new adventures across Australia. From experiencing the spiritual significance of spectacular Wilpena Pound (Ikara) in South Australia, to pristine Airlie Beach in the Whitsunday Region of Queensland, there's an NRMA Parks and Resorts holiday destination for everyone. This year we added Mon Repos and Cape Hillsborough in Queensland, and Forster-Tuncurry and Batemans Bay in NSW to our parks portfolio — and we prepared to bring Coral Expeditions into our Marine business.

Our iconic lodges in some of Tasmania's most untouched environments provide the opportunity to escape and recharge while immersing in nature, dining on superb cuisine, and relaxing in stunning accommodation. We also continue to champion and promote Indigenous tourism opportunities. These inherently Australian experiences offer new perspectives and the chance to engage with the oldest continuous culture in the world. We're working closely with local First Nations organisations to develop a range of Indigenous owned and led tourism experiences for our guests.

Australia's unique marine and wildlife remain some of the main attractions for both domestic and international visitors. We continue to support Wildlife Recovery Australia, whose efforts to conserve our flora and fauna are vital to the tourism sector, and take care to tread lightly on the lands and waterways on which we operate. As we head into a new year characterised by challenging economic conditions, the chance to take a break and reconnect with nature, friends and family has never been more important.

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, delivering unique experiences to members and customers.

The Transport and Tourism segment saw a strong rebound in 2023, following three years of disruption from the pandemic, with revenue for the segment of $434.7 million (2022: $273.6 million) increasing by 58.9%.

The holiday park and hotel accommodation business saw strong growth across all states, with revenue increasing by 24.6% on a like for like basis. Occupancy was up by 16.3%, and pleasingly there were 427,000 member nights which represents an increase of 41.5% on 2022. The Group continued to invest in regional areas with the addition of four new accommodation assets to the portfolio, including Great Lakes at Forster-Tuncurry, Turtle Sands Holiday Park, Cape Hillsborough Nature Tourist Park and the Pumphouse Point hotel. This brings the total number of park and accommodation assets for the Group to 54.

The car rental business benefitted from strong domestic demand and an improvement in brand awareness, driving an uplift in revenue of 79.8%. The SIXT brand reached its 18-month milestone marked by growth in market share to 15%, and an increase in prompted brand awareness from 13% at launch to 37% in 2023. Fleet supply chain issues, generally across the industry, restricted the number of vehicles available for rent, leading to higher average daily rates, and an increase in utilisation of vehicles.

The Group's Marine business saw a 92% increase in ferry passengers, benefitting from an uptick in employees returning to the office post-pandemic, and the resulting increase in the frequency of passenger ferry services. Demand for tourist services increased with the return of overseas visitors, enabling the return of the Hopper service. The Marine business was awarded a 15-year extension of the Manly Circular-Quay contract with TfNSW following a competitive tender process, providing certainty for the future of the operation.

The significant increase in activity in the segment gave rise to associated increases in variable operating costs, including commissions and other selling costs, food and beverage costs, repairs and maintenance, and fuel. The segment also faced cost challenges from inflationary pressures, particularly in food, beverages and fuel.

The operating profit for the Transport and Tourism segment was $39.1 million in 2023 (2022: operating loss of $4.2 million).

The outlook for the Transport and Tourism segment is positive, with strong demand continuing into 2024 across all businesses within the segment. Inflationary pressures remain a challenge and will be a focus in the coming year.

Parks and Resorts

With the end of the pandemic and associated travel restrictions, there was a welcome return to strong trading conditions this year. Our member visitor nights in our parks were up by 41% on 2022, unlocking $5.2 million in member value and discounts. Our portfolio of unique lodges, located in pristine Tasmanian wilderness, also experienced strong growth, entrancing visitors seeking to unwind and experience idyllic environments while enjoying superb accommodation and hospitality.

This year NRMA Parks and Resorts launched a new campaign, 'It's in our nature', encouraging people to experience the great outdoors while enjoying our hospitality. The campaign reinforces our focus on the acquisition of parks and resorts that offer nature-based experiences. This year we acquired Cape Hillsborough Nature Tourist Park near Mackay, and Turtle Sands Holiday Park at Mon Repos near Bundaberg. Both of these parks are located in breathtaking beachside environments, offering guests the perfect opportunity to unwind and experience their uniqueness and wildlife. We are partnering with the Queensland Government and the region's First Nations Gidarjil Development Corporation to create an entirely new tourism experience at Mon Repos that protects and preserves the adjacent, significant turtle nesting conservation site.

Our current Tasmanian lodges include Freycinet Lodge, Cradle Mountain Hotel, Strahan Village and the newly acquired Pumphouse Point. Widely acclaimed Pumphouse Point is situated in the Cradle Mountain-Lake St Clair National Park, which is one of the most celebrated World Heritage Areas on earth. Here, guests can take advantage of spectacular hikes and boating adventures or relax in boutique accommodation and take in the stunning scenery.

We continue to seek ways to adopt practices that minimise the impact of our assets. This year we installed high-capacity solar panels across 15 of our parks and continued to roll out EV charging infrastructure across our network, enhancing access to charging infrastructure for our guests. We have expanded our e-bikes to five more parks, including Darlington Beach Holiday Resort, which has front row access to a network of forested trails. Conscious of our Tasmanian lodges' special locations, we undertook a project to remove single use soft plastics from our operations and are working to improve our recycling practices and energy efficiencies.

Providing exceptional member and guest experiences remains a priority, and we are proud to have designed and launched Australia's first accessible safari tents for guests with mobility issues at Victor Harbor Beachfront Holiday Park in South Australia. We have also increased the number of popular Glamtainers, including two at our Jindabyne holiday park, adding an extra level of luxury to this popular year-round destination. We employed a leading Chef to take charge of the menus on offer across our Tasmanian assets, which now features exquisite dining focused on seasonal produce, and are continuing refurbishment projects at Freycinet Lodge and Strahan Village.

Our locations' connections to Country have proved the impetus for the strong relationships we are forging with First Nations people and organisations. In Tasmania, we engaged with First Nations organisation Ochre-Rain, facilitating a series of walking on Country experiences that afforded both employees and guests a richer understanding of the land's significance to Aboriginal people. We continue to work with local First Nations groups to develop and showcase Indigenous tourism experiences for our guests across our locations.

Highlights	Business Value Drivers and SDGs
$5.2 million in savings redeemed by NRMA members	
51 parks now under NRMA ownership or management	
Installation of 37 EV chargers	
Partnering with Camp Quality	
Investment in high capacity solar at select locations	
Acquisition of Pumphouse Point and Freycinet Adventures	
Eradicating the use of single use soft plastics	
Cultural immersion experiences through Ochre-Rain	
Strong financial growth	

In the heart of Tasmania's World Heritage Area, Pumphouse Point offers a unique opportunity to unwind and reconnect with nature

Wulinantikala
Pumphouse Point, Lake St Clair, TAS

Main spread: Adam Gibson
Inset pictures: Adam Gibson and Rachel Vasicek

Marine

It's been a big year for NRMA Marine, with the end of the pandemic heralding the return of overseas visitors and many Australians returning to the office. The efforts of our team saw us ready to embrace this new vibrancy across the tourism sector, while maintaining our focus on innovation.

The NRMA invested in Coral Expeditions in 2021 and it had a very busy 2023, as more people than ever reconnected with the natural environments of Australia and its neighbours. Coral Expeditions offers guests a range of unique destinations and curated shore excursions in spectacular, hard to reach locations across Australia and beyond.

Following a competitive tender process, My Fast Ferry signed a new agreement with the NSW Government to operate for a further 15 years. Our new agreement will see us deliver more peak services to meet the growing demand. Commuters will also enjoy the convenience of paying for trips using their Opal card, with installation of the Opal gates due for completion by December 2023.

Domestic and international tourism rebounded in 2022 with increasing activity on Sydney Harbour. We witnessed growing demand for sightseeing trips, hop-on-hop off services to Watsons Bay and Manly, and increasing ferry trips to Taronga Zoo. As events and celebrations returned in the form of Sydney's Vivid Festival and iconic New Year's Eve fireworks display, we found visitors and Sydneysiders alike keen to experience it all on our special cruises. These, in combination with our well-loved whale watching cruises, were particularly appealing to overseas visitors who made up almost half of all passengers.

Based on the last year, we expect passenger numbers to return to pre-pandemic levels by 2025.

Gordon River Cruises in Strahan, Tasmania continued its award-winning streak at the Tasmanian Tourism Awards – unsurprising considering customer feedback and their exceptional Net Promoter Score of +87. Less affected by the pandemic's international border closures, due in part to their popularity with Australian domestic travellers, customer patronage continued to grow.

Our commitment to reconciliation with First Nations people continued, through the creation of employment opportunities and community partnerships. In November and December, we teamed up with Asuria Employment, Babana Aboriginal and Tribal Warrior to train prospective mariners, five of whom gained employment with us at the completion of their training. We also supported numerous Babana Aboriginal events with return transfers to Cockatoo Island for community health and wellbeing, and employment days. Recognising the benefits of diversity, we're also actively seeking to expand our workforce through our partnership with NOVA Employment, supporting job seekers living with disability.

Highlights	Business Value Drivers and SDGs
Renewing the My Fast Ferry contract for a further 15 years	
Fostering employment opportunities for First Nations people	
Winner Gordon River Cruises – Tasmanian Tourism Awards	

Board focus area

Marine
The Board monitored the implementation of the contract with Transport for NSW for the Manly to Circular Quay route and the investigations into hydrogen propulsion of ferries.

Inspiring future captains. Together.

Jack is well known among our My Fast Ferry crew. How? This 7-year-old knows the entire My Fast Ferry fleet inside and out.

Field Team Manager Paul McNamara met Jack while onsite at Manly Wharf during the school holidays as Jack, his mum and little sister embarked on a Manly to Circular Quay round trip. He told Paul that his favourite vessel is the Ocean Adventurer and as luck would have it, the Adventurer pulled up alongside the wharf.

As a treat, Paul escorted Jack and family upstairs to ride in the wheelhouse alongside Master Justin Hawco. Jack tested Captain Hawco's maritime knowledge with plenty of questions and fortunately he passed with flying colours.

When Paul told Jack that the NRMA had secured a 15-year extension for the Manly-Circular Quay run, Jack requested we add another 5 years – so he can stay longer when he works for My Fast Ferry. The future is very bright for Marine when we have ocean adventurers like Jack flying our flag.

My Fast Ferry's biggest fan enjoys a day on Sydney Harbour

SIXT

Despite being only 18 months young, the SIXT brand has made significant inroads in the Australian vehicle rental market. Research indicates over 40% of Australians recognise our vibrant orange logo, and thanks to our exceptional customer service we have already captured 15% of the market. In 2023, we have focused on cementing our position as a leading vehicle rental company and laying the foundations necessary to enable new mobility innovations that meet the demands of the future.

Mindful of the growing transition to cleaner forms of mobility and our own commitment to contributing to a sustainable Australia, we are expanding our range of electric vehicles, which now sits at over 6%. From the popular Tesla Models 3 and Y, and the premium BMW iX3 to Australia's most affordable EV, the BYD Atto 3, we're making it easier for everyone to drive and experience an EV. Rounding out our diverse fleet is a new range of premium vehicles for customers seeking a little extra from their rental experience.

We have an ambitious goal to provide the best and most consistent customer experience in the country. With this in mind, we invested heavily this year in upgrading our reservation system. These changes will make it faster and more efficient for our customers to check in, ensure accuracy, and provide for paperless rental solutions. We have also taken steps to combat the rising cost of living, introducing SIXT Rental Relief. This innovative program enables our customers to deduct the percentage of their rental accommodation increase from their vehicle rental. NRMA members continue to benefit from their 15% discount and great offers available at 173 locations across Australia.

Board focus area

Vehicle rental
12 months on, the Board reviewed the transition of the vehicle rental business to SIXT and the acquisition and integration of the business from a franchisee that operated in South East Queensland and northern NSW.

Highlights	Business Value Drivers and SDGs
Continuing to expand our range of EVs – now totalling 6% of our fleet	
Capturing 15% of the Australian vehicle rental market	
Introducing SIXT Rental Relief to assist with cost of living increases	

Section 4

Backing Australia's electric revolution

In a landmark partnership with the federal government, we're building Australia's charging backbone. With 117 sites to be installed across the National Highway network, we're connecting communities for locals and travellers alike.

Yilawura
Bathurst, NSW

Investments

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

Go further.
Meet a member who is a proud EV owner

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).

Equity markets were resilient in 2023 against the backdrop of inflationary pressure and the subsequent tightening of monetary policy by the central banks. Despite the uncertainty driven by weakening economic conditions, equity markets ended the year with double digit returns, with the ASX 200 finishing up 14.8%.

The core portfolio delivered total returns of 7.7% (2022: 1.6%), which was competitive against similar strategy investments such as balanced superfunds delivering 8.5% for the year (2022: -3.8%). Over the longer term, the portfolio has delivered strong returns at 5.0% and 8.9% per annum over five and 10 years respectively. Our portfolio remains defensively positioned, being mindful of recent market volatility while focusing on capital preservation for long term growth.

The total returns of the portfolio are inclusive of $18.2 million in net unrealised gains from fair value adjustments, in contrast with the prior year which saw fair value losses of $22.8 million. Whilst 2023 saw some volatility in the market, the slowing of inflation following a series of sharp interest rate rises fuelled investor optimism as the financial year closed. The outlook remains uncertain in the face of continued inflationary pressures.

The Group remains committed to making investments that deliver positive environmental, social and governance (ESG) outcomes and continues to explore opportunities to expand investments in this space. During the year, further allocations were made to ESG funds, including a new fund that invests in Clean Energy infrastructure, focused on carbon-reducing, renewable power generating projects. The Group also increased its investment in sustainable agriculture and food technology, promoting regional Australia.

The Investments segment also includes our joint venture and associate investments. These investments, including Club Assist, Australian Motoring Services and Hotel Kurrajong, contributed operating profit of $2.5 million (2022: $4.1 million).

The operating profit for the Investments segment for 2023 is $27.1 million (2022: $27.9 million).

Section 5

We're proud to be recertified as one of only 128 Australian employers who is an Employer of Choice for Gender Equality. Over the past year, we've introduced paid super on unpaid parental leave and continued to reduce our gender pay gap.

Underpinning the value we create

Wetherill Park, NSW

People and Culture

Go further.
See Pride at work across the Group.

At the NRMA, we understand that our people are at the heart of our business. That's why we continue to cultivate an inclusive, diverse, and purpose-led culture.

Diversity of knowledge, culture, experience and perspective fosters creativity and innovation, enabling us to better understand the needs of our members and customers. This focus ensures we have the capabilities to meet future challenges and contribute to building a better, more sustainable Australia.

Our people's passion and unwavering commitment to creating exceptional experiences for our members and customers is the reason the NRMA is one of the most trusted brands in Australia. Our culture is embodied within our Playbook, which represents our values, behaviours and beliefs, guiding us all on how we work together.

Celebrating our Playbook

Our people are renowned for genuinely caring about what they do. This dedication is recognised through our rewards program, My Thanks. Throughout the year, employees can nominate one another for going above and beyond in their roles. This culminates in the My Thanks Awards, where nominated finalists are celebrated for their exemplary demonstration of each of the following Playbook pillars.

We will carry you when you need help	We will keep you safe along the way	We always think one step ahead	We know your time is precious	We will walk in your shoes

Our 2023 My Thanks Awards winners, L to R: Russell Chaplin, Jeanette Collett, Anna Tang, Kylee Bakarich, Sharon Ord, Ziqi Chen, Zoe Anderson, Sally Borck and Moodi El-Ali. Not pictured: Ben Fontaine

Strengthening Outback Links. Together.

Through the Outback Links program, every six months volunteers from across our Group provide struggling farmers with valuable mechanical and general farm duty assistance.

Terry Smith is a roadside assistance Patrol Team Leader in Canberra and regular Outback Links volunteer.

He believes that you can't walk away from these trips without them having an impact on you.

"I think it's fantastic that the NRMA gets involved in struggling communities to provide support. The mental health benefits for the recipients are enormous".

A recent highlight on a trip to Bingara was getting 'Effie' the Ford F100 truck back up and running. The farmers were overjoyed at hearing Effie 'purring like a kitten' again. It's moments like these that are a true expression of our values and remind us what a big difference a small gesture can make.

Board focus area

People and culture
The Board continued to monitor the implementation of the plan to embed the desired culture of the NRMA during FY23. It continued to focus on embedding leadership capabilities and developing senior talent.

Putting our people first

We are continually striving to provide a work environment that allows our people to develop and thrive. It's why 87% of our employees feel proud to work for the NRMA. We consistently celebrate and reward employees whose efforts embody our Playbook values through our My Thanks program. During 2022, we recognised 10 individual Playbook ambassadors and two teams for their exceptional achievements over the year.

Our Belong strategy is designed to enable all our people to bring their authentic selves to a workplace where they feel respected, seen, valued and heard. We embrace open and transparent dialogue and listen carefully and respectfully when stories are shared. We have established employee-led groups that champion diversity, including our LGBTQI resource group Shine, our gender equality resource group RISE, and our disability and accessibility resource group NRMable. This year we are very proud to have developed our first Disability Inclusion Action Plan, which will ensure better participation outcomes for employees with a disability. We also launched our Group Carers' Policy to enable equitable access and support for employees who identify as having caring responsibilities, irrespective of life stage or carer responsibility.

Gender equality remains a primary focus for the NRMA and over the last year we have continued to build equitable outcomes for our employees and reduce the gender pay gap. This year, our gender pay gap (total remuneration of all employees) is 12.8%, which is significantly below the national average. To assist in bridging the superannuation gap between males and females at retirement, we have introduced paid super on unpaid parental leave. RISE, our gender equality network, championed gender equality within communities through platinum sponsorship of the Western Sydney Women Awards and the Women in Trades Award. We were also successful in receiving recertification as one of only 128 Australian employers who is an Employer of Choice for Gender Equality and have been recertified as a Family Friendly Workplace. Despite the ending of the pandemic, we have continued to offer our employees the hybrid and flexible work arrangements they value, recognising the benefits to productivity, work/life balance and culture.

We have continued to embed our NRMA leadership framework — Lead at the NRMA. This framework imparts the core capabilities that are valued by our organisation and viewed as critical to our future growth and success, evolving our people-first culture. Forty of our senior leaders completed the Lead for the Future program in 2023. The program highlights the need for leaders to be adaptive, systematic thinkers who value, inspire and motivate their teams.

We continue to invest in our people management systems and technology. The provision of quality digital experiences increases our people's ability to communicate and collaborate across the organisation, and provides data and insights for better decision making.

Future focus

Attracting and retaining our people is imperative, so we continue to develop our capabilities through supporting career development and driving continuous improvement. While the future of work remains undefined, there can be no doubt that it is changing. While the pandemic redefined where and how we work — changing the role of place forever — new digital technology, AI and further automation demand new skills and new approaches. Readying our workforce for these changes is critical and we are ensuring that development opportunities involve a balance of professional, technical and on-the-job learning. Delivering our employee value proposition will be instrumental in attracting and retaining the right people. We are focused on unlocking our people's potential, sharing their stories, communicating our difference, and positioning the NRMA Group as an Employer of Choice.

Highlights	**Business Value Drivers and SDGs**
WGEA Employer of Choice Gender Equality citation 2022-2024	5 Gender Equality
Development of our Disability Inclusion Action Plan	10 Reduced Inequalities
Reduction in serious injury rate	8 Decent Work and Economic Growth

Board focus area

Talent retention
The Board focused on the management of talent and capability to ensure the NRMA can implement its strategy.

> "We aim to set higher standards of equal employment opportunity and genuinely celebrate difference"

Safety

During 2023 we saw our operations return to pre-pandemic volumes, realising an increased focus on risk management controls as we expanded and diversified our footprint and services.

Our relationships with contractors and franchisees are crucial to our business, and we work with our partners to ensure that safe operations are always our first priority for all workers. Our Safety Management System has been updated to better incorporate the compliance and assurance aspects of our relationships with these partners. This year the Safety Management System was further enhanced to include a detailed risk module which enables our organisation to maintain a central safety risk register as well as registers for each business unit. This improves our capability to monitor new and emerging risks, review control effectiveness and also transfer learnings and processes among business areas.

In 2022, the Safety Legislation in NSW and other states was amended to include the requirement for managing psychosocial hazards and risks in the workplace. These reforms require employers to include psychosocial safety as a key consideration in workplaces. This year, the NRMA Group developed our first Mentally Healthy Workplace strategy, where we focused intentionally on developing a framework to create and foster a work environment that understands, supports and promotes the importance of psychosocial safety. The starting point for the strategy was to identify psychosocial hazards and risks and apply an adapted hierarchy of controls to address these. A Mentally Healthy Workplace policy was implemented, along with guidance documents such as critical incident management and responses to occupational violence. Raising awareness was a critical success factor and the NRMA Group offered opportunities to attend virtual or in-person training sessions for our people across Australia.

Our early intervention tools and resources for physical injuries are well developed and this year we focused on ensuring that we have equally appropriate solutions, treatment and referral options in place to support our people when they or their family are experiencing mental health challenges.

Our safety performance was favourable to target again this year. While our lost time injuries increased in comparison to last year, the serious injury rate has reduced, which illustrates that higher consequence events have appropriate control measures in place to reduce the risk of adverse outcomes to our people.

Senior leaders have continued to support the development of a proactive safety culture by contributing Serious Risk Observations across all parts of the business. These activities are reported and actions tracked within our governance framework and form an important component of the way the NRMA demonstrates its commitment to continuously validating the safety of our operations.

Employee Assistance Program

347
Employees used mental health and wellbeing support

62
Employees engaged with counsellors or psychologists

144
Employees used the medical support option

Wellbeing Challenge

336
Participants across the Group

814
Activities recorded throughout May

21
Participating teams

Active Care

218
Physiotherapy requests

Step Challenge

450
Participants throughout September

Board focus area

Safety of our people
The Board continues to receive, as the first agenda item, the safety incidents in the Group and the mitigating actions undertaken by management so they do not reoccur.

Safety — NRMA Group	FY23	FY23 target	FY22 act
Serious risk observations	222	216 (18p/m)	245
Hazard/near miss reporting	25%	30%	26.43%
Serious injuries	3	5	4
Serious injury frequency rate	0.78	1.6	1.47
Lost time injuries	20	24	8
Lost time injury frequency rate	5.19	6.50	2.95

Target achieved Target not achieved

Reputation

Advocacy

We continued our role as a leading and influential advocate on issues that matter to our members, driving meaningful change in the areas of safer mobility, affordability, equity and access, and connected regions.

Our commitment to road safety saw us realise a number of significant achievements in 2023. Responding to member concerns regarding road conditions following heavy rain and flooding, we launched our Rate Your Road campaign. Nearly 30,000 people took part in our survey, making it the largest transport survey ever conducted in Australia outside the Census. We released the results in our Fix Our Broken Roads report, drawing commitments from government exceeding $1.5 billion for local road repairs, primarily directed towards regional NSW and Western Sydney. Flooding across regional NSW highlighted the need to improve motorist safety through access to real-time traffic information.

We facilitated the expansion of the Live Traffic NSW website and app, adding 32 regional local government areas and their local roads to the platform. We also successfully lobbied for the ACT's deployment of mobile phone detection cameras at critical locations to tackle driver distraction. Mindful of motorist safety and the plight of our unique wildlife on roads, we published our Wildlife Road Safety report earlier in the year.

As part of our ongoing focus on sustainable mobility, we contributed to the Australian Government's commitment to a fuel efficiency standard, engaging with key stakeholders to help reduce emissions and stimulate better supply of low emission vehicles to Australia. We also co-developed several policy initiatives with the NSW Government aimed at increasing public education on electric vehicles and putting downward pressure on emissions. These included; a NSW Vehicle Offsets Scheme where drivers can voluntarily offset their vehicle's carbon emissions against Australian carbon offsets, and our free community EV Drive Day events. In collaboration with several partners, we have undertaken a connected and automated vehicle trial. This represents a milestone in the advancement and testing of automated vehicle technologies.

In our efforts to champion access, equity and inclusivity, we successfully lobbied the NSW Government to install real-time parking sensor technology in disability spaces across greater Sydney, making it easier for people living with a disability to access parking. We also instigated our Fund Car Seats campaign, which has resulted in better access to child car seat checks and fittings. In August we released our ACT Cycling Participation paper, which highlighted the under representation of females electing to cycle to work, despite the territory's well connected and shared paths. Our paper called on government to implement initiatives to encourage female participation, highlighting the potential of bicycle tourism in the ACT.

Highlights	Business Value Drivers and SDGs
Increase in free car seat fittings and checks by local authorities	
Installation of real-time parking sensors across greater Sydney to improve disability access	
Trial of real-time fuel pricing in the ACT to improve transparency for motorists	

Board focus area

Advocacy
The Board supported the Fix Our Broken Roads campaign and continues to monitor the funding commitments from the government.

Our Rate Your Road transport survey was second only to the Census

Inset image: Maverick Marketing and Communications

Education

Road safety awareness remains a priority for the NRMA, and in 2023 we continued to provide road safety programs for primary and high school students across NSW and the ACT. These entertaining, comprehensive and informative programs are made available to schools at no charge and enjoy a high level of pupil and school engagement. Designed to appeal to targeted age groups and deliver appropriate and age relevant information, they ensure that our young people receive and understand crucial road safety messages.

The development of our online programs has enabled us to extend our reach across regional and metropolitan areas, ensuring all students in NSW and the ACT have access. In 2023 we reached over 39,000 students through a combination of in-school and online delivery. Our online programs continue to grow in popularity, providing schools with more flexibility and the ability to align with teaching curricula. This year our online Science and Road Safety Program and online Young Drivers Road Safety Program reached over 11,000 primary students and over 8,000 high school students.

2023 was a milestone year, representing ten seasons of delivering road safety awareness to nearly 400,000 young people. To commemorate this milestone, we held a special event at St Anthony's Primary School in Western Sydney, where special guests, pupils and the school community joined us to celebrate. Recognising the benefits of access to engaging online programs for educators and schools, these will become our primary focus moving forward.

Now in its sixth year, the NRMA Future of Transport Challenge invites school students to solve real world transport problems through research, creativity, team work and design thinking. Finalists receive four hours of mentoring from NRMA experts before presenting their projects to a panel of expert judges, where a winner is crowned. Open to students from years 7 to 10 in 2023, 46 schools submitted 55 projects, with more than 185 students participating. Every year, teams develop insightful and unique ideas and solutions that inspire, and gain valuable experience in team work, idea synthesisation and presentation skills. Due to overwhelming demand, in 2024 we are expanding the age categories to encompass years 5 and 6.

Highlights	Business Value Drivers and SDGs
Educating over 39,000 young Australians on road safety	
Reaching over 19,000 young Australians with our online road safety programs	

Defining future transport. Together.

The NRMA Future of Transport Challenge invites students from years 7 to 10 to solve real-world transport issues and encourages them to follow their natural curiosity, innovate and think like entrepreneurs. They must also deliver a product pitch to a panel of expert judges and their peers.

This year, after much deliberation, Davidson High School took out the year 7/8 division with DOVS, a crash alert system embedded in vehicle crumple zones that sends a 000 signal in a crash. This deploys drones to assess the situation and despatch the relevant emergency vehicles, cutting response times and preserving emergency resources.

The winners for years 9/10 were Canley Vale High School with BookSafe, an app connected to your Opal card that allows you to book a seat within a designated train carriage that requires a code for entry. BookSafe aims to make people feel safer and encourage more train travel, thus reducing congestion on our roads.

The challenge is designed to prepare students for the jobs of the future, while having a lot of fun.

Personalised tech shone in this year's challenge

Community

As a mutual, we are intent on supporting and contributing to communities across Australia. Giving back to you, our members, by mobilising our people and assets when you need help. The last few years have posed significant challenges – challenges that have impacted livelihoods, businesses, individuals and communities. From relentless climate related disasters to a global pandemic, many communities – especially those in regional areas – have had no time to regroup or recover. In 2023 we set about trying to understand how we could do more, and how we could mobilise our members to help.

Our Community team visited the flood affected areas of Lismore, Casino, Coraki and Eugowra in NSW. Speaking to affected residents, businesses, government representatives and charities, we learnt about the effects and aftermath on communities. Despite the obvious anguish of residents, they generously shared their stories, suggestions and needs. Across all affected areas, some key themes emerged. These included; the loss of communications during, and in the aftermath of disaster, inefficiency and waste with respect to donated goods, failure of those helping to utilise local knowledge, future uncertainty, and the long term toll on mental health.

Our findings became the impetus for the formation of our partnership with GIVIT, an organisation that enables people to donate needed goods or volunteer their time. Our job isn't finished, and over 2024 we will work to identify new ways for us to contribute. Get involved on the new My NRMA app.

We continue to partner with Frontier Services to run our Outback Links program. This year our teams of employee volunteers headed to Finley in September and Bingara in March. Our teams set to work to assist drought and flood affected farms with mechanical and equipment repairs and helped with painting, mucking out sheds and general maintenance. The impact of this program is significant; friendships are formed, spirits are lifted, livelihoods restored, and our volunteers come back with new perspectives and appreciation for regional Australia.

One such beneficiary was Irene. Having just undergone hip surgery and finding the upkeep of her property almost impossible, Irene's appreciation for the volunteers and the experience could not be overstated.

> "I've felt more alive in the last few days than I have in the past four years"

Through our involvement on the Regional Australia Council, we work with the Regional Australia Institute to support regional economic development in our regions. This year we made two pledges to support the Institute's work. Firstly, to install over 180 EV chargers in regional Australia by 2026. Secondly, to leverage our member base and communication channels to represent regional Australia's views on local roads impacted by flooding, their condition, and safety concerns. Recognising the positive economic impact of regional tourism, we continue to champion the great Australian road trip through our WhyWeRoadTrip Instagram campaign.

Highlights	Business Value Drivers and SDGs
Partnering with GIVIT to support communities in need	
Supporting drought and flood affected farms across NSW	
Supporting regional tourism development through our WhyWeRoadTrip campaign	

Our Outback Links team lends a hand in Bingara, NSW

Reconciliation

It's been a rewarding year in the reconciliation space as we continue to embed our Reconciliation Action Plan (RAP) commitments across the Group. The NRMA aims to educate, inspire and empower our people, members and communities to understand that the way forward is together.

A focus this year was promoting a fresh approach to reconciliation. On 27 October 2022, Group CEO Rohan Lund announced NRMA Group support for the Uluru Statement from the Heart. To mark the occasion, we held simultaneous smoking ceremonies at 18 Group business locations across Australia, accepting the invitation to heal and walk together with First Nations people. At this landmark event, we also launched our RAP artwork, Charging Together Towards a New Dreaming, by Kamilaroi artist Bianca Gardiner-Dodd. We've since showcased our RAP artwork across the Group, increasing visibility of First Nations culture. Among the assets now proudly wrapped in the artwork are an NRMA tow truck, driver training vehicle, SIXT rental cars and trucks, and a marine vessel. In June we also revealed our new Acknowledgement of Country and Vision Statement, with both pieces better reflecting our intentions and guiding our employees.

We've also seen more of our employees participating in First Nations days of significance. Our Giilang (Wiradjuri for 'story') Circle was held at Sydney Olympic Park during Reconciliation Week and featured knowledge sharing and discovery. In NAIDOC Week 2022, we partnered with OzHarvest in 'Cooking for a Cause', where our people prepared meals for Redfern Community Centre. And our parks and resorts hosted events at several locations throughout the year, in collaboration with the Reconciliation team and local communities.

Externally, our networks continue to grow while we foster our existing relationships and continue to support First Nations businesses through our RAP procurement targets. We're proud to now partner with the Metropolitan Aboriginal Land Council, Dubbo Aboriginal Land Council, Tuncurry Aboriginal Land Council, Bathurst Aboriginal Land Council, Broken Hill Elders and Aboriginal Land Council, Wollotuka Institute, and Weave Youth & Community Services. We also want to acknowledge the continued commitment of our Marine business to deepen partnerships with Babana Aboriginal Men's Group and Tribal Warrior.

Looking forward, the NRMA are advancing our second Stretch RAP, launching a First Nations employment hub, and growing even greater engagement among our people.

Go further.
See the creation of our new RAP artwork

Highlights	Business Value Drivers and SDGs
Representation of our new RAP artwork across our assets	
Completion of cultural competency training for our Senior and Executive Leadership teams	
Developing partnerships with First Nations organisations to foster equity and equality	

Recognition of Place names

You may have noticed that we're using traditional Place names on some images in this report. As a result of engaging with First Nations community custodians, we have been gifted the right to use specific Place names (such as Wilyakali for Broken Hill), which we respect and value. Please show respect by not using these Place names without permission from the Elders/leaders in the community.

Our vision for reconciliation is one in which First Nations culture is rightfully seen, heard, and celebrated as part of everyday life across all communities.

By working alongside Aboriginal and Torres Strait Islander people, we strive to create employment pathways, foster enriched cultural experiences, and enable safer, more accessible journeys. It's only together that we can go further – contributing to meaningful and enduring change for all.

Environment

The NRMA is committed to climate action and safeguarding the environment so it can be enjoyed by future generations. Recognising the need for collective action to limit global warming, we are focusing on the decarbonisation of transport and tourism in our own operations and in the community. By prioritising electrification and renewable energy, taking steps to reduce our emissions, and caring for nature, we strive to lead by example and contribute to a more sustainable and resilient Australia.

In 2023 we undertook work to develop comprehensive emission reduction plans for each of our businesses, identifying and evaluating initiatives to reduce our emissions. This year we also commenced baselining our Scope 3 emissions, and will continue to improve our data quality and precision over the next 12 months. We are also embedding a sustainable procurement framework.

Our priority is electricity consumption, which is our single largest source of operational emissions. Initiatives we are implementing include, the installation of rooftop solar panels across our parks network which to date has a 668KW capacity, powering our expanding EV charging network with 100% renewable energy, and the intention to transition our remaining electricity usage to renewable sources in the future.

Our commitment to 'accelerating the electric transition' is evidenced by the actions taken across our businesses. This year we took delivery of our first electric NRMA patrol vehicle, laying the foundations for an electric roadside assistance fleet. SIXT continues to lead the electric vehicle rental market by offering over 550 EVs for rent, establishing it as one of the largest EV rental providers in the country. We have continued to install charging infrastructure across our holiday park network, making it easier for EV owners to holiday with confidence. Finally, our Marine business is embarking on projects to improve the efficiency of our vessels and reduce diesel usage and emissions.

Our battery recycling program assists in extending the lifespan of valuable resources, reduces waste generation and minimises society's reliance on finite raw materials, preventing environmental degradation. This year with our members' help, we recycled over 156,000 vehicle batteries, making a valuable contribution to the circular economy which supports sustainable economic growth.

We supported carbon offset projects in the Mulga Lands bioregion of South West Queensland, located on properties with local or regional biodiversity significance. These projects involve the regeneration of native vegetation through changes in land management practices.

Protecting the natural environments surrounding our tourism assets is vital, particularly as we grow our footprint in nature-based parks. We recognise that our activities have the potential to impact fragile ecosystems and the diverse array of species that call them home. We therefore prioritise sustainable practices that minimise disturbance and protect the ecology around our parks, so that our guests can continue to enjoy unforgettable experiences while fostering a deep appreciation and respect for Australia's unique environment. This year we acquired Turtle Sands Holiday Park at Mon Repos. This globally significant ecological site supports the largest concentration of nesting marine turtles on the Australian eastern seaboard. We are working with a range of specialists and experts in the field to ensure our operations align with best practice and contribute to their protection and preservation.

We have also continued our partnership with Wildlife Recovery Australia, a joint venture between the Odonata Foundation and Byron Bay Wildlife Hospital, Australia's largest mobile wildlife hospital.

Highlights	Business Value Drivers and SDGs
Decarbonisation plans in progress in each business	
Carbon neutral operations within Motoring and Membership in FY22	
Continuing our support for Wildlife Recovery Australia	

Board focus area

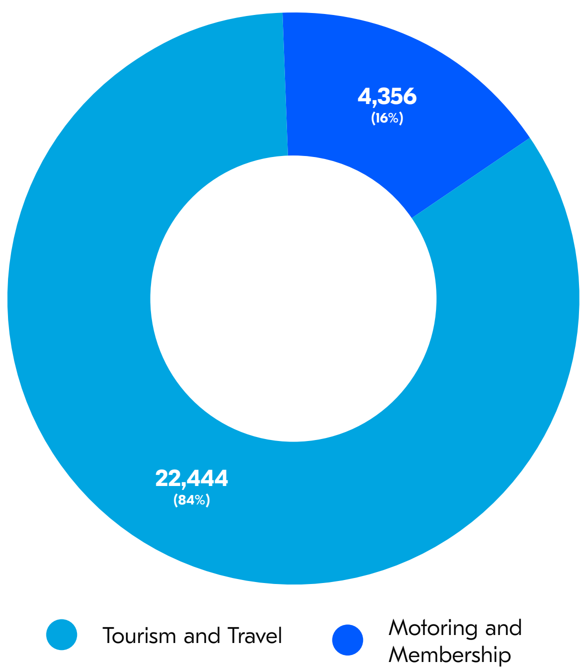
Environment
The Board continued to monitor the impact of climate related weather events on not only our business performance but also on the members and communities impacted, and assisting people where possible.

Greenhouse gas (GHG) emissions

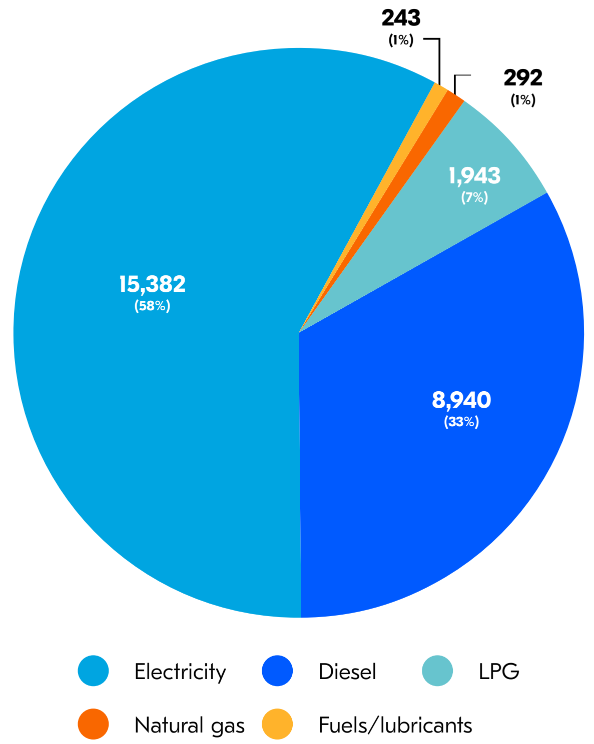
The NRMA tracks and reports our operational GHG emissions via the National Greenhouse Energy Reporting Scheme (NGERs).

Emissions	Metric	FY22	FY21	FY20
Scope 1 (emissions from burning of fuel e.g diesel or natural gas)	(tCO2-e)	11,418	11,921	14,834
Scope 2 (emissions from electricity)	(tCO2-e)	15,382	14,229	12,645
Total reported operational emissions	(tCO2-e)	26,800	26,150	27,479
Energy consumed	(GJ)	249,085	239,492	269,843

FY22 Total Operational Emissions (Scope 1&2) by business (tCO2-e)



FY22 Total Operational Emissions (Scope 1&2) by source (tCO2-e)



Supporting biodiversity. Together.

Karla, a 2-year-old koala, was brought into Byron Bay Wildlife Hospital in December 2022 after being hit by a car. Their veterinary team, led by Dr Bree Talbot and Dr Chantal Whitten, found Karla was suffering from fractures to her sinus, inflammation and shock.

After receiving expert treatment, Karla was transferred to Friends of the Koala in Lismore, where she continued to receive care, including a specially prepared leaf paste and fresh leaves.

Thanks to this collaborative effort by wildlife rescuers, veterinarians and carers, Karla was released at the beginning of January back to her home in Bangalow.

Karla's happy ending was made possible by Wildlife Recovery Australia, a joint venture between not-for-profits Byron Bay Wildlife Hospital and the Odonata Foundation. WRA run mobile wildlife hospitals and build predator-proof sanctuaries.

Alongside publishing our Wildlife Road Safety report earlier this year, we're proud to support WRA, whose efforts are vital to rescuing injured animals and revitalising threatened species populations – protecting our unique biodiversity for generations to come.

Karla was lucky to land in the caring hands of BBWH

Go further.
See the impact of this important work

Section 6

We continue to find new ways to minimise the impact of our assets. This year we installed both high-capacity solar panels across 15 of our holiday parks and EV chargers to facilitate more sustainable travel experiences.

Sharing responsibility for diverse landscapes

Victor Harbor, SA

Credit: Tourism Australia

Risk

The objective of the Risk Management approach at the NRMA is to drive innovation and opportunities to achieve our strategy and purpose, while aligning with our risk culture.

Go further.
Watch our Patrol explain Yellow Ribbon Week

Our approach to risk management

Risk management is everyone's responsibility at the NRMA. This is enabled through our Risk Management System (RMS) which was developed in accordance with ISO/AS 31000: 2018 – Risk Management. RMS aims to influence culture at the NRMA, ensuring we better manage risk and opportunities.

There are ongoing and ever changing impacts to operations as a result of external factors such as climate change and cyber-security risks. The prevention and management of these risks is overseen by the Executive and Board. A coordinated Group approach, consisting of executives and operational representatives manages crises and business continuity incidents.

Risk operating model

We've adopted a robust and fit for purpose risk operating model to deliver on our strategic goals. Over the last 12 months, the NRMA has made some key changes in order to improve our risk and compliance maturity. This includes the introduction and coordination of risk, data, privacy, safety and compliance partners across all NRMA Group businesses to continually support our operating effectiveness.

'Risk and compliance pillars' leadership and commitment establish the foundations for risk and compliance management and include the clear articulation of risk and compliance governance, risk appetite and risk and compliance culture and alignment, with the direction of the business through strategy, business objectives and organisational policy.

1 **Strong governance**

2 **Defined appetite**

3 **Positive culture**

4 **'Risk integration'** to allow key risks and obligations to be identified, evaluated and assessed and key decisions to be made as a natural part of the business operations and in a manner appropriate for the Executive and divisions (including Projects).

Executive

Member/customer divisions

Corporate

5a **Design: common process**

5b **Implementation: simple tools and techniques**

6 **Evaluation: aligned data and reporting**

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

7 **Continuous improvement**

Risk appetite and positive risk culture

Our risk appetite sets the direction for risk management and informs strategic options and decisions while 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 (guard rails), to support timely, autonomous decision making at the appropriate level.
- Identifies zero appetite areas and areas where a limited level of risk is acceptable, which enables employees to seize opportunities for achieving our business strategy.
- Promotes and increases the capability of our people to openly discuss and consider risks during decision making, increasing our risk culture maturity.
- Forms the basis of our Group policies which are supported by frameworks and/or processes maximising control effectiveness and efficiency.

RAS is reviewed annually to align with changes in accordance with the Board's strategic and business plan expectations.

It focuses on five strategic risk categories that align with our material issues with respect to strategic delivery and those of our key stakeholders. Our stakeholders include members and customers, partners, suppliers and thought leaders. Risk culture is embedded within our Group culture and embodied within the NRMA Playbook. Ongoing risk discussions occur with our Board, Audit and Risk Management Committee, Executive and Senior Leadership teams. As a result RAS is incorporated into every aspect of our work, stakeholder liaison, and our business relationships.

RAS 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 with appropriate consequence.	Responsible for the independent review of risk governance and management across the Group on an as needed basis.

External Auditors

Regulators

Updates on risk management are provided at every Board meeting. This approach enables us to benefit from opportunities while mitigating anticipated risks. NRMA management provides a full or critical risk review of enterprise and business risks to the Audit and Risk Management Committee (ARMC). The timing of reviews is aligned with the strategic development plans of each business and overall Group to identify:

- the risks and opportunities with respect to strategy realisation; and
- the identification of areas operating outside of risk appetite and the actions required to mitigate or manage risks.

Identifying and managing risks reduces uncertainty and allows us to maximise opportunities that may arise. They are assessed on their control effectiveness, likelihood and 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 the wider community. Reviews provide the ARMC with confidence that our business managers are effectively identifying and managing risks and opportunities at a level that they consider tolerable, or are working to have plans brought in line with our level of tolerance.

Compliance

The NRMA and its operations complies with all relevant legislative and regulatory requirements. We use a prudent governance approach which identifies, manages, monitors and reports our compliance obligations and compliance performance for our compliance risk areas. Internal policies and procedures and employee training programs support this approach. Group Compliance is responsible for monitoring and reporting our compliance approach for compliance risk areas and escalating notifiable incidents to our Board. Executive sponsors, Group compliance subject-matter experts, and compliance business partners are allocated for each area. They are charged with responsibility for implementing the NRMA Group Compliance Framework and working with the frontline teams to manage and monitor their compliance obligations. Notifiable incidents are reported monthly to the Board through the CEO report. This is a formal quarterly report provided to the ARMC. These are consolidated into an annual compliance report which is issued to the Board.

Internal audit

The internal audit function is carried out by Group Internal Audit, independent of the external auditor. The General Manager of Risk, Compliance and Assurance 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, which is updated regularly, is based on the current business strategy and operating environment and uses a risk based approach. It also includes three year rolling critical financial and IT control audits. Each quarter, the team review proposed audits based on 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, 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 approved the revised Risk Appetite Statement and monitored its communication with staff to guide their decision making.

Strategic risk management

Risk category	Key risks	Risk movement over FY23	Opportunities and mitigating actions	Business Value Drivers
1. Strategic risk	**Member relationship** The NRMA is unable to execute strategic intent to deepen member relationship and attract a broader demographic. **Member expectations** The NRMA does not pursue strategic objectives that are addressing the ever changing member and customer expectations. **Environmental, social and governance (ESG)** Failure to align on and deliver against NRMA ESG ambition.		• Focused on delivery of My NRMA brand and other member initiatives. • Consider mergers, acquisitions and divestments to achieve targeted growth in conjunction with climate risk assessment. • Completion of materiality assessment to determine the NRMA Group material issues. • Validation of ESG strategic pillars completed to support and identify emerging ESG matters. • Establish tracking methods for ESG gap analysis. • Ongoing monitoring and tracking of NRMA Group wide sustainability goals and ask the same of stakeholders and suppliers.	
2. Operation risk	**Cybersecurity and resilience** Risk that NRMA data security arrangements are compromised, leading to inappropriate access to data and/or a cyber incident. **Data governance** Risk that NRMA Data Governance is exposed and/or misused, impacting brand and reputation. **Disaster recovery** Insufficient disaster recovery arrangements, leading to the inability to provide services to members and customers. **Climate risk** Risk of increased frequency and impact of external weather events leading to increased operational, financial and reputational impacts.		• Ongoing monitoring of action plans associated with data security and data misuse. • Risk based internal audits performed to test the data governance and cyber security controls. • Ensuring employees complete mandatory cyber security training modules. • Maintain appropriate business critical processes and systems. • Continue to build electric vehicle charging infrastructure. • Practical climate risk mitigation plans. • Appropriate insurance cover to protect against external events.	
3. Financial risk	**External factors** Risk of significant financial impact from external economic and political factors (non-insurable). **Investment planning and execution** NRMA investment decisions do not deliver on their intended benefits or outcomes. **Cost management** Inefficient cost management including Capex.		• Strict governance, budgeting, monitoring, and project management procedures in place. • 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 FY23	Opportunities and mitigating actions	Business Value Drivers
4. People risk	**Work Health and Safety (WHS)** Significant permanent injury/death to NRMA staff, member and/or customer during provision of services. Risk of psychosocial hazards in the workplace impacting the mental health of workers.		• Ensure robust safety monitoring and reporting. • Continuous improvement and uplift in employee development, learning initiatives and opportunities within the NRMA. • Number of health and wellbeing initiatives promoted throughout the year. • Ongoing delivery of psychosocial hazards safety strategy through specific WHS forums and managers' mental health training sessions.	
5. Compliance risk	**Legislative and regulatory requirements** Risk of non-compliance with relevant legislative and regulatory requirements.		• Action plans to ensure uplift in the overall risk and compliance maturity of the NRMA. • Working groups to address legislative changes i.e. modern slavery, and periodic review of Group policies and compliance risk areas through embedding Group compliance structure and frameworks.	

Legend Higher Lower No change

Keeping children safe. Together.

Infants and children are among our most vulnerable road users. They rely on their carers to safely buckle them into a car seat that's right for their age and size.

Tragically, in the last ten years, 148 child passengers aged between zero and seven years have been killed in road traffic crashes in Australia. In August 2022, we released the Fund Car Seats report.

It calls for free child restraints and professional installation for lower income and Aboriginal and Torres Strait Islander families, whose children are overrepresented in road crashes.

It also calls for a diversion program instead of fining people who can't afford restraints, free child restraint installation through local councils, and better information for anyone buying and selling second-hand restraints.

As a community we all have a role to play in ensuring that children stay safe on our roads. Through improved education, funding and incentives, we can help shift child road fatalities towards zero.

Members told us the cost of child seats can be prohibitive

Board of Directors

1 Mr Tim Trumper

MBA, GAICD

Chair and Non-Executive Director
(Harbour Region)

2 Ms Fiona Simson

BA (Bus), GAICD

Deputy Chair and Non-Executive Director
(Townsend Region)

3 Mr David Borger

Non-Executive Director
(Cox Region)

4 Ms Kate Lundy

GAICD

Non-Executive Director
(Mann Region)

5 Ms Marisa Mastroianni

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

Non-Executive Director
(Hoddle Region)

6 Ms Jane McKellar

MA (Hons), GAICD, CISL

Non-Executive Director
(Board appointed)

7 Dr Kirsten Molloy

BSc (Hons), PhD, MBA, GAICD

Non-Executive Director
(Howe Region)

8 Mr Gary Smith

B.Com, FCA FAICD

Non-Executive Director
(Board appointed)

9 Mr Derek Stanwell

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

Non-Executive Director
(Board appointed)

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 performance and the performance of the Group CEO and the Group CEO's direct reports.

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 continues to encourage Member participation in the governance of the NRMA through the Annual General Meeting (AGM), which includes Members being afforded the opportunity to submit questions in advance, with popular questions addressed by the Chair and Group CEO at the meeting, and Members having the opportunity to ask questions and make comments at the meeting itself.

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) reviews 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 and monitoring the culture in line with those values and behaviours and with the risk appetite: 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 of the desired values and behaviours with our people. It also monitors the culture, with support from GCNC and ARMC, through reviewing 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 2023 the ARMC, Finance and Investments Committee (FIC), GCNC and Policy and Advocacy Committee (PAC) all with the delegated authority from the Board set out on pages 54-56 continued to exist to assist the Board to perform its functions. The membership of each of these Committees was last reviewed by the Board on 9 December 2019.

The Director Election Committee (DEC) was established on 1 May with the delegated authority from the Board set out on page 55. The members of DEC were Directors not standing in the 2023 Director Election. The DEC was dissolved on 30 June 2023.

Significant changes

Constitution changes approved by Members at 2022 AGM

A review of the Constitution was completed last year, with the Board approving a revised constitution to be proposed to Members for their consideration at the 2022 Annual General Meeting. The Members approved the special resolution to change the Constitution at the 2022 AGM (held on 11 November), and it was carried with 94.23% of Members voting 'For'.

The key changes to the Constitution were:

- Introducing a skills assessment into Director elections. This is to ensure the Board maintains the collective mix of skills, experience and diversity it needs to lead an organisation of the size and complexity of the NRMA;
- Changing the cycle of Director elections. Three Directors will be elected every two years, ensuring that Board renewal happens gradually and in a way that preserves knowledge and experience. This is a change from having six Member-elected Directors stand for election every four years. There is no change to the term served by elected Directors (four years) or to how often Members vote (once every four years); and
- Allowing Members' meetings to take place using virtual meeting technology.

Other changes were made to reflect good governance and to preserve the NRMA's reputation, such as formalising background checks for Director election candidates and including an eligibility requirement that candidates have a connection to the region in which they wish to stand for election as a Director.

Board focus area

Constitution
The Board proposed changes to the Constitution at the 2022 AGM which included introducing a skills assessment into the Director election process, changing the cycle of regions to hold elections for greater Board stability, and allowing virtual meetings.

2023 Director Election

With the changes to the Constitution approved at the 2022 AGM, Director elections are now held on rotation, with three regions holding elections every two years. Eligible Members are allocated to a region based on where they live, and may cast their vote for a candidate in that region. Although elected by the Ordinary Members residing in a region, each NRMA Director has a duty to act in good faith and in the best interests of the NRMA and its Members as a whole.

From 27 March 2023, notice was given on the NRMA website that an election of three Directors of the NRMA would take place in 2023 for the regions of Hoddle, Mann and Townsend. Notice was also provided in the March-April edition of Open Road magazine. The nominations period opened on Friday 5 May 2023 and closed at 5pm (Sydney time) on Friday 26 May 2023.

Also in accordance with the 2022-approved Constitution, for the first time the director election process included a compulsory assessment of skills, experience and personal attributes. The assessment process required completion of self-assessments and participation in an interview. The Director Election Committee (DEC) was established by the Board to operate from 1 May to 31 October 2023. Its members were all Directors not standing in the 2023 Director Election: Mr Tim Trumper, Dr Kirsten Molloy and Ms Jane McKellar. The key responsibility of DEC was to oversee the skills assessment process, with support from an external provider.

Only one eligible Member nominated to stand for election in each of the regions, and each was confirmed as an eligible candidate in their respective region. In accordance with the NRMA Constitution, the sole nominated candidate in each of these regions was taken to be elected as a Director. Ms Kate Lundy for the region of Mann, Ms Marisa Mastroianni for the region Hoddle and Ms Fiona Simson for the region of Townsend were therefore each re-elected as a Director of the NRMA. Their new terms begin on 2 December and run for four years.

Due to a vote by Members not being required for any of the three regions, the Board dissolved DEC on 30 June 2023.

The next election will be held for the regions of Cox, Harbour and Howe in 2025.

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; Director elections (every two years, with each successful candidate elected for a term of four years); the Board appointing Appointed Directors (for a term of up to four years); and the Board filling casual vacancies as and when they arise. Each Director can serve on the Board for a maximum of 12 years. Board succession planning was one of the matters the Board considered during the year.

Director retirements and Appointed Director re-appointments

During the year there were no retirements of Directors and one Board re-appointment of an Appointed Director. Mr Derek Stanwell, with skills and experience in mergers and acquisitions, was re-appointed for a three year fixed term commencing 14 May 2023.

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 fulfil its role effectively, in particular to 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 and continuous improvement

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

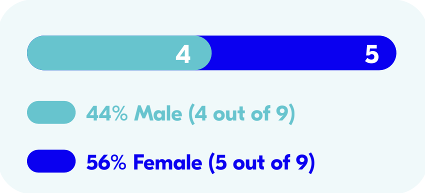
Last year the Board reviewed its performance and agreed an action plan of continuous improvement. At the February 2023 Board meeting, the Board discussed its progress against the plan and agreed it would again consider its progress in six months' time. The Board also resolved that Committees should hold six-monthly informal check-ins for Committee members to review their performance. These commenced in May 2023, with the check-in being in the form of an open discussion led by the Committee Chair.

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 Board Skills Matrix was last reviewed in FY22, using four levels of capability, being: Expert, Advanced, Capable and Limited, which are based on the number of years of experience as a Senior Executive or Director of the NRMA or a comparable organisation.

Board diversity

Gender diversity



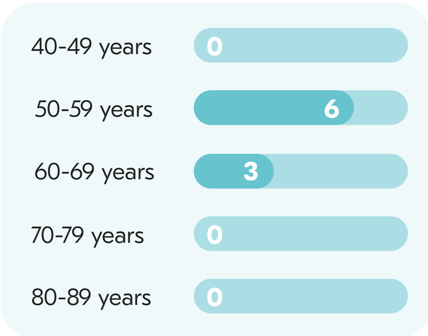
Composition diversity

6 Member-elected Directors

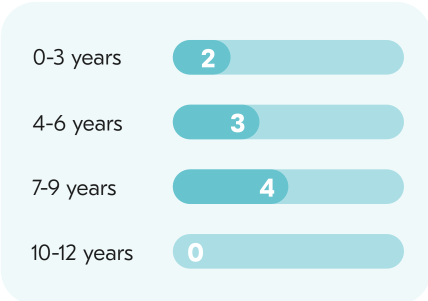
3 Board Appointed Directors

The NRMA Constitution permits a maximum number of nine Directors.

Age diversity



Tenure diversity



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

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 the Board 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 subject-matter experts.

Financial Capital

Assets

During the period:
- The Board received a briefing on 'Sustainability Reporting' from Standard 1 (IFRS S1) — Sustainability Reporting Framework and Stand 2 (IFRSS S2) — Climate Related Disclosures in preparation for when they commence, building on the category of 'Sustainability and ESG' in the Board skills matrix;
- The Board attended a briefing refresher on the business arrangements between the NRMA and Insurance Australia Group;
- A group of Directors attended a Board Study Tour to London and Amsterdam to increase the Board and NRMA's industry knowledge on energy, electric vehicles and electric vehicle charging, building on the categories of 'Motoring Industry Experience' and 'Energy or Clean Transport Experience' in the Board skills matrix;
- A group of Directors attended a Board Study Tour to Seattle and San Francisco, which included increasing the Board and NRMA's industry knowledge on electric and other propulsion of vehicles, and autonomous vehicles and ride share, building on the categories of 'Motoring Industry Experience' and 'Energy or Clean Transport Experience' in the Board skills matrix;
- FIC received economic briefings comprising 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 a briefing on good governance practice for an investment committee overseeing an investment portfolio.

Members and Customers

During the period:
- A group of Directors attended the frontline showcase for the Roadside business at the Sydney Olympic Park office, which included real-time listening to Members' calls to some of the different call centre teams including the roadside assistance, service co-ordination (despatch and tow-to-safety case managers) and inbound membership teams, building on the categories of 'Motoring Industry Experience' and 'Systems and Technology' in the Board skills matrix;
- As noted above, a group of Directors attended a Board Study Tour to Seattle and San Francisco, which included increasing the Board and NRMA's industry knowledge on artificial intelligence, decision-making, data to significantly improve customer expectations and experience, building on the categories of 'Digital Enablement and User Experience', 'Systems and Technology Infrastructure' and 'Data and Cyber Security' in the Board skills matrix.

Reputation and Community

During the period:
- PAC received a briefing on evolving e-scooter technology, building on the category of 'Transport Industry Experience' in the Board skills matrix.

People and Culture

During the period:
- The Board completed Aboriginal and Torres Straits Islander peoples cultural competency training and an Indigenous cultural immersion activity at the Royal Botanic Gardens;
- As noted above, a group of Directors attended a Board Study Tour to Seattle and San Francisco, which included increasing the Board and NRMA's industry knowledge on the technological advances and use of artificial intelligence within organisations.

Annual Report Framework

Integrated reporting approach

The Board acknowledges responsibility for the Annual Report, which is prepared with reference to principles within the International Integrated Reporting Framework. 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 are listed below and the areas of focus for the Board during the year are set out on the relevant page in the Annual Report:

- Reviewing the strategic direction, refer to pages 10-17.
- Monitoring the safety of staff, customers and the public, refer to page 37.
- Confirming the desired culture and values of how the NRMA expects its people to conduct themselves when working at the NRMA, refer to pages 35, 36.
- 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 52, 53.
- Monitoring the voice of our Members and customers, refer to page 22.
- Monitoring technology advances including artificial intelligence and different types of vehicle and marine propulsion, refer to pages 11, 19, 24, 25, 28, 31, 42.
- Overseeing and monitoring of performance aligned to the key drivers, including responding to and recovering from the COVID-19 situation, refer to pages 6, 19, 23, 27, 30.

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/committees**

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 FY23

- Reviewed corporate development opportunities across all of our businesses, including the expansion of the Parks and Resorts network, the SIXT vehicle rental business, the electric vehicle charging network, and the Marine business (including the Transport for NSW Manly-Circular Quay ferry tender).
- Conducted post-acquisition reviews of significant transactions, focused on performance of the acquisitions compared to the business case on acquisiton.
- Considered overall asset allocation, capital management, return on capital employed objectives and portfolio strategy for the Group, and considered debt strategy.
- Reviewed the impact of potential black swan events on the Group, including on corporate strategy and capital management.
- 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 and custodian selection.
- Reviewed good governance practice for investment committees that oversee portfolios similiar to the NRMAs, and confirmed the NRMA's approach is in line with its peers.
- Reviewed proposed investment funds for the core investment portfolio.
- Reviewed the approach and outlook for direct and venture capital investments.

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 FY23

- 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.
- Held discussions on the governance and risk management relating to artificial intelligence used internally and externally.
- Monitored the activities lifting the maturity of our data governance with a focus on improving our cyber security posture, for across the Group, as well as the implementation of actions to address IT governance and security findings from internal audits.
- Reviewed our external auditor and approved the external audit scope, terms and fee.
- Reviewed the results of benchmarking NRMA's internal audit function.
- Reviewed the outcomes and action plan of the external audit assessment of NRMA Group's safety framework and monitored the implementation of the actions to address the findings. Reviewed the safety incidents, investigations and mitigating actions to completion.
- Reviewed the proposed revisions to the Group Risk Appetite Statement and recommended them to the Board for approval, and reviewed the full risk reviews and critical risk reviews, the mitigating actions and emerging risks. Approved the revised Risk Management and Organisational Resilience Policy.
- Approved the business continuity plan and crisis management plan, reviewed the results and action plan from the simulation exercise involving Management and the Board, and monitored the implementation of the plan to achieve continuous improve in business continuity and crisis management.
- Reviewed the annual insurance renewal and adequacy of cover, including discussing industry factors impacting insurance policy renewal and terms.
- Monitored regulatory compliance in key compliance areas, and received the annual Compliance and Environmental Compliance reports.
- 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 FY23 Modern Slavery Statement and approved the FY22 Modern Slavery Statement.
- Reviewed our tax position, approved the Voluntary Tax Transparency Report and monitored the ATO streamlined assurance review of GST.
- Continued the open discussion at each meeting on the key matters on the radar of ARMC members, including emerging global, Australian or industry related matters as well as recent incidents other organisations have faced, with Management considering those matters in the next quarterly risk review.

Director Election Committee

The DEC oversees

- Skills, experience and attributes assessment in the Director election process
- Any candidate skills, experience and attributes information from the assessment to be provided to Members
- Any candidate eligibility matters
- Any recommendation by the Board of candidates to Members

Areas of focus in FY23

- Considered and discussed with the independent external provider the proposed skills, experience and attributes assessment in the 2023 Director Election and approved it.

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 FY23

- Received an update on the gender equality workplace inclusion activities to raise awareness, educate, celebrate and recognise gender equality, which is a pillar in NRMA's diversity and inclusion strategy (Belong Strategy).
- Received an update at half-year on the progress of implementing the Culture Playbook (the culture, values and behaviours expected from staff) and the Belong Strategy.
- Reviewed the approach to the remuneration of our people in FY23 with reference to the increased cost of living, increase in mortgage interest rates and increase in inflation.
- Reviewed and approved the incentive payments for FY22 and the FY23 metrics, strategic priorities, weightings and targets for the GCEO and Direct Reports. Reviewed and approved the opening of the eligible employee incentive pool for FY22 and noted the hurdles for FY23. Approved the assurance from external auditor on the financial metrics. Received an update on NRMA's default super funds.
- Reviewed the Directors' fees (Board and Committees) and recommended the Board approve a 3.5% increase instead of the Constitution-permitted CPI increase of 7.3%.
- Received a briefing on the Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 and the implications for the NRMA and its employees.
- Reviewed and recommended the Board approve the regions of Hoddle, Mann and Townsend hold elections in 2023 and the regions of Cox, Harbour and Howe in 2025 (which the Board approved).
- Reviewed and recommended the Board approve the outline of the 2023 Director Election, including the Election Rules, establishing the Director Election Committee, closing of the Member Register and election process timeline (which the Board approved).
- 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.
- 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).
- 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 updates during the year on the new operating model — that places the Member firmly in the centre and positions the NRMA for growth, agility and sustained Member value — and its implementation, including updates on the management of talent and capability to deliver NRMA's strategy.

Policy and Advocacy Committee

The PAC oversees

- Implementation of the strategic advocacy plan approved by the Board

Areas of focus in FY23

- Monitored the implementation of the Board-approved FY23 strategic policy and advocacy plan.
- Received a briefing on media, social media and advocacy.
- Considered and, as relevant, approved policy and advocacy positions, reports or submissions relating to road safety, road funding, tolling, road pricing reform, EV taxes, EV infrastructure, transport emissions, transport infrastructure, active transport, micromobility, and cost of living.
- Received an update on the NRMA's 'EV Drive Days' program, held at locations across NSW for Members to increase their awareness and familiarity with EVs, and the 'Rate Your Road' campaign to complement the NRMA's 'Fix Our Broken Roads' policy report that realised significant funding from government for regional NSW and Western Sydney.

Board focus area

Board performance
The Board reviewed its own performance with a six month review of the agreed action plan for the Board to achieve continuous improvement.

Our Board's profiles

Mr Tim Trumper

MBA, GAICD

Chair and Non-Executive Director
(Harbour Region)

Tim is an Advisor to Quantium, 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 Chair 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 (4-year term, extended with Member approval to one-off 6-year term on 11 Nov 2022)

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 through 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 of the 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 (4-year term).
Re-elected in 2023 with 4-year term starting on 2 Dec 2023.

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 Business Western Sydney. 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 Metro West.

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, Sydney Olympic Park Authority, and is the Chair of the Liverpool Innovation Precinct.

David brings to the 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 (4-year term, extended with Member approval to one-off 6-year term on 11 Nov 2022)

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 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 Board Chair of the Cyber Security Cooperative Research Centre, a Director of Electro Optic Systems, the National Youth Forum, and Chair of the Canberra Institute of Technology Board.

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, and is an Honorary Associate Professor at the ANU Research School of Physics.

Kate brings to the Board her interest and experience in the impact of technological change in our society, community and economy. She maintains her longstanding commitment to regional development over many years with a focus.

Term of office

Date first appointed (casual vacancy):
25 March 2015
Last re-elected:
7 December 2019 (4-year term).
Re-elected in 2023 with 4-year term starting on 2 Dec 2023.

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 of UOW Global Enterprises; a global higher education company, and subsidiary of the University of Wollongong. Marisa brings global insights leading an international team across campuses in Dubai, Hong Kong, Malaysia, and Australia. Previously, she held executive roles at the Illawarra Port Corporation and NSW Uniting Care, gaining extensive experience in service sectors.

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

Residing in Wollongong, Marisa is an advocate for regional members' needs and for safe and efficient transport links which help enable regional prosperity and growth. Marisa brings expertise in strategic planning, mergers and acquisitions, and change management. An advocate of diversity, equity and inclusion; wellness, health and safety, and transport governance, Marisa is focused on sustainable performance and delivering Member value.

Marisa is passionate about the ability for mutual organisations to be the catalysts to drive positive social and economic change and is dedicated to ensuring that the NRMA remains relevant, effective and responsive to the needs of our Members.

Term of office

Date first appointed (casual vacancy):
19 January 2015
Last re-elected:
7 December 2019 (4-year term). Re-elected in 2023 with 4-year term starting on 2 Dec 2023.

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 executive roles in Unilever, Microsoft, Ninemsn, Elizabeth Arden 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 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 sustainability, 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 (fixed 2-year term)
Last re-appointed by the Board:
13 May 2021 (fixed 3-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)

Kirsten's experience has spanned a range of roles and organisations, taking her to many places around the world. Beginning as a Research Chemist, she moved through a range of commercial and operational roles, with her last executive role as CEO of an IT company focused on logistics and supply chain, in the most complex industry collaboration ever authorised by the ACCC.

Kirsten has over 10 years' governance experience, including Non-Executive Director roles across logistics and infrastructure, energy and EVs, travel and tourism, marine, engineering, and health. Her roles cover highly technical, operationally-intensive organisations where commercial discipline, innovation and technology, and risk management are critical, and strategic leadership and critical thinking are essential.

Kirsten has a genuine care for people and works to make a positive impact on the culture and experiences people have within and with organisations she works for. Her style incorporates strong interpersonal skills, resilience, integrity, results orientation and insight into people, culture and organisational capability.

Kirsten's passion for health and sustainability means ESG principles are a key focus. In the area of diversity and inclusion, she has supported many initiatives, including mentoring and other programs supporting women and other under-represented groups. Kirsten has an MBA, PhD and BSc (Hons) and completed executive development programs at Wharton USA and INSEAD Singapore. She is a Graduate of the AICD.

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 respond to the needs of customers and communities. Road safety, EVs, transport connectivity, and lifestyle are of keen interest.

Term of office

Date first elected:
7 December 2019 (4-year term, extended with Member approval to one-off 6-year term on 11 Nov 2022)

Committees

Member of the:
Audit and Risk Management Committee.

Mr Gary Smith

B.Com, FCA, FAICD

Non-Executive Director
(Board appointed)

Gary is Chair 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 Chair and Non-Executive Director, Gary is a life Member of the Queensland Tourism Industry Council and a former Chair 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 K'gari (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 (fixed 2-year term)
Last re-appointed by the Board:
6 February 2021 (fixed 3-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 underpins its success.

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

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 (fixed 2-year term)
Last re-appointed by the Board:
14 May 2023 (fixed 3-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 FY23, the Board held seven 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 two 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 working group of Directors was established during FY23 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. The Director working group was the Annual Report Working Group, with Mr Trumper (Chair), Ms Lundy, Dr Molloy and Mr Stanwell as the Members, and it met three times.

The Board and Committee meetings attended by Directors for the past financial year are set out in the table below. There were no changes to the Directors on the Board or to Members of the ARMC, FIC, GCNC or PAC in FY23. However, there was the addition of the DEC.

Directors	Board of Directors			Audit and Risk Management Committee			Finance and Investments Committee			Governance, Compensation and Nomination Committee			Policy and Advocacy Committee			Director Election Committee		
	Held	Attend		Held	Attend		Held	Attend		Held	Attend		Held	Attend		Held	Attend	
Mr D Borger	7	7											5	5				
Ms K Lundy	7	5	2A	5	4	1A			1V			1V	5	5				
Ms M Mastroianni	7	7		5	5		4	3	1A	4	4							
Ms J McKellar	7	6	1A			1V			3V	4	3	1A	5	5		1	1	
Dr K Molloy	7	7		5	5				2V						2V	1	1	
Ms F Simson	7	7				1V			1V	4	4		5	5				
Mr G Smith	7	5	2A	5	5		4	3	1A									
Ms D Stanwell	7	7		5	5		4	4										
Mr T Trumper	7	7				5V	4	4		4	4				5V	1	1	

(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 NRMA remuneration strategy and associated practices are designed to attract, motivate and retain high calibre people with the capacity to build a long term sustainable business and support our purpose of creating outstanding Member value.

To support our remuneration strategy, performance measures are determined by considering the expectations of key stakeholders. These are structured to deliver strong individual, team and business outcomes that align with the NRMA Playbook. Remuneration and performance are reviewed on an annual basis to ensure external market competitiveness and internal parity.

Executive remuneration

The NRMA is committed to executive remuneration practices that are fair and equitable. These practices balance the need to remain attractive in a competitive labour market, and the need for executives to display (and for us to reward), the values aligned to member expectations and our Playbook.

In 2023, the Executive Incentive Balanced Scorecard was renewed and structured around three key pillars designed to ensure Member, economic and societal value creation. These values are driven by our increasing focus on providing meaningful environmental, social and governance (ESG) measures, which align to our overall strategy. The mix between short and long term incentives provides the appropriate reward against these pillars.

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%.

As an increase in the Directors' fee pool was not proposed to Members at the 2022 AGM, on 1 January 2023, the Directors' fee pool was increased by the percentage CPI change of 7.3%. However, for the period 1 January to 31 December 2023 the Board approved an increase to the Board and Committee fees for Directors of only 3.5% (below the increase in the fee pool).

The Board fees and Committee fees paid to each Director is available at **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 2023 and 2022) being key management personnel (KMP). KMP are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity.

Consolidated

	2023 $	2022 $
Short term employment benefits	**5,344,823**	**$5,483,650**
Post-employment benefits	**254,596**	**$254,185**
Other long-term employment benefits	**874,740**	**$990,764**
Termination benefits	**616,802**	**-**
Total	**7,090,961**	**$6,728,599**

Executive Leadership Team

Rohan Lund*

M Laws

Group Chief Executive Officer

Joining the NRMA in 2016, Rohan has an extensive background in digital technology, strategy innovation, building human centred cultures and delivering sustainable transformation. Prior to joining the NRMA, Rohan was Chief Operating Officer for Foxtel. Before this he was COO of Seven West Media, CEO of Yahoo!7 and Strategy Director for SingTel Optus.

Michael Gabriel*

BSc, MBA, FCPA

Group Chief Financial Officer

Michael is responsible for ensuring the NRMA reaches its financial and business targets through business performance, risk, property, and tax and treasury functions. Prior to joining the NRMA in 2016, he was Group General Manager Corporate Finance at Woolworths and has also held senior executive finance positions with Diageo in Australia and New Zealand.

Rachel Wiseman

LLB, BCom, MBA, GAICD

Group Chief Investment Officer

Rachel is Group Chief Investment Officer and also leads and oversees the NRMA Marine business. Rachel leads the commercial interests of the Group, including strategic investment. Prior to joining the NRMA Rachel held a range of senior executive positions across the entertainment and media industries.

Paul Davies

MA Econ, MBA, GAICD

CEO NRMA Parks and Resorts

Paul was appointed CEO of NRMA Parks and Resorts in 2017. In 2022, his portfolio expanded to incorporate the Group's Tasmanian properties. Before joining the NRMA, Paul held senior roles in the tourism and travel sectors in Australia and overseas. Paul is a Board Director of Caravan and Camping Association of NSW.

Cormac Hodgkinson*

B IntBus

Chief Technology Officer

Cormac has responsibility for the Group's technology infrastructure and is also responsible for the Group's Health and Safety functions. Prior to joining the NRMA in 2016, Cormac held key executive roles in Australia and overseas, specifically in telecommunications companies 3 and Vodafone.

Vivian Miles*

BCom

Executive General Manager, Strategy, Corporate Affairs and Legal

Vivian joined the NRMA as EGM of Strategy in 2021. She is responsible for Group strategy, corporate affairs and legal. Vivian has extensive experience in strategy consulting, having worked with Booz & Company/PWC Strategy& in the US, New Zealand and Asia. Prior to this, she worked at Deutsche Bank investment banking and in carbon markets with GreenCollar.

Matthew Beattie

MBA, M Mgmt

CEO SIXT Australia

Appointed CEO of SIXT Australia in December 2021, Matthew oversaw the successful transition of our national vehicle rental business from Thrifty to SIXT. Prior to this appointment, Matthew held senior roles within the NRMA Group, including General Manager of NRMA MotorServe, and leadership roles at ANZ and ING Australia.

Carly Irving-Dolan

MBA, GAICD

Executive General Manager, NRMA Electric

Carly joined the NRMA in 2022 and is charged with developing, driving and evolving the NRMA electric vehicle and energy strategy. This includes managing the rollout of our national EV charging network and identifying energy solutions for future EV infrastructure needs. Formerly, Carly was the Executive General Manager of Yurika, Energy Queensland's commercial unregulated arm.

Carolyn Darke

BCom

Executive General Manager, NRMA Roadside

Carolyn was appointed to lead our iconic roadside business in March 2023. Carolyn is responsible for driving roadside membership and motoring operations, and assisting communities to make the transition to EVs. Prior to her appointment, Carolyn held general manager positions in sales, distribution and retail for global brands including Microsoft, Dataflow and Mars.

Catherine Horan

M.HRM

Chief People Officer

Catherine was appointed Chief People Officer in 2022 and leads the People and Culture functions across the NRMA Group. Catherine has extensive experience across large and complex organisations in the areas of HR planning and strategies targeted to meet organisational objectives. Prior to joining the NRMA, Catherine worked for Lend Lease.

* Denotes key management personnel

Emma Harrington*, CEO Motoring and Membership departed the business on 30 December 2022.

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 2023 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 pages 12-13 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 16-17.
- Review of operations and activities for the reporting period on pages 18-33.
- How the NRMA measures its performance, including the key performance indicators on pages 14-17.
- Biographical information for the Directors and Company Secretary on pages 57-59.
- Board and Committee meetings and attendance on page 60.
- Key management personnel remuneration on page 61.
- Auditor's independence declaration on page 65.

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 2023 to 31 August 2024. 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 on pages 66 - 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 2023, 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 $3,610,364.

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

Tim Trumper

Tim Trumper
Chair and Director

Fiona Simson

Fiona Simson
Deputy Chair and Director

21 September 2023

Building a better working world

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Auditor's independence declaration to the directors of National Roads and Motorists' Association Limited

As lead auditor for the audit of the financial report of National Roads and Motorists' Association Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. 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

Ernst & Young

Glenn Maris
Partner
21 September 2023

Section 7

Financial report

Go further.
Get behind the wheel of a SIXT EV rental

6% of the SIXT Australia rental fleet is now electric. Along with offering the chance to see what it's like to drive an EV, these rentals are helping drivers explore new places by encouraging road trips that include regional towns with NRMA chargers.

Finding unique ways to get lost

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023

	Notes	2023 $000	2022 $000
Revenue from contracts with customers and rental income	B2	**779,229**	**595,802**
Cost of goods sold	B3	**(58,272)**	**(41,488)**
Cost of providing services		**(474,979)**	**(351,451)**
Gross profit / (loss)		**245,978**	**202,863**
Administrative expenses		**(243,417)**	**(211,547)**
Investment income	B2	**36,745**	**34,311**
Share of operating profit / (loss) from equity accounted investments	F1	**10,371**	**(3,152)**
Operating profit / (loss)		**49,677**	**22,475**
Finance costs	B3	**(31,097)**	**(17,103)**
Operating profit / (loss) before change in fair value of investments		**18,580**	**5,372**
Share in net fair value movement in equity accounted investments	F1	**7,198**	**808**
Change in net fair value of investments		**18,247**	**(22,839)**
Profit / (loss) before tax from continuing operations		**44,025**	(16,659)
Income tax (expense) / benefit	B4	**(5,656)**	**15,408**
Profit / (loss) for the year from continuing operations		**38,369**	**(1,251)**
Discontinued operations			
Profit / (loss) after tax for the year from discontinued operations		**711**	**11,349**
Profit / (loss) for the year		**39,080**	**10,098**
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operation		**23**	**299**
Share of other comprehensive income of equity accounted investments		**(24)**	**216**
Income tax relating to those items		**7**	**(65)**
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		**10,495**	**(10,685)**
Actuarial gain / (loss) on defined benefit plan		**3,197**	**3,881**
Income tax relating to those items		**(5,088)**	**2,089**
Other comprehensive income for the year, net of tax		**8,610**	**(4,265)**
Total consolidated comprehensive income for the year		**47,690**	**5,833**

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 2023

	Notes	2023 $000	2022 $000
Current assets			
Cash and cash equivalents	C1	**33,896**	239,270
Trade and other receivables	C2	**57,025**	39,026
Inventories		**4,176**	3,809
Finance lease receivables	C8	**195**	18
Financial assets at fair value through profit or loss	D3	**160,049**	57,859
Other financial assets	D3	**20,694**	18,553
		276,035	358,535
Non-current assets held for sale		**547**	25,717
Total current assets		**276,582**	384,252
Non-current assets			
Finance lease receivables	C8	**12,370**	55
Financial assets at fair value through profit or loss	D3	**520,945**	424,625
Financial assets at fair value through other comprehensive income	D4	**85,574**	66,857
Property, plant and equipment	C4	**600,877**	465,352
Investment property	D5	**40,000**	41,800
Equity accounted investments	F1	**87,750**	80,062
Right-of-use assets	C5	**467,662**	386,956
Income tax receivable		**4,153**	-
Pension assets		**10,153**	6,519
Intangible assets and goodwill	C6	**207,504**	203,708
Total non-current assets		**2,036,988**	1,675,934
Total assets		**2,313,570**	2,060,186
Current liabilities			
Trade and other payables		**118,031**	106,580
Employee benefits provisions	E1	**46,334**	39,831
Income tax payable		**-**	12,799
Lease liabilities	C7	**18,308**	20,132
Unearned income		**114,454**	111,724
Customer deposits		**23,747**	24,766
Interest bearing liabilities	D6	**898**	2,557
Contingent consideration	D7	**26,520**	-
		348,292	318,389
Liabilities held for sale	C3	**-**	95
Total current liabilities		**348,292**	318,484
Non-current liabilities			
Employee benefits provisions	E1	**6,635**	6,347
Provision for make good obligations		**3,320**	3,106
Lease liabilities	C7	**452,254**	353,810
Deferred tax liabilities	B4	**94,018**	77,826
Unearned income		**5,605**	6,881
Interest bearing liabilities	D6	**269,728**	183,394
Contingent consideration		**-**	24,310
Total non-current liabilities		**831,560**	655,674
Total liabilities		**1,179,852**	974,158
Net assets		**1,133,718**	1,086,028
Equity			
Reserves		**23,498**	17,629
Retained earnings		**1,110,220**	1,068,399
Total equity		**1,133,718**	1,086,028

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 2023

2023	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 2022	10,144	(2,228)	(391)	10,104	1,068,399	1,086,028
Net profit / (loss) for the year	-	-	-	-	39,080	39,080
Other comprehensive income (net of tax)	6,367	(17)	23	(504)	2,741	8,610
Total comprehensive income for the year	6,367	(17)	23	(504)	41,821	47,690
Changes in equity investments at fair value through other comprehensive income	10,495	-	-	-	-	10,495
Equity accounting	-	(24)	-	-	-	(24)
Translation of foreign subsidiary	-	-	23	-	-	23
Revaluation of land and buildings	-	-	-	(504)	504	-
Actuarial gain / (loss) on defined benefit plan	-	-	-	-	3,197	3,197
Deferred tax arising	(4,128)	7	-	-	(960)	(5,081)
At 30 June 2023	16,511	(2,245)	(368)	9,600	1,110,220	1,133,718

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	-	-	299
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

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 2023

	Notes	2023 $000	2022 $000
Cash flows used in operating activities			
Receipts from Members and customers		845,662	662,646
Payments to suppliers and employees		(736,118)	(575,536)
Dividends received		30,607	25,268
Interest received		8,974	4,107
Interest paid		(9,578)	(5,935)
Interest on leases		(18,192)	(11,315)
Tax paid		(15,741)	5,657
Net cash flows from operating activities	C1	105,614	104,892
Cash flows used in investing activities			
Proceeds from disposal of investments		87,339	336,269
Proceeds from disposal of subsidiary		-	12,732
Proceeds from disposal of fixed assets and software		5,115	3,518
Equity accounted distributions		10,750	-
Outlays to acquire businesses	F2	(43,016)	(76,161)
Outlays for investments acquired		(255,172)	(163,865)
Outlays for equity accounted investments		(894)	(7,727)
Outlays for fixed assets and software acquired		(43,631)	(35,010)
Outlays to acquire vehicles in car rental business		(177,444)	(118,945)
Proceeds from disposal of vehicles in car rental business		51,765	63,698
Net cash flows from investing activities		(365,188)	14,509
Cash flows used in financing activities			
Proceeds from bank loans		84,475	26,730
Repayments of lease liabilities		(30,392)	(17,167)
Net cash flows from financing activities		54,083	9,563
Net (decrease) / increase in cash and cash equivalents		(205,491)	128,964
Cash and cash equivalents at the beginning of the financial year		239,705	110,741
Cash and cash equivalents at the end of the financial year	C1	34,214	239,705

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

Contents

A

About this financial report

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 2023 was authorised for issue in accordance with a resolution of the Directors on 21 September 2023.

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

There were no significant changes in the current reporting period.

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 judgements	Notes	Page
Impairment and carrying value adjustments of assets	C9	95
Revaluation of investment properties	D5	103
Accounting for acquisition of businesses	F2	111
Accounting for leases	C7	92

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 has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

B

Business performance

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

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 Membership and Motoring 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	
	2023 $000	2022 $000	**2023 $000**	2022 $000	**2023 $000**	2022 $000	**2023 $000**	2022 $000
Revenue								
Revenue from contracts with customers								
Subscription and joining fees	**277,337**	264,316	**-**	-	**-**	-	**277,337**	264,316
Rendering of services	**-**	-	**231,337**	160,555	**-**	-	**231,337**	160,555
Sales of goods	**57,718**	49,928	**-**	-	**-**	-	**57,718**	49,928
Advertising and publishing revenue	**1,472**	1,480	**-**	-	**-**	-	**1,472**	1,480
Other revenue	**8,082**	6,480	**-**	-	**-**	-	**8,082**	6,480
Total revenue from contracts with customers	**344,609**	322,204	**231,337**	160,555	**-**	-	**575,946**	482,759
Discontinued operations	**-**	-	**-**	(5,889)	**-**	-	**-**	(5,889)
Rental income		-	**203,283**	118,932	**-**	-	**203,283**	118,932
Investment income								
Interest	**1,913**	325	**79**	51	**7,582**	1,551	**9,574**	1,927
Dividends	**-**	-	**-**	-	**25,625**	30,885	**25,625**	30,885
Property income	**102**	61	**-**	-	**1,444**	1,483	**1,546**	1,544
Discontinued operations	**-**	-	**-**	(45)	**-**	-	**-**	(45)
Total investment income	**2,015**	386	**79**	6	**34,651**	33,919	**36,745**	34,311
Total revenue and other income	**346,624**	322,590	**434,699**	273,604	**34,651**	33,919	**815,974**	630,113
Results								
Impairment and carrying value adjustments	**-**	-	**-**	-	**-**	-	**-**	-
Segment operating profit / (loss)	**(16,626)**	(1,194)	**31,333**	3,081	**24,599**	23,740	**39,306**	25,627
Share of operating profit / (loss) from equity accounted investments	**-**	-	**7,829**	(7,273)	**2,542**	4,121	**10,371**	(3,152)
Operating profit / (loss)	**(16,626)**	(1,194)	**39,162**	(4,192)	**27,141**	27,861	**49,677**	22,475
Share of unrealised profit / (loss) of equity accounted investments	**-**	-	**-**	-	**7,198**	808	**7,198**	808
Change in net fair value of investments	**-**	-	**-**	-	**18,247**	(22,839)	**18,247**	(22,839)
Total unrealised profit / (loss) of equity accounted and other investments through profit / (loss)	**-**	-	**-**	-	**25,445**	(22,031)	**25,445**	(22,031)
Total reported segment results	**(16,626)**	(1,194)	**39,162**	(4,192)	**52,586**	5,830	**75,122**	444
Finance costs	**-**	-	**-**	-	**-**	-	**(31,097)**	(17,103)
Profit / (loss) before tax	**-**	-	**-**	-	**-**	-	**44,025**	(16,659)
Income tax (expense) / benefit	**-**	-	**-**	-	**-**	-	**(5,656)**	15,408
Net profit / (loss) for the year							**38,369**	(1,251)
Discontinued operations								
Profit / (loss) after tax for the year from discontinued operations	**-**	-	**-**	-	**-**	-	**711**	11,349
Profit / (loss) for the year							**39,080**	10,098
Assets								
Segment assets	**123,340**	92,460	**1,174,314**	950,736	**928,129**	935,396	**2,225,783**	1,978,592
Equity accounted investments	**908**	-	**29,991**	22,161	**56,851**	57,900	**87,750**	80,061
Consolidated total assets							**2,313,533**	2,058,653
Liabilities								
Segment liabilities	**90,901**	93,889	**624,191**	517,770	**464,723**	360,967	**1,179,815**	972,626
Consolidated total liabilities							**1,179,815**	972,626

B2. Revenue from contracts with customers and other income

	2023 $000	2022 $000
Revenue from contracts with customers		
Subscription and joining fees	**277,337**	264,316
Rendering of services	**231,337**	160,555
Sales of goods	**57,718**	49,928
Advertising and publishing revenue	**1,472**	1,480
Other revenue	**8,082**	6,480
Total revenue from contracts with customers	**575,946**	482,759
Rental income	**203,283**	118,932
Discontinued operations	**-**	(5,889)
Total revenue from contracts with customers and rental income	**779,229**	595,802
Investment income		
Interest	**9,574**	1,927
Dividend	**25,625**	30,885
Property income	**1,546**	1,544
Discontinued operations	**-**	(45)
Total investment income	**36,745**	34,311

(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:

- 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	2023 $000	2022 $000
Profit before income tax includes the following expenses			
Cost of goods sold		**58,272**	41,488
Cost of providing services		**474,979**	352,406
Administrative expenses		**243,417**	212,606
Impairment and carrying value adjustments		**-**	(6,195)
Discontinued operations		**2**	4,181
Total cost of sales, cost of providing services and administrative expenses		**776,670**	604,486
These expenses relate to the following categories:			
Employee benefits expense	E1	**314,159**	251,208
Fleet, road service and towing contractors expense		**128,444**	92,290
General and administrative expense		**80,158**	61,491
Marketing expense		**26,158**	25,843
Commissions and cost of sales expense		**82,052**	54,120
Printing and postage expense		**16,245**	13,474
Other expenses		**22,260**	19,864
		669,476	518,290
Depreciation	C4/C5	**91,649**	68,616
Amortisation	C6	**15,543**	19,594
Total depreciation and amortisation		**107,192**	88,210
Impairment and carrying value adjustments	C3/C9	**-**	(6,195)
Discontinued operations	C3	**2**	4,181
Total cost of sales, cost of providing services and administrative expenses		**776,670**	604,486
Finance costs			
Bank loans and overdraft		**9,501**	3,696
Defined benefit fund		**1,118**	226
Provision discounting unwind		**2,287**	2,205
Interest expense on leases		**18,192**	11,380
Discontinued operations		**(1)**	(404)
Total finance expense		**31,097**	17,103

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

	2023 $000	2022 $000
Accounting profit / (loss) before tax from continuing operations	**44,025**	(16,658)
Accounting profit / (loss) before tax from discontinued operations	**711**	14,800
Accounting profit / (loss) before income tax	**44,736**	(1,858)
Income tax expense / (benefit) calculated at 30% (2022: 30%)	**13,421**	(557)
Tax effect of permanent differences:		
Tax offsets	**(4,020)**	(1,238)
Non-assessable net mutual benefit	**(1,400)**	(6,789)
Non-deductible asset impairments and carrying value adjustments	**(1,690)**	2,846
Assessable income not included in accounting profit	**349**	0
Non-deductible acquisition related costs	**465**	1,109
Net capital gain / (losses) after applying against capital gains	**9**	(2,463)
Tax effect of tax losses and temporary differences not recognised	**1**	(2,642)
Other	**(141)**	299
Adjustment recognised in the current year in relation to:		
- the current tax of prior years	**315**	(1,659)
- the deferred tax of prior years	**(1,653)**	(863)
Total tax expense	**5,656**	(11,957)
Income tax expense / (benefit) reported in the statement of profit or loss	**5,656**	(15,408)
Income tax expense / (benefit) attributable to discontinued operations	**0**	3,451
Current tax expense / (benefit)	**(31,041)**	14,300
Deferred tax expense / (benefit)	**6,866**	(26,257)

B4. Taxation continued

Deferred taxes

2023 $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	(791)	(273)	-	-	(1,064)	-	(1,064)
Financial assets at fair value through profit or loss	(2,539)	(4,370)	-	-	(6,909)	-	(6,909)
Financial assets at fair value through other comprehensive income	(3,948)	1,028	(4,128)	-	(7,048)	-	(7,048)
Equity accounted investments	(11,971)	2,986	7	-	(8,978)	-	(8,978)
Property, plant and equipment	(36,911)	(40,265)	-	(2,474)	(79,650)	-	(79,650)
Intangibles	(27,335)	1,163	-	(1,785)	(27,957)	-	(27,957)
Investment property	(5,794)	842	-	-	(4,952)	-	(4,952)
Defined benefit asset	(1,956)	(130)	(960)	-	(3,046)	-	(3,046)
Lease liabilities	98,053	25,668	-	3,202	126,923	126,923	-
Trade and other payables	3,524	(582)	-	-	2,942	2,942	-
Provisions	4,153	1,380	-	14	5,547	5,547	-
Tax losses		29,830	-	-	29,830	29,830	-
Right-of-use assets	(94,378)	(23,096)	-	(3,202)	(120,676)	-	(120,676)
Other assets and liabilities	2,067	(1,047)	-	-	1,020	1,020	-
Tax assets / (liabilities) before set-off	(77,826)	(6,866)	(5,081)	(4,245)	(94,018)	166,262	(260,280)
Set-off of DTA against DTL	-	-	-	-	-	(166,262)	166,262
Net tax assets / (liabilities)					(94,018)		(94,018)
Continuing operations	-	-	-	-	(94,018)	-	(94,018)
Discontinuing operations	-	-	-	-	(0)	-	(0)

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)

B4. Taxation continued

(a) Recognition and measurement

Tax losses

During the year ended 30 June 2023, the NRMA incurred a current year tax loss of $29.8 million (2022: nil). 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 2023 are $342.8 million (2022: $334.1 million), and the balance is calculated using the corporate tax rate of 30% (2022: 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 recognised a deferred tax asset as at 30 June 2023 of $29.8 million (2022: Nil) with respect to the current year 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

	Notes	2023 $000	2022 $000
Reconciliation to cash flow statement:			
Cash at bank and in hand		**33,896**	239,270
Cash at bank attributable to discontinued operations		**318**	435
Total cash at bank and in hand		**34,214**	239,705

C1. Reconciliation of cash flow from operating activities continued

	Notes	2023 $000	2022 $000
Net profit / (loss) from continuing operations		**38,370**	(1,250)
Net profit / (loss) from discontinued operations		**711**	11,348
Non-cash items			
Profit / (loss) on disposal of non-current assets		**950**	(908)
Depreciation, amortisation and impairment and carrying value adjustments	B3	**107,191**	82,015
Change in net fair value of investments		**(18,192)**	22,839
Acquisition related costs	F2	**2,386**	3,705
Defined benefit plan		**(1,555)**	(2,717)
Equity accounted investments (profit) / loss	F1	**(18,282)**	3,152
Finance cost		**3,328**	2,436
Rent relief		**-**	(4,857)
Other		**(1,276)**	-
(Increase) / decrease in operating assets			
Trade and other receivables		**(13,793)**	(4,548)
Inventories		**23**	(375)
Non-current assets held for sale		**175**	(3,072)
(Decrease) / increase in operating liabilities			
Payables		**11,521**	4,558
Income tax payable		**(16,951)**	19,862
Provisions		**6,689**	6,333
Unearned income		**1,352**	(6,802)
Customer deposits		**(5,438)**	3,680
Security deposit		**1,534**	(4,345)
Net deferred tax liability		**6,871**	(26,162)
Net cash from operating activities		**105,614**	104,892

(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

	2023 $000	2022 $000
Trade receivables [b]	**27,316**	16,756
Allowance for expected credit loss [a]	**(3,233)**	(1,863)
	24,083	14,893
Prepayments	**17,966**	11,400
Other receivables	**14,976**	11,199
Total trade and other receivables	**57,025**	37,492
Movements in expected credit losses are:		
At 1 July	**(1,863)**	(1,684)
Charges for year	**(2,292)**	(680)
Amounts written back	**922**	501
At 30 June	**(3,233)**	(1,863)

(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 $3,233,000 (2022: $1,863,000) 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
2023 Consolidated	**27,316**	**16,506**	**5,853**	**2,531**	**1,324**	**1,102**
2022 Consolidated	16,756	12,089	2,227	957	692	791

(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.

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 2023 $000
Motoring and Membership	3,176	630	359
Transport and Tourism	24,140	10,180	2,874
Total	**27,316**	**10,810**	**3,233**

C3. Discontinued operations

The final property in the Tucker Box Hotel Group settled in October 2022. A portion of settlement funds remain in escrow earning interest income until they are released (expected in FY24).

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

	Notes	2023 $000	2022 $000
Revenue from contracts with customers and rental income		-	5,889
Expenses		**(2)**	(2,014)
Operating profit / (loss) before investment, impairment and finance costs adjustments		**(2)**	3,875
Investment income		-	45
Share of operating profit / (loss) from equity accounted investments		**713**	3,857
Impairment and carrying value adjustments		-	6,195
Finance costs		-	(404)
Share in net fair value movement in equity accounted investments		-	1,232
Profit / (loss) before tax from discontinued operations		**711**	14,800
Income tax (expense) / benefit		-	(3,451)
Profit / (loss) for the year from discontinued operations		**711**	11,349

C3. Discontinued operations continued

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

	Notes	2023 $000	2022 $000
Assets			
Cash and cash equivalents	C1	318	435
Trade and other receivables		21	(16)
Property, plant and equipment		-	-
Right-of-use-assets	C5	-	-
Equity accounted investments		208	25,298
Assets held for sale		547	25,717
Liabilities		-	-
Trade and other payables		-	85
Employee benefits provisions		-	-
Lease liabilities		-	70
Customer deposits		-	(60)
Interest bearing liabilities	D6	-	-
Net liabilities directly associated with assets held for sale		-	95
Net assets directly associated with disposal group		**547**	**25,622**

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

	Notes	2023 $000	2022 $000
Operating		(45)	429
Investing		-	11,600
Financing		(72)	(16,515)
Net cash (outflow) / inflow		**(117)**	**(4,486)**

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 2023							
At 1 July 2022	191,929	23,983	4,055	171,208	34,282	39,895	465,352
Additions	12,910	5,263	-	182,277	18,506	1,359	220,315
Acquisition of businesses	11,974	15,245	-	-	2,599	56	29,874
Transfers	(41)	-	(2,194)	2,194	41	-	-
Transfers – Right-of-use assets	-	-	-	-	-	-	-
Disposals	(2,984)	-	-	(51,765)	(1,440)	-	(56,189)
Asset held for sale	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	108	-	108
Impairments	-	-	-	-	-	-	-
Depreciation charge for the year	(10,356)	(1,765)	(742)	(31,971)	(9,690)	(4,059)	(58,583)
Foreign exchange differences	-	-	-	-	-	-	-
At 30 June 2023	**203,432**	**42,726**	**1,119**	**271,943**	**44,406**	**37,251**	**600,877**
Cost	270,512	50,010	1,707	325,806	81,038	73,501	802,574
Accumulated depreciation	(67,080)	(7,284)	(588)	(53,863)	(36,632)	(36,250)	(201,697)
Assets held for sale	-	-	-	-	-	-	-
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)
Asset held for sale	-	-	-	-	-	-	-
Other adjustments	4,217	1,903	-	-	182	(1,847)	4,455
Impairments	-	-	-	-	-	-	-
Depreciation charge for the year	(9,793)	(1252)	(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	-	-	-	-	-	-	-

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
EV chargers	5 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 2023					
At 1 July 2022	**154,375**	**232,581**	**-**	**-**	**386,956**
Additions	11,763	73,102	-	946	85,809
Transfers — Finance lease receivables	-	12,491	-	-	12,491
Transfers — Property, plant and equipment	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Acquisition of businesses	15,470	-	-	-	15,470
Lease modifications	-	-	-	-	-
Impairment and carrying value adjustments	-	-	-	-	-
Depreciation charge for the year	(8,465)	(24,412)	-	(189)	(33,066)
Foreign exchange differences	-	-	-	-	-
At 30 June 2023	**173,142**	**293,763**	**0**	**757**	**467,662**
Cost	215,790	359,966	0	1,539	577,295
Accumulated depreciation	(42,648)	(66,203)	0	(782)	(109,633)
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 modifications	-	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)

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.

	2023 $000	2022 $000
Short-term leases	**4,566**	4,221
Leases of low value assets	**168**	173
Variable lease payments	**32,477**	23,429
Total	**37,211**	27,823

C6. Intangible assets and goodwill

	Land use rights $000	Software $000	Goodwill $000	Licence agreement $000	Contracts $000	Total $000
Year ended 30 June 2023						
At 1 July 2022, net of accumulated amortisation	-	**32,405**	**103,267**	-	**68,036**	**203,708**
Additions	-	**760**	-	-	-	**760**
Acquisitions of businesses	-	-	**14,019**	-	**4,375**	**18,394**
Transfers	-	-	-	-	-	-
Disposals	-	**(691)**	-	-	-	**(691)**
Impairment and carrying value	-	-	-	-	-	-
Other adjustment	-	-	**(2,177)**	-	**3.053**	**876**
Amortisation expense	-	**(10,879)**	-	-	**(4,664)**	**(15,543)**
Foreign exchange differences	-	-	-	-	-	-
At 30 June 2023		**21,595**	**115,109**	-	**70,800**	**207,504**
Gross carrying amount		**112,869**	**151,898**	-	**105,434**	**370,201**
Accumulated amortisation		**(91,274)**	**(36,789)**	-	**(34,634)**	**(162,697)**
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)

C6. Intangible assets and goodwill continued

(b) 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 judgement 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	• Fee for the use of application software
Recognise as an operating expense as the service is received	• 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 2023				
At 1 July 1, 2022	**130,620**	**243,322**	**-**	**373,942**
Additions	11,254	84,015	949	96,218
Liabilities held for sale	-	-	-	-
Acquisition of businesses	15,470	-	-	15,470
Repayments	(13,667)	(19,371)	(217)	(33,255)
Payouts	-	-	-	-
Lease modifications	-	-	-	-
Interest	5,279	12,861	47	18,187
Foreign exchange differences	-	-	-	-
At 30 June 2023	**148,956**	**320,827**	**779**	**470,562**
Current	4,179	13,950	179	18,308
Non-current	144,777	306,877	600	452,254
Less than one year	9,441	25,664	217	35,322
One to five year	46,085	128,561	650	175,296
More than five years	194,148	281,269	-	475,417
Total undiscounted lease liabilities	**249,674**	**435,494**	**867**	**686,035**
Year ended 30 June 2022				
At 1 July 1, 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	11,181
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

C7. Lease liabilities continued

(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	2023 $000	2022 $000
Within one year	857	20
One to five years	4,668	51
More than five years	15,618	8
Total undiscounted lease payment receivables	**21,143**	79
Unearned finance income	(8,578)	(6)
Net investment in the lease	**12,565**	**73**
Current	195	18
Non-current	12,370	55
Total finance lease receivables	**12,565**	73

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 group's 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

	Notes	2023 \$000	2022 \$000
Year ended 30 June			
Unrealised fair value changes recognised in profit or loss	D7	**-**	-
Goodwill		**-**	-
Plant and equipment		**-**	-
Right-of-use (reversal of impairment)		**-**	(6,195)
Discontinued operations	C3	**-**	6,195
Total impairment and carrying value adjustments		**-**	-

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 2023, the Group used the "value in use method" (2022: "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		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value in use measurement
	30 June 2023 '\$000	30 June 2022 '\$000		2023	2022	
Parks & Resorts CGUs	**99,795**	**79,107**	WACC discount rate	**8.1%**	**7.7%**	The higher the WACC rate, the lower the value in use
			Growth rate	**2.5%**	**2.5%**	The higher the growth rate, the higher the value in use
SIXT CGU	**14,322**	**7,660**	WACC discount rate	**7.2%**	**7.7%**	The higher the WACC rate, the lower the value in use
			Growth rate	**2.5%**	**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 2023.

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 would not cause the carrying value of the CGUs to exceed their recoverable amount.

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.

D $

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 risks are managed.

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 of the financial statements.

Market risk

(i) Interest rate risk

The Group's interest rate risk arises from floating rate borrowings, capped bank loan facilities and leases.

Further details of the Group's interest bearing liabilities are provided in note D6 and lease liabilities in C7.

(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	2023 $000	2022 $000
Current assets		
Cash deposits	**155,687**	57,859
Other investment receivables	**20,694**	18,553
Other financial assets	**-**	-
Total current assets	**176,381**	76,412
Non-current assets		
Australian shares	**118,615**	93,933
International shares	**126,996**	103,669
Fixed interest securities	**173,751**	168,431
Diversified unit trust	**92,982**	54,230
Other financial asset	**12,962**	4,362
Financial assets at fair value through other comprehensive income	**85,574**	66,857
Total Non-current assets	**610,880**	491,482

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% Profit $000	Price risk -10% Equity $000	Price risk +10% Profit $000	Price risk +10% Equity $000
2023					
Financial assets	**787,262**	**(33,859)**	**(8,557)**	**33,859**	**8,557**
Total increase / (decrease)		**(33,859)**	**(8,557)**	**33,859**	**8,557**
2022					
Financial assets	567,894	(19,397)	(6,686)	19,397	6,686
Total increase / (decrease)		(19,397)	(6,686)	19,397	6,686

D1. 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 below 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
2023					
Trade payables	**23,253**	**3,720**	**(114)**	**444**	**27,303**
Interest bearing liabilities		**-**	**898**	**269,728**	**270,626**
Customer deposits[1]	**22,263**	**396**	**1,056**	**32**	**23,747**
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

[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 on the following page:

D2. Fair value estimation continued

	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
2023				
Financial assets at fair value through profit and loss				
Listed investments	**419,363**	**-**	**-**	**419,363**
Unlisted investments	**-**	**105,944**	**-**	**105,944**
Investment property	**-**	**-**	**40,000**	**40,000**
Financial assets at fair value through other comprehensive income				
Listed investments	**58,145**	**-**	**-**	**58,145**
Unlisted investments	**-**	**27,429**	**-**	**27,429**
Total	**477,508**	**133,373**	**40,000**	**650,881**
2022				
Financial assets at fair value through profit or loss				
Listed investments	366,033	-	-	366,033
Unlisted investments	-	58,592	-	58,592
Investment property	-	-	**41,800**	**41,800**
Financial assets at fair value through other comprehensive income				
Listed investments	**48,166**	**-**	**-**	**48,166**
Unlisted investments	**-**	**18,691**	**-**	**18,691**
Total	**414,199**	**77,283**	**41,800**	**533,282**

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 2023 $000	30 June 2022 $000		2023	2022	
Wynyard	**21,000**	22,000	Capitalisation rate	**4.50% to 5.00%**	4.25% to 4.75%	The higher the capitalisation rate and expected vacancy rate, the lower the value
			Expected vacancy rate	**12.6%**	8.4%	
Vehicle servicing properties	**19,000**	19,800	Capitalisation rate	**5.75%to 6.00%**	5.5% to 5.75%	The higher the capitalisation rate and expected vacancy rate, the lower the value.
			Expected vacancy rate	**8.90%**	-	

The valuation methods used in 2023 was consistent with 2022 being capitalisation of net income and direct comparison methods.

D3. Financial assets at fair value through profit or loss

Current	2023 $000	2022 $000
Cash deposits	**155,687**	57,859
Other investment receivables	**20,694**	18,553
Other financial assets	**4,362**	-
Total current assets	**180,743**	76,412

Non-current	2023 $000	2022 $000
Investments designated at fair value through the profit or loss:		
Australian shares	**118,615**	93,933
International shares	**126,996**	103,669
Fixed interest securities fund	**173,751**	168,431
Other financial assets	**8,600**	4,362
Diversified unit trust	**92,982**	54,230
Total	**520,945**	424,625

(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).

(i) Assets carried at amortised cost

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

(ii) 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

	2023 $000	2022 $000
Listed investments	**58,145**	48,166
Unlisted investments	**27,429**	18,691
At 30 June	**85,574**	66,857

(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

	2023 $000	2022 $000
At 1 July	**41,800**	39,200
Transfer out	**-**	(2,701)
Transfer in	**-**	420
Change in net fair value through profit and loss	**(1,800)**	4,881
At 30 June	**40,000**	41,800

(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

	2023 $000	2022 $000
Amounts recognised in the statement of profit or loss		
Rental income derived from investment properties	**1,546**	1,544
Direct operating expenses generating rental income	**(909)**	(778)
Net profit arising from investment properties carried at fair value	**637**	766

D6. Interest bearing liabilities

	2023 $000	2022 $000
Current liabilities		
Obligations under finance leases	**898**	2,557
At 30 June	**898**	2,557
Non-current liabilities		
Obligations under finance leases	**211**	1,466
Bank loan	**269,517**	181,928
Bank loan — discontinued operations	**-**	-
At 30 June	**269,728**	183,394

(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

The Group has a $300 million revolving cash advance facility with $75 million on a five year term and $225 million on a three year maturity. Under the facility all wholly owned subsidiaries have provided customary negative pledge undertakings and are subject to financial undertakings. Kingmill Pty Ltd also has finance lease facilities.

Financial commitments

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

	Total facilities		Used facilities		Unused facilities	
	2023 $000	2022 $000	2023 $000	2022 $000	2023 $000	2022 $000
Corporate debt facility	**300,000**	300,000	**270,231**	183,133	**29,769**	116,867
Leasing facility	**40,000**	40,000	**1,109**	4,023	**38,891**	35,977
Corporate card facility	**1,203**	1,203	**393**	477	**810**	726
Bank guarantees	**26,489**	29,307	**18,698**	15,559	**7,791**	13,748
At 30 June	**367,692**	370,510	**290,431**	203,192	**77,261**	167,318

D7. Contingent consideration

	2023 $000	2022 $000
Non-current liabilities		
At 1 July	**24,310**	22,100
Unwind of discount in interest expense	**2,210**	2,210
Unrealised fair value changes recognised in profit or loss	**-**	-
At 30 June	**26,520**	24,310

(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 $26.5 million (2022: $24.3 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.

E

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

	2023 $000	2022 $000
Current	**46,334**	39,831
Non-current	**6,635**	6,347
Total	**52,969**	46,178

	2023 $000	2022 $000
Defined contribution superannuation	**25,253**	16,974
Employee benefits	**288,906**	234,234
Total	**314,159**	251,208

(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.

(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

	2023 $	2022 $
Short term employee benefits	**5,344,823**	5,483,650
Post-employment benefits	**254,596**	254,185
Other long term benefits	**874,740**	990,764
Termination benefits	**616,802**	-
Total	**7,090,961**	6,728,599

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 2023, performance was assessed against LTI targets, and 100% of the LTI was deemed payable, with payment due in September 2025. Payment in respect of 2020 was paid in September 2022.

(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. 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.

F

Group structure

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

F1. Equity accounted investments

	2023 $000	2022 $000
Carrying amount of investments		
Investments in associates	**66,655**	66,032
Investments in joint ventures	**21,095**	14,030
Total carrying amount of investment	**87,750**	80,062
Net profit accounted for using the equity method		
Share of operating profit from investments in associates	**8,729**	(3,695)
Share of operating profit from investments in joint ventures	**1,642**	543
Total share of operating profit from equity accounted investments	**10,371**	(3,152)
Interest in associates at the end of the financial year		
Carrying amount of investment in associates at the start of the year	**66,032**	62,000
Purchases	**-**	-
Increase in investment	**894**	7,727
Impairment and carrying value adjustments	**-**	-
Distributions received from associates	**(9,000)**	-
Share of associates' net profits / (losses)	**8,729**	(3,695)
Carrying amount of investments in associates at end of the year	**66,655**	66,032

F1. Equity accounted investments continued

	2023 $000	2022 $000
Interest in joint ventures at the end of the financial year		
Share of revenue from ordinary activities	**2,121**	837
Share of unrealised gain / (loss) for interest rate swaps	**(24)**	216
Share of unrealised gain / (loss) on revaluation of non-current assets	**7,198**	808
Share of expenses from ordinary activities	**(480)**	(292)
Share of profit / (loss) from ordinary activities before income tax expense	**8,815**	1,569
Share of income tax (expense) related to ordinary activities	**-**	-
Share of joint ventures' net profit accounted for using the equity method	**8,815**	1,569
Summary financial position of joint ventures		
The Group's share of aggregate assets and liabilities of the joint venture is as follows:		
Current assets	**485**	653
Non-current assets	**29,500**	22,177
Total assets	**29,985**	22,830
Current liabilities	**157**	50
Non-current liabilities	**8,733**	8,750
Total liabilities	**8,890**	8,800
Net assets	**21,095**	14,030
Accumulated profits of the Group attributable to the joint ventures		
Balance at the beginning of the year	**7,299**	5,730
Share of joint ventures' net profits / (losses)	**8,815**	1,569
Distributions received from joint ventures	**-**	-
Balance at the end of the year	**16,114**	7,299
Movement in carrying amount of investments		
Carrying amount of investments in joint ventures at the beginning of the year	**14,030**	12,461
Distributions received from joint ventures	**(1,750)**	-
Shares of joint ventures' net profits / (losses)	**8,815**	1,569
Carrying amount of investments in joint ventures at end of the year	**21,095**	14,030

F1. 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	
			2023 %	2022 %
Associates				
Australian Motoring Services Pty Ltd (i)	Motoring and travel assistance services	Australia	**35.61**	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
Electric Highway Tasmania Proprietary Limited	EV Fast Chargers	Australia	**38.03**	-

[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.

Name of arrangement	Principal activity	Country of operation	2023 %	2022 %
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 three holiday parks and two Tasmanian tourism businesses as set out in the table below:

Business	Principal activity	Acquisition date
BIG4 Great Lakes at Forster-Tuncurry	Operating as a tourist park	20-Jul-22
Turtle Sands Caravan Park		26-Oct-22
Cape Hillsborough Nature Tourist Park		8-Nov-22
Pumphouse At St.Clair Pty Ltd ("Pumphouse")	Tourism and leisure	1-Nov-22
Freycinet Adventures		6-Feb-23

(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	**40,633**
Cash payable	**0**
Total consideration paid and payable	**40,633**

(ii) Acquisition related costs

The Group incurred acquisition related costs of $2.4 million on legal fees and due diligence costs. These 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
Cash	**3**
Inventory	**390**
Trade and other receivables	**30**
Property, plant and equipment	**29,875**
Right-of-use assets	**15,470**
Contractual rights	**4,375**
Trade and other payables	**(70)**
Customer deposits	**(4,519)**
Employee Provisions	**(118)**
Lease liabilities	**(15,470)**
Deferred tax liabilities	**(3,352)**
Total identifiable assets acquired	**26,614**

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		40,633
Fair value of identifiable net assets acquired		(26,614)
Goodwill arising from acquisition		14,019
Provisional accounting change[a]		(2,177)
Total goodwill arising from acquisition	C6	11,842

[a] Represents the change to the provisional accounting on the valuation of the Jonday business acquired in November 2021.

(a) Represents the change to the provisional accounting on the valuation of the Jonday business acquired in November 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		40,633
Less: cash balances acquired		(3)
		40,630
Acquisition related costs	C1	2,386
Outflow of cash from investing activities		43,016

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 2023, the businesses acquired contributed revenue of $11.8 million and an operating profit of $2.2 million to the Group's results, since acquisition. If the acquisitions had occurred at 1 July 2022, management estimates that the Group's full year contributed revenue would have been $15.5 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) Jonday Holdings Pty Ltd

On 14 Nov 2021, the Group acquired Jonday Holdings Pty Ltd. As at 30 June 2022 provisional accounting was undertaken. In 2023, NRMA finalised its provisional accounting, resulting in the recognition of $3.05 million in contractual rights using the income approach and a reduction in goodwill and deferred tax liability by $2.17 mil and $887k respectively.

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 2023 %	Percentage of shares held 2022 %
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	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	Australia	**100**	100
NRMA Electric Highways Pty Ltd	Australia	**100**	100
NRMA Electric Highways Tas Pty Ltd	Australia	**100**	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

All Australian subsidiaries are members of the tax consolidated Group at 30 June 2023.

F4. Parent entity information

Information relating to National Roads and Motorists' Association Limited:	Parent 2023 $000	Parent 2022 $000
Current assets	**27,312**	68,838
Non-current assets	**519,238**	527,920
Total assets	**546,550**	596,758
Current liabilities	**87,427**	105,178
Non-current liabilities	**23,246**	24,541
Total liabilities	**110,673**	129,719
Net assets	**435,877**	467,039
Retained earnings	**435,877**	467,039
Total shareholders' equity	**435,877**	467,039
Profit / (loss) of the parent entity	**(31,162)**	(10,941)
Total comprehensive loss of the parent entity	**(31,162)**	(10,941)

The Parent entity has a deficiency of net working capital of $60.1 million at 30 June 2023 (2022: net working capital deficiency of $36.3 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.

G +

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

Standard and application date	Summary	Future impact on the Group
AASB 17 Insurance contracts Application date of standard: 1 Jan 2023 Application date for Group: 1 Jul 2023 IFRS S1	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 new standard introduces a framework for climate and sustainability disclosures. An entity will provide relevant and timely information on sustainability and climate related risks and opportunities for decision making purposes. Disclosure of material information is also required.	The Group has assessed the impact of AASB 17 on roadside service and SIXT damage waiver 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 and damage waiver, though identified as fixed fee services that falls under the standard, meets the following conditions: • The fixed fee is not customer specific and is set by the NRMA and SIXT (8a); • NRMA is providing roadside assistance which includes repairs and towing, cash payments are not distributed to the customer. SIXT similarly provides non-monetary compensation to the customer in the form of replacement vehicles and repairs (8b); • Roadside: There is uncertainty over the frequency of customer vehicle breakdowns and towing costs. SIXT: Uncertainty arises primarily from customer's usage of the rental vehicles rather than from uncertainty over the cost of these services (8c).

G1. Impact of new accounting standards continued

Standard and application date	Summary	Future impact on the Group
IFRS S2 Climate-related Disclosures Application date of standard: 1 Jan 2024 Application date for Group: 1 Jul 2024	Disclosure of sustainability-related risk and opportunities (R&Os) requires assessment on the following pillars: Governance – process, controls and procedures used to monitor and manage. Strategy – understand the effect of the R&Os on group strategy and decision making. Risk Management – process used to identify, assess, prioritise and monitor. Metrics and Targets – assess the entity's performance in meeting objectives related to R&Os. When disclosing the R&Os the following steps will be taken: 1. Identifying applicable disclosure requirements. 2. Disclosure of information about sources of guidance. 3. Location of disclosures. 4. Timing of reporting. 5. Disclosing Comparative information. 6. Providing a Statement of Compliance. Once above framework has been established, disclosure of judgements is required. This must be based on approved procedures, assumptions and supported by reasonable information (S1. p8-10). The Group will also disclose the most significant uncertainties affecting the amounts reported (S1. p77) including the source of the uncertainty along with the above assumptions and judgements.	Further, the previous requirements for insurance contracts (AASB 4) notes that applying IFRS 4 to fixed fee service contracts 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 has elected AASB 15 which reflects current treatment of these services. The Group is now in the process of establishing a framework and baseline for application of the new accounting standards. The Group expects to adopt the new standards by 1 July 2024. The Group continues to assess the impact of the standards on other group companies.

G2. Commitments

At the reporting date the Group's estimated expenditure for contracted, but not provided for or payable, capital commitments was $91.3 million (2022: $34.0 million).

G3. Deed of cross guarantee

The consolidated income statement and statement of financial position of the Closed Group is shown below.

	Closed Group	
	2023 $000	2022 $000
Consolidated statement of profit or loss		
Profit / (loss) from operations before income tax	**50,466**	(25,468)
Income tax expense	**(5,656)**	11,957
Profit / (loss) after income tax	**44,810**	(13,511)
Actuarial gain / (loss)	**2,238**	2,717
Retained earnings at the beginning of the year	**1,158,413**	1,169,207
Retained earnings at the end of the year	**1,205,461**	1,158,413
Consolidated statement of financial position		
Cash and cash equivalents	**21,332**	239,270
Trade and other receivables	**57,023**	37,492
Inventories	**4,176**	3,809
Finance lease receivables	**195**	18
Financial assets at fair value through profit or loss	**155,688**	57,859
Other financial assets	**20,694**	18,553
Non-current assets classified as held for sale	**208**	25,299
Total current assets	**259,316**	382,300
Finance lease receivables	**12,370**	55
Financial assets at fair value through profit or loss	**525,307**	424,625
Financial assets at fair value through other comprehensive income	**85,574**	66,857
Property, plant and equipment	**590,489**	465,352
Right-of-use assets	**466,794**	386,956
Investment property	**40,000**	41,800
Equity accounted investments	**86,842**	80,062
Pension asset	**10,153**	6,519
Intangible assets and goodwill	**207,504**	203,708
Non-current assets	**2,025,033**	1,675,934
Total assets	**2,284,349**	2,058,234
Trade and other payables	**106,483**	106,580
Employee benefit provisions	**46,334**	39,831
Lease liabilities	**18,247**	20,132
Income tax payable	**(31,325)**	12,799
Unearned income	**114,454**	111,724
Customer deposits	**23,747**	24,766
Interest bearing liabilities	**898**	2,557
Current liabilities	**278,838**	318,389
Employee benefits provisions	**6,635**	6,347
Provision for make good obligations	**3,211**	3,106
Lease liabilities	**451,577**	353,810
Deferred tax liabilities	**123,602**	77,826
Unearned income	**5,605**	6,881
Customer deposits	**-**	(1,534)
Interest bearing liabilities	**269,728**	183,394
Contingent consideration	**26,520**	24,310
Non-current liabilities	**886,878**	654,140
Total liabilities	**1,165,716**	972,529
Net assets	**1,118,633**	1,085,705
Reserves	**(16,524)**	(4,642)
Retained earnings	**1,090,347**	1,103,858
Current year profit / (loss)	**44,810**	(13,511)
Total equity	**1,118,633**	1,085,705

G3. Deed of cross guarantee continued

The consolidated income statement and statement of financial position of the Closed Group 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:	**2023 $**	2022 $
Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**560,000**	570,000
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	**137,500**	37,000
Total fees to Ernst & Young (Australia)	**697,500**	607,000
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	**-**	-
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)	**-**	-
Total auditor's remuneration	**697,500**	607,000

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

On the 5th of July 2023, NRMA exercised its option to acquire the remaining 53.96% of Barralong Leisure Holdings Pty Ltd (Coral) for a consideration of $95.3mil. As a result of the transaction, NRMA gained 100% control of Coral.

NRMA Parks and Resorts entered into an agreement to acquire Broulee Holiday Park and Tathra Beachside Holiday park. Settlement for both parks are expected in November 2023.

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 2023 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 2023.

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

Tim Trumper

Tim Trumper
Chair and Director

Fiona Simson

Fiona Simson
Deputy Chair and Director

21 September 2023

Building a better working world

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Independent auditor's report to the members of National Roads & Motorists' Association Limited

Opinion

We have audited the financial report of National Roads & Motorists' Association Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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.

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.

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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.

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- 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

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Glenn Maris
Partner
Sydney
21 September 2023

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Go further. Together.

The achievements shared in this report are a result of great collaborative effort — across our brands and businesses, among our people, and through the continued loyalty of our members and customers.

As a mutual organisation, we've always been uniquely aware that we can achieve more, progress faster, and have a bigger impact when we work together.

As we head into the next 12 months, we'll continue to embody our purpose as we undertake a major evolution for membership. We'll also further our ambitious commitment to ensuring Australia is prepared for the electric future of motoring. It's a new way to keep people connected, guided by an enduring purpose.

And we'll continue to work with communities, as we've always done, to contribute to a brighter future for our members, their children and beyond.


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