



Building the future legend

Annual Report 2021



Acknowledgement of Country

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

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



Top left: The Kimberley, top right: Cradle Mountain, bottom left: Gordon River, bottom right: Wilpena Pound

After 100 years of pursuing our mission to help and to keep Australians moving, we're looking to the future and beginning to shape what the next 100 years will look like. Now, more than ever before, people are looking for holidays and experiences that aren't too far from home. So, we're going to keep moving in new ways as we reconnect with country and rediscover our own backyard.

We're encouraging everyone to relive stories from the past and create new ones for the future. And we'll be right there with you, as you help us build the future legend of the NRMA.

Contents

Introduction

An overview of the NRMA Group. Highlights and insights from our Chair and Group CEO on the year and future outlook.

- 2 **About this report**
- 3 **Highlights**
- 4 **A message from our Chair**
- 5 **A message from our Group CEO**
- 6 **About us**
- 7 **The year that was**

Section 1

Our business value drivers, how we create value and measuring our strategic priorities.

- 9 **The NRMA Group**
- 10 **Our purpose and values**
- 12 **Our business value drivers**
- 13 **How we create value**
- 14 **Our Group Strategy**

Section 2

Insight into our Motoring and Membership business and the services we provide.

- 19 **Motoring and Membership**
- 20 Members and customers
- 21 NRMA Blue
- 22 Electric vehicles
- 23 Motoring

Section 3

Outline of our Transport and Tourism businesses and how they continue to grow.

- 25 **Transport and Tourism**
- 26 Expeditions
- 27 Marine
- 28 Parks and resorts
- 29 Vehicle rental

Section 4

An overview of our diversified investment portfolio.

- 31 **Investments**

Section 5

Underpinning the value we create is our contribution to communities through our advocacy and community programs.

- 33 **Underpinning the value we created**
- 34 Community
- 35 Advocacy
- 36 People and Culture
- 37 Safety
- 38 Education
- 39 Environment

Section 6

How we identify, manage and mitigate risks within our business.

- 41 **Our approach to risk management**
- 42 Continually improving the process
- 43 Strategic risk management

Section 7

The composition and role of the Board and Committees, their key focus areas, and approach to remuneration.

- 47 **Board of Directors**
- 48 **Role of the Board**
- 51 **Our Board's focus areas**
- 52 **Our Committees' focus areas**
- 54 **Our Board's profiles**
- 57 **Board meetings**
- 58 **Remuneration**
- 60 **Executive Leadership Team**
- 62 **Directors' report**
- 63 **Auditor's declaration**

Section 8

A summary of our financial performance and cash flow. The Directors' declaration and Independent Auditor's Report.

- 66 **Consolidated statement of profit or loss and other comprehensive income**
- 67 **Consolidated statement of financial position**
- 68 **Consolidated statement of changes in equity**
- 69 **Consolidated statement of cash flows for the year**
- 70 **Contents**
- 71 **A: About this financial report**
- 73 **B: Business performance**
- 80 **C: Operating assets and liabilities**
- 94 **D: Financial instruments**
- 103 **E: Employee benefits**
- 105 **F: Group structure**
- 113 **G: Other**
- 116 **Directors' declaration**
- 117 **Independent Auditor's Report**



About this report

With over 2.7 million Members across NSW and the ACT, the NRMA is the largest Member-owned organisation in Australia. For over 100 years we've been there to keep people moving and help in times of crisis.

As the world and our Members' needs have evolved so have we, growing our business to encompass leisure, transport and tourism. Our purpose today is to provide the freedom to move, explore and connect with people and places for a brighter shared future.

Our Annual Report is an opportunity to report back to you on our performance, the value we've created, our activities over the last 12 months and our business strategy. We prepare our Annual Report in accordance with the International Integrated Reporting Council's (IIRC) framework which aims to promote a cohesive and efficient approach to reporting that clearly and concisely conveys how we create value for our Members, factors that may materially affect our business and the drivers that underpin value creation and business operations.

Board focus area



Integrated reporting

A working group of Directors through the course of three meetings provided guidance to Management on the key messaging for the integrated reporting approach to the Annual Report, prior to the Annual Report being approved by the Board.

United Nations Sustainable Development Goals

The NRMA recognises and supports the United Nations Sustainable Development Goals (SDGs). These principles are a call to action for all countries to recognise that strategies to end poverty and inequality must be accompanied by strategies that improve education and health, and drive economic growth, without ignoring the need to address

climate change and the preservation of our natural environment. We've identified six key SDGs as they relate to our strategy, operations and value we deliver to our Members. We seek to embed these SDGs across our business activities to ensure the sustainability of our organisation and the communities we support.

The SDGs we contribute to



Goal 3
Ensure healthy lives and promote well-being for all at all ages.



Goal 10
Reduce inequality within or among countries.



Goal 5
Achieve gender equality and empower all women and girls.



Goal 11
Make cities and human settlements inclusive, safe, resilient and sustainable.



Goal 8
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Goal 13
Take urgent action to combat climate change and its impacts.

Highlights

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

Received the Workplace Gender Equality Agency citation - Employer of Choice for Gender Equality.

Acquisition of Cradle Mountain Hotel, Freycinet Lodge, Strahan Village and Gordon River Cruises in Tasmania.

9th

most trusted brand in Australia.

9/10

roadside problems resolved on the spot.

+69,000

primary and high school students educated on road safety.

+\$112 million

worth of savings delivered to our Members.

\$675 million

as a result of advocacy initiatives to support the transition to cleaner and more efficient motoring.

Development of new roadside assistance packages, offering more value to Members.

100%

of emissions offset after reduction in Motoring and Membership.

Reduced lost time injuries (LTIs) by 18%, resulting in a total of 14.

Development of our Aboriginal Whale Watching tours and Aboriginal Night Sky Dreaming cruises for Sydney Solstice.

Expansion of our electric vehicle (EV) charging network connecting Sydney to Queensland, Victoria and South Australia.

NRMA Parks and Resorts implemented flexible, fully refundable holiday bookings for those impacted by COVID restrictions.

Unveiling of our fully electrified commercial vessel on Sydney Harbour.

A message from our Chair



The COVID-19 pandemic has continued to affect our community. As vaccination efforts are ramped up globally, and here at home, there is a collective sense of optimism that there is a genuine way out. This optimism is important for us all.

Time and again our community has rallied around each other to deal with the challenges of the last 12 months. Holidays have been booked and then postponed, families disconnected from each other and businesses left to ride periods of closure with sporadic levels of high demand. In too many cases, job security and the mental health of those most at risk has been pushed to the limit.

And yet it's because of these very challenges we have been able to cherish those moments when we have come together. The family get-together after spending months apart, weekend getaways and road trips that have allowed us to better handle some of the challenges we've faced throughout the year and enjoy our own amazing backyard. In respect to those moments, we really have been the lucky country.

Our mutuality means community isn't just a place to do business — it is central to our existence. We are now an organisation with 2.7 million Members, the largest in our 101-year history. Put simply, you, our Members, own the NRMA. More than ever before it is the collective strength that comes from our role as a mutual that is so vital. The title of this report, building the future legend, could not be more fitting as the NRMA works towards the role we will play for the next 100 years.

The phrase 'essential service' has never been more meaningful and I want to thank our roadside patrols and call centre staff for their remarkable work. Our Patrols attended over 1 million breakdowns. These jobs are harder to do with extra measures implemented to protect our staff and Members. What has not changed is the legendary service that our Patrols bring to every job.

Tourism has been heavily impacted by the pandemic and our staff across NRMA Parks and Resorts, Expeditions, Ferries and Thrifty have shown great agility in difficult conditions to help. It has not been easy for so many of our customers with changing conditions around border closures, lockdowns and restrictions. Our staff have adopted a safety-first approach to helping make holidays a reality for thousands

of families, even when the pandemic has forced the reschedule of bookings at the last minute.

The NRMA has, like so many organisations, faced some difficult trading conditions this year because of changes to customer behaviour as a result of lockdowns and the health impact of this terrible disease. Yet through all this we have seen some real optimism. Growth in Membership levels, more favourable trading conditions for some of our businesses and solid returns in our investment portfolio has helped deliver an underlying operating profit of \$15.1 million and a net profit after tax of \$44.9 million.

The Board has been focused on ensuring the NRMA will be ready to enable you to make the most of this great country as the health orders change and people are again able to travel. We are well positioned for a brighter future and this year's performance helps safeguard the very services our Members and the community rely on.

As Australia's largest mutual, our reputation is built on the independence and trust that comes from a century of working for positive change. I am proud of the outcomes we have delivered over the last year. Record levels of Government funding to fix our roads will help save lives and ensure councils can keep up with maintenance.

We know that changes are coming to Australia's mobility with the global shift to electric vehicles and the NRMA has continued its leadership role at a national level. We have helped secure more funding to support young people from disadvantaged backgrounds get their licence and we have continued to be a sensible voice on important policy issues around fuel prices and security and road safety enforcement.

Our community has shown great resilience and strength over the last year and we have every reason to be optimistic for what lies ahead. The NRMA will again be there to help you on your journey and towards a year of great potential. On behalf of the whole Board I would like to thank you, our Members, for your ongoing support and loyalty to our great mutual.

Safe travels,

Tim Trumper
NRMA Chair

A message from our Group CEO



We all want to belong to something bigger than ourselves. Mutuals like the NRMA, are created to provide a trusted organisation where Members and staff can belong to something that contributes to and serves the needs now and those of future generations. With the support of our Members, we can continue to achieve great things.

The people that founded this organisation more than 100 years ago had a vision to keep our country moving, connect our regional communities and keep people safe. This bold ambition and spirit has seen us support the first cars, launch insurance for motorists, invest in local fuel security and advocate for, and lead road safety campaigns and education programs. With an eye on the future and the preservation of our country's unique environment, we have been a leader in the electrification of transport, and guided and promoted sustainable regional tourism. We want all Australians to keep exploring and discovering the wonders this vast country offers, remaining safely connected to the people and places that make it our home.

This year, the COVID-19 pandemic has presented one of the most challenging ongoing events the world and our organisation has faced. In a year where many of our communities were still reeling from the devastating natural disasters of 2020, the last year has continued to impact livelihoods, communities and businesses. Lockdowns and border closures decimated many industry sectors including our own tourism and leisure businesses. We have been more fortunate than most, having the scale and intent to diversify and invest in becoming a nationally operated business with a balanced portfolio of businesses. Diversification has its own challenges, including navigating a constantly changing operating environment and taking the extreme precautions necessary to keep our staff and our customers safe.

We achieved a positive underlying operating profit of \$15.1 million and generated solid operating cash of

\$140.6 million in 2021. Prudent capital management continues to be a strong focus. The net profit after tax for the year was \$44.9 million, including revaluation of investment portfolio assets and significant one-off costs and benefits, netting to \$1.4 million. This largely reflects the impacts from COVID-19 on the transport and tourism segment. Despite the events of the past year, we have never wavered from our purpose. We continued the roll-out of the EV fast charging network and advocated for state and federal governments to ready Australia for the inevitable rise of electric vehicles.

"This bold ambition and spirit has seen us support the first cars, launch insurance for motorists, invest in local fuel security and advocate for, and lead road safety campaigns and education programs."

We unveiled our first electric ferry and have been transforming our car rental business to draw on access technologies and transition to the largest electric rental fleet in the country. We will also launch a new partnership with international car rental brand SIXT.

We have accelerated our investment efforts in regional tourism, buying a number of extraordinary holiday parks to add to our expanding portfolio. We acquired four unique tourism assets in Tasmania including Freycinet Lodge,

Strahan Village, Cradle Mountain Hotel and Gordon River Cruises. We invested in the only Australian flag carrying cruise business, Coral Expeditions, to protect access to iconic destinations within our territorial waters such as the reef and the Kimberley. We remain committed to working with Aboriginal and Torres Strait Islander peoples to develop and promote Indigenous tourism opportunities and are partnering with the traditional owners, the Adnyamathanha people and government to transform the visitor experience at the iconic Wilpena Pound Resort. We continue to support local ventures like Airtasker and Sendle, which have played an important role during the pandemic, and invested in Elenium who is providing a contactless ticketing and health screening platform for deployment at major airports and transport modes.

We divested our interests in the Travelodge chain, as we were not convinced that significant property interests in cities continued to align with our purpose, despite the excellent historic contributions achieved. Freed up capital will ensure the NRMA is able to invest in our core business and seize other tourism opportunities as the country recovers.

The NRMA Group remains strong, and we are grateful to our employees who despite the challenges they faced honoured our Playbook by caring for all our Members, customers and communities. None of this would have been possible without the support of our Members — thank you.

Hopefully, the year ahead will be one filled with freedom and opportunity. Freedom for us all to explore, reconnect with family and friends and visit those special places that will be so keen to welcome us all back.

Keep exploring,

Rohan Lund
NRMA Group CEO

About us

For over 100 years we've kept you safe on your journey and we'll continue to provide you with the freedom to move, explore and connect, guiding the way towards a brighter and more sustainable future for all our Members and Australia.

Our activities and businesses



Motoring and Membership

The NRMA delivers services and benefits to over 2.7 million Members through roadside assistance, NRMA Blue benefits, driver training, advocacy, community and education programs, Open Road magazine and our electric vehicle fast charging network.

Transport and Tourism

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

NRMA Parks and Resorts

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

NRMA Expeditions

In FY21 we purchased a suite of unique Tasmanian assets including Cradle Mountain Hotel, Freycinet Lodge, Strahan Village and Gordon River Cruises. We also acquired a minority interest in Coral Expeditions.

Marine

Our marine business includes passenger commuter services and leisure services under the brands, My Fast Ferry, Fantasea Cruising, Whale Watching Sydney and Yellow Water Taxis.

Vehicle rental

We provide vehicle rental services in over 190 locations across Australia and New Zealand.

Investments

Our portfolio is invested in order to generate long term returns and is diversified across various asset classes including equities, property, infrastructure, private equity, fixed income and cash assets.

The year that was

As we learned to live and work in an environment where COVID-19 continued to play a big role, we focused on supporting our regions and uncovering new ways to help Members explore new places.

As we neared the end of FY20 there was a prevailing sense of optimism as lockdowns seemed to effectively slow, if not eradicate the spread of COVID-19 across Australia. While our borders remain closed to all but returning Australians and essential visitors, life was beginning to return to some semblance of normality. From October through to mid-June this year, life for most of us began to open up internally. As most of the world struggled to contain the virus and new highly contagious strains emerged, we remained relatively unscathed with governments responding to impose lockdowns to curb any potential outbreaks. Our economy rebounded and we witnessed a boom in domestic travel and leisure, bringing much needed relief to businesses, which saw many Australians embrace opportunities to explore their own country, connect with others and discover new and unique experiences at home.

We became used to wearing masks, working remotely, using QR codes, shopping online, and supporting those that need it most.

The emergence of vaccines has provided all of us with hope that despite the impact across the world and the millions of lives lost, the pandemic will eventually come to an end.

While the devastating natural disasters of FY20 were not repeated, they remain a pertinent reminder for all of us to focus on the preservation of our fragile environment. The NRMA continues to focus on ensuring our businesses' footprint is light, and we are actively seeking to develop initiatives that assist everyone in leading safer and more sustainable lives.

Realising opportunities

Throughout the year we've focused on what we do best, supporting our regions, our Members and our communities. While our transport and tourism businesses have been affected during lockdowns, we've worked hard to recognise new and emerging opportunities in this sector.

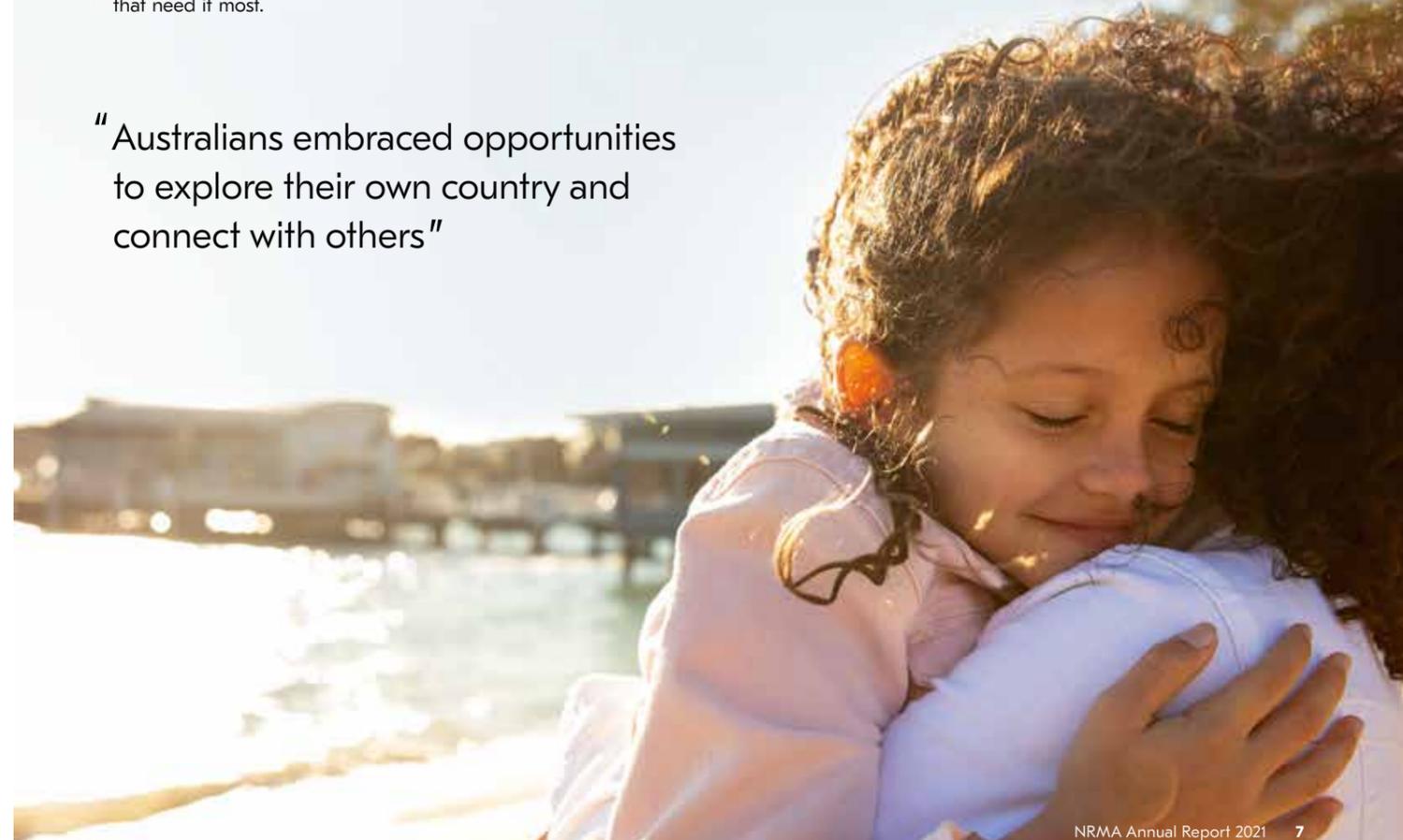
We've commenced managing the Indigenous-owned Wilpena Pound Resort in South Australia's stunning Ikara-Flinders Ranges National Park and have purchased a suite of unique Tasmanian resorts. Our Marine business partnered with Tribal Warrior to develop an Indigenous Whale Watching experience and our Motoring and Membership business continues to invest in expanding our regional electric vehicle charging network to meet the demands of new sustainable mobility and support regional development. We will evaluate opportunities as they arise and remain agile to ensure we can adapt quickly to an ever changing environment.



Help when it matters most

On a very hot summer Sunday, NRMA Patrol Vince attended a callout on a lonely road south of Sydney. He arrived to find 4 young adults and 2 dogs. They didn't have any water and their car had overheated and blown a head gasket. After diagnosing the problem, our dispatch team called an Uber to transport them back to a mechanic since they couldn't all fit in Vince's 2-seater van. While they waited, Vince let each of them enjoy the air conditioning in his van before facing the heat again, but after 45 minutes there was no sign of the Uber. Once it became clear that a rideshare option wasn't available and with water running low, Vince called in a helping hand – his wife Hazel. Without thinking twice, she grabbed a few bottles of water, hopped in her car and set off on the 30 minute drive to meet Vince and the stranded travellers. When Hazel arrived, Vince hooked up the broken down car to his van, allowing him to tow it and invited the one male passenger to hop in with him (and the 2 dogs), while the other 3 girls hopped in Hazel's car. By the time they got down to the service centre, they were all having a great chat, with the broken down Members very appreciative of Vince and Hazel's help. Of the whole situation, Vince said, "It's rewarding, helping people is very rewarding."

"Australians embraced opportunities to explore their own country and connect with others"



1

- 9 The NRMA Group
- 10 Our purpose and values
- 12 Our business value drivers
- 13 How we create value
- 14 Our Group Strategy

We continue to develop unique tourism and leisure experiences that enable our Members and customers to explore our environment. That means we're acutely aware of how important it is to preserve and protect our land for future generations. With that in mind, we've invested in environmental initiatives like our electric vehicle fast charging network that supports the development of more sustainable transport systems. As we look to the future, we're focused on how we can do even more by changing the way we operate, as well as investing in and supporting a more sustainable Australia.

The NRMA Group

We're one of Australia's most trusted brands, with exciting and ambitious plans to create an even better future for our Members and customers.

As a mutual, every decision we make has Members and our community at its heart, and we constantly seek opportunities to connect people for a better tomorrow.

Due to the restrictions on international travel, people are looking for holidays that aren't too far from home and discovering new places. We're going to provide our Members and customers with opportunities to explore, and give them access to the knowledge and rich histories of the lands they visit. From iconic Tassie destinations to holiday parks and resorts across Australia, our goal is to preserve these locations for future generations and conserve the natural environments they exist in. Because it's not just giving people the freedom to explore new places, it's also about making sure we take care of the land so everyone can enjoy it now and into the future.

Financial capital

FY21 proved challenging with the operations of the Group affected for much of the year by Government-imposed

restrictions to contain the COVID-19 pandemic. The Group responded well, quickly adapting to changing restrictions and putting measures in place to safeguard Members and employees and mitigate the impact on the business's financial position.

We achieved a positive Underlying Operating Profit of \$15.1 million (2020: \$34.0 million) and generated solid operating cash of \$140.6 million in 2021 (2020: \$56.1 million), with prudent capital management continuing to be a focus.

Management uses the Underlying Operating Profit to assess the Group's performance. It excludes significant one-off items such as asset impairments and restructuring costs that do not represent normal operations.

The statutory Operating Profit for the year of \$16.6 million (2020: loss of \$0.9 million) includes significant one-off costs and benefits, netting to \$1.4 million (2020: \$(34.9) million), which largely reflect the

impacts from COVID-19 on the Transport and Tourism segment. Significant one-off items include impairments and carrying value adjustments of \$11.7 million (2020: \$29.4 million) and benefits from rent relief and the Job Keeper program totalling \$17.7 million (2020: \$6.1 million).

The Group's statutory Net Profit After Tax in 2021 of \$44.9 million (2020: loss of \$56.5 million) includes revaluations of investment portfolio assets that saw a sharp rebound in 2021. It is also inclusive of discontinued operations, which have been restated to fair value.

The Group's financial position is solid with net assets of \$1,080.2 million (2020: \$1,034.8 million), the increase reflecting the rebound in asset values since the initial onset of COVID-19.

Board focus area



COVID-19

The Board oversaw the organisation's response to the impact of COVID-19 on staff, Members and customers, and continued monitoring the business operations in Australia and New Zealand to better facilitate business recovery. In support of the community, the roadside assistance business continued to prioritise calls from essential service workers to ensure they could get to and from their important work as the pandemic continued.



Financial reporting

The Board spent a significant amount of time considering the impact of COVID-19 on the business. Six Audit and Risk Management Committee (ARMC) meetings were held during the year instead of the normal four programmed meetings. The two additional meetings focused on the impact of COVID-19 and reporting in the audited annual Financial Report.

NRMA Group		2021 ⁽³⁾	2020 ⁽⁴⁾	Variance
Key performance measures				
Revenue and rental income	\$m	527.2	584.7	(57.5)
Underlying operating profit ⁽¹⁾	\$m	15.1	34.0	(18.9)
Net significant one-off items ⁽²⁾	\$m	1.4	(34.9)	
Operating profit/(loss)	\$m	16.6	(0.9)	17.4
Net profit/(loss) after tax (NPAT)	\$m	44.9	(56.5)	101.4
Key ratios				
Net cash from operating activities	\$m	140.6	56.1	84.6
Net assets	\$m	1,080.2	1,034.8	45.4
Key ratios				
Debt ratio (total debt/total assets)	%	6.6	13.3	
Return on equity (ROE)	%	4.2	(5.5)	

⁽¹⁾ Excludes net significant one-off items

⁽²⁾ Net significant one-off costs and benefits that are not part of the normal operations of the business

⁽³⁾ Excludes discontinued operations with the exception of NPAT, Net cash from operating activities, Net assets and Key ratios

⁽⁴⁾ Restated for discontinued operations

Our purpose and values

From our very foundation, we've existed to make the lives of everyone in our communities better. In everything we do, we aim to give back, always adding more value for the people we serve while ambitiously working towards a brighter shared future.

The NRMA Group is made up of businesses that are as unique and different as the people who work within them. But there are things that link us together — a common thread that runs through and makes us uniquely us — behaviour and mindsets we demonstrate, as we work with each other, our Members, customers and communities.

In 2019 we launched the NRMA Playbook with the aim of uniting our individual businesses with this common thread. Over the last two years we've seen it brought to life, with numerous examples of our people living the Playbook behaviours and mindsets in their interactions with each other and with our Members and customers. We continually recognise our people for demonstrating the Playbook by peer and leader nominations through our My Thanks recognition program.

Over the last year we have continued to evolve our Playbook by capturing the diverse stories of our people and community. These stories connect people with our purpose, our legacy and relationship with Australia. These are stories that we all share — as we vow to keep advocating, innovating, and pushing towards a bright future for all Australians throughout the next 100 years and beyond.

My Thanks Awards

Our My Thanks program reinforces our values and gives people the opportunity to say thank you and recognise the efforts of their colleagues. With the impacts of the pandemic in 2020, we held our first ever virtual My Thanks Awards. Twelve My Thanks Ambassadors were recognised for going above and beyond and demonstrating our Playbook with our Marine team taking out the Team Award.



Our common thread



We will walk in your shoes

We show empathy. We understand that every person and experience is different. We make the effort to listen, to find out how people feel and to see things from their perspective. This guides the choices we make to deliver the best possible service and experience for our Members and customers.



We know your time is precious

We respect people. We know and appreciate that everybody has a lot going on. We plan our interactions to make sure nobody is kept waiting, nor is their time being wasted. That way, everyone can spend more time on the things that matter most.



We always think one step ahead

We go the extra mile. We're always happy to go beyond simply what's expected to make things even better. We try to anticipate the needs of others, to solve their problems. Our ambition drives us towards new ways of connecting people with even more.



We will keep you safe along the way

We put safety first. We want everyone to always get home safely from every journey, large or small. We continue to fight for a safer, more sustainable future and do everything we can to ensure the wellbeing of ourselves and others.



We will carry you when you need help

We're here to help. We understand that life isn't always easy, and that people and communities need a helping hand when times are tough. For us, this is what being Member-owned is about, because together we can make a genuine and positive difference.

Our Playbook

Our Playbook encapsulates our culture, it guides us all in the way we work together and how we serve our Members, customers and communities. This year we redesigned, revamped and relaunched our Playbook, with artwork from staff and professional artists interpreting our common thread, behaviours and values. It also chronicles our story, beginning in 1920 and outlines the various services, support groups, opportunities and programs we have available as part of life in the NRMA Group. Now, our new-look Playbook will be used as an integral component in the onboarding of new staff going forward.

"For 100 years, the NRMA has helped Australians on their journeys, and the organisation strives to keep communities moving together. My artwork here represents and pays respect to Indigenous Australians. I'm proud to be part of the NRMA."



Kajal Manji
NRMA Payroll Officer
Creator of "Helping community and nation"

Board focus area



Our culture and code of conduct

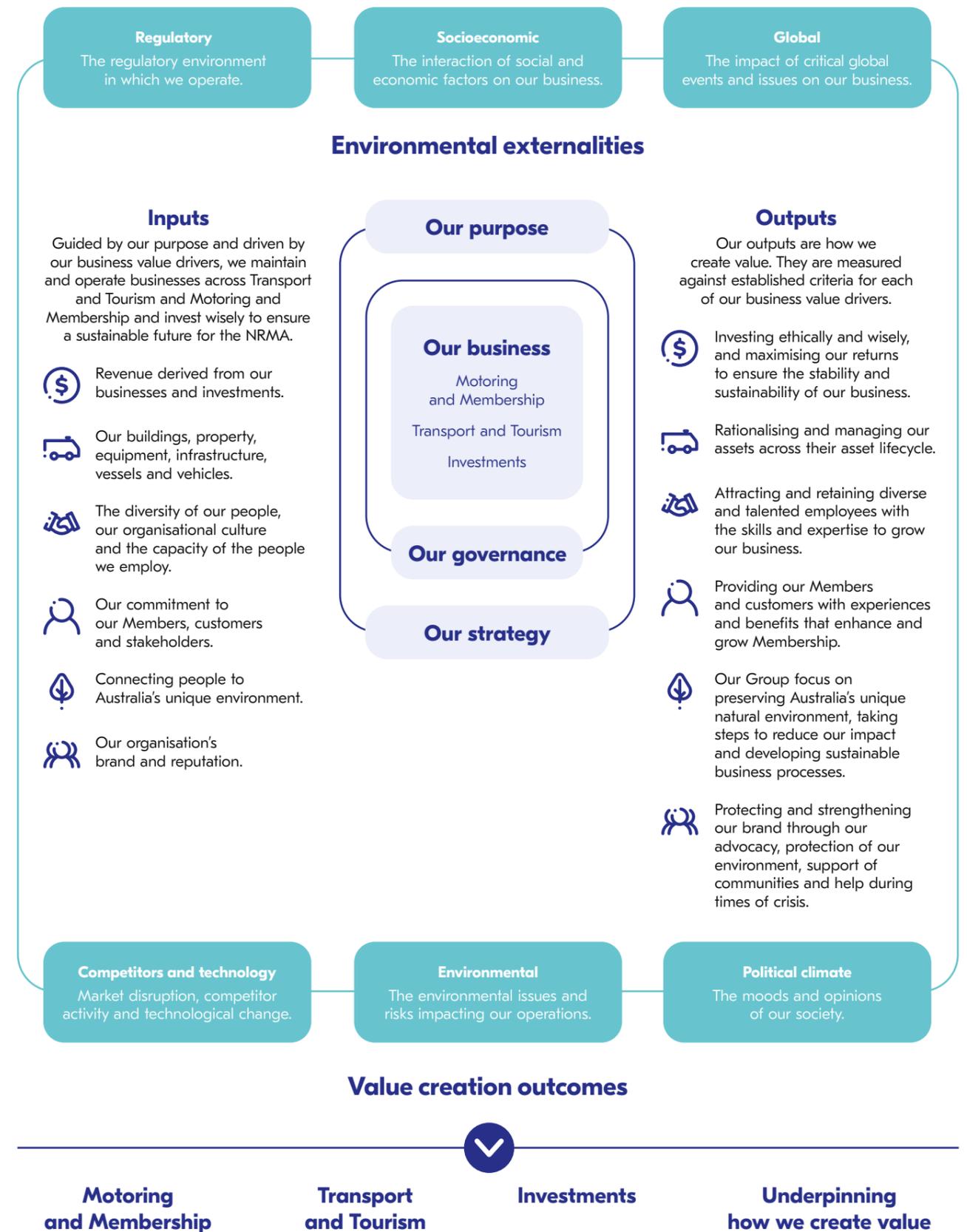
During the year, the Board focused on the culture of the NRMA and embedding the Playbook and Inclusion, Diversity and Belonging strategy (approved in FY20) across the organisation. They did this by monitoring culture survey results and reviewing customer complaints or matters reported through the 'Speak Up' hotline (formerly called ethics hotline).

Our business value drivers

How we create value is determined by our ability to monitor changes in material issues and adapt our business value drivers accordingly.

Business value driver	Description	Contribution to value	Management	Measurement	Current material issues
 People and Culture	The diversity of our people, our organisational culture and the capacity of the people we employ.	Enables us to sustain and build our business, brand and reputation across sectors.	We have strategies in place that ensure we attract and retain people that contribute to the value we create.	<ul style="list-style-type: none"> - Staff retention rates - Staff diversity - Gender equality - Culture surveys - Skills assessment - Career path and development - Loss time frequency injury rate and critical incident reporting 	<ul style="list-style-type: none"> - Employee safety - Employee retention
 Environment	Connecting people to Australia's unique environment.	Through working to preserve our natural environment, we can ensure the sustainability of our businesses.	Actively investing in, researching, developing and implementing policies and practices that both preserve our environment and minimise our impact.	<ul style="list-style-type: none"> - Carbon emissions - Recycling initiatives - EV charging network usage - Legislative compliance - Proportion of business utilising renewable energy 	<ul style="list-style-type: none"> - Climate and nature related risks to businesses, their operations and long term sustainability
 Assets	Our buildings, property, equipment, infrastructure, vessels and vehicles.	The breadth of our physical assets contributes to our financial position and enables us to deliver value to our stakeholders.	We strategically acquire, develop, operate, upgrade, maintain and discharge our assets.	<ul style="list-style-type: none"> - Asset holdings, useful life and adjustment to market value 	<ul style="list-style-type: none"> - Impact of externalities on asset holdings - Supply chain impacts
 Members and customers	Our commitment to our Members, customers and stakeholders.	The benefits and experiences we provide to Members, customers and stakeholders enable us to grow our Membership base and sustain our businesses.	We engage with and listen to our Members, customers and stakeholders using the information gathered to drive our business strategy.	<ul style="list-style-type: none"> - Membership growth - Net Promoter Score - Member insight and customer research data 	<ul style="list-style-type: none"> - Membership growth - Number and extent of data breaches - Externalities impacting Members, customers and stakeholders
 Reputation	Our organisation's brand and reputation.	The brand and reputation of the NRMA is one of the most trusted in Australia. The trust placed in our organisation underpins our success in existing and new markets.	We rigorously manage and protect our brand through ensuring our actions and activities align with our Members, customers and stakeholders' expectations and behave with the highest level of integrity in all our actions.	<ul style="list-style-type: none"> - Advocacy outcomes - Invitations to represent, contribute to or participate in or on committees - Membership rates - Community and road safety program outcomes - Brand tracker 	<ul style="list-style-type: none"> - Brand damage due to breach of policy or procedures
 Financial capital	Returns derived from our businesses and investments.	We invest ethically and wisely, maximising opportunities and returns to ensure the sustainability of our business.	We have strict governance procedures in place and a robust risk management framework.	<ul style="list-style-type: none"> - Return on investment - Business revenue 	<ul style="list-style-type: none"> - Externalities including regulatory, environmental, political, socioeconomic, global issues, technology and competitor activity

How we create value



Our Group Strategy

Our strategy encompasses helping those in need on their journeys through our iconic roadside services, accelerating the transition to cleaner transport through our EV offering, and providing opportunities for everyone to experience the unique and spectacular waterways and land through our leisure and tourism businesses.

Keeping people safe and providing opportunities for everyone to experience our unique land and waterways is reliant on sustaining our natural environment. The disasters of 2020 and the onset of COVID-19 have focused our intention on being even more mindful of caring for this

country we call home. Our Environment, Social and Governance (ESG) principles and support of the United Nations Sustainable Development Goals (SDGs) guide how, through our business value drivers we sustain and create value for our Members, customers and communities.

Details of our strategic priorities for 2021, our outcome metrics and actual outcomes can be found in our strategic priorities table below. This table maps our priorities and outcomes to our Business Value Drivers and the United Nations Sustainable Development Goals.

Strategic priorities for 2021

	Strategic priorities	Outcome metrics	Outcomes	Business value drivers and SDGs
Motoring and Membership	Differentiate our service through technology investments that streamline activities, enhancing customer and Member service and experience.	- Net Promoter Score (NPS) - First call resolution receipt to arrival (RTA)	- +84 NPS for roadside assistance - RTA 81.2%	 
	Invest in NRMA Blue expansion to deliver more value to Members.	- Value of Member savings - Number of new NRMA Blue partners	- +\$112 million - +10	 
	Enhance our digital end-to-end experience for Members and customers.	- Net Promoter Score (NPS)	- +84 NPS for roadside assistance	
	Further expand electrification and investigate transitions to an electric fleet.	- Electric vehicle charging network expansion - Replacement of fleet with electric and hybrid vehicles	- 41 EV charging stations installed across regional Australia linking Sydney with Adelaide and Brisbane - Vehicle acquisition delayed due to supply issues and COVID restrictions	 
Transport and Tourism	Improve the visitor experience across our parks and resorts portfolio through innovation and sustainability.	- Member visitation	- 34% (6% increase from FY20)	 
	Continue to develop and acquire unique leisure and tourism experiences that bring people together.	- Number of regions across Australia with a business presence from the NRMA - Partnering with stakeholders to manage Ikara Wilpena Pound in regional South Australia	- Acquisition of regional Tasmanian tourism assets - Partnering with stakeholders to manage Ikara Wilpena Pound in regional South Australia	  

	Strategic priorities	Outcome metrics	Outcomes	Business value drivers and SDGs
Transport and Tourism	Focus our existing operating businesses on experiential tourism in regional Australia and delivering shared leisure experiences.	- New leisure experiences	- Aboriginal Whale Watching Tours in partnership with Tribal Warrior - Acquisition and management of Tasmanian and South Australian venues in regional areas	 
	Continue to build strategic partnerships to deliver more services and better value.	- Partnerships formed - Return visitation at NRMA Parks and Resorts	- Partnering with Tribal Warrior to deliver Indigenous tourism experiences - 34% (6% increase from FY20)	 

Underpinning how we create value

	Strategic priorities	Outcome metrics	Outcomes	Business value drivers and SDGs
Reputation	Invest in employee and customer experiences to build our brand.	- Brand (NPS)	- +38	
Advocacy	Continue to lead the discussion on safety, transport, tourism and sustainability issues affecting the community.	- Advocacy outcomes	- 16	  
Environment	Minimise our environmental footprint by exploring alternative energy sources, recycling programs and water management processes.	- Number of environmental initiatives implemented - Carbon emission offset	- 8 - Offsetting 100% of our emissions in Motoring and Membership	 
Community	Continue our focus on reconciliation by identifying business, training and employment opportunities for Australia's first peoples.	- Achievements	- 21 participants successfully completed our Indigenous Learner Driver Program	  

Strategic priorities for 2022

Our FY22 identified strategic priorities highlight our focus and commitment to deliver more value to our Members, while building sustainable businesses that preserve and protect our unique environment.

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

Underpinning how we create value

	Strategic priorities	Outcome metrics	Business value drivers and SDGs
Advocacy	Improving road safety and preparing Members for the future of motoring by working closely with government, industry and community to progress investments, technology trials and education campaigns.	- Advocacy outcomes	
Community	Supporting communities, including regional communities and communities in crisis through social dividend projects.	- Number of community programs - Assistance provided in times of crisis	
	Supporting and contributing to equality and equity for Indigenous Australians.	- Achieving the objectives of our Reconciliation Action Plan	
Environment	Development of group wide sustainability and ESG plans, and set targets for each of our businesses.	- Board agreement and implementation across businesses	
	Determine conservation and preservation efforts to be made that will sustain communities and our natural environment.	- Board agreement and implementation across our businesses	
People and Culture	Cementing our culture through our Playbook and Inclusion, Diversity and Belonging strategy to build capabilities and behaviours that realise an adaptable and sustainable organisation.	- Employee feedback	
	Embedding new ways of working through a better designed digital experience.	- Employee feedback	

Board focus area



Strategic focus

The Board continued to align strategic priorities with business opportunities. This included the evaluation of potential acquisitions and divestments, continued expansion of the parks and resorts portfolio, the roll-out of our EV fast charging network, and the embedding of a more decentralised operating model, including the addition of the new division of Expeditions.



2

19 Motoring and Membership

- 20 Members and customers
- 21 NRMA Blue
- 22 Electric vehicles
- 23 Motoring

Whether it's helping Australians transition to an electric future or making updates to our roadside assistance packages, everything we do is on behalf of our Members and Australian motorists. And even though the way we move may change, there are some things we'll always be relied upon. Our legendary roadside assistance has been the foundation of our business from its very inception. It's what people know us for and how we've come to be one of the most trusted brands in the whole country. Now, Membership with the NRMA means a whole lot more than just that, with our constantly evolving Member benefits program NRMA Blue adding more value for more people every day.



Motoring and Membership

For the last century, the NRMA has existed to make the journey better for everyone in the community. We've become a staple in Australian society, the ones in the iconic yellow and blue vans that everyone recognises. We're the team who can always be counted on to go the extra mile in our mission to help. And as we battled through another year of the ongoing COVID-19 pandemic, our priorities never wavered.

Our roadside assistance business has continued to provide a much-needed service that keeps people moving and ensures they're safe on their journeys. However, as the way people move changes, we remain committed to providing reliable inter and intrastate electric vehicle travel, as more motorists transition to EV technology. Despite the many challenges brought about by the pandemic, we also continued our efforts in supporting driver training initiatives for Indigenous learner drivers, helping them gain their P1 licence along with the added confidence and opportunities that come with it.

Being a Member of the NRMA is about so much more than just great roadside assistance and all things car related. Our Member benefits program NRMA Blue unlocks access to over 3,000 discounts and benefits on a range of products and services. And at a time when many families were facing financial hardship due to the pandemic, we channelled our resources into providing more benefits to help Members save on practical items and household essentials – and this push remains a focus.

Financial capital

Our core roadside Membership business continued to perform well despite the challenges in 2021, with Members growing to 2.7 million. Revenue from Motoring and Membership of \$312.6 million (2020: \$351.1 million) declined on the prior year, with reduced battery sales and the sale of the car servicing business contributing to the result. This was partially offset by solid growth in subscriptions.

Roadside job volumes were down 2.7% on the prior year, with the decrease mostly coming from metro areas. Despite the overall reduction in volumes, there was an increase in road trips to regional NSW in the face of domestic border closures. The change in the mix of jobs put pressure on roadside costs which were well managed, with the segment reporting a break-even result. Delivery of high-quality services to Members remained at our core, with improvements in the Receipt to Arrival (RTA) rate and a corresponding increase in the net promoter score achieved.

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

The Motoring and Membership segment had an Underlying Operating Profit of \$0.1 million in 2021 (2020: \$5.5 million). The Underlying Operating Profit excludes net significant one-off items totalling \$(3.3) million (2020: nil).

Board focus area



Motoring and Membership

With the merger of the Motoring and Membership divisions last year, the Board reviewed the business to understand how the merger was progressing including efficiencies and improvements that had been identified.

Help when it matters most

It was a regular shift for Patrol Nik, when he was on his way to a roadside assistance callout and noticed something on the footpath that didn't look right. He turned around and went back to find a semi-unconscious woman on the ground, bleeding quite a lot from her forehead. Nik was quick to act to ensure the woman, Lilianne, got the help she needed – and quickly. He provided first aid, called an ambulance, managed to contact her family and held on to her until medical help arrived and she began regaining consciousness. After Lilianne was taken to hospital for the appropriate care, Nik and his manager followed up to make sure she was ok and sent flowers to wish her a speedy recovery. Lilianne affectionately refers to Nik as her 'guardian angel', to which Nik responded, "It's what we do, it's not just fixing cars."



Members and customers

Our commitment to our Members, customers and communities is guided by our Playbook. Our Playbook ensures we constantly walk in the shoes of our Members and employees, understanding what's important to them and how we can better meet their needs. Our Member call back program enables us to reach out and directly engage with Members who have raised an issue or concern. This allows us to develop new and better ways of meeting their needs and solving problems through our Moments that Matter forum. The forum brings employees from across our business together to review and discuss how to improve our Members' experience across all aspects of the organisation. The insights derived from engaging with and listening to our Members and stakeholders drives our business strategy and enables us to constantly refine, improve and simplify our business processes and services.

Increasing Member value

Our new roadside assistance packages have been developed to address the identified and evolving needs of our Members and communities we serve. These packages include a standardised vehicle weight allowance and many other practical benefits, ensuring there is a roadside package to suit all our Members' motoring needs. In addition to the 3.5 tonne vehicle weight allowance, our Everyday Care package includes an increased towing distance of up to 25km in metro areas, providing even more peace of mind. We've added

extra benefits to our Complete Care package, including improved breakdown assistance and windscreen chip repair. Plus, our Ultimate Care package takes the worry out of travel with increased towing and extra breakdown cover allowances, no matter how far from home. Together with more trained technicians and even better coverage to reach Members who need our help quickly, we continue to keep people safe on their journey.

Our Member benefits program NRMA Blue provides our Members with access to thousands of savings and benefits. From essential items like fuel and insurance to holidays, entertainment and leisure experiences, the easy to use, exclusive **my nrma app** opens up a whole world of additional value.

Our brand and reputation

The NRMA is one of the oldest and most trusted brands in Australia. We are intent on protecting our brand and ensuring that every action taken is Member-driven. Through the use of Member surveys, face-to-face interviews, online research and customer feedback, our Insights team provide us with critical Member and customer feedback with respect to our performance, brand, service and reputation. From being there to help in times of crisis and supporting regional areas to implementing sustainable business practices, we are continually looking towards the future and pre-empting our Members' needs and expectations.

Highlights	Business value drivers and SDGs
Development of our new roadside packages, which will offer even more value and peace of mind for Members.	 
Growing our Membership base to over 2.7 million Members.	 
Customer Experience (CX) Awards Finalist. Categories: - Leader of the year - Best CX initiative - Best use of customer data and insights - Customer experience in a crisis	 

Board focus area



Member voices and services

The Board monitored the Member and customer voice, including improving the information reported to the Board on customer compliments and complaints. A review of the Membership packages also commenced during the year, with a planned launch in FY22.

Data governance and cyber security

The Board continues to monitor the implementation of activities to lift our data governance maturity across each of our businesses. Due to the pandemic and the requirement that many staff work remotely, cyber security was an intense Board focus.



NRMA Blue

Our Member benefits program NRMA Blue has continued to deliver savings and benefits to over a million Members.

With travel restrictions in place for much of the year, our NRMA Blue benefits focused on helping Members save on practical things like their household energy and insurance bills, groceries, fuel, online shopping and movie streaming. These savings delivered value to Members at a time when financial hardship was the reality for so many. We've also seen an increase in new Members joining from outside NSW and ACT, demonstrating the appeal of NRMA Blue to consumers across Australia.

As travel restrictions began to ease in the second half of FY21, NRMA Blue supported our Group businesses and partners in the travel, tourism, and leisure space. We also partnered with Tourism

Australia to inspire Members to explore holiday opportunities closer to home as well as further afield, by participating in the 'Holiday Here This Year' campaign, encouraging domestic travel and driving tourism. This resulted in almost 1,800 Members booking a holiday or experience across our Group businesses and partners, generating over \$500k in revenue for these travel businesses.

Electric vehicles continue to be a source of interest for our Members. New information and tools to help them navigate the different types of EVs including finding the most suitable vehicles in market, understanding running costs and trip planning have proved popular. More than one million Members accessed this information from our eNewsletters, supported by road trip inspiration in our Member magazine Open Road.

Highlights	Business value drivers and SDGs
Members saved more than \$112 million in FY21.	 
Members accessed exclusive discounted EV charging at over 20 Chargefox locations.	  
Received a discount on over 31 million litres of fuel at 700 Ampol petrol stations across Australia.	 
Major new partners added including THE ICONIC, Wattyl paints, Tourism Australia, Intrepid, Taronga Wildlife Retreat and Wellbook.	



Electric vehicles

As more motorists transition to electric vehicles, we remain committed to enabling reliable EV travel across NSW and the ACT, delivering nine additional EV fast charging sites in FY21. Our EV fast charging network is the largest regional network in Australia, with 41 sites and 48 chargers now active.

The delivery of EV fast charging sites in Berri (SA) and Tanunda (SA) was a landmark moment for the network, enabling interstate connectivity with existing networks in Victoria, Queensland and South Australia. The roll-out of sites in Yass, Wagga Wagga, Scone, Tenterfield, Armidale, Jerilderie, co-funded by the NSW Government, provided vital in-fill connectivity for the Central, Riverina and New England regions.

Since the launch of the network in 2019, the EV fast charging network has supported over 5.6 million kilometres of EV travel, with over 4 million enabled in the last year alone.

Surprisingly, even with the COVID-19 travel restrictions that significantly impacted travel and tourism movements, network demand continues to increase with 70% more charging sessions occurring in FY21 than the previous three years combined.

With an increasing Group-wide focus on sustainability, the network continues

to be powered by 100% renewable energy sourced through Greenpower. We are also proud to be collaborating with Motion Energy on a world-first emissions reduction project. The project will quantify, measure and verify the reduction of conventional fossil fuel emissions through the use of the EV fast charging network, enabling the NRMA to generate carbon offsets as a result.

Expanding the network and increasing the charging options at popular locations will be a key focus over the next 12 months. We remain committed to exploring how we can better meet the needs of our Members and customers to ensure they can plan their trips with confidence and hit the road with peace of mind.

Board focus area



Electric vehicles

The Board continues to support Australia's transition to electric vehicles through building the electric vehicle fast charging network across NSW and the ACT. 41 fast charging sites – powered by 100% renewable energy – are now in operation.

Highlights	Business value drivers and SDGs
Enabled over 4 million kilometres of EV journeys.	
70% increase in EV charging sessions in FY21.	
Powering our EV charging network with 100% renewable energy.	
Interstate EV charging connectivity with existing networks in Victoria, Queensland and South Australia.	



Motoring

The ongoing pandemic continues to affect and challenge us all. Outbreaks and unpredictable lockdowns have impacted interstate travel plans and seen more of us rely on the safety of our own vehicle for our transport needs. With this in mind, we've taken even more precautions to ensure our Patrols have stringent COVID-safe measures in place. We continue to prioritise essential workers, including our health care workers and emergency services and provide assistance where it's needed most. Our dedicated Patrols also regularly volunteer for our Outback Links program, helping communities in regional areas affected by fires, floods and natural disasters.

Across Australia, we're the largest and most trusted roadside assistance network. We continue to develop and improve our services and our fleet to ensure we exceed the expectations of our Members and have everyone safely back on the road quickly. We're still working towards transitioning our fleet to electric, however the impact of COVID-19 has impeded our progress in FY21.

NRMA driver training

Driver training continued through a difficult year to support the community with our road safety, education and driver training programs. Unpredictable lockdowns saw the suspension of services for short periods in order to keep people safe. However, our team effectively managed these interruptions to minimise disruption to participants. Our investment in online learning modules will allow us to deliver driver education and safety programs virtually in FY22, should the need arise. The team has continued their commitment to equality and opportunity through the Indigenous Learner Mentor Driving (ILMP) and Drive time programs. Despite lockdowns, 21 Indigenous participants in the ILMP program gained their P1 licence, opening up opportunities for employment and further training. The successful securing of accreditation to provide the Safer Drivers Course on behalf of Transport for NSW (TfNSW) solidifies our reputation and expertise in road safety, education and driver training.

Highlights	Business value drivers and SDGs
Outstanding Net Promoter Scores. Roadside assistance +84 Driver training +81	
Average roadside assistance callout response time of 41 minutes.	
9 out of 10 breakdowns resolved on the spot by our Patrols.	
Securing accreditation to deliver TfNSW's Safer Drivers Course.	
21 participants successfully completed our Indigenous Learner Mentor Driving program.	
Total roadside assistance callouts in FY21 = 1,010,973	



3

25 Transport and Tourism

- 26 Expeditions
- 27 Marine
- 28 Parks and resorts
- 29 Vehicle rental

Now that Cradle Mountain Hotel is part of the NRMA, it was important to us that we understand moments of its history too.

Austrian-born Gustav Weindorfer met Kate Cowle in Melbourne in the early 1900s and the two bonded over their love of botany. While honeymooning on Mt Roland in Tasmania, they saw Cradle Mountain and vowed to protect it and the surrounding areas. They scouted Cradle Valley for the perfect place to build a lodge called Waldheim, meaning Forest Home that could also accommodate friends and acquaintances who wanted to share their love of the beautiful, rugged land. It was in this hut that Gustav lived until after the death of his beloved Kate in 1916.

By 1922 the land extending from Cradle Mountain south to Lake St. Clair was proclaimed a National Park, thanks to the considerable efforts of Gustav, Kate and their friends.

Transport and Tourism

We're always looking for new ways to provide our Members with opportunities to explore and connect, with each other and with places. With the growth of NRMA Expeditions adding to our robust marine, vehicle rental and parks and resorts businesses, we're further solidifying our position as one of Australia's largest travel and tourism organisations.

We continued to deliver on our growth strategy in tourism with significant investments in cruising and accommodation assets this year. Our minority investment in expeditionary cruising company Coral Expeditions and the acquisition of a unique portfolio of Tasmanian assets firmly marks the confidence the business has in the future of the Australian tourism industry.

With international borders remaining closed for the foreseeable future, the Group remains confident demand for a domestic holiday will remain high as state lockdown restrictions continue to ease. Our transport and tourism assets remain in a prime position to capitalise on travellers looking for unique holiday experiences close to home in natural settings, whether it's drive holidays, caravan and camping or experiences in nature.

Financial capital

The Transport and Tourism segment performed relatively well in FY21, despite periodic travel restrictions and site closures as a result of localised COVID-19 outbreaks. This was largely due to mitigation strategies the Group put in place to minimise the impact on the various businesses including fleet reduction, deferred booking arrangements and increased safety measures across all businesses.

The Transport and Tourism segment continued to be heavily impacted by COVID-19 restrictions in 2021. The financial year started during the second wave of coronavirus in Victoria, resulting in a protracted lockdown and domestic border closures. In the peak summer holiday period, we were struck by the third wave in Sydney's northern beaches and Brisbane, which again led to a series of restrictions and border closures. Since June 2021, there

have been further COVID-19 outbreaks across the country, resulting in snap lockdowns in several states with an extended lockdown in NSW.

Despite the disruption, the propensity for domestic travel has remained strong, with surges in demand experienced during periods of the year where restrictions have eased, and borders have opened. This provides confidence that the segment will rebound once vaccinations reach the 70% and 80% thresholds set by the government to reopen the economy.

"Despite the disruption, the propensity for domestic travel has remained strong."

Revenue reduced by 11.4% on a like for like basis after adjusting for new acquisitions, with a significant drop-off in volumes and the forced temporary closure of some parts of the operations during periods of the year. This was on the back of a 14.9% reduction in the prior year. Government wage subsidies provided much needed support for this segment, enabling the retention of employees during periods of lockdown.

Costs were well controlled in the face of declining revenue with the Underlying Operating Loss for the Transport and Tourism segment of \$2.1 million (2020: operating loss of \$4.9 million), representing an improvement on the prior year. The Underlying Operating Loss excludes net significant one-off items totalling \$4.7 million (2020: \$(25.0) million).



Help when it matters most

On an extremely cold night in Victoria's Halls Gap, Daniel from our Halls Gap Holiday Park was on call to help guests. During winter, it's not abnormal for Daniel to receive calls from guests in different accommodation throughout the park requesting heaters. In this instance, at about 11.30pm, Daniel received a call from a guest to let him know that the heater in her cabin wasn't working, so she'd rugged up with every blanket she could find. With snow on the mountain peaks and freezing temperatures in the park, Daniel headed off to try and fix her heater. After using all the tools at his disposal and doing everything he could, the heater wasn't cooperating and refused to work, so instead he ran back to his own accommodation and grabbed the heater in his own bedroom to keep our guest warm for the evening. The following morning, she came to reception to express how thankful she was for Daniel and all the staff, and continues to visit our park in Halls Gap every year. This selfless act of help is just one of many stories of our people going above and beyond.

Expeditions

Offering new and exciting tourism experiences has always been a key focus of the NRMA. This year we solidified our place as one of Australia's largest tourism operators with a minority investment in experiential cruising company Coral Expeditions, and the acquisition of Freycinet Lodge, Cradle Mountain Hotel, Gordon River Cruises and Strahan Village. As a result, NRMA Expeditions was established in March 2021 with the aim of growing our footprint even further in experiential tourism, with a focus on people and culture, regional and remote communities, and connecting people to the natural environment to foster an understanding of how important it is to our well-being.

With international travel restricted due to COVID-19, the resurgence of

the domestic holiday has created opportunities to offer amazing experiences in regional and remote Australia. Key to capitalising on this trend will be reinvigorating the guest experience, focusing on our people, and maintaining exceptional levels of safety and service our Members know us for.

We will continue to identify opportunities to expand even further into experiential tourism in Australia and beyond, allowing us to offer our Members and guests even more ways to reconnect with one another in nature and recharge. FY22 will see significant refurbishment of our Tasmanian properties while we continue to focus on our people and conserving our natural environment.



Highlights	Business value drivers and SDGs
Purchased destination tourism assets from sister club RACT.	SDG 8: Decent Work and Economic Growth
Welcomed 225 RACT tourism staff to the NRMA.	SDG 8: Decent Work and Economic Growth
Put in place rigorous COVID-safe procedures to keep guests and employees safe.	SDG 3: Good Health and Well-being
65,000 visitor nights to our Tasmanian accommodation assets (26% increase on COVID affected FY20).	SDG 8: Decent Work and Economic Growth
Continued to support the recovery of Orange Bellied Parrot and Raptor Refuge in Tasmania.	SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action

Board focus area



Expeditions

The Board has considered potential acquisitions to establish the expeditions offering to Members. The acquisitions completed during the year included a 46.1% shareholding in Coral Expeditions and the purchase of four tourism assets in Tasmania; Freycinet Lodge, Cradle Mountain Hotel, Strahan Village and Gordon River Cruises.

One of many self-guided walks and wanders among the wilderness at Cradle Mountain.

Marine

Through My Fast Ferry and Fantasea Cruising, our Marine business provides essential commuter services and unique experiences across the Sydney basin for our Members, community and visitors. Despite the ongoing challenges posed by the pandemic, we have continued to invest in our Blue Highways strategy to alleviate urban congestion, while ensuring essential and high frequency commuter services were retained during lockdowns on Sydney Harbour and from Palm Beach, as well as supporting our critical frontline staff. Despite the challenges, we continued to develop new leisure and tourism offers, support local communities and co-create Indigenous tourism opportunities.

This year we unveiled our first fully electrified commercial vessel and are planning for more in the future. Our commitment to First Nations peoples – the traditional custodians of the waterways we operate on – remains steadfast. In addition to recognising and celebrating NAIDOC and Reconciliation Week, we supported Babana Aboriginal community group for several "Close The Gap" Mental Health and Aboriginal Employment Days, in partnership with the Sydney Harbour Federation Trust. We worked with local communities and community groups including Bear Cottage Manly, the sole hospice in NSW for young people with life

limiting conditions, providing them with an exclusive whale watching experience on World Hospice Day. We also continue to partner with the National Parks and Wildlife Service (NPWS) on the Little Penguin Recovery Program in Manly Cove.

Partnering with Destination NSW and Tribal Warrior Aboriginal Corporation for the Sydney Solstice in June, we launched and ran two highly successful cultural cruises; Aboriginal Whale Watching and Aboriginal Night Sky Dreaming with Australian National University and Gamilaraay astronomers, Peter Swanton and Karlie Noon. Our whale watching vessel named Ocean Dreaming II was wrapped with Indigenous artwork commissioned from Gomeroi artist and TAFE NSW teacher Warwick Keen, further connecting these unique experiences with our country's First Peoples.

As we move into the next financial year, it's likely the pandemic will continue to impact and affect commuter, tourism and leisure services. We are using this period to develop and refine the experiences and services we offer to better meet both domestic and international tourism and leisure requirements. We will continue to identify opportunities beyond our current footprint and form strong and productive partnerships with organisations that share our values and ambitions.

Highlights	Business value drivers and SDGs
Unveiled our first fully-electrified commercial vessel.	SDG 11: Sustainable Cities and Communities, SDG 13: Climate Action
Supported Babana Aboriginal Community Group and Bear Cottage Manly in FY21.	SDG 10: Reduced Inequalities
Maintaining essential commuter services during the pandemic and lockdowns.	SDG 11: Sustainable Cities and Communities
Development of our Aboriginal Whale Watching and Aboriginal Night Sky Dreaming cruises for Sydney Solstice.	SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, SDG 11: Sustainable Cities and Communities



Gomeroi artist and TAFE NSW teacher Warwick Keen



Parks and resorts

The ongoing pandemic and unpredictable restrictions to both intrastate and interstate travel provided NRMA Parks and Resorts, and the entire tourism industry with significant challenges. Despite these factors, peoples' desire to get away drove high visitation numbers and revenue when restrictions were lifted.

The attractiveness of car, caravan and campervan travel saw road trips boom and new groups of road trippers emerge. Our visitors included those new to camping and caravanning, younger 'van life' adventurers and solo travellers, alongside traditional families and mature traveller markets. To ensure we cater to the needs of all our customers, we welcomed more furry family members to our pet friendly parks and continued to maintain our rigorous COVID-safe procedures, which included contactless check in.

Our new TV campaign highlighted how our holiday parks enable a unique opportunity for social reconnection in stunning natural settings, while we worked hard over the year to further improve our guest experience. We introduced welcome events, Friday night get-togethers and even offered our guests access to hands-on training such as Tow-ed courses that provide knowledge for caravan towing. We also rolled out Australia's first 'Glamtainers' and luxury safari tents at select locations and an amazing new water park at Darlington Beach. With our focus on sustainability we have installed electric

vehicle charging stations at key locations and are working on new initiatives such as Ebike rental.

We continue to expand the network acquiring new parks in Mildura, Phillip Island and Ballarat in Victoria, partnering with the local council at Shellharbour Beachside Holiday Park and commencing managing the Indigenous-owned Wilpena Pound Resort in South Australia's stunning Ikara-Flinders Ranges National Park. The South Australian Government has committed \$3 million to enable the NRMA to transform the visitor experience at Wilpena Pound, increase patronage and create local employment opportunities. We are thrilled to share and support the vision of the Traditional Owners, the Adnyamathanha people, Indigenous Business Australia and the South Australian Government for Ikara Wilpena Pound to become a premier Indigenous experience in Australia.

Board focus area



Parks and resorts

Management provided the Board with an in-depth review and analysis of the NRMA Parks and Resorts business and operation. The Board supported the objectives, which included improving the customer experience and confirmed strategic direction of the businesses.

Highlights	Business value drivers and SDGs
Supporting the Adnyamathanha people through employment and development of new Indigenous experiences at Wilpena Pound Resort.	 8
Launched the first 'Glamtainers' accommodation.	 8
Acquisition of new parks in strategic locations.	 8
Introduction of EV charging stations.	 13
Provided over \$2.5 million in savings to NRMA Members.	 3



Wilpena Pound Resort is the only accommodation located within the Ikara-Flinders Ranges National Park.

Credit: Tourism Australia.

Vehicle rental

Operating within the leisure, corporate, commercial and wholesale sectors, Thrifty and its franchisee network work together to deliver convenient mobility across Australia and New Zealand. With a broad range of vehicles, locations that span metro, regional and remote areas and peace of mind with 24 hour roadside assistance, our customers can always get where they need to go safely. Over the last 12 months we have continued to expand our hybrid fleet, mindful of the need to preserve and protect our unique environment. We have also implemented comprehensive environmental management plans across our network, which assist in building a sustainable future for the transport industry. We continue to research and invest in initiatives that not only benefit our customers but the environment as a whole.

While the ongoing COVID-19 pandemic has continued to impact the travel and tourism sectors and shaped much of our business operations over the last 12 months, we've worked hard to ensure that we remain flexible and responsive to our customers' needs. The continuing closure of international borders has led to a renewed interest in domestic travel as

Australians set out to holiday and experience their own backyard. State lockdowns have however, successively interrupted domestic travel plans, and to ensure our customers are not inconvenienced we have introduced flexible booking processes that provide them with peace of mind and the ability to change plans on short notice. In line with the heightened concerns regarding COVID-19 infection, we've continued to implement high standards of cleanliness and safety protocols across our locations. Despite the inconvenience experienced by many over this period, we maintained our focus on providing the best customer experience in the market. Evidence of our team's success is demonstrated by the five point improvement in our net promoter score.

As we look forward to the future we continue to develop partnerships, alternative rental models and technology enhancements that will transform the customer experience with respect to flexible mobility. With many exciting developments coming soon we look forward to sharing them with you and being part of transforming the way we move in the future.

Highlights	Business value drivers and SDGs
Covid-safe procedures maintained and strengthened across our network.	 3
Increasing our EV and hybrid fleet.	 13
Members saved \$1.4 million on car hire.	 3

Board focus area



Vehicle rental

The Board spent time considering the vehicle rental business strategy for the NRMA in light of the renewal dates for its brand rights to use Thrifty and Dollar. The NRMA will cease to use those brands and will instead operate in Australia under the SIXT brand from 1 December 2021.



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31 Investments

With the growth of electric vehicle technology, we're committed to helping Australia transition to an electric future. The same way we supported motorists as they moved from horse and carriage to automobile, we're going to help educate and inspire more people to consider EVs. With our ground-breaking policy and research activities and leading investment in electric vehicle charging infrastructure, we're ensuring the transition will be both smooth and beneficial to Members. With the rising cost of fuel and transport, as well as the increasing impact on congestion and the environment – it's the right thing to do.

Zero Emission

Investments

The NRMA has a large and diversified investment portfolio designed to generate long term returns for the business.

Our portfolio is diversified across a wide variety of asset classes including equities, property, infrastructure, private equity, fixed income and cash assets. The portfolio is constructed to deliver on its objective of delivering a total return over the long term with a focus on the income and liquidity needs of the NRMA. Over FY21 the portfolio delivered on its investment objective and was conservatively positioned to facilitate the Group's strategy.

Financial capital

The Investments segment is diversified across various asset classes in accordance with the Group's Investment Policy Statement (IPS) and includes equities, property, infrastructure, fixed income and cash assets. Over the financial year, the portfolio delivered a total return of 11.8% (2020: 0.3%)* inclusive of unrealised gains from mark to market adjustments. This represents a significant turnaround from 2020, which saw large unrealised losses following the initial onset of COVID-19. The improvement in returns is due to a sharp rebound in Australian and international equity markets buoyed by economic stimulus from Governments globally. Over the longer term, the portfolio has delivered strong returns at 9.6% and 10.2% per annum over five and ten years, respectively.

The Group maintained a conservative position on the portfolio over the year with a reduced allocation to growth assets such as equities and a higher allocation to cash deposits to reduce market risk and allow flexibility to fund potential acquisitions. This assisted in protecting capital during the financial year and provided ample liquidity to take advantage of opportunities to acquire businesses aligned to our strategic growth plans as they arose. This included expanding our holiday park network and acquiring the Royal Automobile Club of Tasmania's suite

of accommodation assets, including Freycinet Lodge, Cradle Mountain Hotel, Strahan Village, and Gordon River Cruises.

The Investments segment also includes our joint venture and associate investments, the largest of which is the Tuckerbox Hotel Trust which has been classified as a discontinued operation in 2021.

The Underlying Operating Profit for the Investments segment for 2021 is \$171 million (2020: \$33.4 million), which excludes the unrealised gains from mark to market adjustments on the investment portfolio. There were no significant one-off items in 2021 (2020: \$(5.2) million).

The decrease in Underlying Operating Profit is primarily due to a reduction in dividends in 2021, with many companies choosing to defer dividends in light of the uncertainty resulting from COVID-19.

Moving forward

The NRMA continues to emphasise environmental, social and governance (ESG) factors with respect to the Group's investment portfolio. Looking ahead, while our portfolio has always taken ESG and sustainability into account in our investments, we continue to look to further enhance our approach and exposure in this space. To date, over 10% of the portfolio has been invested in areas that have a positive environmental and social impact to society. One such investment is in an investment fund that allocates to social infrastructure such as hospitals, schools and a desalination plant. In addition, an example of a recent investment in FY21 that is aligned to a broader purpose of mobility and safety is in Elenium Automation, which is a touchless and health screening technology group that provides important social implications in the existing and post pandemic world.

Highlights	Business value drivers and SDGs
11.8% return on core investment portfolio in FY21*	 
Over 10% of portfolio invested in areas with positive environmental and social impact.	 
Funds available to enable expansion of NRMA Parks and Resorts network and acquisition of assets in Tasmania.	

Board focus area



Investment portfolio

With the volatility in equity markets, the Board reviewed the asset allocations used for the investment portfolio. A working group of Directors was established to provide guidance to management on our approach to responsible investing in the investment portfolio. It is expected that the responsible investing approach will form part of the review of the Investment Policy Statement that the Board will consider in FY22.

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33 Underpinning the value we created

- 34 Community
- 35 Advocacy
- 36 People and Culture
- 37 Safety
- 38 Education
- 39 Environment

Our partnership with Frontier Services Outback Links program has been going strong since 2014. The purpose of the program is to connect volunteers with people in remote Australia doing it tough, providing practical support when it's needed most. Our trained technicians and other volunteers venture to rural parts of NSW to help with things like property maintenance, mechanical issues for farming machinery and vehicles, as well as general farm support and much appreciated human interaction.



Underpinning the value we created

From being there to help in times of crisis, advocating for our Members, supporting regional communities, and taking action to minimise harm to our unique natural environment, we continue to work towards a better and more sustainable future for all Australians.

The last twelve months has presented us all with many challenges. This only increased our resolve to help, remaining committed to our values and purpose. Despite these obstacles we remain devoted to the values that underpin us as an organisation and the programs and activities that enrich our businesses and our people. We have continued to provide pathways to employment and training through our refugee and Indigenous learner driver programs, supported regional communities still devastated by the natural disasters of 2020, educated thousands of school age children on road and driver safety and delivered the objectives of our Reconciliation Action Plan, which seeks to foster equality of opportunity for Aboriginal and Torres Strait Islander peoples.

Looking to the future

Unpredictable lockdowns saw us become even more adept at redirecting our focus and innovatively restructuring activities to meet our objectives and keep people safe. Where possible, we took advantage of the opportunities afforded by technology to reach out to communities and stakeholders digitally and learned to do more in short periods of respite from the pandemic. Moving forward, we're taking steps to protect and preserve our natural environment, working across all our businesses to implement sustainable practices that will realise immediate and future benefits for all Australians.



Glen and his driving instructor Darrin, who have since become friends.

Glen's story

Glen is 54 years old. He's one of seven children and has a teenage daughter of his own. He's also a proud Aboriginal man of the Yuin Nation. And until last year, Glen's never had a licence.

As a youngster in Nowra he'd ride his bike everywhere before moving to Sydney as a teen for school.

"If it wasn't for them, I probably would've held back."

After having his daughter, he stayed in Sydney with his young family where he either rode his bike or used public transport to get around.

Things changed when he moved back home recently. Like many regional areas, Nowra doesn't have reliable public transport. It's difficult to find secure work and access school, healthcare and other services without

a licence. When Glen's boss offered him a full-time role if he got his driver's licence, he approached the Australian Red Cross for help. Toni, a Program Co-ordinator helped Glen with access to a computer so he could practice and sit for his Driver Knowledge Test. Once he had his new L plates in possession, that's where the NRMA came in. We partner with Red Cross to help First Nations peoples in Nowra obtain their licence by providing driving lessons to help them get their hours up and feel safe on the road.

Darrin has worked with the NRMA for 26 years and was ready to help Glen on his mission. On top of professional instruction, our driving instructors also spend the time needed getting to know their clients, making sure they feel comfortable and confident. With Darrin's help, Glen earned his P plates and told us, 'If it wasn't for them, I probably would've held back.'

A licence seems like a small thing but it makes a big difference — to Glen, his family and his community.

Community

Being there in times of crisis is woven throughout our incredible history, spanning more than 100 years. With communities still reeling from the impacts of natural disasters and dealing with the ongoing challenges of the COVID-19 pandemic, reaching out to those who need it and showing up in times of strife remains core to our purpose.

“These week-long trips continue to have a lasting positive impact, not only for the people we help but for the staff involved.”

During FY21, we were excited to continue our valued partnership with Frontier Services to deliver the Outback Links program. This year the program took 22 skilled volunteers from the NRMA to bushfire impacted farms in Rockton and Bumbalong, in the heart of the Snowy Monaro region in NSW. These week-long trips continue to have a lasting positive impact, not only for the people we help but for the staff involved.

Our Indigenous Learner Driver Mentor Program and Refugee Learner Driver Mentor (Drivetime) Programs recommenced in FY21. We are delighted that 40 Drivetime participants and 21 Aboriginal and Torres Strait Islander participants achieved P1 licences. Delivered in partnership with the Australian Red Cross and Gymea Community Aid and Information Services, these programs unlock pathways to education and employment opportunities and speak to our core purpose of keeping people moving safely.

Inspiring conversations across our employee and Member base and looking for ways to support the recognition of Aboriginal and Torres Strait Islander people has been a strong focus this year. From wrapping one of our flagship Sydney Harbour ferries in the work of Indigenous artist Warwick Keen to a reading of the children's book *Finding Our Heart* by author and advocate Thomas Mayer during Reconciliation Week, we remain committed to growing and learning together.

In FY22, consultation will commence Group-wide on our next Reconciliation Action Plan and connecting with Members and community stakeholders to understand how we can best leverage our assets and people to support people during crisis and recovery.

Highlights	Business value drivers and SDGs
40 refugees achieved a P1 driver's licence through our Refugee Learner Driver Mentor (Drivetime) Programs.	 
21 Aboriginal and Torres Strait Islander people gained their P1 driver's licence through our Indigenous Learner Driver Mentor Program.	 
2 Outback Links trips to help communities in crisis (supported by 22 volunteers from the NRMA).	 
\$440,000 in services procured from Indigenous owned businesses.	 

Help when it matters most

In May 2021, a team of volunteer staff and Patrols from the NRMA set off on our annual Frontier Services Outback Links trip. Terry Smith, a Patrol from Canberra spent some of his own time helping Tony and Nina on their property in the Snowy Monaro region in NSW. Unfortunately, Tony suffered an accident on his property in 2020 after the bushfires, making it difficult for him to conduct some of the repair work that was desperately needed. But that's where Terry and our team came in. We serviced two vehicles and replaced the front-end bumper, headlights, side panels and radiator for a vehicle that had been in an accident. We also repaired a generator, helped put up new fencing and Terry gave Nina some four-wheel driving experience to increase her confidence. And that's not all, we set up a wireless hotspot, so Nina and Tony could watch a movie together for the first time in years and drafted and drenched sheep on the property.



Advocacy

In FY21, the Policy and Advocacy team achieved significant outcomes for Members and communities across NSW and the ACT in areas such as road safety, electric vehicles, fuel and better transport infrastructure.

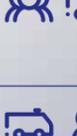
Our work in the EV and future mobility space resulted in announcements of more than \$675 million to support the transition to cleaner and more efficient motoring, including EV purchase rebates, the abolishment of stamp duty, incentives for private EV fleet purchases, and funding for public charging infrastructure right across NSW and the ACT. We are now working with government and industry on communications campaigns to improve awareness about the consumer benefits that are available.

Our recommendations on fuel pricing were reflected in the Australian Government's Future Fuels Discussion Paper, and also resulted in the ACT Government progressing real-time fuel pricing.

Our advocacy efforts to support Members and regional visitation led to the NSW Government and Transurban introducing rebates equating to more than \$15 million per annum for caravans and recreational vehicles on Sydney's motorway network.

Our 'Local Roads' policy was supported through tranche two funding (\$425 million) for vital regional roadworks, \$44 million in funding for the Picton Road upgrade business case, and \$25 million in funding for the Dungog local road network, identified as the worst in NSW in our Rate Your Road campaign.

We worked with the NSW Government to extend support for five years for the 'Driver Licensing Access Program', to help more people get behind the wheel. We launched more than five important road safety initiatives and received positive Member feedback, large social media reach and high levels of traditional media engagement on our campaigns, particularly those relating to roads and school zone safety. We also secured a commitment from the ACT Government to explore establishing a Community Road Safety Fund.

Highlights	Business value drivers and SDGs
Advocacy initiatives leading to \$675 million to support transition to cleaner and more efficient motoring.	  
Commitment from ACT Government to progress real-time fuel pricing.	 
NSW Government toll rebates for caravans and recreational vehicles.	 
Road upgrade and local road maintenance programs exceeding \$500 million.	
Five-year extension of the Driver Licensing Access Program.	

As part of our Rate Your Road campaign, the small town of Dungog, north of Newcastle came under the spotlight after its roads were rated among the worst in NSW. Of almost 1,000 breakdowns we attended in Dungog last year, 120 of those were tyre issues, which could be attributed to the poor state of the roads, since we know that things like potholes, bumps and crumbling edges can impact tyres significantly. Thanks to our research and lobby efforts, the NSW Government has committed \$25 million to fixing local roads and announced a \$500 million roads maintenance fund that councils across NSW could access.



People and Culture

People are at the heart of who we are and what we do. This foundation guides the way we work and how we approach and help our employees, Members, customers, and the communities we work within. The pandemic has posed many challenges and it's encouraging to observe how our leaders have focused on providing support and care for their teams during this time. Despite the unpredictability of lockdowns and new ways of remote working, they have fostered a culture of inclusion and participation.

Much of our leaders' success during these times can be accredited to our 'Take the Lead' program. To date 150 of our employees have completed the program, which has seen our leadership score in employee surveys increase to a new high of 83%.

We recognise that to create a business that can meet the demands of an ever-changing world, we must nurture diversity and a sense of belonging in all our employees. With this objective in mind we introduced our Inclusion, Diversity and Belonging Strategy in 2020. It has been wonderful to observe the passion and commitment of our people in coming together to realise a truly diverse, equitable and inclusive

workplace where everyone is able to bring their true self to work.

We're very proud of having achieved the Employer of Choice for Gender Equality in 2021, being one of only 136 organisations who currently hold the citation. We continue to focus on attracting and increasing female representation in our many traditional male-dominated workforces and are continuing to work towards gender pay equity and eliminating bias in our recruitment, promotion and salary practices.

Looking ahead we recognise the uncertain times we're living in and are adapting and embedding new ways of working through technology that will prove critical to meet the work demands of the future, and ensure the sustainability and success of our business.

Our workforce profile

Gender	Male	Female
Employee	49.6%	50.4%
Executive	57%	43%
Leadership	51%	49%

Eliza's story

Eliza takes pride in her firsts. Not only was she the first Indigenous female tow truck driver at the NRMA, she was our first female tow truck driver full stop. Entering into a male dominated industry came with significant challenges, but for Eliza it only made her more determined. Being a woman in her community or behind a desk most of the time, the opportunity to join the NRMA as a "towie" was something she'd always wanted to do. And with a motto that her Grandfather instilled in her from a young age, "just have a go", she's accomplished a dream. She told us, "Being the first female tow truck driver with the NRMA was not only a massive honour, but it was a privilege."



Board focus area



Inclusion, Diversity and Belonging strategy

The Board remains passionate about creating a workplace that fosters inclusion and diversity. This year the Board's focus was on gender diversity, where everyone is treated fairly, regardless of gender and removing barriers to create a level playing field. As part of implementing the Board-approved Inclusion, Diversity and Belonging strategy, the Board monitored and approved the documentation for the organisation's successful application as an Employer of Choice Gender Equity which was announced in February 2021.

Feb 2021

"The key to our success is our commitment to inclusion, diversity and flexibility, which has proven to be more important than ever since the pandemic. We know that delivering great customer experiences starts on the inside. That's why we are purposefully building a culture that is richly diverse and where everyone feels like they belong and can work in a safe environment that encourages uniqueness, ideas and experience."

Rohan Lund
NRMA Group CEO

Safety

The past year has seen us recalibrate and adapt to the changes brought about by COVID-19, ensuring our people have the support, resources and skills to work effectively and safely wherever they are.

Our injury performance overall has again steadily improved with the Group meeting both Loss Time Injury Frequency Rate (LTIFR) and Serious Injury Frequency Rate (SIFR) targets. We continue to work with each of our operating businesses to refine our approach to achieve the best outcomes, in terms of injury prevention and early intervention practices.

Consideration of lead indicators in safety performance measurement, in addition to the traditional Injury metrics has been an ongoing area of focus. This has again included Serious Risk Observations. These observations have facilitated opportunities for the Leadership team to validate the critical risk profile in the operational businesses and confirm effectiveness of existing controls. This metric has a practical application and allows for meaningful

engagement, which further ensures a robust safety culture.

A key strategic activity has been to enhance the mental health and wellbeing of our employees. We have approached this by way of our 'We Carry You' Mental Health Peer Support Program. This program is led by employees and aims to encourage open dialogue, challenge stigma and create a forum of support. We were extremely proud to receive a State Government grant to develop this program. At the NRMA we understand life isn't always easy and believe that together we can make a difference, and our Peer Support Program will have this value at its core.

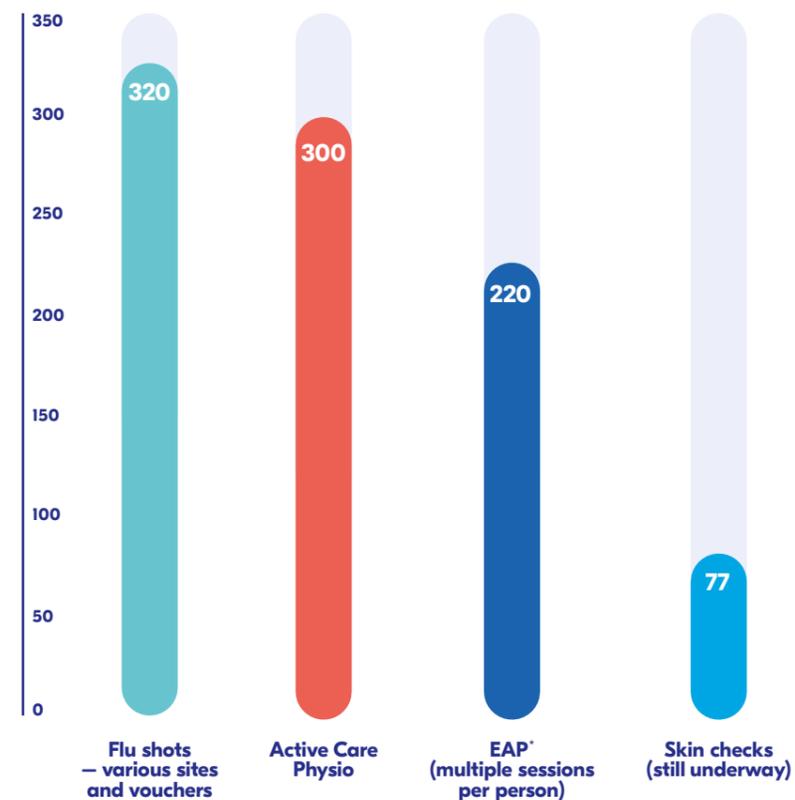
Our Safety Team has focussed on providing practical safety and wellbeing solutions across the NRMA Group, which are innovative, timely and fit-for-purpose. We continually evaluate, update and improve the initiatives and programs that we develop and promote, to ensure that we support our people in all areas of the NRMA Group.



Help when it matters most

During an evening commuter service – the last one of the day – on board a My Fast Ferry, Alex and his crew spotted a distress flare out of nowhere. Without thinking, he began turning the ferry around and grabbed his microphone to tell his passengers, "Ladies and gentlemen, we've just sighted a distress flare and in this situation I'm obligated that we investigate and help." And help is exactly what they did. With nighttime fast approaching, the ferry headed in the direction of the flare and spotted a small boat with no power and two struggling divers. Alex and his crew brought the divers on board to check them out and make sure they didn't require medical attention before transporting them to safety at Manly Wharf. He was incredibly proud of his team for the work they did in helping rescue the divers saying, "They were everywhere I needed them to be at that moment."

NRMA Group Health and Wellbeing Programs 2021



Board focus area



Safety of our people

The Board continues to discuss safety at each board meeting, maintaining a "safety first" culture, where safety incidents and their mitigating actions are monitored through to conclusion. This includes any incidents raised through the Speak Up Hotline, previously called the ethics hotline. Each board meeting includes an update on the impact of, and management's response to the COVID-19 situation. Of particular focus are outbreaks in specific areas of our community and government response and impact, for example the Northern Beaches and Melbourne, Victoria.

Education

Connecting with schools in a COVID world is unlocking new and exciting ways for us to deliver our landmark road safety programs to students.

From primary to high school students, our road safety programs continue to have a meaningful and lasting impact on the drivers of the future. Our programs offer children and young drivers unique learning opportunities, which are enhanced by our expertise in road safety, policy and research.

Building on the success of our move to a virtual delivery model in response to the COVID-19 pandemic, we've continued to deliver our flagship road safety programs to students across NSW and the ACT. A key benefit of our evolving online offerings is our ability to provide our free, evidence based education programs to schools in more regional and remote communities.

In FY21 we reached 28,080 students from 184 primary schools and 17,984 students from 140 high schools with our online road safety programs. In the second half of FY21 our primary school program returned to schools, with a total of 51 school visits, performed to 23,400 students. We also began the process of

recruiting for high school facilitators in preparation for a return to schools.

Research conducted by the NRMA shows that our primary school programs have a deep impact on students' road safety awareness, with an increase of 66% in their knowledge and ability to identify unsafe behaviours. Similarly, 96% of students in our high school programs reported an increased understanding of their responsibilities on the road.

With lockdown restrictions in place, the Future of Transport Challenge finals event was held online this year. Four finalist groups were selected from 33 project submissions and a total of 624 students. This program continues to provide an unrivalled opportunity to inspire, connect and learn from the next generation of transport leaders.

Strategic focus

We are focused on continued innovation in the delivery of our online programs and increasing the reach of our road safety programs across NSW and the ACT. We remain committed to ensuring we continue to deliver best-practice road safety education across our communities.

Highlights	Business value drivers and SDGs
Providing road safety education to 69,464 children across NSW. - 235 primary schools - 140 high schools	 
96% of high school students reported an increase in their road safety knowledge.	 



We've been educating students on the importance of road safety since 1931.

Environment

With an ever-expanding footprint, we recognise we have a responsibility to reduce our impact on the environment, while also focusing on innovative, climate-adaptive responses to address future climate risks.

In FY21 we achieved Climate Active Certification for our Motoring and Membership operations. We are proud to be the first motoring club in Australia to be certified as carbon neutral by Climate Active, an independently audited Federal Government program.

The ongoing expansion of our electric vehicle (EV) fast charging network continues our commitment to help Members transition to cleaner, greener transport. Building on this, we're excited to be partnering with Motion Energy on a world first carbon emissions avoidance project, which will enable us to generate carbon offsets through use of the EV fast charging network.

The ongoing impact of COVID-19 and catastrophic flooding on the North Coast in early 2021 continues to focus the Group businesses on the need for environmental leadership and working on ways to promote and protect the communities we operate in.

Our partnership with NSW National Parks and Wildlife Service (NPWS) to protect the Manly Little Penguin colony remains strong. Over the past year, the Penguin Observer program took 120 observer trips on board a My Fast Ferry to study the endangered population of Little Penguins on Sydney Harbour.

Over the next year, we'll focus on the development of a sustainability roadmap to guide future emissions reductions, particularly the integration of new business acquisitions into our reporting systems and targets.

Highlights	Business value drivers and SDGs
Climate Active Certification for Motoring and Membership – first motoring club in Australia.	 
5,000 coffee cups recycled to make reusable cups, recycled roads and pavements.	 
181,558 batteries recycled.	 
Seatcare, a program to recover and recycle child car safety seats supported by the NRMA successfully applied for a grant from the Federal Government through the National Product Stewardship Investment Fund (NPSIF).	  



We unveiled our first electric-powered ferry that will transport people on the return journey from Pymont Bay to King Street Wharf on Sydney Harbour. Our eFerry, powered by My Fast Ferry, can carry around 20 passengers and saves people a considerable amount of time, given there's no other direct public transport option and the walk between the two points is rather cumbersome over a bridge and through Darling Harbour. Even better – it's faster, quieter and with zero emissions.

6

41 Our approach to risk management

42 Continually improving the process

43 Strategic risk management

We recently invested in Coral Expeditions to provide Members with even more ways to explore Australia, discover new journeys and save on their voyages.

For over 35 years, Coral Expeditions has had one purpose — taking small groups of likeminded explorers to remote parts of the world with expert guidance and warm Australian hospitality. Proudly sailing under the Australian flag and crewed by Australian and New Zealand seafarers, Coral Expeditions provides a relaxed, intimate atmosphere with a focus on cultural exchange and education. The Expedition Leaders and Lecturers — experts in the cultures and natural histories of the regions they visit — accompany every voyage, conducting talks that give explorers access to a wealth of knowledge.

Our approach to risk management

Our approach to risk management does more than help us mitigate and minimise potential pitfalls. It also helps us uncover new opportunities to enhance value for our Members and future-proof our business.

Accountability and responsibility for risk management and control is held at various levels across the business. These include the Board and Board sub committees, the Executive Team, first line business operations, second line specialist functions such as Group risk and compliance, and third line internal audit function.

As a consequence of the global pandemic, there were ongoing and constantly changing impacts to operations. However, we adopted a co-ordinated group approach to manage the pandemic. A crisis management team was established with executives and operational representatives from each business unit responsible for managing their streams with regular engagement and outcomes provided to the crisis management team. We aligned our approach with Government and Health advice and the Board was regularly updated and informed of any major impacts and decisions.

Risk

We've adopted a robust and fit for purpose approach to risk management to deliver on our strategic priorities. At least once a year a full review will be conducted to coincide and integrate with the annual strategic and business planning process. This approach helps us benefit from opportunities while mitigating anticipated risks.

Risk appetite and risk culture

Our risk appetite is the level of risk we are prepared to accept to pursue our strategic objectives. We seek to generate a risk culture that cultivates opportunity and manages downside risks. The NRMA Group Risk Appetite Statement (RAS) is a dynamic, responsive document that evolves in line with our strategic direction and:

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

NRMA, supporting timely, autonomous decision making at the right level;

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

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

Identify

Assess

Control and manage

Monitor

Report

First line of defence — Responsibilities

Underlying business units and operational business partners are the first line of defence responsible for identifying, managing, and owning their risks. These business units have the appropriate tools and interactions with the various Group functions to execute business responsibilities effectively and within the agreed risk appetite.

Second line of defence — Assurance measures

Group functions involved in the second line of defence include corporate and operational risk, compliance, legal, safety, environment, sustainability, information technology, people and culture and finance. Function specific policies outline the assurance measures to enable each business to identify and manage risks appropriately.

Third line of defence — Independent processes

Internal audit make up the third line of defence, acting independently from the first and second lines of defence and reporting directly to the Board and Audit, Risk Management Committee.

Continually improving the process

Risk management approach

The NRMA management team provides either a full or critical risk review to the Board's Audit and Risk Management Committee (ARMC). These reviews provide confidence to the ARMC that our business managers are effectively identifying and managing risks to a level that they consider tolerable, or have plans in progress to bring it within tolerance.

Risks are assessed on their control effectiveness, likelihood and their consequences. Consequence is assessed on the basis of impact to reputation, financial impairment, compliance, operating ability, people and culture and effect on our Members and wider community.

Compliance

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

Group Compliance is responsible for monitoring and reporting our compliance approach for key compliance risk areas and escalating notifiable incidents to our Board. Compliance Coordinators (our subject matter experts) are allocated for each of these areas and are responsible for ensuring that policies and procedures are implemented and support the

frontline teams to manage and monitor their compliance obligations. Notifiable incidents are reported monthly to our Board through the CEO report, a formal quarterly report is provided to the ARMC. This is consolidated into an annual report provided to the Board on the compliance landscape.

Internal audit

The internal audit function is carried out by Group Internal Audit and is independent of the external auditor. The General Manager of Risk, Compliance and Audit has a direct reporting line to the chair of the ARMC.

The ARMC approves the Internal Audit Charter and the internal audit plan. The internal audit plan is prepared based on the current business strategy and operating environment, using a risk based approach, while also including three year rolling critical financial and IT controls audits. The Group Internal Audit team regularly reviews proposed audits based on specific strategic considerations or risk areas that have been identified by management and the Internal Audit team. The objectives of the Internal Audit Plan are to:

- provide independent and objective insights and confidence to management and the ARMC over key risks, controls, business systems and processes to achieving strategic objectives.
- specifically consider the suitability and effectiveness of controls to ensure they are targeted, efficient and maximise commercial outcomes.

Framework

Board	
Sets risk appetite.	Governance over corporate and Business Unit risk.

Executive Committee	Audit, Risk Management Committee
Sets and owns risk process. Reviews Corporate, Business Unit, M&A and project Risk and opportunity management.	Reviews the effectiveness of the risk management process to achieve risk appetite.

Risk Group	
Provides risk and compliance management frameworks. Reviews and challenges corporate and business unit risk and opportunity management.	Reports on corporate and business unit risk, and specific M&A risk.

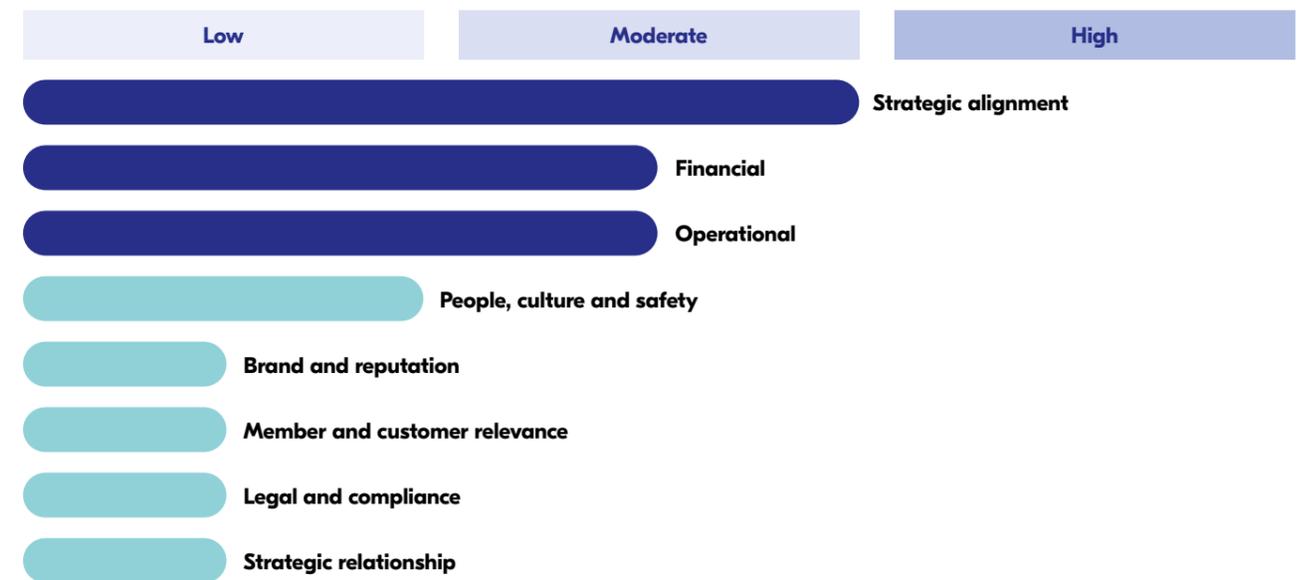
Strategic risk management

Risk Management and Organisation Resilience policy

Our Risk Management and Organisation Resilience Policy incorporates the integration of Risk Management and Organisational Resilience for the NRMA and its controlled entities to develop, implement and maintain a robust and appropriate group risk management and organisational resilience program within our Risk Appetite, as defined in the NRMA Risk Appetite Statement.

Summary of risk appetite

The NRMA Risk Appetite Statement focuses on eight strategic risk categories that enable us to deliver on our strategic priorities. These strategic risk categories align with the material issues to our strategic delivery and key stakeholders including Members, partners, suppliers, thought leaders and customers. Stated below is the amount of appetite that the NRMA Group are willing to take within each of our Strategic risk categories as per our current Risk Appetite Statement.



Board focus area



Risk appetite, risk management and mitigation

The Board revised its risk appetite statement and reviewed the risks and critical risks across the business. Monitoring the progress of implementing actions that minimised identified risks. Additionally, ARMC meetings have time allocated for an open discussion on risks that 'keep Directors awake at night'. A "crisis" simulation exercise that included Directors was conducted, with the relevant lessons learned included in the Business Continuity and Crisis Management Plans. The Board considered its approach to Directors' and Officers' liability insurance due to the significant increase in premiums that has occurred for all companies.

Strategic risk management

Risk category	Description	Change in consequence compared to prior year	Change in likelihood compared to prior year	Impact	How the NRMA are responding	Value drivers
Risk to people, culture and safety	<p>Prioritising safety of employees, Members and customers.</p> <p>The NRMA Group has no desire for theft, fraud and corruption or for exposing our workers, Members and customers to potential risks.</p>	↔	↔	Short to long term	<ul style="list-style-type: none"> - By supporting our employees through a number of health and wellbeing initiatives throughout COVID-19 - Continuing to lead the discussion on safety, transport, tourism and sustainability issues affecting the community - Strategies in place that ensure we attract and retain people that contribute to the culture and value we create - Actively supporting a fully diverse and inclusive culture 	 
Operational risk management and efficiencies	<p>We seek to operate our business effectively within an appropriate level of control.</p> <p>Risks are considered with respect to material issues that compromise Member and customer data, and our natural environment.</p>	↔	↑	Short to long term	<ul style="list-style-type: none"> - Investing in technology and operating approaches that streamline activities and improve customer service - Minimising our environmental footprint by exploring alternative energy sources, recycling programs and water management processes - Actively investing in researching, developing and implementing policies and practices that both preserve our environment and minimise impact 	  
Risk of not achieving strategic alignment	<p>Our strategy is designed to connect Members with accessible transport, leisure and tourism, as well as connecting people with Australia's unique environment.</p> <p>The NRMA has no desire to execute initiatives outside our clearly communicated strategy.</p>	↔	↔	Medium to long term	<ul style="list-style-type: none"> - Investments in NRMA Blue offering to deliver value to Members - Continuing to build strategic partnerships to deliver more services and better value - Developing sustainability goals across the Group - Working on Task Force for Climate-related Financial Disclosures (TCFD) processes, in respect to climate risks 	   

Legend ↑ Higher ↓ Lower ↔ No change

Risk category	Description	Change in consequence compared to prior year	Change in likelihood compared to prior year	Impact	How the NRMA are responding	Value drivers
Risk to Member /customer relevance	<p>The benefits and experiences we provide to Members, customers and stakeholders enables us to grow our Membership base.</p> <p>The integrity of our Member and customer data is vital to maintaining their trust.</p>	↔	↔	Short to long term	<ul style="list-style-type: none"> - Continuing to acquire and develop unique leisure and tourism experiences - Improving visitor experiences across our parks and resorts portfolio through innovation and sustainability initiatives - Investing in employee and customer experiences to continually build our brand - Enhancing our end-to-end digital experience to increase engagement and improve Member service 	  
Risk of not achieving sustainable financial outcomes	<p>We invest wisely, maximising opportunities and returns to ensure the safety of our business.</p> <p>Financial impact risks have been considered in line with external economic factors.</p>	↔	↓	Short to long term	<ul style="list-style-type: none"> - Through strict governance, budgeting and project management procedures plus a strong risk management framework - Managing responsibly to minimise the impact of COVID-19 on our operations - Continuing to improve operational efficiency so we can deliver to our Members in terms of financial responsibility 	 
Failure to meet legal and compliance obligations	<p>We strive to maintain regulatory and legislative requirements.</p> <p>The NRMA has no desire for non-compliance with regulatory and legislative requirements.</p>	↔	↔	Short to long term	<ul style="list-style-type: none"> - Working groups to address legislative changes and periodic review of Group policies and compliance risk areas - Embedding group compliance frameworks 	 
Brand and reputation risk	<p>Our brand and reputation is one of the most trusted in Australia.</p> <p>The trust placed in our organisation underpins our success in existing and new markets.</p>	↔	↔	Short to long term	<ul style="list-style-type: none"> - Delivering exceptional support and services to our Members - Continuing the transition to electric fleet vehicles 	  
Risk of inappropriate strategic relationships	<p>We have zero desire to conduct our relationships with other parties in an unprofessional manner, or to engage with unethical partners.</p>	↔	↔	Medium to long term	<ul style="list-style-type: none"> - Delivering our services in a sustainable way and asking that of stakeholders and suppliers 	

Legend ↑ Higher ↓ Lower ↔ No change

7

- 47 Board of Directors
- 48 Role of the Board
- 51 Our Board's focus areas
- 52 Our Committees' focus areas
- 54 Our Board's profiles
- 57 Board meetings
- 58 Remuneration
- 60 Executive Leadership Team
- 62 Directors' report
- 63 Auditor's declaration

Freycinet National Park on the east coast of Tasmania is home to Freycinet Lodge, offering guests the very definition of wild luxury – and now part of the NRMA family.

Since the early 1900s, people have been visiting this area to explore, bushwalk, picnic, swim and fish. When Ron Richardson, a local pioneer and former World War II fighter pilot decided in 1930 he wanted more people to be able to visit and stay within the park, he acquired some land and set about building 14 units and a central building. 'The Chateau' – the very first holiday retreat in Freycinet – was a far cry from the luxury that exists now with our present-day eco-lodge, committed to the natural beauty, history and culture of the environment.



Board of Directors



- | | | |
|---|--|---|
| <p>1 Mr Tim Trumper
MBA
Chair and Non-Executive Director (Harbour Region)</p> | <p>2 Ms Fiona Simson
BA (Bus), GAICD
Deputy Chair and Non-Executive Director (Townsend Region)</p> | <p>3 Mr David Berger

Non-Executive Director (Cox Region)</p> |
| <p>4 Ms Kate Lundy
GAICD
Non-Executive Director (Mann Region)</p> | <p>5 Ms Marisa Mastroianni
B.Com, M.Com, GAICD, FCPA, AFIML
Non-Executive Director (Hoddle Region)</p> | <p>6 Ms Jane McKellar
MA (Hons), GAICD
Non-Executive Director (Board Appointed)</p> |
| <p>7 Dr Kirsten Molloy
BSc (Hons), PhD, MBA, GAICD
Non-Executive Director (Howe Region)</p> | <p>8 Mr Gary Smith
B.Com, FCA FAICD
Non-Executive Director (Board Appointed)</p> | <p>9 Mr Derek Stanwell
BA (Hons), LLB (Hons), BCL, GAICD
Non-Executive Director (Board Appointed)</p> |

Role of the Board

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

Introduction

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.

Further information

Additional corporate governance information about the NRMA, the Board, Committees, charters, Directors' fees, the election and appointment of Directors, as well as copies of annual reports, can be found at mynrma.com.au/board

Governance structure

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.

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 ARMC and Board review the risk appetite statement annually, and management communicates the board-approved statement to senior leaders to guide their decision-making.
- confirming the values and behaviours of how the NRMA expects its people to conduct themselves: The Board periodically approves the

code of conduct and the Inclusion, Diversity and Belonging strategy and is supported by GCNC, through GCNC's monitoring of management's implementation and embedding with our people.

- monitoring the organisation's culture in line with the values, behaviours and risk appetite: The Board monitors the culture, with support from GCNC and ARMC, through culture survey results, monitoring the implementation of culture initiatives, and reviewing incidents raised including from the speak up hotline. The metrics of Leadership Index and 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.

Committees of the Board

As at 1 July 2021 the following Committees, with delegated authority from the Board, continued to exist to assist the Board to perform its functions:

- Audit and Risk Management Committee (ARMC).
- Finance and Investments Committee (FIC).
- Governance, Compensation and Nomination Committee (GCNC).
- Policy and Advocacy Committee (PAC).

The membership of each Committee is reviewed by the Board, with the last review occurring on 9 December 2019.

Significant changes

Board succession

Board composition

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

Director retirements

There have been no retirements of Directors during the year.

Appointed Director re-appointment

The Board re-appointed:

- Mr Gary Smith as Appointed Director for a fixed three-year term commencing 6 February 2021. Mr Smith has skills and experience in tourism and transport.
- Ms Jane McKellar as Appointed Director for a fixed three-year term commencing 13 May 2021. Ms McKellar has skills and experience in customer, branding and marketing.

Board skills, experience, knowledge and continuing education

The Board aims to ensure that it has a range of skills, experience and knowledge. This range provides the

foundations for the Board to effectively provide strategic direction to the NRMA, 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.

Diversity of skills and experience of Directors

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.

The Board considers that the skills and experience of the three Appointed Directors continues to round out the mix of skills and experience sought by the Board.

Board effectiveness assessment and Board skills matrix

A review of the effectiveness of the Board, including the Board's matrix of skills and experience is periodically conducted, a responsibility led by GCNC. On the conclusion of the 2019 election of Directors and the Member-elected Directors taking office in December 2019, a Board effectiveness assessment was approved to be conducted close to the end of FY20. However, with the prioritisation of the COVID-19 response and the desire to manage expenditure, the scheduled assessment was put on hold.

Throughout the year, GCNC has monitored the appropriate timing to conduct the board effectiveness assessment which would include a refresh of the Board Skills Matrix. GCNC resolved in June 2021 that it would be commenced in the first half of FY22.

Director course

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

All Directors are in compliance with this constitutional requirement.

Board continuing education

Directors are encouraged and assisted to attend educational courses which 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.

Financial capital

During the period the:

- Board received a briefing on the future of mobility and the use of electric vehicles globally, supporting the Board's review of the strategic direction and transition to electric patrol vehicles and associated financial capital allocation.
- Board received a briefing on investment portfolios and approaches to responsible investing, informing development of the organisation's approach to responsible investing and the upcoming review of the Investment Policy Statement.
- FIC received two economic briefings from asset managers, to inform oversight of the Investment Portfolio particularly in relation to the impact of COVID-19.

Members and customers

During the period the:

- Board received a briefing on the future of mobility and the use of electric vehicles globally, to support the Board's review of the strategic direction and new Membership packages.
- Policy and Advocacy received a briefing from an organisation on road safety technologies, to ensure they are kept abreast of technological developments.

People and Culture

During the period the:

- Board received a briefing on the future way of working developments to support Management in implementing flexible ways of working that align with desired business outcomes.
- Board received a briefing on preventing and responding to sexual harassment in the workplace, to be informed on the new guidance released by Safe Work Australia in January 2021.

Environment

Board received a briefing on the future of mobility and global usage of electric vehicles, supporting the Board's review of the organisation's strategic direction and its investment in the electric vehicle fast charge network infrastructure.

Reputation

Board received a briefing on preventing and responding to sexual harassment in the workplace. The briefing included a review of media coverage of affected organisations during the year and the reputational impact, from the perspective of current employees and Members and future employees and Members.

Assets

During the period the:

- Board received a briefing on risk management best practice developments and frameworks. This informed and supported the Board's review of risk management frameworks for companies, supporting the Board's review of the risk management framework and risk appetite.
- Board received a briefing on trends and spotlights on corporate governance matters in FY21 for the purpose of remaining informed on key developments in governance.
- GCNC received a briefing from a mutual on their experience of introducing a skills assessment as part of their Director election process supporting the Board's review of the Constitution and Director election process.

Additional expertise

The Board also obtains expertise and advice in other ways it determines necessary from time-to-time, including obtaining external advice from experts.

Governance framework

Internal Committee effectiveness review

The Board internally reviewed the effectiveness of the four Board Committees, which resulted in no changes to the committee charters and some improvements to the meetings. For example, one innovation is that time is allocated at ARMC meetings for an open discussion on emerging global risks and on what risks are 'keeping Directors awake at night'. If a matter is raised that is not part of the risk register, management provides an update at the next meeting on the risk

rating and risk mitigation actions. Using the allocated time to collectively discuss and think 'outside of the box' provides an avenue for a more productive and open discussion on potential risks.

Constitution review

The review of the Constitution continues to progress, and it's likely that a new Constitution will be proposed to Members for their consideration to approve at the 2022 AGM. The two key changes being contemplated are the introduction of staggered elections, so that not all six Member-elected Directors stand for election at the same time, and

a skills assessment as part of the Director election process.

Integrated reporting approach

The Board acknowledges responsibility for the Annual Report, which is prepared with reference to the IIRC framework for integrated reporting. 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.

The Annual Report is reviewed and approved by the Board.

Our Board's focus areas

This year, the Board focused on growth, particularly in tourism assets, culture, safety, Members and customers, and performance – while dealing with COVID-19. The responsibilities of the Board include reviewing and approving the NRMA strategy, monitoring the culture to deliver that strategy, monitoring the risk appetite for decision-making, overseeing performance and reviewing the corporate governance and risk framework.

Board diversity

Composition diversity

6 Member-elected Directors

3 Board Appointed Directors

The NRMA Constitution permits a maximum number of nine Directors.

Skills and experience diversity

The Board focuses on maintaining the right collective mix of skills and experience to govern and direct the NRMA effectively. These include: strategy, governance, financial management, technology, mergers and acquisitions, tourism, transport, regional experience, customer, branding and marketing.

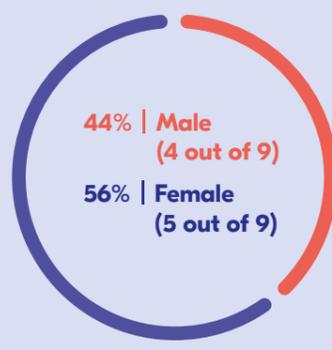
Tenure diversity



Age diversity



Gender diversity



Board focus area



Constitution

The Board has supported in principle the concepts for amendments to the Constitution. A working group of Directors was established to provide guidance to management on the concepts for possible changes to the Constitution, including the introduction of a skills assessment into the Director election process.

For the activities of the Board in relation to:

- reviewing the strategy and reconfirming the FY21 strategic priorities including growth, refer to pages 14 - 15.
- 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 10 - 11, 36.
- reviewing the organisation's risk appetite for decision-making and the risk framework to identify and mitigate risks, refer to pages 40 - 45.
- board composition, succession, skills, experience, knowledge and continuing education, and diversity, refer to pages 48 - 50.
- monitoring the voice of our Members and customers, refer to page 20.
- oversight and monitoring of performance aligned to drivers, including responding to and recovering from the COVID-19 situation, refer to pages 7, 12 - 15.

In addition, the Board continued to encourage Member participation at the Annual General Meeting (AGM). Since 2017, the NRMA has been holding hybrid AGMs. However, due to the extraordinary circumstances presented by the COVID-19 pandemic and for the continued safety of everyone in our community, the 2020 AGM was held virtually, using an online portal which enabled Members to participate and ask questions in real time. Members were also afforded the opportunity to submit questions in advance, and popular questions were addressed by the Chair and Group CEO.

Reconciliation takes action

This year, National Reconciliation Week's theme was *More than a word. Reconciliation takes action*, urging the reconciliation movement towards braver and more impactful action. On top of staff sharing their thoughts and ideas on what the NRMA can do to make them proud, staff across the business also posted pictures on our internal communication platform of their families with the children's book, 'Finding Our Heart', written by Thomas Mayor and illustrated by Blak Douglas, a story about the Uluru Statement for young Australians. When one of our Patrol's Elio asked his daughter Eliana what she thought of the book, she told him "The picture book is about the perception of Australia's Indigenous past so that inclusion and equality is promised in our shared future. We will always stand up for the original custodians of this land and home that we call Australia."



Our Committees' focus areas

Four Committees have delegated authority to assist the Board to perform its functions. The focus areas of each Committee is set out below.

The responsibilities of the four Committees and their authority is determined by the Board and set out in charters. Each Committee charter, along with the protocol for Committee meetings, is approved and periodically reviewed by the Board. The current versions are available at mynrma.com.au/board

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 2021

- Reviewed the impact of COVID-19 on our financial reporting.
- Reviewed our external auditor and approved the external audit scope, terms and fee.
- Approved the Group Finance Policy.
- Approved the FY22 strategic internal audit plan and reviewed the internal audit reports presented, and monitored the implementation of the actions to address the internal audit findings.
- Monitored the items people raised, either with staff or on the Speak Up Hotline and the progress of the investigations through to completion.
- Reviewed full risk review and critical risk reviews and the mitigating actions.
- Reviewed the annual insurance renewal.
- Monitored the implementation of policies in key compliance areas, any regulatory compliance matters raised, and received the annual Compliance and Environmental Compliance reports.
- Monitored the progress of activities related to the next modern slavery and human trafficking statement and approved the organisation's 2020 Modern Slavery Statement.
- Reviewed our tax position, approved the revised Tax Management Framework and approved the Voluntary Tax Transparency Report.
- Reviewed the safety incidents, investigations and mitigating actions to completion.
- Monitored the activities relating to lifting the maturity of our data governance across the group and improving our cyber security posture.
- Approved our business continuity and crisis management approach and monitored the management of major business continuity or crisis management incidents.

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 2021

- Reviewed corporate development opportunities across all of our businesses, including the:
 - acquisition of a minority interest in experiential cruising business Coral Expeditions,
 - the acquisition of Freycinet Lodge, Cradle Mountain Hotel, Gordon River Cruises and Strahan Village in Tasmania, and
 - the expansion of the Parks and Resorts network.
- Reviewed some of our current businesses, particularly the car rental business in the context of the new partnership with SIXT.
- Reviewed our direct venture capital investments.
- Reviewed the performance and outlook of the Investment Portfolio, considering views from Management and our appointed external asset consultant, including in relation to asset allocation and investment manager selection.
- Approved the appointment of a new external asset consultant.
- Reviewed our approach to responsible investing in the Investment Portfolio.

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 2021

- Reviewed the approach to remuneration of our people in FY22 with reference to the impacts of COVID-19 in the previous year.
- Received updates on the successor fund transfer to SunSuper.
- Received updates on the Group CEO succession plan and direct reports succession plans.
- Received updates on the operating model and the talent.
- 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 employee value proposition, which aligns to the Playbook.
- Reviewed the progress made against gender targets, as part of the application for Employer of Choice Gender Equity.
- Progressed the review of the Constitution, including ways in which skills and experience might be introduced into the election of Directors of the NRMA, such as through a skills assessment.

Policy and Advocacy Committee

The PAC oversees

- Implementation of the strategic advocacy plan approved by the Board.
- Review of the effectiveness of advocacy activities from the NRMA.
- Approval of public policy advocacy positions.
- Approval of significant or substantial advocacy matters consistent with the corporate strategy.
- Other relevant matters.



Areas of focus in 2021

- Monitored the implementation of the Board-approved FY21 strategic policy and advocacy plan.
- Recommend the Board approve the FY22 strategic policy and advocacy plan.
- Considered and, as relevant, approved policy and advocacy positions, reports or submissions relating to road user charging including for ultra-low emissions vehicles, mobile phone detection cameras, fixed, point-to-point and mobile speed cameras, accelerating the adoption of electric vehicles, funding of local roads, regional tourism recovery, tourism resilience, wildlife road safety, driver licensing scheme, and the ACT election.

Our Board's profiles

Mr Tim Trumper

MBA

Chair and Non-Executive Director (Harbour Region)

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

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

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

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

Term of office

Date first appointed (casual vacancy): 12 May 2014

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

Board

Re-elected Chair: 9 December 2019

Committees

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

Member of the: Finance and Investments Committee

Ms Fiona Simson

BA (Bus), GAICD

Deputy Chair and Non-Executive Director (Townsend Region)

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

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

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

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

Term of office

Date first appointed (casual vacancy): 19 January 2015

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

Board

Re-elected Deputy Chair: 9 December 2015

Committees

Chair and member of the: Policy and Advocacy Committee

Member of the: Governance, Compensation and Nomination Committee

Mr David Borger

Non-Executive Director (Cox Region)

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

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

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

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

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

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

Term of office

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

Committees

Member of the: Policy and Advocacy Committee

Ms Kate Lundy

GAICD

Non-Executive Director (Mann Region)

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

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

Kate is actively involved in a number of community and sporting clubs which reflect her broad range of interests. She is also a Director of the Cyber Security Research Centre, Electro Optic Systems, the Australian Grand Prix Corporation and the National Youth Science Forum. She is a member of the ACT Defence Industry Advisory 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.

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

Term of office

Date first appointed (casual vacancy): 25 March 2015

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

Committees

Member of the: Audit and Risk Management Committee
Policy and Advocacy Committee

Ms Marisa Mastroianni

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

Non-Executive Director (Hoddle Region)

Marisa is an experienced Board Director and CEO. She is currently the Managing Director and Group CEO of UOW Global Enterprises, a global education company, which is a subsidiary of the University of Wollongong. Marisa also brings extensive service industry experience including holding executive roles at the Port Kembla Port Corporation and Uniting Care.

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

Marisa brings to the Board expertise in strategic planning, financial and risk management, mergers and acquisitions and change management. She has extensive experience in corporate governance with an emphasis on transparency and sustainable performance. She is a committed advocate of Diversity Equity and Inclusion and is a Workplace Gender Equality Agency Pay equity ambassador. She is a strong advocate for reliable, safe and efficient transport links as an enabler of regional prosperity and growth.

Term of office

Date first appointed (casual vacancy): 19 January 2015

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

Committees

Chair and member of the: Audit and Risk Management Committee

Member of the: Governance, Compensation and Nomination Committee
Finance and Investments Committee

Ms Jane McKellar

MA (Hons), GAICD

Non-Executive Director (Board appointed)

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

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

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

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

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

Term of office

Date first appointed by the Board: 13 May 2019 for a fixed two year term
Last re-appointed by the Board: 13 May 2021 for a fixed three year term

Committees

Member of the: Governance, Compensation and Nomination Committee
Policy and Advocacy Committee

Dr Kirsten Molloy

BSc (Hons), PhD, MBA, GAICD

Non-Executive Director
(Howe Region)

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

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

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

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

Term of office

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

Committees

Member of the:
Audit and Risk Management Committee

Mr Gary Smith

B.Com, FCA, FAICD

Non-Executive Director
(Board appointed)

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

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

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

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

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

Term of office

Date first appointed by Board: 6 February 2019 for a fixed two year term
Last re-appointed by the Board: 6 February 2021 for a fixed three year term

Committees

Member of the:
Audit and Risk Management Committee
Finance and Investments Committee

Mr Derek Stanwell

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

Non-Executive Director
(Board appointed)

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

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

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

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

Term of office

Date first appointed by the Board: 14 May 2018 for a fixed two year term
Last re-appointed by the Board: 14 May 2020 for a fixed three year term

Committees

Chair and member of the:
Finance and Investments Committee
Member of the:
Audit and Risk Management Committee

Board meetings

During FY21 the Board held six formal Board meetings. Some meetings were held by video conference, with a hybrid of face-to-face and video conference Board meetings held from December 2020 onwards. The meeting location was at Level 13, 151 Clarence Street in Sydney, on Gadigal land of the Eora Nation. The Board occasionally makes decisions through written resolutions, and four 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, 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.

Meetings attended by Directors for the past financial year

Meetings attended by Directors for the past financial year are detailed below.

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

(A) Absent (V) Visitor

There were no changes to the Directors on the Board or Committees in FY21.

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

Our remuneration strategy has been developed to ensure our reward outcomes are aligned to the aspirations of the NRMA Group. We consider the interests of our key stakeholders, both internal and external, and reward strong individual performances and behaviours that are aligned to our values and expectations.

The design principles behind this strategy are to deliver short and long term outperformance against incentive metrics on the balanced scorecard. This is delivered through performance against the long term business strategy, team business plans and individual performance objectives and behaviours, set annually.

Executive remuneration

The key objective of our remuneration philosophy is to enable the NRMA to attract, motivate and retain talented people to deliver tangible and outstanding value for our Members and customers. For executive and senior management remuneration, our reward practices are designed to encourage and compensate performance and behaviours that are consistent with the culture and values of the NRMA.

Directors' remuneration

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

The Constitution sets out that in the year a review of the Directors' fee pool is undertaken, the increase in the fee pool is the 'percentage CPI change'. The 'percentage CPI change' is defined as the percentage change between the

September quarter before the 1 January review and the September quarter in the year prior, for the All Groups Consumer Price Index for the weighted average of eight capital cities as published by the Australian Bureau of Statistics.

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

The Board has determined that Board fees and Committee fees will increase in line with any CPI increase of the Directors' fee pool. The Chair and Deputy Chair do not receive fees for being members of a Committee or attending Committee meetings. Superannuation is paid by the NRMA on behalf of the Directors at the rate of 13 per cent.

As an increase in the Directors' fee pool was not proposed to Members at the 2020 AGM, on 1 January 2021 the Directors' fee pool was increased by the percentage CPI change of 0.7%.

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

Key Management Personnel (KMP) remuneration

The table below relates to the NRMA Group as an aggregate of Directors and Executives remuneration (for the years ended 30 June 2021 and 2020) being the key management personnel (KMP). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

For the year ended 30 June 2020, salary and incentive payments across the NRMA Group were reduced as part of the impacts by COVID-19.

Consolidated

	2021 \$	2020 \$
Short term employment benefits	5,469,082	4,646,042
Post-employment benefits	242,334	237,846
Other long-term employment benefits	994,046	497,025
Termination benefits		0
Total	6,705,462	5,380,913

Like most of our staff and many other businesses around the world, we were still navigating a remote working environment for much of the year, as restrictions and lockdowns continued due to the COVID-19 pandemic. Our Board was also working from home, which meant they had to conduct some of their meetings by video conference.



Board focus area



Remuneration

The trustees of the IAG & NRMA Superannuation Plan resolved to implement a successor fund transfer to SunSuper. Although not a decision for the NRMA Board, the transfer required Board oversight to ensure the NRMA complied with its obligations and that all NRMA employees transitioned correctly.



Executive Leadership Team

With a breadth of skills and experience, our Executive Leadership Team are passionate about moving the NRMA into the future.

Rohan Lund*

Group Chief Executive Officer

Rohan Lund has been the Group CEO of the NRMA since January 2016. With an extensive background in digital technology and strategic innovation Rohan has a wealth of experience in delivering sustainable transformation across customer-focused companies. Rohan provides strategic and commercial expertise to the NRMA – Australia's largest Member-owned organisation. Rohan has led the transformation of the NRMA

to an electric future and concurrently developed the agenda to expand into sustainable domestic tourism. This includes the growth of the NRMA Parks and Resorts portfolio and the creation of the Expeditions business. Before joining the NRMA, Rohan was the Chief Operating Officer for Foxtel. His previous roles included COO of Seven West Media, CEO of Yahoo!7 and Strategy Director for SingTel Optus. Rohan holds a Master of Laws.



Rachel Wiseman*

CEO NRMA Expeditions

Rachel Wiseman was appointed Chief Executive Officer of NRMA Expeditions in April 2021 following the acquisition of Freycinet Lodge, Cradle Mountain Hotel, Gordon River Cruises and Strahan Village from sister club the Royal Automobile Club of Tasmania (RACT). Rachel is charged with growing the organisation's interest in experiential tourism, with a focus on developing bespoke products that hero Australia's natural environment.

Prior to joining NRMA Expeditions, Rachel served as NRMA Group's Chief Investment Officer, leading the commercial interests of the Group, including corporate development and Group strategy.

A member of the Australian Institute of Company Directors, Rachel held executive positions across both the entertainment and media industries before becoming part of the NRMA.



Emma Harrington*

CEO Motoring and Membership

Emma Harrington is CEO of the iconic Motoring and Membership business on which the brand and reputation of the NRMA is founded.

Building on the legacy created over the last 100 years, Emma is focused on growing a sustainable and Member-centric business. From leading our advocacy on behalf of motorists, providing more value to Members, meeting the needs of new

mobility through our electric vehicle fast charging network and managing our best-in-class roadside assistance, Emma ensures our brand and reputation are in safe hands.

Before joining the NRMA, Emma held national and overseas roles for major organisations; most recently as the Director of Wholesale and Distribution at Foxtel.



Michael Gabriel*

Chief Financial Officer

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

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

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

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



Nell Payne

Chief of Operating Investments

Nell Payne was the Chief of Operating Investments, NRMA Group from July 2020 to June 2021. In this role she was responsible for Thrifty in Australia and NZ, as well as Fantasea Cruising and My Fast Ferry. In July 2021, Nell was appointed Chief Operating Officer of NRMA Expeditions, supporting the operational businesses through capital transformation and growth initiatives. She is passionate about safety, engagement

and developing her people. A graduate of the Australian Institute of Company Directors, Nell's leadership enabled the organisation to meet and overcome the challenges presented by COVID-19.

Nell's collaborative style is focused on operational excellence, customer experience and customer insights.



Vivian Pang

Executive General Manager Strategy and Investments

Vivian Pang was appointed Executive General Manager, Strategy and Investments in June 2021.

She is responsible for the NRMA Group's corporate strategy, corporate development, investments, sustainability, social impact, transformation, legal, company secretariat, brand and corporate affairs.

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



Cormac Hodgkinson*

Chief Technology Officer

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

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

In addition to this, Cormac leads the development of the technology and innovation roadmap supporting the overall strategy of the NRMA Group.

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



Paul Davies

CEO NRMA Parks and Resorts

As CEO of NRMA Parks and Resorts, Paul is responsible for the strategic, commercial and operational aspects of the business, encompassing a portfolio of nearly 50 holiday parks owned or managed by the NRMA across Australia.

Paul is currently an elected member of the Board of Caravan & Camping Industry Association of NSW and a member of the Advisory Board

of the Tourism Industry Council NSW. Prior to joining the NRMA, Paul held a variety of senior executive roles with tourism and travel organisations in Australia and internationally. Most recently, Paul was GM of Marketing and Commercial Operations at Taronga Conservation Society Australia. He also held marketing, product and sales roles with Tourism Australia, Qantas and British Airways in Australia, UK and Africa.



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 2021 has been prepared in accordance with the requirements of the Corporations Act 2001.

The information below forms part of the Directors' Report.

- Principal activities of the consolidated entity on page 6 and how these activities assisted the entity to achieve its objectives on pages 19 - 31.
- Short and long term objectives of the entity and the strategy for achieving those objectives on page 12 - 17.
- Review of operations and activities for the reporting period on pages 9, 19 - 31.
- Biographical information for the Directors and Company Secretary on pages 54 - 57.
- Board and Committee meetings and attendance on page 57.
- Key management personnel remuneration on page 58.
- Auditor's independence declaration on page 63.

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 2021 to 31 August 2022. The policy prohibits disclosure of the nature of the liabilities and the amount of the premium in respect of that insurance.

Significant changes in the state of affairs

Other than as referred to in the review of operations and financial condition pages 64 - 119, there were no significant changes in the affairs of the consolidated entity during the year.

Matters subsequent to the end of the financial year

There have been no matters or circumstances except for the disclosure of subsequent events on page 115 that have arisen since 30 June 2021 up to 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.

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



Tim Trumper
Chair and Director



Fiona Simson
Deputy Chair and Director

14 October 2021



Building a better
working world

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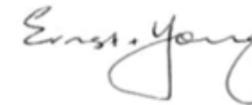
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Fax: +61 2 9248 5959
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Auditor's Independence Declaration to the Directors of National Roads and Motorists' Association Limited

As the lead auditor for the audit of the financial report of National Roads and Motorists' Association Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

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



Ernst & Young



Trent van Veen
Partner
14 October 2021

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8

Financial report

- 66** Consolidated statement of profit or loss and other comprehensive income
- 67** Consolidated statement of financial position
- 68** Consolidated statement of changes in equity
- 69** Consolidated statement of cash flows for the year
- 70** Contents
 - 71 A:** About this financial report
 - 73 B:** Business performance
 - 80 C:** Operating assets and liabilities
 - 94 D:** Financial instruments
 - 103 E:** Employee benefits
 - 105 F:** Group structure
 - 113 G:** Other
- 116** Directors' declaration
- 117** Independent auditor's report

Wilpena Pound, also known by its Adnyamathanha name 'lkara' meaning 'meeting place', is a natural amphitheatre of mountains in the heart of the Ikara-Flinders Ranges National Park, South Australia. This year, we've come on board to manage the Indigenous-owned Wilpena Pound Resort, transforming the visitor experience to ensure it becomes a premier Indigenous experience in Australia.

The Yura Muda Aboriginal legend tells how Wilpena Pound was formed by the bodies of two giant serpents that couldn't move after eating the people who had gathered there for a ceremony. St Mary Peak forms the head of the male serpent, while Beatrice Hill forms the head of the female. It has a long history in Australian tourism, offering visitors the opportunity to explore and truly appreciate the ancient land with its rich cultural history and stunning landscapes.



Credit: Tourism Australia.

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
Revenue from contracts with customers and rental income	B2	527,168	584,655
Cost of goods sold	B3	(28,801)	(40,648)
Cost of providing services		(320,746)	(368,434)
Gross profit		177,621	175,573
Administrative expenses		(177,283)	(186,577)
Investment income		21,145	32,549
Share of operating profit from equity accounted investments	F1	6,757	7,006
Impairment and carrying value adjustments	C9	(11,685)	(29,430)
Operating profit / (loss)		16,555	(879)
Finance costs	B3	(13,342)	(18,042)
Operating profit / (loss) before change in fair value of investments		3,213	(18,921)
Share in net fair value movement in equity accounted investments	F1	523	1,065
Change in net fair value of investments		47,916	(23,239)
Profit / (loss) before tax from continuing operations		51,652	(41,095)
Income tax (expense) / benefit	B4	(12,187)	14,948
Profit / (loss) for the year from continuing operations		39,465	(26,147)
Discontinued operations			
Profit / (loss) after tax for the year from discontinued operations		5,452	(30,373)
Profit / (loss) for the year		44,917	(56,520)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Revaluation of land and buildings		-	9,242
Exchange differences on translation of foreign operation		21	(107)
Share of other comprehensive income of equity accounted investments		141	(79)
Income tax relating to those items		(42)	(2,749)
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		1,503	(24,903)
Actuarial (loss) on defined benefit plan		(990)	(8,488)
Income tax relating to those items		(154)	10,017
Other comprehensive income for the year, net of tax		479	(17,067)
Total consolidated comprehensive income for the year		45,396	(73,587)

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 2021

	Notes	2021 \$000	2020 \$000
Current assets			
Cash and cash equivalents	C1	105,820	121,262
Trade and other receivables	C2	36,958	36,015
Inventories		3,433	2,664
Finance lease receivable	C8	2,218	3,331
Financial assets at fair value through profit or loss	D3	54,879	133,797
Other financial assets	D3	9,787	6,865
		213,095	303,934
Assets held for sale	C3	209,895	17,993
Total current assets		422,990	321,927
Non-current assets			
Finance lease receivable	C8	3,176	5,329
Financial assets at fair value through profit or loss	D3	462,668	423,335
Financial assets at fair value through other comprehensive income	D4	72,800	60,797
Property, plant and equipment	C4	371,273	351,573
Investment property	D5	39,200	39,200
Equity accounted investments	F1	74,461	207,729
Right-of-use assets	C5	277,484	288,000
Deferred tax asset	B4	-	4,908
Pension assets		2,574	3,544
Intangible assets and goodwill	C6	192,484	208,309
Total non-current assets		1,496,120	1,592,724
Total assets		1,919,110	1,914,651
Current liabilities			
Trade and other payables		99,256	76,993
Employee benefits provisions	E1	31,900	24,294
Income tax payable		(7,063)	872
Lease liability	C7	23,937	29,710
Unearned income		116,052	113,938
Customer deposits		19,077	14,151
		283,159	259,958
Liabilities held for sale	C3	41,548	-
Total current liabilities		324,707	259,958
Non-current liabilities			
Employee benefits provisions	E1	6,292	5,659
Provision for make good obligation		2,920	2,888
Lease liability	C7	237,262	244,690
Deferred tax liabilities	B4	104,594	72,967
Unearned income		9,355	9,758
Customer deposits		4,444	5,738
Interest bearing liabilities	D6	127,241	254,094
Contingent consideration	D7	22,100	24,100
Total non-current liabilities		514,208	619,894
Total liabilities		838,915	879,852
Net assets		1,080,195	1,034,799
Equity			
Reserves		24,611	23,438
Retained earnings		1,055,584	1,011,361
Total equity		1,080,195	1,034,799

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 2021

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

2020	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 2019	33,956	(2,423)	(604)	3,635	1,073,822	1,108,386
Net (loss) for the year	-	-	-	-	(56,520)	(56,520)
Other comprehensive income (net of tax)	(17,432)	(55)	(107)	6,469	(5,942)	(17,067)
Total comprehensive income for the year	(17,432)	(55)	(107)	6,469	(62,462)	(73,587)
Changes in equity investments at fair value through other comprehensive income	(24,903)	-	-	-	-	(24,903)
Equity accounting	-	(79)	-	-	-	(79)
Translation of foreign subsidiary	-	-	(107)	-	-	(107)
Revaluation of land and buildings	-	-	-	9,242	-	9,242
Actuarial (loss) on defined benefit plan	-	-	-	-	(8,488)	(8,488)
Deferred tax arising	7,471	24	-	(2,773)	2,546	7,268
At 30 June 2020	16,524	(2,478)	(711)	10,104	1,011,360	1,034,799

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 2021

	Notes	2021 \$000	2020 \$000
Cash flows from operating activities			
Receipts from Members and customers		630,318	698,837
Payments to suppliers and employees		(495,967)	(641,673)
Dividends received		19,971	27,726
Interest received		2,155	3,405
Interest paid		(3,093)	(5,792)
Interest on leases		(8,708)	(9,840)
Tax paid		(4,038)	(16,579)
Net cash flows from operating activities	C1	140,638	56,084
Cash flows used in investing activities			
Proceeds from disposal of investments		175,874	243,003
Proceeds from disposal of subsidiary		1,707	10,856
Proceeds from disposal of fixed assets and software		31,877	152,100
Equity accounted distributions		8,838	10,034
Outlays to acquire businesses	F2	(81,726)	(21,506)
Outlays for investments acquired		(103,957)	(268,704)
Outlays for equity accounted investments	F1	(30,638)	-
Outlays for fixed assets and software acquired		(35,896)	(154,568)
Net cash flows from investing activities		(33,921)	(28,785)
Cash flows used in financing activities			
(Repayments) / proceeds from bank loans		(98,662)	77,437
Repayments of lease liabilities		(18,576)	(51,321)
Net cash flows from financing activities		(117,238)	26,116
Net (decrease) / increase in cash and cash equivalents		(10,521)	53,415
Cash and cash equivalents at the beginning of the financial year		121,262	67,847
Cash and cash equivalents at the end of the financial year	C1	110,741	121,262

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

Contents



A About this financial report

71 - 72

- A1** Corporate information
- A2** Summary of significant changes in the current reporting period
- A3** Basis of preparation
- A4** Accounting estimates and judgements
- A5** Summary of significant accounting policies

B Business performance

73 - 79

- B1** Segment information
- B2** Revenue from contracts with customers and other income
- B3** Expenses
- B4** Taxation

C Operating assets and liabilities

80 - 93

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

D Financial instruments

94 - 102

- D1** Financial risk management objectives and policies
- D2** Fair value estimation
- D3** Financial assets at fair value through profit or loss
- D4** Financial assets at fair value through other comprehensive income
- D5** Investment property
- D6** Interest bearing liabilities
- D7** Contingent consideration



E Employee benefits

103 - 104

- E1** Employee benefits
- E2** Key management personnel compensation and related party transactions

F Group structure

105 - 112

- F1** Equity accounted investments
- F2** Acquisition of businesses
- F3** Controlled entities
- F4** Parent entity information

G Other

113 - 115

- G1** Impact of new accounting standards
- G2** Commitments
- G3** Deed of cross guarantee
- G4** Auditor's remuneration
- G5** Subsequent events



About this financial report

- A1.** Corporate information
- A2.** Summary of significant changes in the reporting period

- A3.** Basis of preparation
- A4.** Accounting estimates and judgements
- A5.** Summary of significant accounting policies

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 2021 was authorised for issue in accordance with a resolution of the Directors on 14 October 2021.

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

The Company's Constitution prevents the payment of dividends.

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

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

A2. Summary of significant changes in the current reporting period

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

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

A3. Basis of preparation

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

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

A4. Accounting estimates and judgements

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

Accounting estimates and judgments	Notes	Page
Impairment and carrying value adjustments of assets	C9	92
Revaluation of investment properties	D5	100
Accounting for acquisition of businesses	F2	108
Accounting for leases	C7	90

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

Except as described below, the accounting policies applied in the consolidated financial report are the same as those applied in the Group's consolidated financial report as at and for the year ended 30 June 2020. The changes in the accounting policies will also be reflected in the Group's consolidated financial report as at and for the year ended 30 June 2021.

Cloud computing arrangements

The International Financial Reporting Standards Interpretation Committee (IFRIC) has issued two final agenda decisions impacting cloud computing arrangements:

- Customer's right to receive access to the supplier's software hosted on the cloud (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- Configuration or customisation expenditure relating to cloud computing arrangements can be recognised as an intangible asset and, if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in a reclassification of these intangible assets as an expense in the Statement of Comprehensive Income, resulting in a reduction in the 2021 profit or loss by \$4.6 million.



Business performance

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

B1. Segment information

B2. Revenue from contracts with customers and other income

B3. Expenses

B4. Taxation

B1. Segment information

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

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

The consolidated entity operates in Australia and New Zealand.

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

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

The reportable segments identified within the Group are outlined below:

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

BI. Segment information continued

	Motoring and Membership		Transport and Tourism		Investments		The NRMA Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue								
Revenue from contracts with customers								
Subscription and joining fees	257,908	252,200	-	-	-	-	257,908	252,200
Rendering of services	-	34,582	121,122	106,482	-	-	121,122	141,064
Sales of goods	45,968	53,778	-	-	-	-	45,968	53,778
Advertising and publishing revenue	1,233	1,940	-	-	-	-	1,233	1,940
Other revenue	7,562	8,662	-	-	-	-	7,562	8,662
Total revenue from contracts with customers	312,671	351,162	121,122	106,482	-	-	433,793	457,644
Discontinued operation	-	-	(13,605)	(32,454)	-	-	(13,605)	(32,454)
Rental income	-	-	106,980	159,465	-	-	106,980	159,465
Investment income								
Interest	411	462	32	54	1,712	2,890	2,155	3,406
Dividends	-	-	-	-	17,855	28,771	17,855	28,771
Property income	57	61	-	-	1,099	339	1,156	400
Discontinued operations	-	-	(21)	(28)	-	-	(21)	(28)
Total investment income	468	523	11	26	20,666	32,000	21,145	32,549
Total revenue and other income	313,139	351,685	214,508	233,519	20,666	32,000	548,313	617,204
Results								
Impairment and carrying value adjustments	-	(2,382)	(11,685)	(21,926)	-	(5,122)	(11,685)	(29,430)
Segment operating profit/(loss)	(3,236)	715	3,860	(29,884)	9,175	21,284	9,798	(7,885)
Share of profit/(loss) of equity accounted investments	-	-	(1,203)	-	7,960	7,006	6,757	7,006
Operating profit / (loss)	(3,236)	715	2,657	(29,884)	17,135	28,290	16,555	(879)
Share of unrealised profit / (loss) of equity accounted investments	-	-	-	-	523	1,065	523	1,065
Change in net fair value of investments	-	-	-	-	47,916	(23,239)	47,916	(23,239)
Total unrealised profit / (loss) of equity accounted and other investments.	-	-	-	-	48,439	(22,174)	48,439	(22,174)
Total reported segment results	(3,237)	715	2,657	(29,884)	65,574	6,116	64,994	(23,053)
Finance costs	-	-	-	-	-	-	(13,342)	(18,042)
Profit/(loss) before tax							51,652	(41,095)
Income tax (expense) / benefit	-	-	-	-	-	-	(12,187)	14,948
Net profit / (loss) for the year							39,465	(26,147)
Discontinued Operations								
Profit / (loss) after tax for the year from discontinued operations	-	-	-	-	-	-	5,452	(30,373)
Profit / (loss) for the year							44,917	(56,521)
Assets								
Segment assets	146,563	174,789	842,268	836,740	855,818	695,393	1,844,649	1,706,922
Equity accounted investments	-	-	29,435	-	45,026	207,729	74,461	207,729
Consolidated total assets							1,919,110	1,914,651
Liabilities								
Segment liabilities	88,502	95,243	432,796	431,805	317,617	352,804	838,915	879,852
Consolidated total liabilities							838,915	879,852

BI. Segment information continued

The segment information in note B1 reflects the statutory financial performance of each operating segment in the NRMA Group. The performance of these operating segments is assessed and monitored using measures including revenue and segment profit as well as segment Underlying Operating Profit. Underlying Operating Profit excludes one-off significant items such as asset impairments and restructuring costs that do not represent the normal operations of the business. The Underlying Operating Profit/ (Loss) for each operating segment is as follows:

Motoring and Membership – underlying operating profit of \$0.1 million in 2021 (2020: \$5.5 million). The Underlying operating profit excludes net significant one-off items totalling \$(3.3) million (2020: nil);

Transport and Tourism – underlying operating loss for the Transport and Tourism segment of \$2.1 million (2020: operating loss of \$4.9 million), representing an improvement on the prior year. The underlying operating loss excludes net significant one-off items totalling \$4.7 million (2020: \$(25.0) million) and

Investments – underlying operating profit for the Investments segment for 2021 is \$171 million (2020: \$33.4 million), which excludes the unrealised gains from mark to market adjustments on the investment portfolio. There were no significant one-off items in 2021 (2020: \$(5.2) million).

(i) Subscription and joining fees

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

(ii) Rendering of services

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

- Vehicle servicing
- Holiday park 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

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.

B2. Revenue from contracts with customers and other income

	2021 \$000	2020 \$000
Revenue from contracts with customers		
Subscription and joining fees	257,908	252,200
Rendering of services	121,122	141,064
Sales of goods	45,968	53,778
Advertising and publishing revenue	1,233	1,940
Other revenue	7,562	8,662
Total revenue from contracts with customers	433,793	457,644
Rental income	106,980	159,465
Discontinued operations	(13,605)	(32,454)
Total revenue from contracts with customers and rental income	527,168	584,655
Investment income		
Interest	2,155	3,406
Dividends	17,855	28,771
Property income	1,156	400
Discontinued operations	(21)	(28)
Total investment income	21,145	32,549

(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:

B3. Expenses

	Notes	2021 \$000	2020 \$000
Profit before income tax includes the following expenses			
Cost of goods sold		28,801	40,648
Cost of providing services		333,122	408,200
Administrative expenses		179,873	192,332
Impairment and carrying value adjustments		19,725	33,239
Discontinued operations		(23,006)	(49,330)
Total cost of sales, cost of providing services and administrative expenses		538,515	625,089
These expenses relate to the following categories:			
Employee benefits expense		210,386	244,489
Fleet, road service and towing contractors expense		103,347	117,325
General and administrative expense		46,850	44,784
Marketing expense		17,652	22,527
Commissions and cost of sales expense		39,723	55,628
Printing and postage expense		13,306	14,514
Other expenses		19,846	14,115
		451,110	513,382
Depreciation	C4/C5	70,477	102,851
Amortisation	C6	20,210	25,196
Total depreciation and amortisation		90,687	128,047
Impairment and carrying value adjustments	C3/C9	19,724	32,990
Discontinued operations	C3	(23,006)	(49,330)
Total cost of sales, cost of providing services and administrative expenses		538,515	625,089
Finance costs			
Bank loans and overdraft		3,092	5,783
Defined benefit fund		214	433
Provision discounting unwind		2,377	3,879
Interest expense on leases		8,708	9,840
Discontinued operations		(1,049)	(1,893)
Total finance costs		13,342	18,042

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

	2021 \$000	2020 \$000
Accounting profit / (loss) before tax from continuing operations	51,651	(41,095)
Profit/(loss) before tax from a discontinued operation	19,867	(45,890)
Accounting profit / (loss) before income tax	71,518	(86,985)
Income tax expense / (benefit) calculated at 30% (2020: 30%)	21,455	(26,096)
Tax effect of permanent differences:		
Tax offsets	(3,581)	(1,663)
Non-deductible net mutual benefit	(6,047)	(6,158)
Derecognition of deferred tax asset	7,634	-
Non-deductible capital losses	2,068	-
Non-deductible asset impairments and carrying value adjustments	4,229	3,202
Non-deductible acquisition related costs	1,216	1,524
Non-assessable accounting income	-	(945)
Other	25	673
Adjustment recognised in the current year in relation to:		
- the current tax of prior years	(2,346)	(3,218)
- the deferred tax of prior years	1,949	2,216
Total tax expense	26,602	(30,465)
Income tax expense / (benefit) reported in the statement of profit or loss	12,187	(14,948)
Income tax expense / (benefit) attributable to a discontinued operation	14,415	(15,517)
Current tax expense	(568)	2,501
Deferred tax	27,170	(32,966)

B4. Taxation continued

Deferred taxes

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

2020 \$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	(1,487)	894	-	-	(593)	-	(593)
Financial assets at fair value through profit or loss	(6,983)	9,084	-	-	2,101	2,101	-
Financial assets at fair value through other comprehensive income	(14,441)	(111)	7,471	-	(7,081)	-	(7,081)
Equity accounted investments	(50,361)	8,388	24	-	(41,949)	-	(41,949)
Property, plant and equipment	(10,627)	14,790	-	(285)	3,878	3,878	-
Intangibles	(31,323)	4,384	-	(2,140)	(29,079)	-	(29,079)
Investment property	(1,558)	-	(2,773)	-	(4,331)	-	(4,331)
Defined benefit asset	(3,527)	(82)	2,546	-	(1,063)	-	(1,063)
Lease liability	8,872	73,189	-	(9,159)	72,902	72,902	-
Trade and other payables	715	213	-	58	986	986	-
Provisions	2,142	306	-	-	2,448	2,448	-
Tax losses	401	2,282	-	-	2,683	2,683	-
Right - of - use assets	-	(79,898)	-	9,020	(70,878)	-	(70,878)
Other assets and liabilities	2,426	(473)	-	(36)	1,917	1,917	-
Tax assets / (liabilities) before set-off	(105,751)	32,966	7,268	(2,542)	(68,059)	86,915	(154,974)
Set-off of DTA against DTL					-	(82,007)	82,007
Net tax assets/(liabilities)					(68,059)	4,908	(72,967)

(a) Recognition and measurement

Tax payable

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

(i) Current tax

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

(ii) Offsetting deferred tax balances

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

(iii) Tax consolidation

The Company and its wholly-owned Australian subsidiaries are part of a tax-consolidated group under Australian taxation law. National Roads and Motorists' Association Limited is the head entity of the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the group allocation approach.

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

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

(iv) Franking account balance

The amount of franking credits available at 30 June 2021 are 320.7 million (2020: \$302.05 million), and the balance is calculated using the corporate tax rate of 30% (2020: 30%).

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

(v) Carried forward tax losses

The Company has not recognised a deferred tax asset (2020: \$2.7 million) with respect to its carried forward tax losses.



Operating assets and liabilities

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

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

C1. Reconciliation of cash flow from operating activities

	Notes	2021 \$000	2020 \$000
Reconciliation to cash flow statement:			
Cash at bank and in hand		105,820	121,262
Cash at bank attributable to discontinued operations		4,921	-
Total cash at hand and in bank		110,741	121,262

C1. Reconciliation of cash flow from operating activities continued

	Notes	2021 \$000	2020 \$000
Net profit/(loss) from continuing operations		39,465	(26,148)
Net profit/(loss) from discontinued operations		5,452	(30,373)
Non-cash items			
Profit / (loss) on disposal of non-current assets		872	(3,319)
Depreciation, amortisation and impairment and carrying value adjustments	B3	114,821	161,037
Change in net fair value of investments		(47,916)	23,239
Acquisition related costs	F2	1,249	1,199
Defined benefit plan		693	5,942
Equity accounted investments (profit) / loss	F1	(37,576)	23,333
Finance cost		2,591	4,304
Rent relief		(9,412)	(4,184)
(Increase) / decrease in operating assets			
Trade and other receivables		(1,132)	1,959
Inventories		(143)	(187)
Non-current assets held for sale		17,981	(10,964)
(Decrease) / increase in operating liabilities			
Payables		21,418	(22,637)
Income tax payable		(4,606)	(14,477)
Provisions		7,539	(4,582)
Unearned income		2,504	(2,095)
Change in contingent consideration		(4,410)	(17,056)
Customer deposits		5,365	1,771
Security deposit		(1,294)	1,889
Net deferred tax liability		27,177	(32,567)
Net cash from operating activities		140,638	56,084

(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

	2021 \$000	2020 \$000
Trade receivables ^(b)	17,317	13,601
Allowance for expected credit loss ^(a)	(1,684)	(1,874)
	15,633	11,727
Prepayments	11,338	9,957
Other receivables	9,987	14,331
Total trade and other receivables	36,958	36,015
Movements in expected credit losses are:		
At 1 July	(1,874)	(535)
Charges for year	(1,034)	(2,070)
Foreign exchange difference	-	(3)
Amounts written back	1,224	734
At 30 June	(1,684)	(1,874)

(a) Recognition and measurement

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

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

At the reporting date, trade receivables of \$1,684,000 (2020: \$1,874,000) 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
2021 Consolidated	17,317	8,855	4,775	1,726	626	1,335
2020 Consolidated	13,601	6,903	3,045	949	1,248	1,456

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

In particular:

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

C2. Trade and other receivables continued

The ECL provision by entity at 30 June 2021 is outlined in the table below:

Business Unit	Total outstanding \$'000	Total overdue \$'000	ECL provision 2021 \$'000
Motoring and Membership	1,767	1,567	324
Transport and Tourism	15,550	6,895	1,360
Total	17,317	8,462	1,684

Transport and Tourism businesses continued to be heavily impacted by COVID-19 in 2021 due to government-mandated restrictions, including lock-down measures, border closures and travel restrictions.

C3. Discontinued operations

At 30 June 2021, a sale process for the Tucker Box Hotel Group was underway, with an agreement to dispose of the hotel portfolio entered into on 23 July 2021. The Tucker Box Group is an equity accounted investment with 50 percent ownership by the NRMA Group.

The licence to operate the Thrifty brand in New Zealand is expiring on 30 November 2021. As a result, Motoka Rentals Limited has been classified as a discontinued operation.

The results of the Tucker Box Hotel Trust and Motoka Rentals Limited for the year are below:

Notes	2021 \$000	2020 \$000
Revenue from contracts with customers and rental income	13,605	32,454
Expenses	(14,967)	(45,770)
Operating loss before investment, impairment and finance costs adjustments	(1,362)	(13,316)
Investment income	21	28
Share of operating (loss) / profit from equity accounted investments	(1,014)	9,847
Impairment and carrying value adjustments	(8,039)	(3,560)
Finance costs	(1,049)	(1,893)
Share in net fair value movement in equity accounted investments	31,310	(36,996)
Profit / (loss) before tax from discontinued operations	19,867	(45,890)
Income tax (expense) / benefit	(14,415)	15,517
Profit / (loss) for the year from discontinued operations	5,452	(30,373)

C3. Discontinued operations continued

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

	Notes	2021 \$000
Assets		
Cash and cash equivalents	C1	4,921
Trade and other receivables		1,037
Property, plant and equipment		12,732
Right-of-use-assets	C5	78
Equity accounted investments		191,127
Assets held for sale		209,895
Liabilities		
Trade and other payables		2,334
Employee benefits provisions		307
Lease liability	C7	9,666
Customer deposits		1,284
Interest bearing liabilities	D6	27,957
Net liabilities directly associated with assets held for sale		41,548
Net assets directly associated with disposal group		168,347

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

	Notes	2021 \$000	2020 \$000
Operating		20,019	(4,312)
Investing		1,834	26,917
Financing		(36,254)	(212)
Net cash (outflow) / inflow		(14,401)	22,393

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 2021							
At 1 July 2020	133,586	8,962	-	142,020	26,321	40,684	351,573
Additions	5,635	1,402	-	12,185	11,122	541	30,885
Acquisition of businesses	36,747	11,918	-	589	11,052	9,038	69,344
Transfers	960	(553)	(1,143)	1,143	(899)	-	(492)
Transfers – Right-of-use assets	-	-	1,143	-	-	-	1,143
Disposals	(367)	(631)	-	(27,960)	(1,143)	(224)	(30,325)
Assets held for sale	-	-	-	(12,732)	-	-	(12,732)
Depreciation charge for the year	(8,095)	(743)	-	(19,585)	(6,003)	(3,641)	(38,067)
Foreign exchange differences	-	-	-	(56)	-	-	(56)
At 30 June 2021	168,466	20,355	-	95,604	40,450	46,398	371,273
Cost	215,834	24,673	-	159,298	66,998	75,514	542,317
Accumulated depreciation	(47,369)	(4,318)	-	(50,964)	(26,547)	(29,114)	(158,312)
Assets held for sale	-	-	-	(12,732)	-	-	(12,732)
Year ended 30 June 2020							
At 1 July 2019	137,269	21,614	29,414	173,095	31,184	45,420	437,996
Additions	6,162	1,868	-	135,442	4,365	1,014	148,851
Acquisition of businesses	12,230	-	-	-	-	-	12,230
Transfers	(11,958)	(4,544)	-	(937)	5,131	-	(12,308)
Transfers - right of use assets	-	-	(29,414)	26,762	-	-	(2,652)
Disposals	(3,709)	(3,931)	-	(145,692)	(4,026)	(181)	(157,539)
Impairment and carrying value adjustments	(10)	(4,112)	-	(14)	(2,387)	(1,721)	(8,244)
Depreciation charge for the year	(6,398)	(1,933)	-	(45,633)	(7,913)	(3,848)	(65,725)
Foreign exchange differences	-	-	-	(1,003)	(33)	-	(1,036)
At 30 June 2020	133,586	8,962	-	142,020	26,321	40,684	351,573
Cost	173,293	13,545	-	184,016	47,839	67,122	485,815
Accumulated depreciation	(39,707)	(4,583)	-	(41,996)	(21,518)	(26,438)	(134,242)

C4. Property, plant and equipment continued

(a) Recognition and measurement

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

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

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

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

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

C5. Right-of-use assets

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

	Land \$000	Buildings \$000	Equipment \$000	Motor vehicles \$000	Total \$000
Year ended 30 June 2021					
At 1 July 2020	108,232	179,089	6	673	288,000
Additions	4,090	2,794	-	87	6,971
Transfers – Finance lease receivables	-	(1,444)	-	1,143	(301)
Transfers – Property, plant and equipment	-	-	-	(1,143)	(1,143)
Assets held for sale	-	-	-	(78)	(78)
Acquisition of businesses	23,255	1,930	-	-	25,185
Lease modification	-	(654)	-	(2)	(656)
Impairment and carrying value adjustments	-	(8,036)	-	-	(8,036)
Depreciation charge for the year	(6,252)	(25,672)	(6)	(480)	(32,410)
Foreign exchange differences	-	(47)	-	(1)	(48)
At 30 June 2021	129,325	147,960	-	199	277,484
Cost	157,603	196,535	12	592	354,742
Accumulated depreciation	(28,278)	(48,575)	(12)	(393)	(77,258)
Year ended 30 June 2020					
Initial recognition at July 1, 2019	75,710	239,006	300	584	315,600
Transfers – Property, plant and equipment and Intangible assets	31,618	-	-	29,414	61,032
Transfers – Finance lease receivables	-	(8,552)	-	(2,139)	(10,691)
At 1 July 2019	107,328	230,454	300	27,859	365,941
Additions	6,664	11,765	-	2,146	20,575
Transfers – Finance lease receivables	-	-	-	(26,762)	(26,762)
Transfers – Property, plant and equipment	-	-	-	(757)	(757)
Sales of businesses	-	(31,306)	(211)	-	(31,517)
Lease modification	-	(221)	-	-	(221)
Impairment and carrying value adjustments	-	(1,859)	-	-	(1,859)
Depreciation charge for the year	(5,760)	(29,470)	(83)	(1,813)	(37,126)
Foreign exchange differences	-	(274)	-	-	(274)
At 30 June 2020	108,232	179,089	6	673	288,000
Cost	130,259	205,814	12	1,009	337,094
Accumulated depreciation	(22,027)	(26,725)	(6)	(336)	(49,094)

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.

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.

	2021 \$000	2020 \$000
Short-term leases	3,433	4,641
Leases of low value assets	202	376
Variable lease payments	23,155	24,063
Total	26,790	29,080

C6. Intangible assets and goodwill

	Land use rights \$000	Software \$000	Goodwill \$000	Licence agreement \$000	Contracts \$000	Total \$000
Year ended 30 June 2021						
At 1 July 2020, net of accumulated amortisation	-	56,369	79,538	-	72,402	208,309
Additions	-	3,306	14,957	-	6,604	24,867
Acquisitions of businesses	-	69	-	-	-	69
Transfers	-	493	-	-	-	493
Disposals	-	(4,949)	-	-	-	(4,949)
Impairment and carrying value adjustments	-	-	(16,095)	-	-	(16,095)
Amortisation expense	-	(13,872)	-	-	(6,338)	(20,210)
Foreign exchange differences	-	-	-	-	-	-
At 30 June 2021	-	41,416	78,400	-	72,668	192,484
Gross carrying amount	-	143,302	115,189	-	95,228	353,719
Accumulated amortisation	-	(101,886)	(36,789)	-	(22,560)	(161,235)
Year ended 30 June 2020						
At 1 July 2020, net of accumulated amortisation	31,618	77,412	92,333	7,035	73,990	282,388
Additions	-	5,716	7,899	-	7,134	20,749
Transfers	(31,618)*	350	-	-	-	(31,268)
Disposals	-	(2,677)	-	-	-	(2,677)
Impairment and carrying value adjustments	-	(7,843)	(20,694)	(6,516)	(635)	(35,688)
Amortisation expense	-	(16,589)	-	(519)	(8,088)	(25,196)
Foreign exchange differences	-	-	-	-	1	1
At 30 June 2020	-	56,369	79,538	-	72,402	208,309
Gross carrying amount	-	143,908	100,232	-	89,233	333,373
Accumulated amortisation	-	(87,539)	(20,694)	-	(16,831)	(125,064)

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

C6. Intangible assets and goodwill continued

(a) Recognition and measurement

(i) Goodwill

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

(ii) Research and development

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

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

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

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

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

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

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

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

Recognise as an operating expense over the term of the service contract	• 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	Equipment \$000	Motor vehicles \$000	Total \$000
Year ended 30 June 2021					
At 1 July 2020	80,267	191,066	5	3,062	274,400
Additions	3,610	2,736	-	87	6,433
Liabilities held for sale	-	(9,666)	-	-	(9,666)
Acquisition of businesses	21,671	1,862	-	-	23,533
Repayments	(7,492)	(31,774)	(5)	(912)	(40,183)
Payout	-	(63)	-	(1,167)	(1,230)
Lease modification	-	(745)	-	(2)	(747)
Interest	3,166	5,497	-	45	8,708
Foreign exchange differences	-	(48)	-	(1)	(49)
At 30 June 2021	101,222	158,865	-	1,112	261,199
Current	4,564	18,525	-	848	23,937
Non - Current	96,658	140,340	-	264	237,262
Less than one year	7,807	25,394	-	866	34,067
One to five year	25,347	73,735	-	267	99,349
More than five years	131,529	99,302	-	-	230,831
Total undiscounted lease liabilities	164,683	198,431	-	1,133	364,247
Year ended 30 June 2020					
Initial recognition at 1 July 2019	75,562	239,216	300	584	315,662
Transfers and reclassifications	-	-	-	29,572	29,572
At 1 July 2019	75,562	239,216	300	30,156	345,234
Additions	6,664	11,373	-	2,144	20,181
Sale of business	-	(31,939)	(212)	-	(31,151)
Repayment	(4,627)	(33,683)	(86)	(2,391)	(40,787)
Payout	-	-	-	(27,345)	(27,345)
Lease modification	-	(222)	-	-	(222)
Interest	2,668	6,671	3	498	9,840
Foreign exchange differences	-	(350)	-	-	(350)
At 30 June 2020	80,267	191,066	5	3,062	274,400
Current	3,085	25,122	5	1,498	29,710
Non - Current	77,182	165,944	-	1,564	244,690
Less than one year	5,653	30,949	6	1,597	38,205
One to five year	21,685	78,686	-	1,611	101,982
More than five years	93,433	118,362	-	-	211,795
Total undiscounted lease liabilities	120,771	227,997	6	3,208	351,982

Rent concessions arising from COVID-19

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

- the revised consideration was substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

C7. Lease liabilities continued

As a result, concessions of \$8.3 million for continued operations (2020: \$1.9 million) and \$1.1 million for discontinued operations (2020: \$1.0 million) were recognised in the profit or loss account as a credit against lease expense and not accounted for as lease modifications.

(a) Recognition and measurement

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

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

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

The assumptions were 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 airport locations.

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	2021 \$000	2020 \$000
Within one year	2,313	3,559
One to five years	3,234	3,962
More than five years	20	1,917
Total undiscounted lease payment receivables	5,567	9,438
Unearned finance income	(173)	(778)
Net investment in the lease	5,394	8,660
Current	2,218	3,331
Non-current	3,176	5,329
Total finance lease receivables	5,394	8,660

The Group has a number of sub-lease agreements in place with vehicle rental franchisees for property rentals and vehicles. As the lessor, this sub-lease arrangement has 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 whilst vehicles are under finance head leases. The assets are sub-let to franchisees on back-to-back agreements, passing on the same terms and conditions in the lease agreement with the lessor to the franchisee.

(a) Recognition and measurement

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

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

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

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

C9. Impairment and carrying value adjustment of assets

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

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

Equity accounted investments are reviewed annually for indicators of impairment (or more frequently if events or changes in circumstances indicate that they might be impaired).

The recoverable amount of the asset is determined as the higher of the fair value less costs of disposal and the value in use.

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

Impairment loss and carrying value adjustments	2021 \$000	2020 \$000
Year ended 30 June 2021		
Unrealised fair value changes recognised in profit or loss - note D7	(4,410)	(17,056)
Goodwill	16,095	20,694
Licence	-	6,516
Software	-	7,843
Contracts	-	635
Land & buildings	-	10
Leasehold improvements	-	4,112
Plant and equipment	3	2,387
Motor vehicles	-	14
Vessels	-	1,721
Right-of-use assets	8,036	1,859
Equity accounted investments	-	4,255
Discontinued operations	(8,039)	(3,560)
Total impairment and carrying value adjustments	11,685	29,430

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 2021, the Group used the "value in use method" (2020: "value in use method") to determine the recoverable amount. A valuation methodology based on a discounted cashflow (DCF) analysis was completed, using inputs including estimated maintainable operating profit applying mutual tax rates and an appropriate discount rate and growth rate.

C9. Impairment and carrying value adjustment of assets continued

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

Description	Carrying value of Goodwill at 30 June 2021 \$000	Unobservable inputs	Range of inputs 2021	Relationship of unobservable inputs to fair value
Parks and Resorts CGU	71,046	WACC discount rate	7.6%	The higher the WACC rate, the lower the value in use
		Growth rate	2.5%	The higher the growth rate, the higher the value in use
Marine CGU's (Manly Fast Ferry and Fantasea)	-	WACC discount rate	9.5%	The higher the WACC rate, the lower the value in use
		Growth rate	2.0% - 3.0%	The higher the growth rate, the higher the value in use
		Contract renewal	20% - 70%	The higher the contract renewal percentage, the higher the value in use
Thrifty New Zealand CGU	-	WACC discount rate	8.4%	The higher the WACC rate, the lower 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 2021.

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

Impact of possible changes in key assumptions

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

- an increase of WACC discount rate and/or decrease in growth rate of 1%; and
- a change in the assumption on likely renewal of Marine contracts.

COVID-19, together with the Group's immediate response and the strategy within the recovery plan for the Transport and Tourism segment have influenced certain accounting judgements and estimates impacting the Consolidated Financial Statements for the year ended 30 June 2021. Given the significance of the impact of COVID-19 on some of the Transport and Tourism businesses, the judgements and estimates informed by the recovery plan are in some circumstances materially different from judgements made in previous financial years. There are uncertainties about future economic and market conditions which will impact the assumptions in the recovery plan.

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 accommodation are recognised as revenue as the customer utilises the service. Revenue received in respect of services yet to be provided is recognised as unearned income.



Financial instruments

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

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

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

D1. Financial risk management objectives and policies

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

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

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

The Parent is not exposed to any significant financial risk.

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

Market risk

(i) Interest rate risk

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

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

(ii) Foreign exchange risk

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

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

(iii) Price risk

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

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

DI. 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	2021 \$000	2020 \$000
Current assets		
Cash deposits	54,879	133,798
Total current assets	54,879	133,798
Non current assets		
Australian shares	97,171	97,962
International shares	101,551	72,591
Fixed interest securities	177,716	173,880
Diversified unit trust	81,868	73,902
Other financial assets	4,362	5,000
Financial assets at fair value through other comprehensive income	72,800	60,797
Total non-current assets	535,468	484,132

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

	Carrying amount \$000	Price risk			
		-10%		+10%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
2021					
Financial assets	590,347	(28,059)	(7,280)	28,059	7,280
Total increase/ (decrease)		(28,059)	(7,280)	28,059	7,280
2020					
Financial assets	617,930	(24,445)	(6,080)	24,445	6,080
Total increase/ (decrease)		(24,445)	(6,080)	24,445	6,080

DI. Financial risk management objectives and policies continued

(a) Credit risk

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

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

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

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

(b) Liquidity risk

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

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

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

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

	Less than 1 month \$000	Between 1 and 3 months \$000	Between 3 and 12 months \$000	Between 1 and 5 years \$000	Total \$000
2021					
Trade payables	19,966	4,693	156	838	25,653
Interest bearing liabilities	-	-	-	127,241	127,241
Customer deposits ⁽¹⁾	5,722	9,531	6,436	1,832	23,521
2020					
Trade payables	11,700	2,420	364	501	14,985
Interest bearing liabilities	-	-	-	254,355	254,355
Customer deposits ⁽¹⁾	5,369	7,569	5,068	1,883	19,889

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

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

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

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

D2. Fair value estimation

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

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

Level 1

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

Level 2

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

Level 3

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

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

	Quoted market price (Level 1) \$000	Valuation technique – market observable inputs (Level 2) \$000	Valuation technique – non market observable inputs (Level 3) \$000	Total \$000
2021				
Financial assets at fair value through profit or loss				
Listed investments	380,800	-	-	380,800
Unlisted investments	-	81,868	-	81,868
Financial assets at fair value through other comprehensive income				
Listed investments	60,150	-	-	60,150
Unlisted investments	-	12,650	-	12,650
Investment property	-	-	39,200	39,200
Total	440,950	94,518	39,200	574,668
2020				
Financial assets at fair value through profit or loss				
Listed investments	349,433	-	-	349,433
Unlisted investments	-	73,902	-	73,902
Financial assets at fair value through other comprehensive income				
Listed investments	57,608	-	-	57,608
Unlisted investments	-	3,189	-	3,189
Investment property	-	-	39,200	39,200
Total	407,041	77,091	39,200	523,332

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 2021 \$000	30 June 2020 \$000		2021	2020	
Wynyard	18,000	18,000	Discount rate	5.0%	5.0%	The higher the discount rate and terminal yield, the lower the fair value.
			Terminal yield	5.2%	5.2%	
			Capitalisation rate	4.7%	4.7%	The higher the capitalisation rate and expected vacancy rate, the lower the value.
			Expected vacancy rate	5.0%	5.0%	
Vehicle servicing properties	21,200	21,200	Terminal yield	1.3% to 6.0%	1.3% to 6.0%	The higher the terminal yield, the lower the fair value.
			Capitalisation rate	6.0% to 6.5%	6.0% to 6.5%	The higher the capitalisation rate and expected vacancy rate, the lower the value.
			Expected vacancy rate	-	-	

D3. Financial assets at fair value through profit or loss

Current	2021 \$000	2020 \$000
Cash deposits	54,879	133,797
Other investment receivables	4,787	6,865
Other financial assets	5,000	-
Total current assets	64,666	140,662
Non-current	2021 \$000	2020 \$000
Investments designated at fair value through the profit or loss:		
Australian shares	97,171	97,962
International shares	101,551	72,591
Fixed interest securities fund	177,716	173,880
Other financial assets	4,362	5,000
Diversified unit trust	81,868	73,902
Total	462,668	423,335

(a) Recognition and measurement

The Group classifies its financial assets in the following categories:

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

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

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

Assets carried at amortised cost

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

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

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

D4. Financial assets at fair value through other comprehensive income

	2021 \$000	2020 \$000
Listed investments	60,150	57,608
Unlisted investments	12,650	3,189
At 30 June	72,800	60,797

(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

	2021 \$000	2020 \$000
At 1 July	39,200	18,000
Transfer	-	11,958
Disposal through sale	-	-
Change in net fair value through other comprehensive income	-	9,242
Change in net fair value through profit and loss	-	-
At 30 June	39,200	39,200

(a) Recognition and measurement

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

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

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

	2021 \$000	2020 \$000
Amounts recognised in the statement of profit or loss		
Rental income derived from investment properties	1,156	400
Direct operating expenses generating rental income	(803)	(216)
Net profit arising from investment properties carried at fair value	353	184

D6. Interest bearing liabilities

	2021 \$000	2020 \$000
Non-current liabilities		
Bank loan	127,241	254,094
Bank loan – discontinued operations	27,957	-
Obligations under finance leases	-	-
At 30 June	155,198	254,094

(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

In 2018 the Group established a \$250m dual-currency revolving cash advance facility. This facility refinanced existing debt facilities in Australia and New Zealand and provides capacity for future growth. Under the new facility all wholly owned subsidiaries have provided customary negative pledge undertakings and are subject to financial undertakings. Kingmill Pty Ltd and Motoka Rentals Limited (New Zealand) have retained their existing finance lease facilities.

In 2019 the facility limits were reviewed with some minor changes to limits held across the banks within the banking group. The facility balance was \$250m (2020: A\$270m).

(c) Financial commitments

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

	Total facilities		Used facilities		Unused facilities	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Corporate debt facility	250,000	270,000	155,120	254,354	94,880	15,646
Leasing facility	50,703	59,355	832	2,351	49,871	57,004
Corporate card facility	2,000	2,000	437	171	1,563	1,829
Bank guarantees	29,376	27,438	18,605	19,412	10,771	8,026
At 30 June	332,079	358,793	174,994	276,288	157,085	82,505

D7. Contingent consideration

	2021 \$000	2020 \$000
Non-current liabilities		
At 1 July	24,100	37,285
Unwind of discount in interest expense	2,410	3,871
Unrealised fair value changes recognised in profit or loss	(4,410)	(17,056)
At 30 June	22,100	24,100

(a) Recognition and measurement

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

The Group has revalued the probability to pay the selling shareholders \$22.1million (2020: \$24.1 million) in consideration, after incorporating adjustments that impact the probability of meeting financial and other targets. The Group engaged experts to value the components of the contingent consideration using assumptions on probability of achieving targets.

The balance at 30 June 2021 has been adjusted to reflect the significant impact that the COVID-19 pandemic has had on the Transport and Tourism segment. Government imposed travel restrictions and border closures have driven tourist numbers down while strict social distancing requirements, as well as work from home arrangements, have resulted in a significant reduction in transport commuters.

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



Employee benefits

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

- E1. Employee benefits
- E2. Key management personnel compensation and related party transactions

E1. Employee benefits

	2021 \$000	2020 \$000
Current	31,900	24,294
Non-current	6,292	5,659
Total	38,192	29,953

(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.

	2021 \$000	2020 \$000
Defined contribution superannuation	14,172	16,429
Employee benefits	196,214	228,060
Total	210,386	244,489

Job Keeper payments

The Australian Government introduced the Job Keeper program on 30 March 2020 to keep more Australians in jobs and support businesses significantly impacted by COVID-19. The program continued until 31 March 2021. The payment is a wage subsidy paid by the Government to allow businesses to continue paying current and stood-down employees. The Transport and Tourism businesses within the NRMA Group were eligible for Job Keeper subsidies due to the significant impact on revenue resulting from government imposed restrictions on movements to contain COVID-19. Payments under the program were received in respect of the period from 1 July 2020 to 31 March 2021. The NRMA Group collected \$12.4 million (2020: \$6.2 million) under this program for an average of 522 eligible employees (2020: 694 eligible employees). Of that, \$3.0 million (2020: \$2.1 million) was received for stood down employees, and the balance of \$9.4 million (2020: \$4.2 million) was received in respect of other employees.

(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

	2021 \$	2020 \$
Short term employee benefits	5,469,082	4,646,042
Post-employment benefits	242,334	237,846
Other long term benefits	994,046	497,025
Total	6,705,462	5,380,913

The table to the left 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 2021, performance was assessed against LTI targets, and 100% of the LTI was deemed payable, with payment due in September 2023. Payment in respect of 2019 was paid in September 2021.

(a) Transactions with related parties

The wholly-owned Group consists of National Roads and Motorists' Association Limited and its wholly-owned Controlled Entities. Ownership interests in these Controlled Entities are set out in F3.

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

A number of key management personnel hold positions in or have a direct or indirect financial interest in other companies that are considered related party companies.

A number of these related-party companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

(b) Key management personnel transactions

The Group used the below services from companies with which a director has a financial interest. The contract terms are based on market rates for these types of services, and amounts are payable on agreed payment terms. No balances are outstanding as at 30 June 2021 (2020: nil).

Name of the company	Nature of relationship	Type of services	2021 \$	2020 \$
Communications for Commerce Pty Ltd	Shareholder and Director	Leadership development and coaching	-	18,000

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.

(c) Associate related entities

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



Group structure

This section explains significant aspects of The NRMA Group's 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

F2. Acquisition of businesses

F3. Controlled entities

F4. Parent entity information

F1. Equity accounted investments

	2021 \$000	2020 \$000
Carrying amount of investments		
Investments in associates	62,000	35,617
Investments in joint ventures	12,461	172,112
Total carrying amount of investments	74,461	207,729
Net profit accounted for using the equity method		
Share of operating profit from investments in associates	5,799	6,490
Share of operating profit from investments in joint ventures	958	516
Total share of operating profit from equity accounted investments	6,757	7,006
Interest in associates at the end of the financial year		
Carrying amount of investment in associates at the start of the year	35,617	33,382
Purchases	30,638	-
Impairment and carrying value adjustments	(1,616)	(4,255)
Distributions received from associates	(8,438)	-
Share of associates' net profits	5,799	6,490
Carrying amount of investments in associates at end of the year	62,000	35,617

FI. Equity accounted investments continued

	2021 \$000	2020 \$000
Interest in joint ventures at the end of the financial year		
Share of revenue from ordinary activities	1,244	15,352
Share of unrealised gain / (loss) for interest rate swaps	523	(522)
Share of unrealised loss on revaluation of non-current assets	-	(35,931)
Share of expenses from ordinary activities	(286)	(4,489)
Share of profit / (loss) from ordinary activities before income tax expense	1,481	(25,590)
Share of income tax (expense) / benefit related to ordinary activities	-	22
Share of joint ventures' net profit / (loss) accounted for using the equity method	1,481	(25,568)
Summary financial position of joint ventures		
The Group's share of aggregate assets and liabilities of the joint venture is as follows:		
Current assets	833	1,791
Non-current assets	20,610	280,824
Total assets	21,442	282,615
Current liabilities	48	98,957
Non-current liabilities	8,934	11,546
Total liabilities	8,982	110,503
Net assets	12,461	172,112
Accumulated profits of the Group attributable to the joint ventures		
Balance at the beginning of the year	4,649	125,936
Share of joint ventures' net profits / (losses)	1,481	(25,568)
Distributions received from joint ventures	(400)	(8,359)
Balance at the end of the year	5,730	92,009
Movement in carrying amount of investments		
Carrying amount of investments in joint ventures at the beginning of the year	172,112	206,094
Discontinued operations	(160,830)	-
Joint ventures' reserve movements	98	(55)
Distributions received from joint ventures	(400)	(8,359)
Shares of joint ventures' net profits / (losses)	1,481	(25,568)
Carrying amount of investments in joint ventures at end of the year	12,461	172,112

FI. Equity accounted investments continued

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

Name of arrangement	Principal activity	Country of operation	Ownership interest	
			2021 %	2020 %
Associates				
Australian Motoring Services Pty Ltd	Motoring and travel assistance services	Australia	35	35
Barralong Leisure Holdings Pty Ltd	Tourism and Leisure	Australia	46.08	-
Club Assets Pty Ltd ⁽ⁱ⁾	Motoring assistance services	Australia	50	50
Divvy Parking Pty Ltd	Parking enablement	Australia	-	21.88
⁽ⁱ⁾ Club Assets Pty Ltd owns a 75% interest in Club Assist Corporation Pty Ltd.				
Joint ventures				
KJ Hotel Trust	Accommodation	Australia	50	50
Tucker Box Hotel Trust	Accommodation	Australia	50	50

(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.

Going concern considerations for Tucker Box Hotel Trust Group

The COVID-19 pandemic has severely impacted the hotel occupancy of the Tucker Box Hotel Group (TBHG) joint venture hotels. Accordingly, the profit and cash flows of the joint venture have decreased substantially.

In order to provide security of going concern, the unitholders of the joint venture have provided TBHG with a Letter of Support of up to \$2.5m each for a period extending to 31 December 2022.

F2. Acquisition of businesses

During the financial year the NRMA Group acquired 100% of the interest in three holiday parks, and Tasmanian tourism assets set out in the table below:

Business	Principal activity	Acquisition date
Big 4 Mildura Golden River Holiday Park ("Mildura")	Operating as a tourist park	6 October 2020
Phillip Island Holiday Park ("Phillip Island")		1 December 2020
Big 4 Ballarat Goldfields Holiday Park ("Ballarat")		18 June 2021
Freycinet Lodge, Cradle Mountain Hotel, Strahan Village and Gordon River Cruises	Tourism and leisure	30 April 2021

(i) Consideration transferred

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

Consideration transferred	\$000
Cash paid	80,614
Cash payable	50
Total consideration paid and payable	80,664

(ii) Acquisition related costs

The Group incurred acquisition related costs of \$1.25m on legal fees and due diligence costs. These costs have been included in 'administrative expenses'.

(iii) Identifiable assets acquired and liabilities assumed

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

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

	\$000
Property, plant and equipment	69,343
Cash	137
Inventory	627
Trade and other receivables	484
Right-of-use assets	25,186
Intangibles	69
Contractual rights	5,908
Trade and other payables	(2,559)
Customer deposits	(1,372)
Lease liabilities	(23,533)
Deferred tax liabilities	(8,995)
Total identifiable assets acquired	65,295

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 acquired	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.
Intangible assets	Multi-period excess earnings method: considers the present value of net cash flows expected to be generated by the contracts, excluding any cash flows related to contributory assets.
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		80,664
Fair value of identifiable net assets acquired		(65,295)
Goodwill arising from acquisition		15,369
Provisional accounting change ^(a)		(412)
Total goodwill arising from acquisition	C6	14,957

^(a) Represents the change to provisional accounting on the valuation of previously acquired Holiday Parks in 2020

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 Groups 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		80,614
Less: cash balances acquired	F2 (iii)	(137)
		80,477
Acquisition related costs	C1	1,249
Outflow of cash from investing activities		81,726

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

In the year ended 30 June 2021, the businesses acquired contributed revenue of \$7.7 million and an operating loss of \$0.4 million to the Group's results, since acquisition. If the acquisitions had occurred at 1 July 2020, management estimates that the Group's full year contributed revenue would have been \$14.0 million.

(a) Recognition and measurement

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

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

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.

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	
		2021 %	2020 %
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
Motoka Rentals Limited	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 ¹	Australia	100	100
NRMA Expeditions Pty Limited ²	Australia	100	100
NRMA Tasmania Pty Ltd	Australia	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 Treasury Limited	Australia	100	100
NRMA Limited	Australia	100	100
NRMA Driver Training Pty Ltd ³	Australia	100	100
NRMA Open Road Pty Limited	Australia	100	100
NRMA Enterprise Pty Ltd	Australia	100	100
NRMA Motoring Limited	Australia	100	100
National Roads & Motorists' Assoc. (N.S.W.) Limited	Australia	100	100
NRMA Holdings Limited	Australia	100	100
NRMA Consolidated Limited	Australia	100	100
NRMA Mutual Group Limited	Australia	100	100
NRET Pty Ltd	Australia	100	100
NRET Holding Pty Ltd (ATF NRET Real Estate Trust)	Australia	100	100
MB RET Pty Ltd (ATF MB Real Estate Trust)	Australia	100	100
NRMA Technology Pty Limited	Australia	100	100

¹ Company name changed from NRMA Hotels Management Pty Limited to NRMA Expeditions Holdings Pty Limited on 9 March 2021.

² Company name changed from NRMA Hotels Pty Limited to NRMA Expeditions Pty Limited on 9 December 2020.

³ Company name changes from NRMA Safer Driving Schools Pty Limited to NRMA Driver Training Pty Ltd on 6 January 2021.

All Australian subsidiaries are members of the tax consolidated Group at 30 June 2021.

F4. Parent entity information

Information relating to National Roads and Motorists' Association Limited:	Parent	
	2021 \$000	2020 \$000
Current assets	72,151	50,521
Non-current assets	531,988	552,882
Total assets	604,139	603,403
Current liabilities	95,434	98,714
Non-current liabilities	30,724	35,738
Total liabilities	126,158	134,452
Net assets	477,981	468,951
Retained earnings	477,981	468,951
Total shareholders' equity	477,981	468,951
Profit / (loss) of the parent entity	9,029	(10,510)
Total comprehensive loss of the parent entity	9,029	(10,510)

The Parent entity has a deficiency of net working capital of \$23.3 million at 30 June 2021 (2020: net working capital deficiency of \$48.1 million). This represents the movement in intercompany loans drawn by the parent entity. The intercompany loans are payable to controlled subsidiary entities where the parent entity can control the timing of repayment. Payment will not be made on these loans in preference to meeting obligations to external suppliers.

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

There are no contingent liabilities of the Parent entity.

There are no contractual commitments for the Parent entity in relation to the acquisition of property, plant or equipment.



Other

This section provides detail on other required disclosures relating to the Group to comply with the accounting standards and other pronouncements.

- G1.** Impact of new accounting standards
- G2.** Commitments
- G3.** Deed of cross guarantee
- G4.** Auditor's remuneration
- G5.** Subsequent events

G1. Impact of new accounting standards

Standard and application date	Summary	Future impact on the Group
AASB 17 Insurance contracts Application date of standard: 1 Jul 2023. Application date for Group: 1 Jul 2023.	<p>The revised Standard introduces changes to the accounting for Insurance contracts, the most significant changes of which are:</p> <p>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.</p> <p>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).</p>	<p>The Group continues to assess the impact of the new rules on its financial report, in particular when developing new products or services.</p> <p>The Group will make a more detailed assessment of the impact over the next 12 months.</p> <p>The Group does not expect to adopt the new standard before 1 July 2023.</p>

G2. Commitments

At the reporting date the Group's estimated expenditure for contracted, but not provided for or payable, capital commitments was \$24.9 million (2020: \$10.1 million)

G3. Deed of cross guarantee

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

	Closed Group	
	2021 \$000	2020 \$000
Consolidated statement of profit or loss		
Profit from operations before income tax	81,948	68,243
Income tax expense	(21,711)	(25,375)
Profit after income tax	60,237	42,868
Actuarial loss	(692)	(5,942)
Retained earnings at the beginning of the year	1,109,662	1,072,736
Retained earnings at the end of the year	1,169,207	1,109,662
Consolidated statement of financial position		
Cash and cash equivalents	105,820	101,941
Trade and other receivables	36,958	34,927
Inventories	3,434	2,664
Finance lease receivable	2,218	3,331
Financial assets at fair value through profit or loss	54,879	133,798
Other financial assets	9,787	6,865
Non-current assets classified as held for sale	191,127	1,256
Total current assets	404,223	284,782
Finance lease receivable	3,176	5,329
Financial assets at fair value through profit or loss	462,668	423,335
Financial assets at fair value through other comprehensive income	72,800	60,797
Property, plant and equipment	371,270	334,375
Right-of-use assets	277,484	275,538
Investment property	39,200	39,200
Equity accounted investments	74,461	207,729
Pension asset	2,575	3,544
Intangible assets and goodwill	192,484	208,309
Non-current assets	1,496,118	1,558,156
Total assets	1,900,341	1,842,938
Trade and other payables	99,255	73,601
Employee benefit provisions	31,900	23,902
Lease liability	23,937	25,250
Income tax payable	(7,063)	872
Unearned income	116,052	113,938
Customer deposits	19,077	14,027
Interest bearing liabilities	-	-
Current liabilities	283,158	251,590
Employee benefit provisions	6,292	5,659
Provision for make good obligations	2,920	2,888
Lease liability	237,262	234,808
Deferred tax liabilities	104,594	72,967
Unearned income	9,355	9,758
Customer deposits	4,444	5,738
Interest bearing liabilities	127,241	193,308
Contingent consideration	22,100	24,100
Non-current liabilities	514,208	549,226
Total liabilities	797,366	800,816
Net assets	1,102,975	1,042,122
Reserves	(883)	(1,500)
Retained earnings	1,043,621	1,086,490
Current year profit/(loss)	60,237	(42,868)
Total equity	1,102,975	1,042,122

G3. Deed of cross guarantee continued

The Closed Group financial statements include the financial statements of National Roads and Motorists' Association Limited and all subsidiaries listed in note F3 with the exception of Motoka Rentals Limited.

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:

	2021 \$	2020 \$
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	510,000	470,000
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	-	63,000
Fees for other services	-	7,460
- Assessment of eligibility, preparation and lodgement of Temporary Skill Shortage Visa	-	-
- Assessment of safety metrics	-	11,100
- Export market development grant	5,313	-
Total fees to Ernst & Young (Australia)	515,313	551,560
Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	40,000	30,000
Fees for assurance services that are required by legislation to be provided by the auditor	-	-
Fees for other assurance and agreed-upon-procedures services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	-
Fees for other services	-	7,071
- Tax compliance	-	-
Total fees to overseas member firms of Ernst & Young (Australia)	40,000	37,071
Total auditor's remuneration	555,313	588,631

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

Acquisitions

NRMA Parks and Resorts executed an offer to enter into a Business Sale Agreement for Seabreeze Tourist Park (Airlie Beach), a freehold property that settled in September 2021. The Group also executed an offer to enter a Lease Agreement for Agnes Water Beach, a leasehold property with a lease tenure of between 18 and 35 years. Settlement is anticipated in late October 2021.

Tucker Box Hotel Group

On 23 July 2021, the Tucker Box Hotel Group entered into an agreement to dispose of its hotel portfolio for \$620 million (before transactions costs and adjustments). The Tucker Box Group is a joint venture which is 50 percent owned by the NRMA Group.

Directors' declaration

In accordance with a resolution of the Directors of National Roads and Motorists' Association Limited, we state that:

1. In the opinion of the Directors:

a) the financial statements, notes and the additional disclosures in the Director's 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 2021 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 2021.

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
Chair and Director



Fiona Simson
Deputy Chair and Director

14 October 2021



Building a better
working world

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Independent Auditor's Report to the Members of National Roads & Motorists' Association Limited

Report on the Audit of the Financial Report

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 2021, 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:

- giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Trent van Veen
Partner
Sydney
14 October 2021

Help when it matters most

From the beginning, helping those in need and giving back to our communities has been a central part of what makes us who we are. At the NRMA, we believe communities thrive when we all keep moving, and ever since we first partnered with Frontier Services Outback Links program in 2014, we've shown up for farmers and property owners looking for a helping hand. This year was no different. With so much of NSW devastated by the bushfires in 2019 – 2020, there were a number of regional communities in need.

In April 2021, a group of volunteers, made up of four corporate staff members and six roadside assistance Patrols left Sydney for Bombala in the Snowy Monaro region where 500,000 hectares of land had been burnt.

They split up between farms in the area to undertake both skilled and unskilled work, seeing firsthand how properties, livestock and homes were affected.

“With so much of NSW devastated by the bushfires in 2019 – 2020, there were a number of regional communities in need.”

Just one month later in May 2021, a second crew of twelve volunteers headed to Bumbalong, north of Cooma to assist the region's struggling farmers. This region not only dealt with significant impacts from the bushfires but they were also battling drought and flooding in recent years.

And while helping fix vehicles and farming machinery, putting up kilometres of fencing and installing windows is a big part of what our team was there to do, it wasn't the only thing. Perhaps most importantly, they were there to lift the morale of the property owners, share a cuppa and conversation with them, and let them know that they weren't alone or forgotten about. After experiencing bushfires, the land and trees rebirth stronger and healthier than before, and we're confident these resilient communities will too.



