



Annual Report

2017

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Section I

Overview and highlights

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Inside the Annual Report

The report is divided into sections that provide an overview of our business model, strategic priorities, risks, opportunities, performance, future outlook, governance, and detailed financial information. Throughout the report we've included references for where our readers can find further information on our corporate website.

1. Overview and highlights

The report begins with an overview of the NRMA and our Group Chief Executive Officer and Chairman share the year's performance and their outlook for the future.

2. Value creation

We communicate who we are, how and why we do business, our corporate values and how we create shared value for our Members, our business and the community.

3. Strategy, risks and opportunities

A view of our four strategic directions – My car, My journey, My destination and My Membership – our strategic priorities and key business risks. We share how we are responding to implement our strategy.

4. Performance and outlook

A more in-depth view of how we are performing and our outlook, our strategic directions – My car, My journey, My destination and My Membership. For reporting purposes, Sustainability and Culture is a section to demonstrate how we are creating value for the people in our business, our communities and environment.

5. Governance

A view of the focus and role of the Board and our governance approach and committees. The Board's key achievements, composition and remuneration is shared. The Directors' Report discloses all remaining required information, not previously included, and provides references for where further information can be found.

6. Financial Statements

A summary of our financial position and cash flow information, including the Director's declaration and independent auditor's report.

7. Appendix

GRI Reporting

About this report

This is the first more integrated Annual Report for the NRMA, combining our Annual Financial Report with our Sustainability Report and Members' Review.

Through this report, we aim to communicate how the NRMA creates value for our Members, our business and our community.

This Annual Report covers National Roads and Motorists' Association Limited (the NRMA) performance in Australia and New Zealand for the year ended 30 June 2017.

Our reporting approach

Our report is informed by the principles of the International Integrated Reporting (<IR>) Framework, which allows us to tell our Members and other stakeholders how we create value for them.

This report has also been prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines: Core option. Our GRI content index and Disclosures of Management Approach (DMAs) can be found in the Appendix.

Integrated reporting recognises six capitals (human, financial, manufactured, intellectual, social and relationship, and natural capital) that businesses use and transform, demonstrating that a business needs more than just financial capital to create long-term value. **Through this report, we address the six capitals through our value drivers, where applicable to show how we use them to create value for Members and our business.**



Our people and culture:

Our great people, culture and diversity



Financial capital:

The funds and assets available to the NRMA



Relationships:

Our partnerships & networks



Environment and resources:

The natural environment in areas we operate and our use of resources.



Knowledge and trust:

Our commitment to putting our Members and customers first, our specialist knowledge and independent voice



Physical assets:

Our physical assets including buildings, vehicles and equipment we use to deliver great products and services

Sustainability Development Goals

In September 2015, the United Nations outlined a range of Sustainable Development Goals (SDGs) in an effort to mobilise countries and businesses to help end poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The NRMA strongly aligns with the Sustainable Development Goals (SDGs) that relate to motoring and mobility. We've mapped the relevant SDGs to our material issues, our activities, the value created by the NRMA and in our GRI content index (Appendix).



Halve the number of global deaths and injuries from road traffic accidents
Reduce deaths and illness from pollution



Insure inclusive and quality education for all and promote lifelong learning



Achieve gender equality and empower all women and girls



Double the global rate of improvement in energy efficiency



Promote inclusive and sustainable economic growth, employment and decent work for all



Develop sustainable and resilient infrastructure with affordable access for all



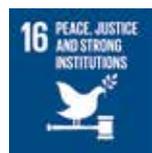
Provide access to safe, affordable, accessible, and sustainable transport systems for all



Develop sustainable tourism that creates jobs and promotes local culture and products
Rationalise inefficient fossil-fuel subsidies that encourage wasteful consumption



Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters



Promote just, peaceful and inclusive societies

At a glance

About the NRMA

The NRMA is one of Australia's largest Member-owned organisations with more than 2.6 million Members in NSW and the ACT. With 97 years of expertise in motoring and travel we're always here to keep people moving.

Principal activities



Motor vehicle servicing and repairs



Accommodation and travel services



2.6m Members



Car and commercial vehicle rental services



Driver training



Roadside assistance services



Member advocacy



Investments



A range of community education programs

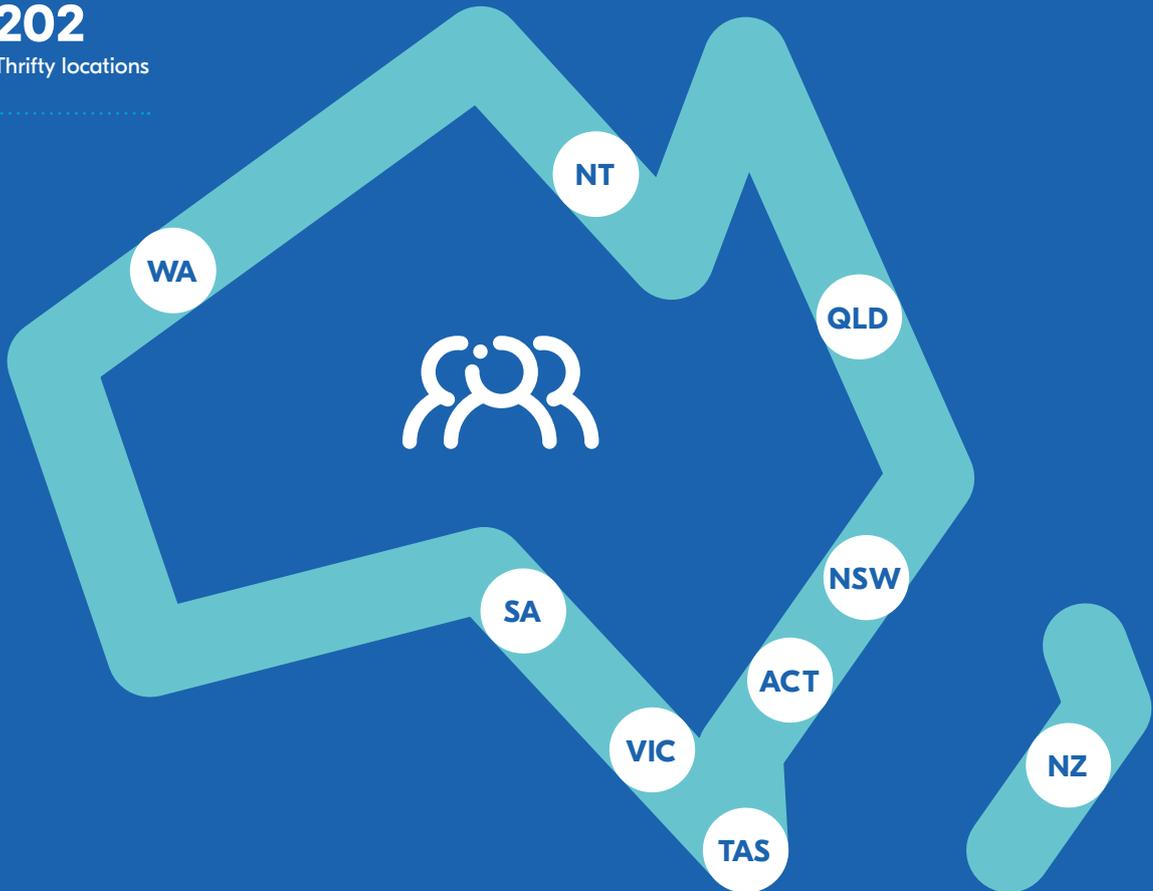
We will keep you moving no matter where you are

1,939 Employees
39 Holiday parks[^]
22 Driver training schools

22 Car servicing centres
202 Thrifty locations

18,500 Car rental vehicles

13 Hotels



New South Wales
61 Thrifty car rentals
15 Holiday parks
8 Travelodge Hotels
20 Car servicing centres*
21 Driver training centres
1 Publishing

Australian Capital Territory
4 Thrifty car rentals
2 Car servicing centres
1 Hotel Kurrajong
1 Driver training centre

Victoria
23 Thrifty car rentals
8 Holiday parks
1 Travelodge hotel

South Australia
8 Thrifty car rentals
2 Holiday parks

Western Australia
21 Thrifty car rentals
5 Holiday parks
1 Travelodge hotel

Northern Territory
13 Thrifty car rentals

Queensland
38 Thrifty car rentals
7 Holiday parks
2 Travelodge hotels

Tasmania
4 Thrifty car rentals
1 Holiday park

New Zealand
30 Thrifty car rentals

*NRMA Gladesville opened on 3 July 2017, while NRMA Wetherill Park closed in May 2017. [^]NRMA Holiday Parks owned or managed from July 2017.

Highlights

Business

\$38.3m

Operating profit
(37% increase FY16: \$28.0m)

\$111.0m

Profit before income tax
(215% increase FY16: \$35.0m)

\$99.3m

Operating cash flow
(17% increase FY16: \$84.7m)

\$983.8m

Net assets
(11% increase FY16: \$884.0m)

Member

2,605,351

Members (FY16: 2,481,577)

\$107.0m

In Member savings from a range of special offers and discounts

97

Years of NRMA

Safe mobility

Reducing fatalities and serious injuries while people are on the move. We consider public transport, alongside roads, as well as providing an emerging focus on personal security.

1,791,350

NRMA calls for help answered

9/10
problems fixed roadside

Keeping Members moving

53,841

Driver training hours

92,841

Students and teachers engaged on safety and STEM

1,351

Child restraints fitted and checked

120,205

Cars serviced

3,767

Babies and pets rescued from locked cars

1,205

High school students engaged in my first car program

35,000

Businesses relying on NRMA to keep them on the road

90%
roadside fleet connected

90% of roadside fleet connected and roll out to business Members commenced

Access for all

Ensuring everyone within the community has access to value for money, efficient transport options. This includes removing physical barrier to mobility as well as potential language and cultural hurdles.

39

Car servicing apprentices, of which three are Indigenous Australians and seven are female

1ST

Autonomous vehicle in NSW & ACT

450

Hours of professional driver training lessons for refugees

100

Professional driver training lessons for Indigenous youth

400,000+

Downloads of the mynrma app (including parking and fuel)

1,842

Members engaged in older driver programs

\$500

Potential average annual savings through fuel app

84%

First NRMA Reconciliation Action Plan launched with 84% of deliverables commenced or complete

214,000

Rental days booked by Members with Thrifty across Australia and New Zealand

18

Proactive research and advocacy campaigns

CEO



Dear Members,

We are proud to be Australia's largest member organisation, committed to the benefit and wellbeing of our owners, you. We do this through a shared value approach to deliver equally on our social, economic and Member purpose.

We were born to keep you moving. This was our purpose 97 years ago when society was facing the entry of the automobile, and it's our purpose today as the very nature of mobility is set to change radically – again.

Australia is on the cusp of a new era of motoring and transport. Electrification, connectivity, autonomous technology and a diverse range of mobility solutions changing the face of motoring across the globe. We will help you navigate this new era of mobility, discover new opportunities and be the collective voice that shapes the future of transport and tourism in this country. To respond to your changing needs, we diversified beyond the car to focus on the broader transport and tourism sector; built around my car, my journey, my destination and my Membership.

My car – We want to extend our relationship with you beyond roadside. We have expanded our fixed and mobile service network. We trialled connected car products, car sharing solutions and a new way to bundle our membership packages and will expand these offers in the year ahead. We are testing an autonomous vehicle in our backyard, as we explore solutions to electric vehicle use in Australia.

My journey – We want to solve your future access challenges. We invested in DIVVY to accelerate parking technology solutions. We added parking and fuel information to the my nrma app, and launched a new website experience.

My destination – We want to provide the best value accommodation in the best locations. We grew our holiday park network from four to 39 parks offering Members the best value accommodation in some of Australia's best locations, as we continue to look for opportunities to help Members get out and explore our great country.

My Membership – As a mutual, Members drive everything we do. We are committed to delivering more value, for more Members, more of the time.

Behind the scenes we are driving significant transformation in the way we work and the systems and tools of all our operating businesses to enable us to be much more agile and deliver much better value to you.

Despite this massive change program we delivered better service levels and a significantly improved financial result. A main driver in the profit growth was the increased use of our products and services from non-Members. This not only ensures the NRMA continues to be economically sustainable but also gives us the capacity to invest in more services and better value for you.

“We are committed to delivering more value, for more Members, more of the time.”

I would like to acknowledge the pending retirement of the NRMA Chairman Kyle Loades. Kyle had the vision to see the change that is coming to the motoring sector and to make the necessary changes within the NRMA to embed a new commercial mindset, while retaining the social focus of a mutual. His leadership helped create the strong foundation we will build upon to ensure NRMA keeps people moving for another 100 years. I wish him only the best for the years ahead.

I also want to recognise my team at the NRMA. We have the best people, staff that care deeply about our customers, and it is this passionate commitment that ensures we can continue to be successful.

To our Members, I thank you for your ongoing support and loyalty, and I look forward to growing the value we offer you both on and off the road in the future as we keep you moving.

Regards, Rohan

Rohan Lund
NRMA Group CEO

Chairman



Dear Members,

It gives me great pleasure to share another year of success for the NRMA with you.

In reviewing the achievements of the past year, there is also a measure of sadness, as I have reached the 12-year limit on board membership and I am moving on from the NRMA after more than three years as Chairman. However, I leave with a deep sense of satisfaction with the organisation's direction.

In 2017, our operating businesses showed strong growth, profitability has improved and Membership increased for the first time in a decade. I want to congratulate CEO Rohan Lund and his team for delivering the fundamental shifts in strategy and operations that have set the NRMA on a course to be the nation's leader in the future of mobility and tourism.

The NRMA's destiny is inextricably linked with the impending arrival of autonomous vehicles and new forms of transport services, as well as a tourism provider that responds to people's expectation of getting the most from every moment. Be it vehicle sharing or big data, everything we know about car usage and ownership will change.

It will also transform much of what we know about the NRMA, but rest assured this will be a positive transition that respects our historical mission and priorities. New growth will be delivered where we can add the greatest value, in areas that are consistent with helping our Members and the wider community.

One area in which the NRMA is already ahead of the game is gender diversity. The NRMA now has five women on its board of eight, and four of the nine members of our executive

leadership team are female. Gender diversity is a whole-of-organisation priority, and we have a strong commitment to hiring, retaining and promoting women at all levels of our business, from apprentice mechanics to managers.

We remain focused on our community obligations and during the year launched our first Reconciliation Action Plan. Our vision is to deliver equal access to mobility for Aboriginal and Torres Strait Islander people, which in turn gives access to economic and educational opportunities.

“The transport sector is on the cusp of the greatest change in a generation. The NRMA's future will be determined by our capability to respond to those changes.”

We are taking our first steps in this direction with our Learner Driver Mentor Program. We will also contribute to improved economic outcomes for Indigenous Australians by promoting employee and supplier diversity.

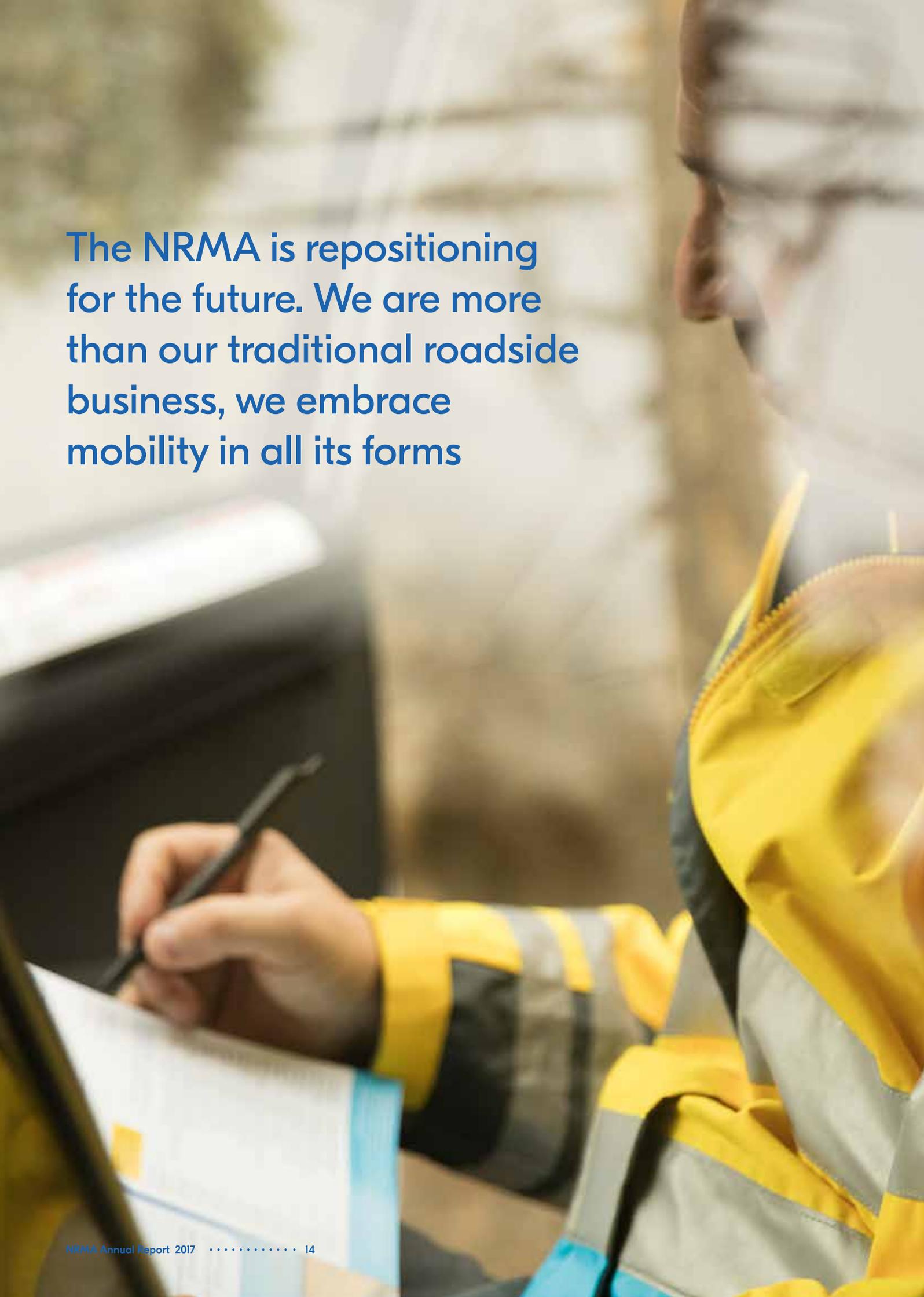
When the NRMA was born in 1920, it was a disruptor, a start-up, just like the motor vehicle itself. Nearly a century later, I find myself, and the NRMA, at the forefront of a new transport revolution with the introduction of the first autonomous vehicles in NSW. We have truly come full circle.

It has been an honour and a pleasure to serve you. Thank you for your kind support and I look forward to watching the NRMA continue to thrive in the future.

Regards, Kyle

A handwritten signature in black ink that reads "Kyle". The signature is written in a cursive, slightly slanted style.

Kyle Loades
NRMA Chairman

A close-up, profile view of a person wearing a high-visibility yellow and grey safety vest. They are holding a black pen and writing on a white document or clipboard. The background is blurred, showing what appears to be a road or outdoor setting. The text is overlaid on the left side of the image.

The NRMA is repositioning
for the future. We are more
than our traditional roadside
business, we embrace
mobility in all its forms

Section 2

Value creation

- 16 Headwinds
- 17 Who we are
- 18 How we create shared value
- 19 Materiality and stakeholder engagement
- 20 Creating shared value



Headwinds

Today and tomorrow, disruption will be a constant for any business.

Fortunately, since 1920, the NRMA has consistently scanned and responded to emerging global trends and disruptions. After almost 100 years of helping our Members, we have always reshaped and adapted how we do business with our Members' interests at the heart of everything we do.

The rise of automation, increasingly connected communication, cheaper and more environmentally friendly energy sources are reshaping the way transport is delivered.

While the nature of transport is changing, so too is the shape of our community. Urbanisation, the ageing of the population and even fears about changing threats

to personal and data security. So too new forms of community are emerging such as those arising through the sharing economy.

The NRMA needs to respond to these emerging risks to the way we do business and to find ways for our Members to successfully navigate challenges and to embrace the best aspects of these opportunities for their benefit.

The NRMA has always been about providing access to the services that allow you to travel further. From a place to stop overnight, to help when you need it most.

We look upon these disruptions as 'headwinds' and we approach them not just as challenges, but as opportunities to transition and embrace the future of mobility, and the value this creates for our Members.

Multiple players in our value chain

Ageing population

Electrification

Connectivity technology

Urbanisation

Autonomous technology

On-demand models

Emerging competitors

Shared mobility

Who we are

Our purpose

We keep people moving

Our vision

To create indispensable connections to Member's mobility

Our values

Energy

We're proactive, optimistic and we always strive for better. We are passionate about what we do. We care about our Members, we're proud of our heritage and we know the work we do really matters.

Courage

We have the courage to challenge the status quo. We speak out when we think there's a better way and we encourage others to do the same. We're not afraid to try new things.

Humility

We're humble. We put others before ourselves and we always put the customer first. We listen and we do things with empathy, care and respect.

Ownership

We take ownership for our actions, our decisions and the experience we deliver for our Members and customers. We deliver on our promises and act ethically in all that we do. We work side by side to find solutions to our customers' needs — and if we don't get it right, we own it, learn from it and take responsibility for fixing it.

We deliver on our purpose through our strategic directions

My car

We're putting Members back in control with proactive car maintenance by helping them through the whole motoring journey: finding the right car, getting finance, servicing, motoring advice, car rental and driver training. We are also working with our partners at IAG to ensure insurance remains a value-for-money service available to our Members.

My journey

Parking shortages, failing roads and increased congestion affect us all. The solution is in connected cars, innovative parking solutions, ride sharing, integrated transport and making better use of our iconic waterways. The NRMA is ensuring the best outcomes for our Members around the state by looking at the whole journey from A to B.

My destination

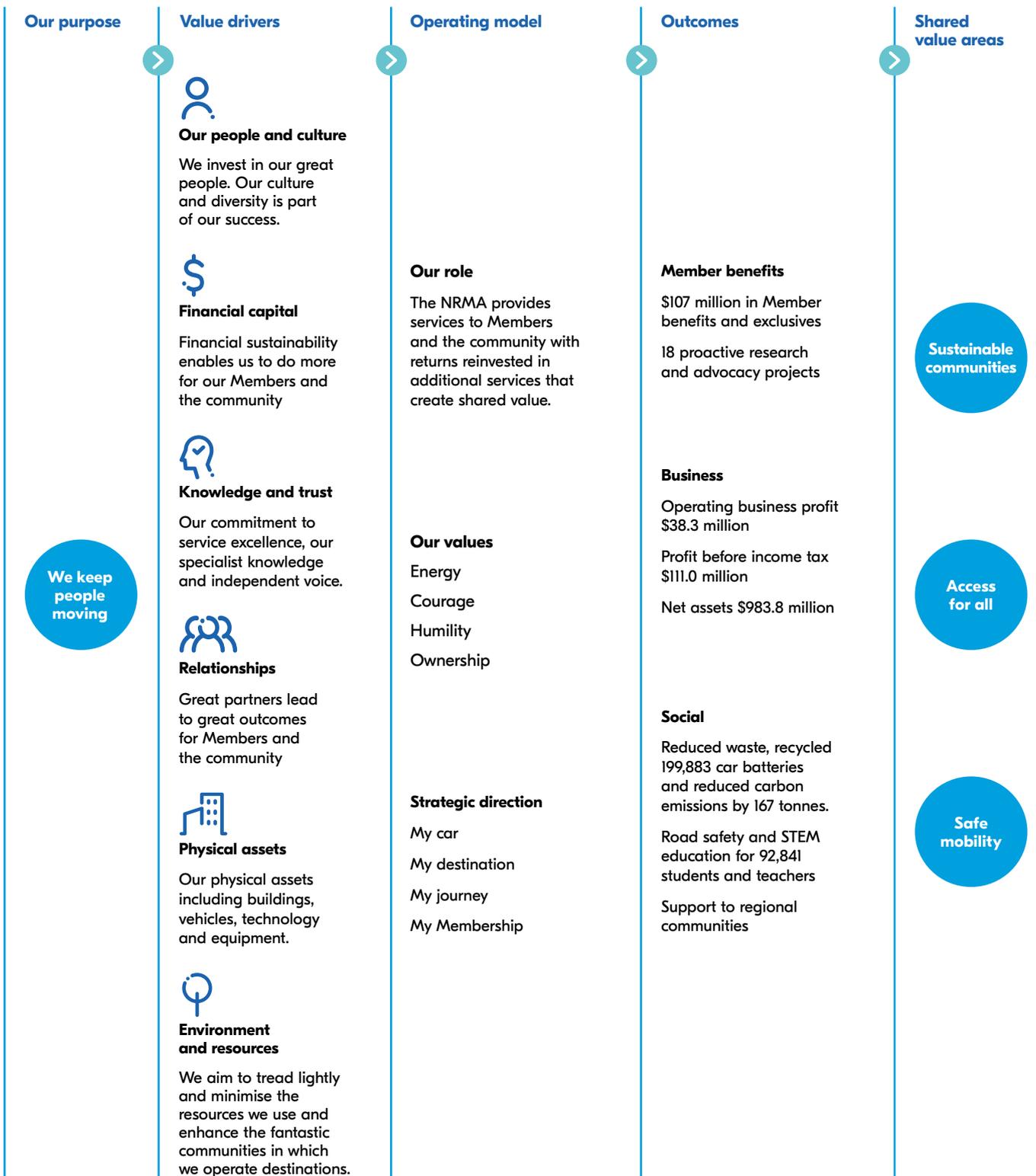
Driving holidays are a favourite Australian pastime. With a range of NRMA Holiday Parks and Travelodge Hotels, plus the Kurrajong Hotel, the NRMA is reconnecting Members with the love of touring and encouraging them to explore the country. In doing so we're supporting the regions where many of our Members live and work.

My Membership

Members are at the centre of the organisation, and NRMA Membership should be centre to the way our Members move. We're listening to our Members and working to develop a new Member value proposition delivering services people value everyday, making NRMA Membership indispensable.

How we create shared value

Our business model



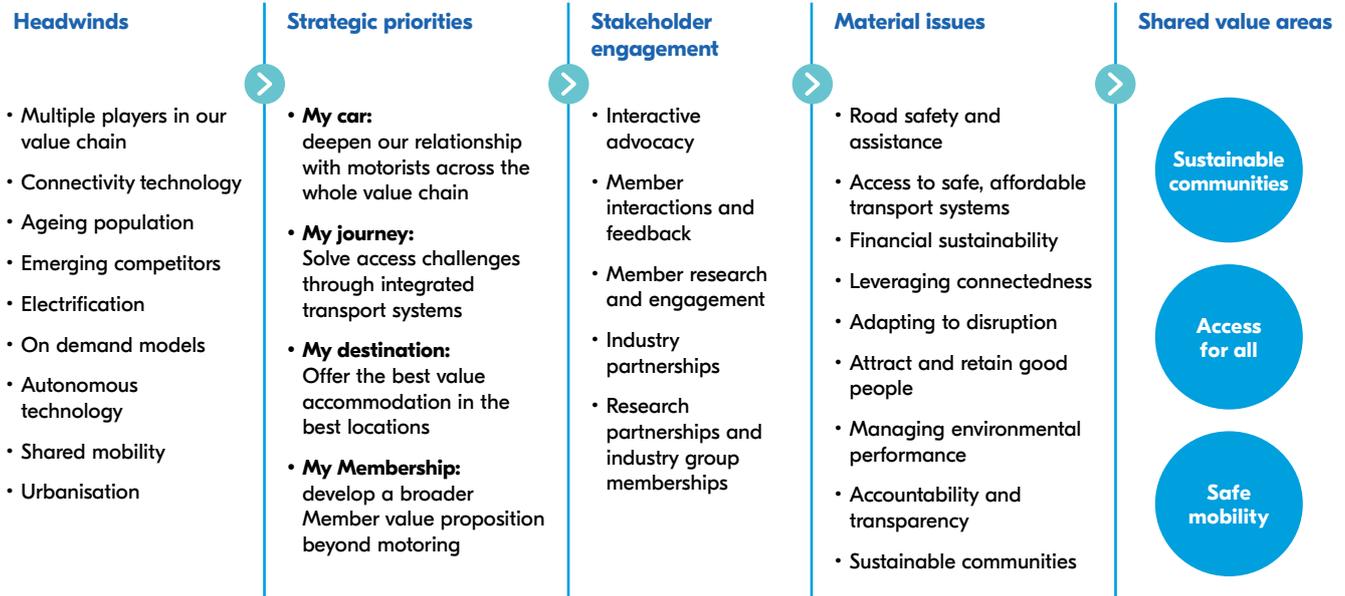
Materiality and stakeholder engagement

In response to our headwinds, we've reset our strategic direction with creating shared value at its core. We've engaged with our stakeholders, which has helped us to define our material issues and focus on creating value for our Members, communities and business in three 'shared value areas' — safe mobility, access for all and sustainable communities.

A matter is considered material if the NRMA leadership believes that it could substantially influence the value created by the NRMA, for our Members, business and the community, over the short, medium and long-term.

This report covers our most important issues, as determined by the NRMA, through consultation with key stakeholders (partners, suppliers, thought leaders and customers), following a scan of emerging big issues, and through our own assessment of the topics that are currently most relevant to our organisation.

To align with our shift in strategic direction, we've refreshed our prioritised material issues (Appendix) to demonstrate how we create value through our shared value areas. To ensure adequate time for our Members and other key stakeholders to be familiar with our change in strategy, we will engage stakeholders to validate our material issues throughout the next reporting period. We are currently working to develop a measurement framework to determine value created through our shared value areas.



Creating shared value

As a mutual, we put our Members and the community on equal footing to the commercial sustainability of the NRMA. As part of our new strategy we have set a clear direction on where we want to mobilise our business to create social value for the community.

The creating shared value framework distinguishes between activity that drives social change, and activity that creates a sustainable commercial model to address social challenges. This is to ensure we continue to deliver on our 97 year legacy of providing important community services to help keep people moving.

The NRMA will apply the creating shared value framework to operate in a manner than delivers value to our Members, the community and the business.

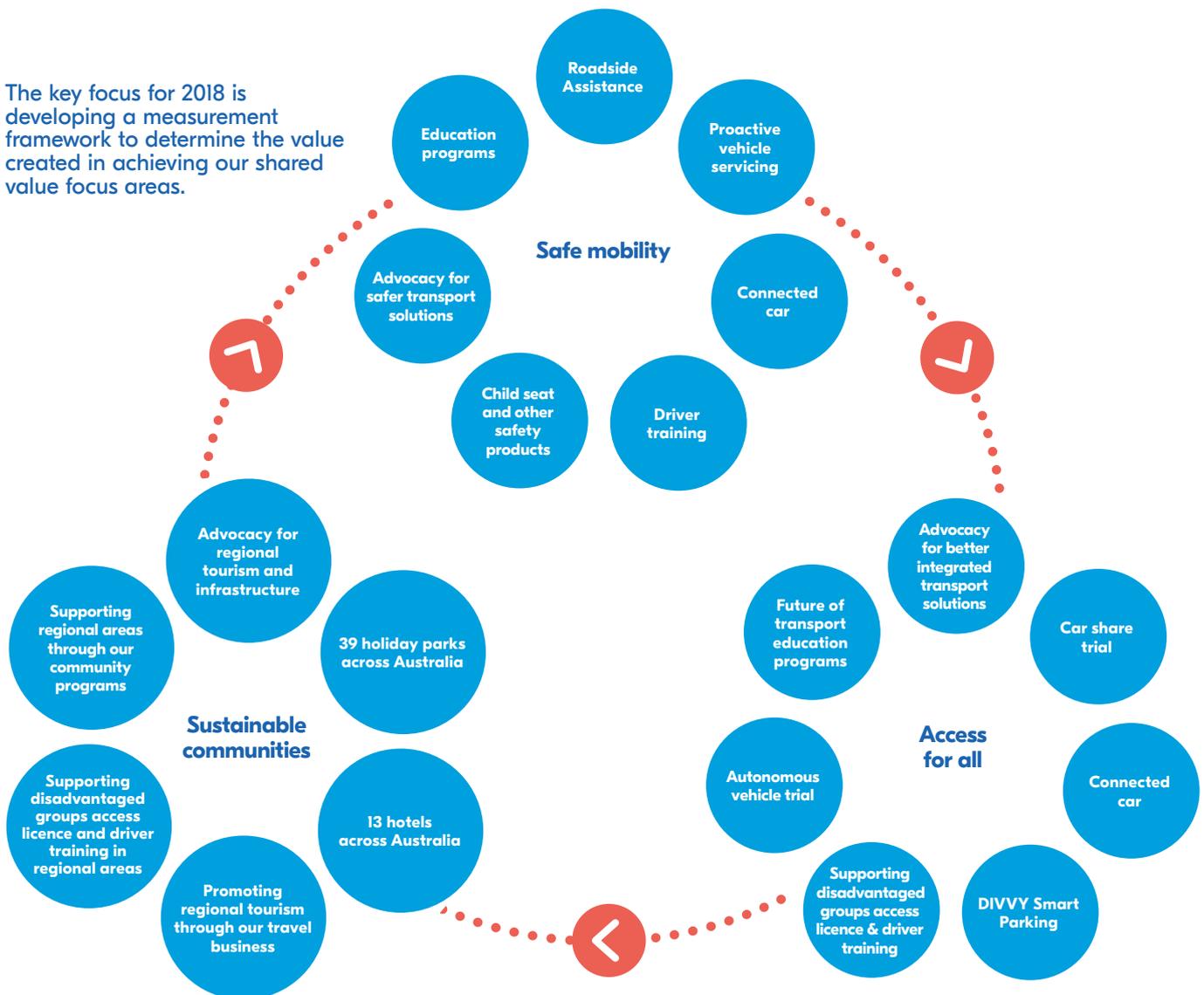
Our focus will be in three key areas:

Safe mobility – reduces fatalities and serious injuries while people are on the move. We consider public transport, alongside roads, as well as providing an emerging focus on personal security.

Access for all – ensuring everyone within the community has access to value for money, efficient transport options. This includes removing physical barrier to mobility as well as potential language and cultural hurdles.

Sustainable communities – delivering adequate infrastructure and associated services to connect communities to economic and social opportunities. This includes supporting visitation by tourists as well as connecting residents to vital services.

The key focus for 2018 is developing a measurement framework to determine the value created in achieving our shared value focus areas.



During almost 100 years of keeping people moving, we have always reshaped and adapted how we do business, keeping our Members at the heart of everything we do



Section 3

Strategy, risk and opportunities

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- 25 Risk management approach



Our strategic priorities

Our strategy is centred on four strategic directions: my car, my journey, my destination and my Membership. For reporting purposes, we've added a section in the 'Performance and outlook' chapter on 'Sustainability and culture' to show how we maintain a sustainable business for the future and create more value for our Members and our community.

Strategic directions	Strategic priorities (by 2020)	2017 achievements	2018 outlook
My car	Deepen our relationship with motorists across the whole value chain	<ul style="list-style-type: none"> • New mobile response units in our fleet with battery/tow capability to ensure first call resolution for Members • Developed and launched connected car prototype • Expanded our fixed and mobile service network • Grew our apprenticeship program • New Thrifty strategic partners (including AFL, Tesla and Uber) and introduced new premium vehicles and first electric vehicle to rental fleet 	<ul style="list-style-type: none"> • Expanding mobile and fixed car servicing and first call resolution
My journey	Solve access challenges through integrated transport systems	<ul style="list-style-type: none"> • Invested in DIVVY a smart parking platform • Thrifty launched car share trial in Melbourne with RACV • New companion app for fuel and parking • Broadened Member advocacy program beyond traditional road focus 	Helping customers access more transport and mobility options beyond motoring
My destination	Offer the best value accommodation in the best locations	Expanded our holiday park network across Australia through the acquisition of ATPM adding new parks to our portfolio bringing the total to 39.	To be number one in holiday parks, expand our best value hotel accommodation for Members and provide easy affordable iconic experiences
My Membership	Develop a broader Member value proposition beyond motoring	<ul style="list-style-type: none"> • New Go bundles product offers for servicing, roadside and car rentals • Improving our digital channels making it easier for Members to interact with us and enabling us to tailor information for Members • Launched our new brand campaign • 18 proactive research and advocacy campaigns and submissions 	One Membership across all our assets unlocking value every day and delivering social change

Risk governance

The NRMA is committed to ensuring a fit-for-purpose approach to risk management in order to deliver its strategy. Robust risk management helps us to respond to disruption by mitigating anticipated risks, but also to benefit from opportunities for our Members, business and community.

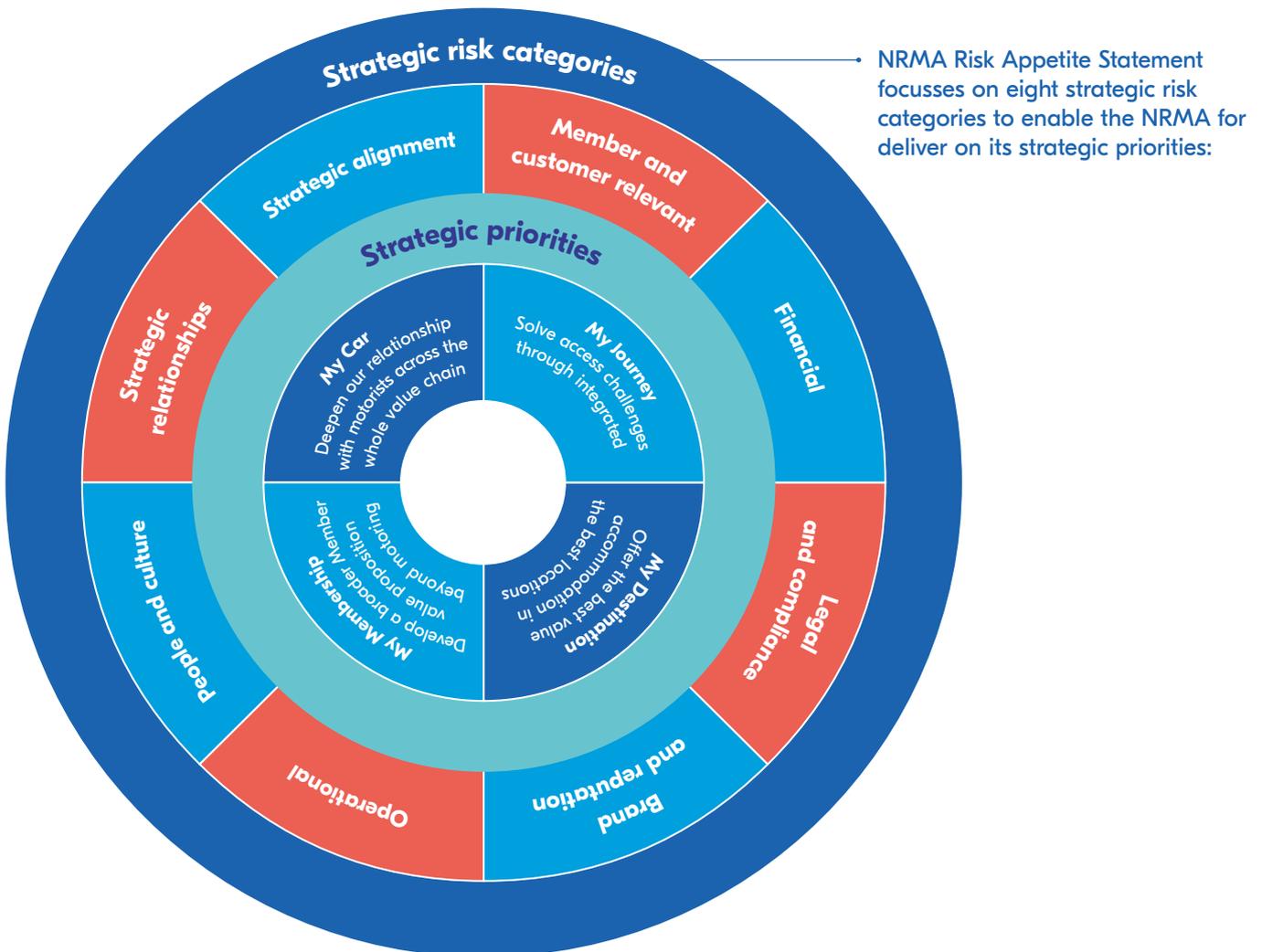
Risk management is everyone’s responsibility. Accountability for risk governance and management is held at various levels across our business including the Board, its delegated Board Committees, our Group CEO and our Executive General Managers.

Risk appetite and risk culture

In order to achieve sound risk management, we need a mature risk appetite and risk culture. Risk appetite is the level of risk the business is prepared to accept in the pursuit of its strategic objectives and business plan, giving consideration to the interests of Members.

This year, the NRMA risk maturity was reviewed with the aim of maintaining a fit-for-purpose risk management approach. Risk appetite and risk culture were identified as areas of focus to ensure the desired state of maturity. To address this, the NRMA Group Risk Appetite Statement was developed, and approved by the Board.

The Risk Appetite Statement communicates consistent, simply defined ‘guard rails’ for the NRMA, supporting timely and autonomous decision making at the right level. It promotes the consideration of risk without it seeming cumbersome, increases the capability of our people to inherently consider risk (increasing risk culture maturity) and aligns to existing frameworks or processes, where possible, to avoid duplication of controls.



Risk management approach

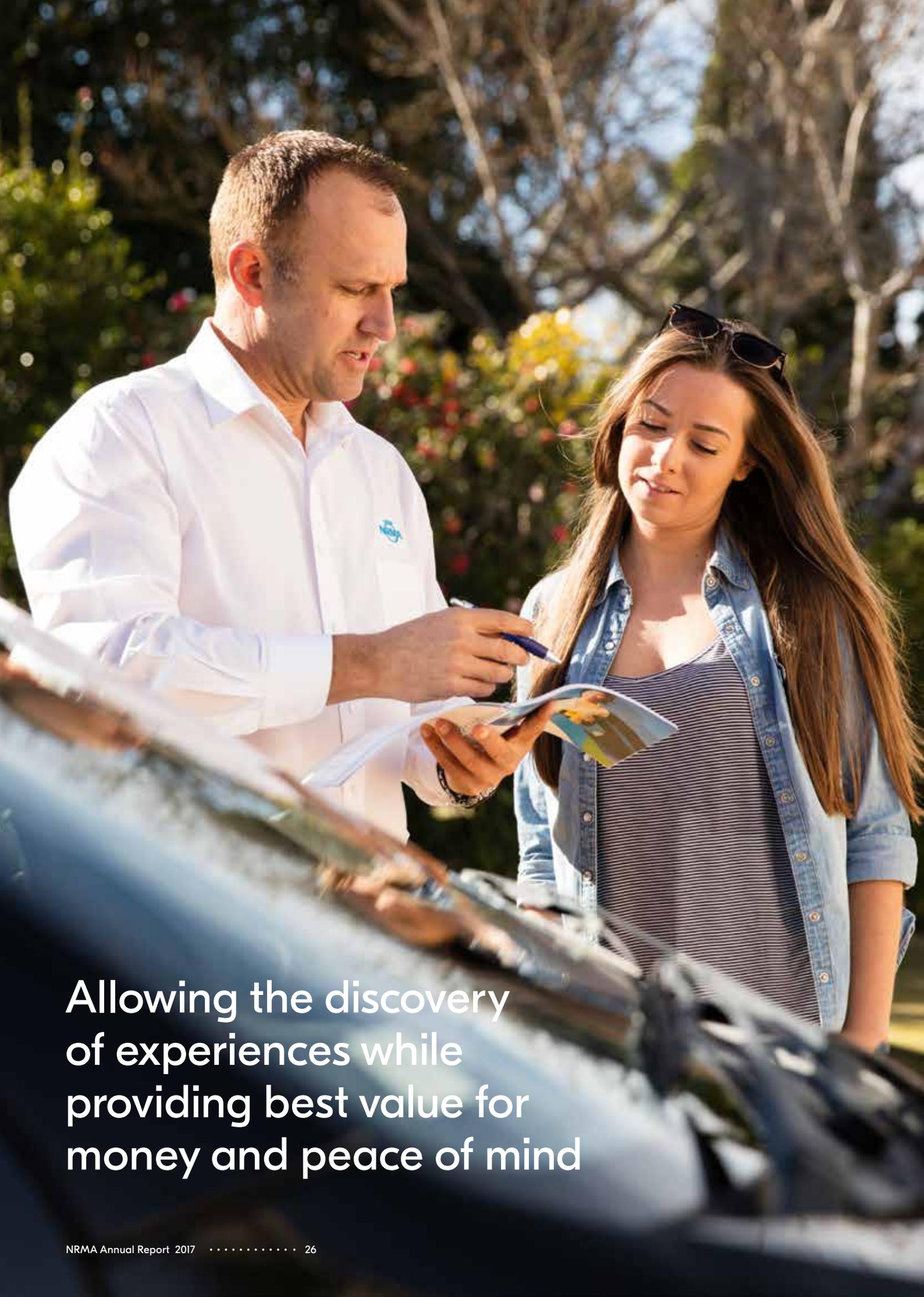
Every three months, the NRMA management reports alternatively on a full or critical risk review basis to the NRMA Audit and Risk Management Committee (ARMC – a delegated Board committee), in alignment with the annual strategic and business planning cycle.

The purpose of this review is to provide assurance to the ARMC, that our business managers are effectively identifying and managing the NRMA critical risks to a level that they consider tolerable. Workshops are held with each divisional head and their direct reports to consider:

- Current risks at a division and group level.
- New or emerging risks associated with the strategy.
- Mitigating actions and budgetary requirements to mitigate risk.

For the top identified key risks, the control and/or mitigation measures in place and the key performance indicators for these risks are reported to the ARMC. Risks are assessed on a 1-5 scale based on their likelihood (rare to almost certain) and their consequences (insignificant to severe). Consequence is assessed on the basis of impact to reputation, financial impairment, operating ability and/or effect on stakeholders.

Safety related risks and mitigating actions are reviewed and signed off by the General Manager of Health, Safety and Environment.



Allowing the discovery
of experiences while
providing best value for
money and peace of mind

Section 4

Performance and outlook

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Financial highlights

Year in review

Review of operations

		2017	2016	Percentage movement
Operating profit	\$m	38.3	28.0	37%
Finance costs	\$m	(5.3)	(6.5)	
Share of operating profit from equity accounted investments	\$m	21.8	19.9	
Share of unrealised gain from equity accounted investments	\$m	35.1	7.5	
Operating profit before change in fair value of investments	\$m	89.9	48.9	84%
Change in net fair value of investments	\$m	21.1	(13.7)	
Profit before income tax	\$m	111.0	35.2	215%
Income tax expense	\$m	(18.0)	(1.1)	
Net profit for the year	\$m	93.0	34.1	173%
Cash and cash equivalents at the end of the financial year	\$m	80.5	35.3	128%
Key metrics				
Operating cash flow	\$m	99.3	84.7	17%
Net assets	\$m	983.8	884.0	11%
Net debt	\$m	56.3	89.9	(37%)
Key ratios				
Effective tax rate	%	16.0	3.1	416%
Debt ratio (total debt/total assets)	%	9.3	9.8	(5%)
Key returns				
Return on equity	%	9.5	8.7	9%
Investment portfolio return	%	15.7	9.6	64%
Members				
	m	2.605	2.482	5%

Group

Our profit in 2017 derived from operations grew to \$38.3 million (2016: \$28.0 million). This result is positive, and signifies the start of a turnaround in our financial performance, following the enactment of our new strategy.

The NRMA delivered a profit before income tax of \$111 million, up from \$35.2 million last financial year. This includes returns from our investments as well as operations.

The year has seen a continuation of our journey to reshape the business, with a renewed focus on growing revenue streams, reducing the cost base and improving the operating rhythm in all of our businesses.

Revenue from operations of \$527.5 million (2016: \$511.0 million) grew 3%, with all business units showing improvement on the prior year. Administrative expenses were efficiently managed with a reduction in cost in 2017. This was delivered through targeted overhead savings, including savings from the corporate centre and realisation of benefits from procurement initiatives. These savings have been reinvested in our frontline teams and into digital capability to enhance delivery of services to our Members and customers.

The Group's share of net profits from equity accounted investments (including Travelodge) was \$56.9 million (2016: \$27.4 million), which includes share of operating profit of \$21.8 million (2016: \$19.9 million) and \$35.1 million (2016: \$7.5 million) share of revaluation gains on hotel book values. The increase in revaluation gains in 2017 compared to 2016 is due to strong growth in the commercial property market.

This results in a Group profit before change in fair value of investments for the year of \$89.8 million (2016: \$48.9 million).

The increase in the net fair value of the investment portfolio was \$21.1 million (2016: \$13.7 million decrease). This is primarily driven by the strong returns on Australian shares and alternative investment markets during the year.

The Group's net profit for the year was \$93.0 million (2016: \$34.1 million). With a tax expense of \$18 million (2016: \$1.1 million).

The Group has maintained a strong cash position with cash and cash equivalents increasing by \$45.2 million to \$80.5 million at the end of the financial year (2016: \$35.3 million).

Motoring

The results for our Motoring business have shown significant improvement in 2017 with the loss of \$5.9 million reducing from a loss of \$24.1 million in 2016. This result has largely been driven by targeted overhead and corporate savings, buoyed by strong revenue growth.

Revenue from Motoring of \$490.4 million (2016: \$476.1 million) grew 3%, with the growth mainly coming from our car servicing and Thrifty businesses. Car servicing revenue grew 10%, with further growth anticipated in 2018 with plans to expand the network of car servicing centres to ensure increased coverage of our members both in cities and regional areas.

Thrifty revenue grew over the prior year with an increase in initiations across Australia and New Zealand, driven by improved wholesale market volumes in Australia and inbound tourism in New Zealand.

Travel and touring

The operating profit for the Travel and touring business of \$6.1 million is pleasing with a significant increase on the 2016 result of \$3.1 million. The segment showed strong revenue growth with an increase of 6% to \$37.0 million in 2017 (2016: \$34.9 million). Travel grew with an increase in volumes across retail travel, travel insurance and international driving permits

Holiday parks revenue grew through strong occupancy rates across the portfolio, although the result was negatively impacted by the dampening of the accommodation market in South East Queensland. The Group anticipates further growth in the holiday parks business in 2018 with our recent acquisition of Australian Tourist Park Management (ATPM), adding 15 leased parks and 15 management contracts to our portfolio from 31 May 2017.

Investments

The NRMA investment portfolio is invested across a diversified portfolio of managed funds, direct shares, hotels, holiday parks, direct property and start-up ventures.

The NRMA investment portfolio focuses on protecting capital and producing income to contribute to the long-term sustainability of the Group. To manage risk, the portfolio is diversified across various asset classes including equities, hotels, property and infrastructure. The portfolio delivered solid returns in 2017, with income of \$38.0 million (2016: \$44.3 million). On a total return basis, the portfolio achieved a return of 15.7% over the financial year 2017 (2016: 9.6%). Over the long term, the portfolio has returned 12.5% per annum and 11.6% per annum over five and seven years respectively.

The NRMA investment in Travelodge Hotels continued to perform well, benefiting from the strong uplift in property market valuations, as well as, the tight Sydney market which resulted in high occupancy and solid room rate growth. The NRMA concentrated holding in IAG shares was slightly reduced in 2017 for reinvestment in other strategic assets with a focus on delivering greater Member benefits whilst strengthening the NRMA brand.

A guiding principle of the NRMA investment strategy is the integration of environmental, social and corporate governance factors. As a long-term investor, the NRMA is focused on material environmental, social and governance (ESG) factors that may impact the performance of our investments and our brand, now and into the future. Where opportunities arise, we look at investing in investments and assets that are consistent with our focus on ESG. These are reviewed to ensure that they are consistent with the NRMA brand and business strategy.

Over financial year 2018, the objective remains to protect capital and deliver a sound level of cash flow to support the Group. The NRMA will monitor performance of the portfolio and will rebalance towards assets which deliver on this objective. The NRMA strategy could involve the reallocation of capital from the investment portfolio to operational assets over the next year in line with our focus on transport and tourism.



My car

The world of mobility is transforming; revolutions in autonomous vehicles, electric vehicles, car sharing, ride sharing and connected vehicle technology mean our Members will use their car in completely different ways within a few years. By playing a leadership role in embracing and developing future transport, the NRMA will support our Members to take full advantage of the benefits of a connected transport future. We take an attitude of continuous improvement so Members get access to the best value services, as well as being able to continue to rely on us as we all prepare for a smart mobility future.

In 2017 we continued to assist our Members at every stage of their transport journey; from finding the right car through to getting finance, servicing, insurance, motoring advice and driver training.

Year in review

9/10

Problems fixed roadside

62,575

Lock outs

16,531

Flat tyres

303,193

Flat batteries

1,242,556

Breakdowns

53,841

Hours of driver training

120,205

Cars serviced

1,791,350

Calls for help answered

\$1.6m

Members saved over \$1.6m with Thrifty throughout the year

214,000

Rental days with Thrifty by Members in Australia and NZ

Motoring ahead

Getting Members back on the road

Roadside assistance is a core service for our Members. We are focusing on getting to our Members as quickly as possible and delivering an outstanding experience every time they interact with us.

Currently, we fix nine out of 10 problems at the roadside. In the future, our Members won't need to wait for additional services. Our goal is to deliver 100 per cent first call resolution within the next few years. To achieve this, we are focused on the right mix of skilled service providers, vehicles, and the ability to match the number of people we have on the road to the volume of Member jobs.

This year, we've made great progress. All of our patrols now carry batteries and some now have towing capability. As a result, an extra 20,000 Members experienced first call resolution this year.

Expanding our offering

Our car servicing and repairs business was established in 2007 in response to our Members' need for more trusted and reliable mechanics, reflecting our commitment to keeping you moving safely. This year, we launched mobile car servicing in the Sydney metro area, enabling our mechanics to reach the homes or offices of Members who cannot get to one of our service centres.

We also opened a new state of the art workshop at Gladesville in July. As part of our commitment to supporting women in motoring, the store has employed a number of new female mechanics at the store.

Supporting your business

More than 35,000 businesses rely on the NRMA to get their vehicles and trucks back on the road across Australia. With a 24/7 roadside assistance team, the NRMA is trusted to ensure their employees and vehicles are never left stranded or unsafe. In the event of a major breakdown, we even help with travel and accommodation arrangements or organise alternative goods delivery so our Business Member's customers and clients are never left waiting.

The connected car

Tomorrow's car is here, with vehicles currently coming off the assembly line that are connected to the world around them. Our relationship with our cars will never be the same again, as they develop the ability to tell us how we're driving, warn us when something is going wrong or notify family members if there is a crash.

At the NRMA, we believe that our Members shouldn't have to wait for a new car to benefit from these technological advances. So this year we developed a connected car product, focused on safety, driver performance, proactive vehicle health and optimal vehicle and fuel efficiency.

A small device generates vehicle and driver data via a smartphone app and web portal to help users better understand their driving and vehicle. It can also detect if a driver has been in a collision through in-built crash detection technology that alerts their fleet manager or family member.

Almost 90 per cent of the NRMA's roadside vehicles have our connected car device installed and we have partnered with a selection of business customers to trial the product, generating great stories about improved driving behaviour, substantial maintenance savings and vehicle recovery.

We are excited to make this available to our Members in the second half of 2017 and believe we have a product that will revolutionise how businesses manage their fleets, whether they are sole traders or bigger organisations.

Connected from the NRMA will help us move from reactive to proactive, and eventually, predictive roadside services. That's good for everybody, and why the connected car is central to our business strategy.

Connected from the NRMA will keep more drivers informed of their driving habits, meaning safer driving, fewer accidents, reduced vehicle expenses and better route planning to help reduce congestion.

Reducing fatalities and serious injuries through safer driving

Driver training is key to delivering on our commitment to help reduce fatalities and serious injuries. We deliver tailored lessons for a range of customers, whether they have been driving for years or are first-timers behind the wheel. Our driver training schools are located across most of metro and regional NSW, as well as the ACT.

We recognise that driver training now takes place in a digital age, and we welcomed the NSW Government's announcement to develop an online learner driver log book, in line with the NRMA's recommendation. This will mean a more seamless and user-friendly experience for young drivers during their learning journey.

This year we also launched a campaign to encourage the NSW Government to introduce driver training courses for low-level speeding offences as an alternative to motorists facing fines or accumulating demerit points.

New child restraints mobile service

The NRMA knows that nothing is more important to our Members than keeping their loved ones safe on the road, especially their children. Just over half of all children continue to travel in cars with at least one error in how the restraint is installed in the vehicle and/or the child is secured in the restraint, and incorrect use of restraints

triples the risk of injury in a crash. Ensuring child car seats are properly installed is one of the ways the NRMA helps to keep families safe.

Our Patrols in city and regional areas can now come direct to Members to help them with their installation or adjustment of child restraints and baby capsules. These can include newborns going home from the hospital, grandparents babysitting for the day, swapping temporarily to a hire car, or simply switching from the primary car to the secondary car on the weekend.

Thrifty drives into new markets

Thrifty is a wholly owned business of the NRMA, providing access to the safest and best value rental vehicles in the market.

This year Thrifty launched a car share pilot in Melbourne in partnership with RACV. The program now has a fleet of 12 vehicles across nine convenient locations in the city area. A Toyota Corolla Hybrid and Mitsubishi ASX were chosen for the trial as they are perfect for both city and country driving.

This year, Thrifty also introduced new vehicles to their fleet, ranging from the luxurious Mercedes Benz models through to the innovative Tesla Model S for those looking for something different.

Our continued focus on customer satisfaction was recognised this year with the **2017 Canstar Blue award for Most Satisfied Customers – Car Hire**; Thrifty was the only car rental provider achieving five stars across each of the Canstar customer service categories.



Expanding Thrifty's reach

The business is growing and 2017 saw us continuing to deliver value for our customers through some exciting partnerships:

- Thrifty is proud to be the official fleet partner of the Gold Coast Commonwealth Games Committee, supporting them with their fleet needs in the lead up to and during the games in early 2018.
- A new three-year partnership with the AFL, offering customers easier access to games, discounts on Thrifty cars and trucks, lucky draws and prize packs.
- Thrifty NZ continued their partnership with Brake, a charity that works to prevent road death and injury and support families affected by road trauma.
- Thrifty also worked with Uber to provide Uber drivers with vehicles that meet Uber's standards for road safety.

1,351

child restraints fitted and checked to keep families safe



My journey

With the NRMA, life is more than a destination. It's also the journey that counts.

We are committed to making your journeys memorable. Whether by helping you get the best deal on fuel or parking or access to the best holiday locations, the NRMA knows it's the little things that contribute to making a journey unforgettable.

Transport access is amongst the greatest challenges facing our cities and regions. The failure to plan for population growth, coupled with growing urbanisation, has led to parking shortages, inadequate road maintenance, infrequent public transport and increasing congestion that affects our quality of life.

Our growing population and busy lives mean that we have increasingly complex journeys and expect a higher

degree of individualised service. The NRMA is also shifting to respond to these challenges. Over the past year we have moved from the position of lobbyist to leader, from problem finder to problem fixer. The focus of the NRMA is on supporting our Members on their journey regardless of the mode (car, active transport or public transport) and irrespective of their reason to travel.

We will continue to deliver the best outcomes for our Members by understanding journeys from their perspective and by being with them at every stage, through transport smartphone applications, parking assistance and business solutions. Through our advocacy and operations we are committed to working with governments and industry to deliver seamless and simple journeys to our Members.

Year in review

1ST

Autonomous vehicle in NSW & ACT

\$500

Potential average annual savings through fuel app

400,000+

Downloads of my nrma app, including parking and fuel

100,000+

More than 100,000 parking searches using the my nrma app

443,818

Members engaged with our interactive advocacy campaigns

Accessing new transport solutions

During 2017, the NRMA returned to our roots, drawing upon a period where the NRMA had a greater involvement in delivering transport services. During the organisation's earlier years, the NRMA assisted people parking in Sydney CBD and as well as providing guide services for people visiting the city. During World War Two, the NRMA Transport Auxiliary provided a precursor to car-share or ride sharing, with over 500 private vehicles made available for the rapid deployment of servicemen.

Into the future, the NRMA can deliver new value for our Members by drawing on these past experiences to reimagine transport. The NRMA will aim to provide solutions to assist our Members to travel trouble-free every day, rather than only having contact with Members during a breakdown.

The NRMA has been working to expand our network of Car servicing centres to provide preventative maintenance that helps you avoid a breakdown. At the same time, we are investing in trials of autonomous vehicles and have started the roll-out of connected car devices. These new products will keep our Members moving: the parking and fuel features on the my nrma app will mean great value when you do need to stop, while DIVVY ensures there is always a parking space when you need it.

The future of transport will involve a move to innovative parking solutions, ride sharing services and multimodal transport. Improved transport integration and the uptake of major advances in vehicle autonomy will make significant safety, congestion and productivity benefits possible. Journeys of the future will take place in a completely

different environment for our Members and our business, which the NRMA has explored as part of its Future of Car Ownership report.

Investing in smart parking

The Accelerating Our Smart Transport Future report produced by the NRMA found that up to 30 per cent of urban congestion is caused by people looking for parking.

In response to this growing pressure, the NRMA acquired a substantial stake in the country's fastest growing smart parking provider, DIVVY. Through their app, DIVVY unlock underutilised commercial office and hotel parking spaces, making them available to the public while also benefitting the owners of the spaces.

my nrma app enhancements

It's common for motorists to see discrepancies of 35 cents a litre difference between petrol stations within close reach of each other. Now, those price gaps will be on show through the Fuel Finder section on the **my nrma app**.

We're helping our Members find the most convenient parking at the best price through our strategic partnership with DIVVY, Australia's leading provider of parking technology. It connects commuters with under-used parking spaces in commercial and public buildings, easing the parking shortage in our CBDs, cities and transport hubs.

Before these additions, the app had approximately 100 downloads per day, which has increased to 1,000 downloads per day. The app is now being used 2.8 times on average per month, per user.

A Member who drives a standard V6 Holden Commodore sedan 15,000 kilometres a year could save on average more than \$500 annually by filling up at the cheapest service station.



my nrma app brings Members savings

The my nrma app was enhanced this year, with the inclusion of fuel and parking features.

Fuel is a necessary part of keeping people moving. Fuel price data has become available following the NSW Government's petrol reforms. The reforms were a considerable win for the state's motorists and follows years of campaigning for greater fuel transparency by the NRMA. By forcing service stations to post prices in real time, consumers will receive some much needed transparency and more of the power will rest in the hands of the informed motorists, rather than the oil companies.

It probably pays for our Membership!

I love the convenience of apps and I think the my nrma app is just so clever and easy to use. I remember the last time I got a flat battery, I was trying to think what the NRMA's phone number is but then I thought: "Hold on, can I use the app?" Just pushing the button and using the map to get the guy to come out was so simple, and being able to keep an eye on how far away he was and when he was going to show up took a lot of stress out of the situation. It meant I could plan around it instead of just sitting there.

The best part of it is the way you can check what the fuel prices are. I have three kids and drive around after them all the time, especially when they're playing sport on the weekends, so I am filling up every other week. I was amazed the first time I saw petrol 15 cents a litre cheaper than the other servos – it was just around the corner too. And when we went on holidays recently, I was checking the prices of the places we were heading to while my husband drove – we saved quite a few dollars doing that. It probably pays for our Membership!

Sally, Member for 26 years.

The NRMA business congestion survey

Increasing congestion on our roads doesn't just stop people from getting home to their families on time. It also slows economic growth, reducing a business' capacity to hire more staff, invest in research and development, and expand.

For the NRMA, tackling Sydney's congestion is a priority if we want businesses to reach their potential and help drive the NSW and national economy. It's why we've fought so hard to get crucial congestion-busting projects like WestConnex and NorthConnex built.

Every year, we survey our Members on congestion. This year, we received 1,000 responses telling us how congestion affects our business Members and their customers:

52%

are allowing more travel time for deliveries and call outs

76%

rely on modern technology to reduce the impact of congestion on their operations

67%

of businesses are consuming more fuel

48%

are wasting time looking for parking



almost half are rescheduling appointments to avoid peak hour congestion

The NRMA and future transport

The NSW Government is developing a Future Transport Strategy to guide services and infrastructure over the next 20 to 40 years.

As a Member organisation focused on safety and mobility, we have been engaging with the NSW Government and Transport for NSW on behalf of our Members as this vital future strategy begins to take shape. As part of our leadership in this area, the NRMA partnered with the Committee for Sydney to host the Future Transport Connected and Autonomous Vehicle roundtable.

The transport and mobility sector is at a critical moment. The rise of new technologies provides an opportunity for the emergence of new modes of both personalised and mass transit. The convergence with improved telecommunications means access to these services will also change, with a likely move to subscription-based services.

We believe that through automation, on-demand services, customer-focused journeys and intelligent transport networks that positive transformations around mobility are possible. We will continue to support improved safety, connectivity and mobility for our Members as the Future Transport Strategy further develops over the coming months and years.

Stages of automation

2017

The present

Level 2 - Partial automation
Some automated functions

2018-2019

The future

Level 3 - Conditional automation
Hands off the wheel

2020-2024

Level 4 - High automation
Driver no longer needed

2025

Level 5 - Full automation
Steering wheel gone

Accelerating our smart transport future

This year the NRMA launched a paper examining how smart technology can keep NSW and the ACT moving. The paper uses real world examples to demonstrate how global cities are successfully adopting smart transport technologies to prepare for the future. It also provides recommendations to government about how similar technologies and solutions could be implemented in NSW and the ACT to meet our future transport challenges today.

The report's recommendations encourage governments to promote and adopt smart technologies across a range of areas, including autonomous vehicles, smart parking, managed motorways, mobility and electric vehicles.

Outlook

In the second half of 2017, we will contribute to the Commuter Car Parking in New South Wales Inquiry, which will examine the effectiveness of state government policies and programs covering commuter car parking. We will be encouraging the NSW Government to implement policies that:

- Support more commuter car parking around transport interchanges.
- Improve the utilisation and transparency of existing parking spaces.
- Provide commuters access to off-street parking in commercial and residential buildings.

We believe there is an opportunity to use new technologies to give commuters greater transparency and confidence in commuter car parking, thereby encouraging more people to use public transport.



Autonomous vehicle trial

We are excited to be joining forces with the NSW Government, HMI Technologies, Telstra, IAG and Sydney Olympic Park Authority to launch the very first autonomous shuttle trial in NSW in August 2018. This trial will be conducted over two years at our home in Sydney Olympic Park, to help us understand and embrace the future of driverless technology.

Autonomous vehicles could be commercially available within a decade. We need to be at the forefront of this technology to help shape the future of motoring in Australia. We have been leading the charge for amendments to the NSW road transport legislation to facilitate the safe and legal trial of autonomous vehicles in NSW. This is essential for us to better understand how the technology interacts and connects with infrastructure, traffic lights and road signage, and most importantly other road users.

The first stage of the trial will conduct testing and safety checks in a secure off road environment. This testing will occur at Newington Armory, where the shuttle can run autonomously on a pre-programmed route. After testing the trial will later be rolled out to public areas, making the rounds on the roads at Sydney Olympic Park as we start to leverage the Sydney Olympic Park precinct as our 'sandbox' for future mobility technology.



My destination

The NRMA recognises the value of providing stress-free, seamless and authentic experiences in iconic regional and metropolitan destinations.

Australians have long had a love affair with the great Aussie road trip. Travel and holidays allow us to reconnect, recharge and discover new places. We want to reinvigorate the great Aussie road trip, and deliver the best network of value for money accommodation in the most iconic locations for our Members and the community to enjoy.

Each year, Australians take more than 68.5 million domestic overnight trips for holidays and to visit friends and relatives, with 82 per cent of these trips being taken by car. Twenty three million or 34 per cent of domestic overnight trips occur in NSW and the ACT. In addition, 43.8

million people in NSW and ACT take a day trip of 50km or more for leisure or visiting friends (Ref: Tourism Research Australia, National Visitor Survey, YE 31 Mar 2017).

The NRMA is reconnecting Members with their love of travelling by helping at every point in the journey, whether through booking and travel packages, car servicing and roadside, hire-car options or accommodation. With a range of NRMA holiday parks and hotels, including Travelodge hotels and the Hotel Kurrajong, we are investing in communities where many of our Members and staff, live and work.

Year in review

\$1.38

Every \$1 spent in a holiday park generates \$1.38 of economic activity in the local community.

39

Holiday parks owned or managed by the NRMA from July 2017

1,412,094

Nights in NRMA hotels, cabins and camp sites (* including ATPM parks)

13

Hotels across Australia and New Zealand (Travelodge and Hotel Kurrajong)

Discovering with peace of mind

NRMA holiday parks and hotels

The expansion of our holiday park portfolio, as well as our ownership of Thrifty and Travelodge, means the NRMA is now one of Australia's largest domestic tourism operators. It also expands our overall footprint to new parts of Australia, including regional locations outside NSW and the ACT. These investments illustrate our confidence in regional tourism and the value our Members place on discovering new destinations and reconnecting with loved ones.

Best value gateway and regional accommodation

The NRMA is committed to increasing its presence in gateway cities and regional communities across Australia, whether it's the Hotel Kurrajong in Canberra, our twelve Travelodge hotels or our investment in holiday parks across NSW, South East Queensland and beyond.

During the year, the NRMA acquired Australian Tourist Park Management (ATPM) who own, operate or manage holiday parks in a range of iconic locations, including Port Arthur in Tasmania and Jindabyne in New South Wales. This brings our combined portfolio of holiday parks to 39.

The NRMA recognises tourism has a critical role to play in the long-term sustainability of regional destinations, and our holiday parks bring jobs and economic opportunities to these communities. For every dollar spent in a holiday park, \$1.38 is spent in the local community (Ref: Caravan, RV & Accommodation Industry of Australia Economic Benefit Report, 2012). This means greater infrastructure, economic and employment opportunities in regional communities.

NRMA Members also enjoyed 4,625 nights at one of our hotels over the last year. We have been able to deliver value by offering Members a 15 per cent discount across the broader TFE Hotels group. Our aim is to deliver incentives that encourage repeat visitation or additional trips to different destinations.

Inspiring Members' journeys

At the NRMA, we believe our role is to inspire Members to take a holiday and explore authentic local experiences, and by extension, support Australia's regional communities. That's why regional destinations, both well-known and off the beaten track, feature in our Open Road and ACRV magazines. Across the year, over 90 percent of recipients read the Open Road Journey book, and close to three in four read about inspiring road trip destinations in the Open Road magazine. With close to 50% of readers using the

NRMA products and services mentioned in the magazine. Open Road provides the NRMA with a platform to inspire thousands of regional tourism journeys each year.

Get the most from your holiday

The NRMA also helps Members experience their bucket-list holiday with less stress. We've partnered with IAG to offer our Members reliable travel insurance online at a discount. Since the launch of this new product, almost 3,500 visitors have travelled with peace of mind thanks to our travel insurance offering.

For Members who want to hit the road internationally, the NRMA offers international drivers permits for more than 150 countries worldwide. This year we issued 82,930 permits, protecting our Members from the serious penalties associated with failing to hold a valid permit.

Outlook

The future of tourism and the visitor economy will continue to evolve. Increasingly sophisticated domestic and inbound tourists are searching for more authentic, tailored and curated experiences designed and delivered by local experts. This represents a trend away from the mass travel packages often associated with inbound tourism operators.

Shared platforms for accommodation, food and transport will converge to link local communities with visitors that desire unique, personalised and authentic experiences based on local knowledge and connections.

Our investment in regional communities will allow the NRMA to deepen and broaden Member experiences, enabling the discovery of an expanded number of destinations and ensuring the NRMA remains at the forefront of tourism in Australia.



Award winning NRMA holiday parks

The NRMA holiday parks are in some of the best spots in Australia and we are proud to have been recognised through prestigious tourism awards. The NRMA Treasure Island Holiday Park on the Gold Coast was recently voted Best Family Hotel in TripAdvisor's Travellers' Choice Awards. Our Ocean Beach Holiday Park on the Central Coast came in seventh on the same list. Treasure Island and the NRMA Merimbula Beach Holiday Park also took home silver medals at the recent 2016 Queensland and NSW Tourism Awards.

TripAdvisor rated the NRMA Treasure Island Holiday Park on the Gold Coast No.1 best family hotel in Australia and the 25th best in the world

Open Road's readership grew by more than 12.2% to more than 1.1 million readers.

This positions the Open Road as the 7th highest read magazine in Australia, despite distribution being limited to NSW and the ACT.



My Membership

As a mutual, we exist for our Members. We're passionate about creating value by delivering great Member benefits and customer service, investing in local communities, and being a voice on issues that matter to our Members and the broader community.

At the NRMA, we realise that our Members are more than just motorists; they're commuters, families on holiday, and members of the local community. We recognise that in order to deliver on our shared value objectives now and into the future, we must address the pain-points Members face when on the road, travelling on public transport or visiting holiday destinations.

Over the past year, we've listened to what our Members have to say and have begun to tailor

our advocacy and service offering to better meet their needs.

But delivering value is also about identifying and preparing our Members for change, particularly in how we move around. It's about ensuring our Members remain informed of new and innovative solutions to improve mobility and access to services, whether it be by car, public transport, ride share or car share facilities.

Year in review

\$107.0m

In Member savings from a range of special offers and discounts

8%

Increase in social media interactions (FY17: 516,000, FY16: 480,000)

2,605,351

Members (2016: 2,481,577)

36%

More than one third of website visits are mobile sessions

Go bundles

Launched to Members, providing cost effective packages

18

Proactive research and advocacy campaigns

Making things simpler for Members

Delivering more value

We want to make the lives of our Members simpler when it comes to roadside assistance and servicing their cars, so we set out to create a compelling proposition that Members would value. During the year we launched Go Bundles, offering families the opportunity to combine roadside assistance, car servicing, and Thrifty car rental, in Basic, Essential and Premium packages.

Since launching a trial of Go Bundles in a small Western Sydney in March 2017, we have sold over 500 of these new innovative packages. Over the coming year, we will continue to fine-tune and roll out further offers and packages that better meet our Members' needs.

We've also introduced a monthly payment option for our membership subscriptions. For many Members, their NRMA Membership renewal date coincides with other large payments, like insurance and registration fees. Monthly

payments help ease the pressure at what can be a financially stressful time. Monthly payments are important for another reason – we've got big plans for more flexible membership subscriptions – so watch this space for more details soon.

You've spoken – we've listened: placing the customer at the centre of what we do

The NRMA continually works on ways to improve the experience our Members and customers have when using our products and services.

Over the past year, we've focussed on the top three Member concerns, investing in service improvements to reduce complaints and remove customer pain-points. We've also restructured our operating divisions to bring senior managers closer to our Members and customers. This ensures our Members are always at the forefront of decision-making.

Go Bundles are the first in a series of products designed to deliver greater value-added services that our Members really want; services that make Membership with the NRMA indispensable.

We're addressing some of the challenges that stop people from renewing and joining the NRMA, like affordability and relevance to their needs.



Key service improvements made in 2017

- More patrols carrying a range of batteries to ensure we get Members going the first time
- Introducing a towing service straight to the NRMA Car Servicing locations, directly from a breakdown, ensuring a faster resolution for our Members
- Introducing a larger range of multi-functional fleet patrol vehicles, including vehicles that can tow, complete mechanical repairs and carry replacement parts
- New customer service training delivered to all frontline staff
- 24/7 drop off capability at select Car Servicing locations

We rolled out a new customer service training program, centred on the positive use of language to develop strong customer relationships and deliver superior customer experiences for all our interactions with Members and customers.

All employees of the motoring division will have completed this training by December 2017.

**1 compliment
for every 5 complaints**

which is significantly reduced from last year with 1 for every 9 complaints

100% +24

of our motoring staff will complete new customer experience training by December 2017

Brand 2016 score +24 remained steady through 2017 with a peak NPS performance mid-year of +27

+80 NPS*

Our roadside NPS for 2017 was consistent at +80, compared to +80 in 2016

85%

Customer satisfaction was stable this year again with 85% of Members rating roadside assistance as 'Great', with Members complimenting our service providers and call takers as prompt and professional

*Net Promoter Score (NPS) is a key measure used across industries to assess customer satisfaction – that is, how likely Members and customers are to recommend us to others. With a possible score range of -100 to +100.

Improving our Members' digital and data experience

We're improving the journey that our Members have with us, by enhancing their digital experience and looking at innovative ways in which we can use data to tailor services for our Members.

At the beginning of the year, mynrma.com.au accounted for 15 percent of membership transactions. By January, this had increased to over 25 percent with new enhancements including a simplified online renewal process, the ability to sign in with a mobile number, as well as renewal reminders.

In June 2017, the new look mynrma.com.au was launched. The new website was designed with extensive research and user testing to make it easier for Members to manage their Membership online and to more easily discover and take advantage of the full range of products and services from the NRMA whether on a mobile phone or desktop computer. The new website has already resulted in significant increase in the volume of products and services being purchased online.

Behind the scenes, the platform used to manage the new website has the ability to offer our Members different content and offers on the website based on their digital profile which will be explored in 2018.

The NRMA is also investigating how improving Member access to their data can improve the service we offer, saving the customer time and money. In May 2017, the NRMA hosted the inaugural Global Motoring Alliance (GMA) Marketing and Data Analytics Symposium in Sydney, attended by delegates from the global motoring club network. The group shared information on emerging connected car technologies, innovative motoring club practices around telematics products, and housing Member data and its use for Member retention, acquisition and renewal.

During the year, we focused on the governance of our Member and our customer data. In November 2016, the Data, Digital and Technology Committee approved the new Data Governance Framework for the NRMA. A Privacy and Spam internal audit was conducted and actions undertaken throughout the year to address identified weaknesses, including specific privacy and anti-SPAM training which will continue to be rolled out throughout 2018.

Advocacy for our Members

For nearly 100 years, the NRMA has been the motorists' advocate. The organisation was founded in 1920 to improve the safety and accessibility of transport between Sydney CBD and Parramatta.

The NRMA advocacy work has delivered significant investment in safer roads, better transport infrastructure and fairer petrol pricing as a result of the strength of the voice of the NRMA and our Members.

But the NRMA advocacy goes beyond just road infrastructure and investment. Our Members are not only motorists; they are commuters, travellers and members of the community. In order to support our Members and their everyday lives, we need to ensure all journeys they may make are safe and deliver benefit to the community, whether it be for work, leisure or simply returning home safely to their family.

This year we've been busy working closely with the Australian, NSW and ACT Governments, agencies and industry bodies to ensure our road network is upgraded and expanded, public transport services are improved and regional communities benefit from increased visitation and connected services.

Below are a list of key advocacy achievements and priorities for the year. Over the next 12-18 months, the NRMA will focus our advocacy agenda on delivering and creating shared value focus area goals.

Key advocacy highlights

The NRMA advocacy agenda is focused around three key areas of creating shared value. Our key advocacy activities and outcomes are summarised below:

Safe mobility

The NRMA believes all users of our roads, whether they be motorists, public transport users, cyclists or pedestrians, should feel safe as they go about their day-to-day activities getting from A to B. Safe mobility is about investing in road and public transport infrastructure, protecting vulnerable road users, encouraging safer driving and the purchase of safer vehicles.

Key advocacy activities and outcomes in 2017 include:

- The NRMA secured increased Black Spot and Roads to Recovery Funding over the next five years. The NSW Government also committed \$500 million to support local councils to fix country roads and \$200 million for the Bridges for the Bush program.
- A record \$11.2 billion investment in NSW roads including \$1.5 billion to upgrade the Pacific Highway and \$790 million to upgrade the Princes Highway.
- In the ACT, we advocated for funding for the William Slim Drive duplication and Stage 2 of the Canberra Metro, as well as planning works for the Barton Highway Flyover and other important road and transport upgrades.
- Launched the Cost of Crashes report and an awareness campaign highlighting the appalling cost of fatalities and injuries to communities in metropolitan and regional NSW. Between 2011 and 2015, car-related fatalities and casualties cost the NSW economy \$35.7 billion.
- The NRMA secured on-going funding from the Australian Government for the Keys2Drive program; a program that improves the skill and experience of learner drivers on our roads.
- The NRMA secured a commitment from the NSW Government to develop an online learner driver log book.
- Launched a campaign encouraging the introduction of a driver training course for low level speeding offences as an alternative to motorists facing fines or accumulating demerit points.

Access for all

We all need to get somewhere, but for some ease of mobility and access to transport options can be difficult. This is especially prevalent in the growing outer suburbs of NSW and the ACT. For the NRMA, access for all is about spreading the transport load to outside the peak, encouraging fewer lone trips, shifting to other modes of transport, creating more mobility choice through innovation and keeping transport affordable and productive.

Key advocacy activities in 2017 include:

- The NRMA secured a commitment from the NSW Government for \$20 million in planning money for SouthConnex (the F6 Motorway Extension) between St Peters and Waterfall following advocacy from the NRMA.
- We called on governments to support the Badgerys Creek Rail Link to complement current road renewals and upgrades in Western Sydney and add to the total airport transport solution.
- Within the Hunter region, the long-awaited Lake Macquarie Interchange project has reached stage 1 completion. The region has also seen a major renewal centred on the introduction of light rail to the Newcastle CBD, with changes to transport services a continuing focus for the NRMA in 2018.
- The NRMA succeeded in securing pre-construction commitments for the Albion Park Bypass and Princes Highway upgrades between Berry and Bomaderry, as well as investment in regional tourism assets including Eden Wharf and WIN Stadium.
- Secured \$103 million for the planning of the Northern Beaches Link and Western Harbour Tunnel linking the Northern Beaches with WestConnex at Rozelle
- Renewed calls for improvements to regional rail services resulting in \$25 million being committed to advance planning and industry engagement on the introduction of a new fleet of diesel XPT trains for regional NSW.
- Secured funding for segregated bicycle pathways in and around Canberra, including the development of footpaths and cycle ways in high traffic areas improving connectivity around the University of Canberra, GIO Stadium and the Belconnen town centre.
- The NRMA has formed a partnership with Transport for NSW, HMI Technologies, Telstra, IAG and Sydney Olympic Park to undertake a two year trial of NSW's first autonomous vehicle, and renewed calls for trials to be introduced in the ACT.
- The NRMA launched the my nrma app, which provides Members with real-time information on the cost of fuel at local service stations across NSW.

Sustainable communities

Many communities, both urban and regional, lack necessary connections to services, social infrastructure and economic opportunities. As a country with a low population density centred in a small number of major cities, it is often more difficult to fund infrastructure, especially in the regions. For the NRMA, sustainable communities is about improving the number of connections between regional communities, improving access to employment, and growing the capacity to support visitation in regional areas.

Key advocacy activities in 2017 include:

- The NRMA appeared at a federal parliamentary inquiry to highlight the need to address the mechanics shortage by promoting vocational education opportunities to students.
- The NRMA also advocated for a more STEM-focussed education system to keep up with rapid technological change, including the introduction of autonomous vehicles.
- The NRMA called on the NSW Government to invest \$7 million on six major road priorities, with a goal of improving safety, economy and tourism in regional communities.
- The NRMA made submissions to the NSW Parliament's Inquiry into Regional Development and a Global Sydney, highlighting the importance of road and tourism infrastructure to regional destinations.
- The NRMA advocated for maintained funding for Destination NSW and Visit Canberra, the tourism marketing agencies responsible for promoting increased visitation to NSW and the ACT.



Sustainability and culture

As a mutual, a social purpose has been part of our organisational DNA since the NRMA was formed in 1920. This has expressed itself in various ways throughout our almost 100 year history, from contributing to Australia’s war effort, campaigning to reduce air pollution and supporting drought affected country areas.

This strong commitment to our Members and the community can only be realised when the NRMA has a robust base of profit and growth, enabling us to continue to create public value.

The NRMA is one of the most trusted brands in the country, and we’ve earned this by supporting our members throughout NSW and the ACT, speaking up on behalf of our Members on the issues that matter to them and creating long-term value in our communities through our community engagement and education programs.

As we approach our centenary in 2020, we’re aiming big. We can only achieve these ambitions if we continue to enjoy our current high level of community support, and a motivated, effective workforce that delivers for our Members is central to this.

Year in review

199,883

Batteries recycled (30% increase)

35,554

Hours of training delivered to staff

92,941

Teachers and students engaged on road safety education and future transport

19%

Of staff working in formal flexible arrangements

167

Fewer tonnes of carbon emissions produced despite business growth

39

Car servicing apprentices, of which three are Indigenous Australians and seven are female

Supporting our people

The NRMA workforce profile 2017

Group					
	Casual	Full-time	Part-time	Total	%
Female	89	596	157	842	43%
Male	66	971	60	1,097	57%
All	155	1,567	217	1,939	

Excluding ATPM

Talent attraction and retention

Building and retaining the right team is key to delivering more value to our Members. This year, we've focused on providing development opportunities to our high potential staff members, upskilling them to take advantage of a clear career path in our organisation.

We offer a range of career avenues across a multitude of businesses and jobs. We are also changing the way we attract and select employees in order to continue to build talented teams across our diverse business operations.

- 19% of staff working flexibly (2016: 15%).
- 11% improvement in new starter retention rates (2017: 77%) due to a focus on assessing cultural fit among new employees (2016: 66%) (NRMA only).

Leadership effectiveness and an engaged team

This year the NRMA focused on developing new ways of working, including the flexible workspace at our new home in Sydney Olympic Park, to create a work environment that encourages staff to be more collaborative and results driven.

We undertook a "Your Voice" employee engagement survey at the end of 2016 to ensure we're on the right track to making the NRMA an even better place to work.

A key focus was a leader-led cultural transformation and we were pleased to see a 12 per cent increase in staff perception of the effectiveness of our leaders.

Next year, our focus will be on building leadership and coaching skills among people managers, and we will continue to benchmark our performance via a full Your Voice engagement survey in 2018.

Learning and development

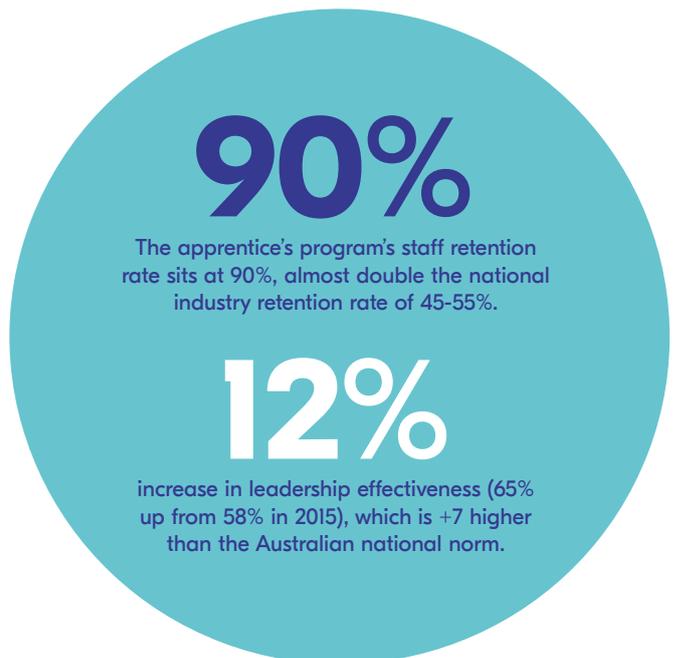
We're continuing to shift learning and development in the business from a training to a learning approach. We're tailoring a mix of development activities to meet individual learning goals through experience in a role, exposure to different ways of thinking and formal education, or the 3 E's.

- 35,554 hours of training to staff (40% increase from 2016).
- 18 hours of training per employee on average.

NRMA's next generation of skilled technicians

The NRMA's apprentice program initially had an intake of 11 apprentices, one of which was female. This year, the program has 39 apprentices, including seven females and three Indigenous apprentices. By the end of the next reporting period, we're aiming for an additional 30 apprentices, including a continued focus on attracting and retaining candidates from diverse backgrounds.

A major highlight this year was for five of our apprentices being invited to join the TAFE NSW pit crew repairing V8s at the Homebush V8 super car series and Bathurst 12 hour. Our apprentices performed so well that most of the drivers' teams thought they were seasoned mechanics from our Roadside Assistance crew, not Stage 3 apprentices. One of our apprentices was recognised as the Western region Apprentice of the year in the category of women in non-traditional trades.



Diversity

Diversity is an integral part of our vision, culture, values and the way we do business. To truly understand and communicate well with our diverse customer and Member base, the NRMA needs to attract and retain employees from different backgrounds, ages, genders and cultures.

In 2017 our leaders undertook training in 'Motoring on Unconscious Bias', to support our diversity and inclusion focus. Our 2018 Diversity and Inclusion Plan will continue to build our inclusive employment practices and leadership, with a focus on employment opportunities for refugees.

Reconciliation Action Plan

We're proud to have launched our first Reconciliation Action Plan (RAP) in December 2016. This two-year business plan will enable us to implement and measure practical actions that build respectful relationships and create equal opportunities for Aboriginal and Torres Strait Islander Peoples. Created with employee input from right across the business, our RAP actions apply to every division. We hold ourselves accountable for every commitment we have made in the RAP.

We've made a good start with initiatives like our Learner Driver Mentor Program. We can share the voice of our 2.6 million Members with government and industry to help achieve better outcomes for Aboriginal and Torres Strait Islander Peoples. We can also raise awareness about key issues affecting this community through our Open Road magazine, which has 1.1 million readers. We're looking at further opportunities for Aboriginal and Torres Strait Islander Peoples within our organisation through employment and supplier diversity, such as procuring from Supply Nation-certified businesses.

Gender flexibility
11% of male staff work
in formal flexible
arrangements
(7.5%, FY16) compared
to 29% of women.

Senior leadership gender diversity

2017	Women	Men	Total
Board	5 (63%)	3 (37%)	8
Executives	4 (44%)	5 (56%)	9
Managers	43 (34%)	82 (66%)	125
FY16			
Board	5 (63%)	3 (37%)	8
Executives	4 (40%)	6 (60%)	10
Managers	63 (44%)	79 (56%)	142

*NRMA only

Gender diversity and equal remuneration

Women in leadership

63%

Women represent 63% of the Board (5 out of 8 positions)

Women in leadership

44%

Women represent 44% of the ELT

34%

women

Senior managers and managers

66%

men

Senior managers and managers

Pay equity gap GAP

8.73%

Gender pay gap is 8.73% considerably lower than the national average of 16%
(source wgea.gov.au/addressing-pay-equity/what-gender-pay-gap)

Safety and wellbeing

A focus on training

Safety is a priority at the NRMA. Training to prevent incidents and improvements to hazard, near miss and incident reporting as part of our Group Health, Safety and Environment Management System have both been key areas of focus over the reporting period.

Prevention is key

Our wellbeing program responds to areas that matter to staff: nutrition, stress management, regular physical activity and excess body weight

The NRMA remains committed to promoting and supporting healthy lifestyles at work and home for all our employees. Employee wellbeing is fundamental to a happy, healthy and productive workplace and the NRMA is constantly seeking new and exciting opportunities to help our employees to live well.

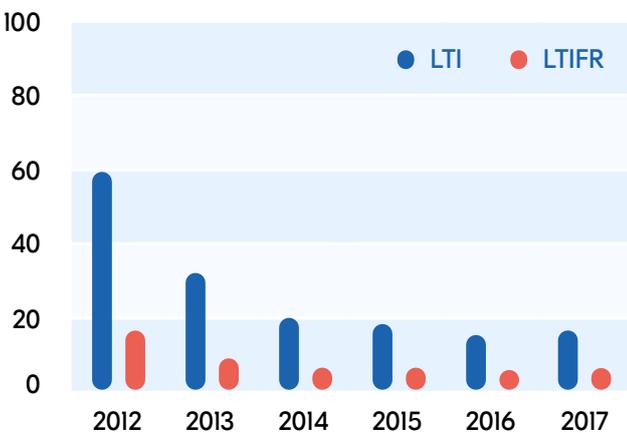
In FY17, the NRMA introduced its corporate Gym Membership program, Fitness Passport. This program provides employees and their immediate family members with the opportunity to sign up to a gym membership that gives them access to a multitude of fitness facilities, offering a more convenient and affordable way to remain active.

Lost Time Injury Trend

We are pleased to have maintained our lower trend rates although our LTIs and LTIFR were slightly up from last year.

NRMA Group LTI's and LRIFR

	2017	2016
LTI	16	15
LTIFR	4.73	4.43



Using science and technology for better health outcomes

The manual nature of the work performed by our Roadside Patrol employees can have an inherent impact on the body based on the requirements of the role. We used a scientifically based assessment process which utilised motion sensor technology to understand these impacts. Data received from video and sensory devices placed on volunteer employees monitored their movements, postures and muscular activity of the knees, lower back and shoulders. The process helped us to better understand the musculoskeletal stresses and strains placed on an employee while working and identify what possible opportunities there were to improve processes and procedures to reduce WHS impacts and potential injuries.

Training continued as a focus in FY17: 95% completion rates for HSE due diligence training

Driving a culture of thanks

At the NRMA, all of our staff have a role to play in shaping our culture and contributing to the delivery of our strategy, through their performance and how they behave. The NRMA values of energy, courage, humility and ownership represent our culture, and recognise what's important in our communication and relationships with each other, Members, customers and suppliers. The 'My thanks' program encourages our staff to recognise their peers and colleagues who demonstrate our values.

Since the launch of the recognition program in April, employees have made more than 800 nominations (200+ per month), a significant increase compared to the previous program, which saw an average of 60 nominations per month. We are now rolling out the program across the Group.



Apprentice of the year award

Apprentice-turned qualified mechanic Megan Brown is sitting at the top of her trade after taking home the Apprentice of the Year Award for 'Woman in Non-Traditional Trade/Vocation' for Western Sydney, at this year's NSW Regional Training Awards. The NRMA apprentice made history as the first female nominee from the NRMA to win in this category and is now in the running for the State apprentice of the year awards to be held later this year.

Ms Brown was one of 80 applicants across a variety of trades and vocations up for a prize at the Western Sydney Training Awards. Nominated by TAFE NSW for her dedication, self-determination and passion, Megan was commended for her strong leadership skills and commitment to helping her peers.

"I just decided what I wanted to do and I went for it and I found that the better I got at something the easier it became. I didn't let anything stop me. I have had great support from the NRMA, my colleagues and peers. If you want something bad enough you'll work hard for it."
- Ms Megan Brown

Environment

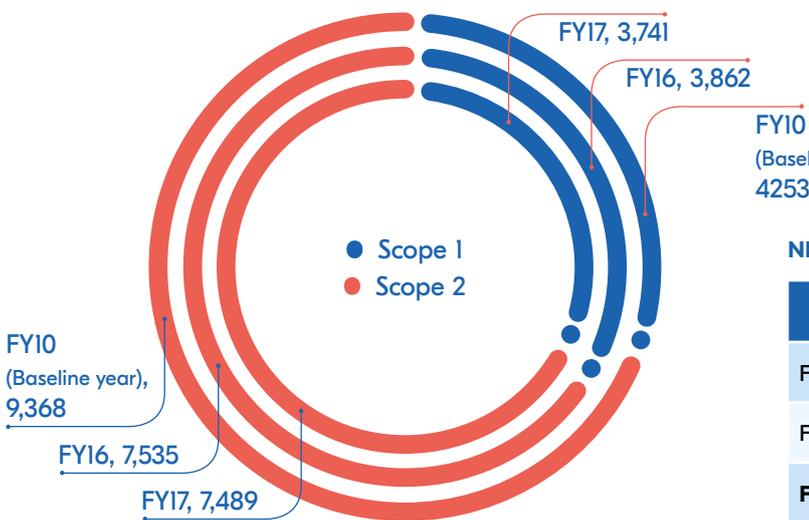
Energy efficiency and carbon emissions

Management of our environmental performance is an important part of delivering a sustainable business. Our operational impact on the environment differs across our family of products and services, from how efficiently we use and recycle resources, to our impacts on biodiversity and the natural environment from our holiday parks. The NRMA is working towards a low carbon vision for 2020, with a focus on energy efficiency actions to deliver both cost savings for our business and benefits for the environment.

18% reduction in Group carbon emissions since 2010

More than 1% reduction since FY16

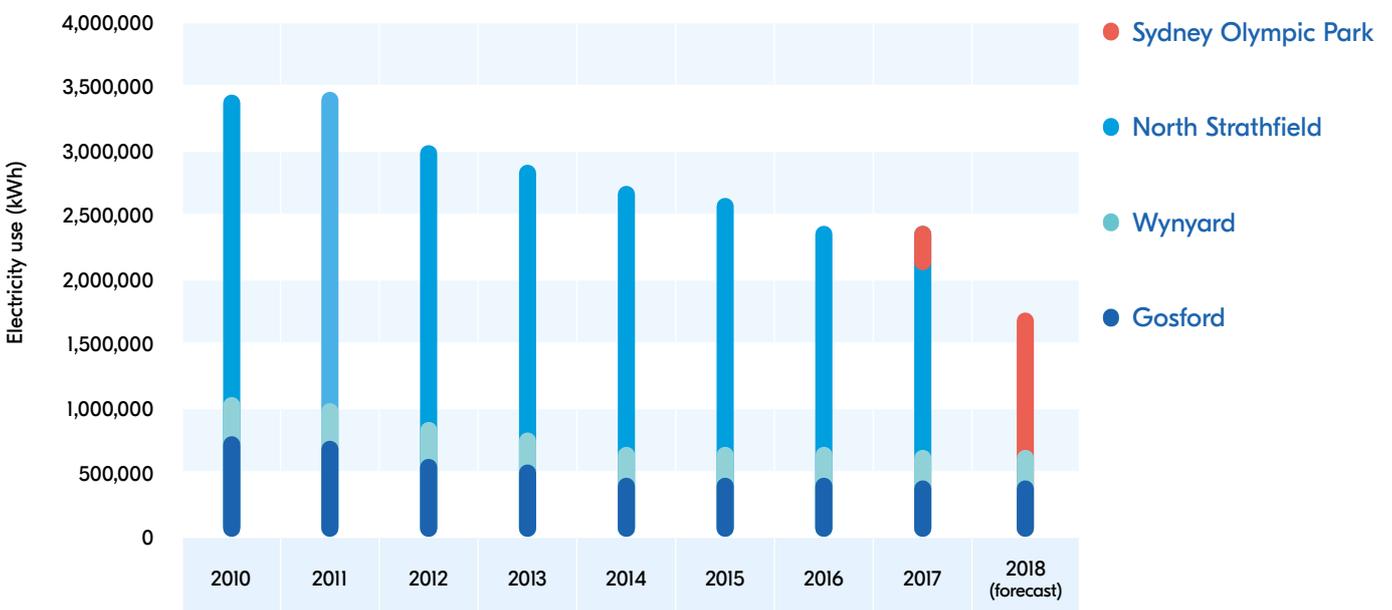
NRMA Group carbon emissions



NRMA Group carbon emissions (tCO2-e)

	Total	Scope 1	Scope 2
FY10	13,622	4,253	9,368
FY16	11,397	3,862	7,535
FY17	11,230	3,741	7,489

Corporate electricity use



Electricity savings

30%

We use 30% less electricity in our corporate offices since 2010 (baseline)

39%

Our new Sydney Olympic Park office uses 39% less electricity than our former North Strathfield office.

Battery recycling

Batteries recycled at facilities in NSW including Wagga Wagga and Unanderra

2,909

tonnes FY17

2,230

tonnes FY16

199,883

Battery units FY17

153,774

Battery units FY16

Paper savings

816 tonnes

of paper saved from Open Road publishing over the past five years due to cutting duplication waste and changing the paper type and size.

Fleet efficiency

Our new fit for purpose patrol vans are up to 19% less carbon intensive per kilometre than our older dual fuel vehicles.



Our move to Sydney Olympic Park

The NRMA is all about keeping people moving, and we have just successfully moved ourselves. Our new corporate location at Sydney Olympic Park was delivered on time and on budget. Not only is it 5 Star Green Star rated – it's also hugely popular with NRMA team members. The new location delivers the latest in collaborative workspaces, forward thinking design and plenty of natural light. The central staircase is a real winner with most people electing to take the stairs rather than the lifts. The exit from our previous home at North Strathfield was also highly successful with some 15 tons of paper and e-waste recycled in the process.

Sustainable Mobility Project

The NRMA chaired a business-led project into workforce mobility that found Sydney needs to improve on a range of critical indicators if it wants to become a more sustainable 21st century city. The report, released by Sustainable Business Australia, has found that Sydney's mobility system performs poorly for emissions of greenhouse gases, as well as long journeys to work, exacerbated by congestion which is impacting on economic opportunities for its residents.

The NRMA Group CEO Rohan Lund said advances in mobility technology such as the autonomous vehicle, the shared economy and innovative transport solutions to congestion would complement the record levels of investment in public transport and roads currently underway in Sydney. "Our cities are relatively safe and accessible by global standards, but journey times do not stack up so well," Mr Lund said.

"Sydney has a fast-growing population and we are now playing catch-up after decades of neglecting the city's essential roads and public transport infrastructure. "However, this won't be enough. Industry and Government must partner more effectively to adopt innovative solutions to ensure our transport system can support population and economic growth. "We need a joint strategy of new investment and more efficient asset use in order to deliver better outcomes reflective of our status as a global city".

Education

Safe mobility is a core focus area for the NRMA. It is one of our core shared value focus areas and we already create value for our communities by helping to save lives on the roads. To create value in this area, we deliver high-quality road safety education for children, young people, the aged and the wider community.

Our programs include:

Primary school program

Our Science and Road Safety program completed its fourth successful season in June 2017 after 118 school visits engaging with 52,573 students and 2,103 teachers. The program takes a novel approach to road safety education combining science demonstrations with drama and theatrics to create a highly engaging and memorable experience for children. The safety strategies communicated throughout the show are reinforced through the student workbooks covered in the classroom serving to empowering children to recognise the risk, know how to keep themselves safe and influence the road safety behaviour of those around them. We know the program is delivering lasting impact on students' knowledge from the data coming through from the program surveys, with 19,680 students having completed the pre-and-post program evaluation in FY17. The findings are incredibly positive, with increases in student knowledge found across all key content areas, most notably; 140% increase in students' ability to recognise an unsafely fitted bike helmet, a 21% increase in the knowledge about correct seatbelt use, 115% increase in the need to replace a bike helmet after a crash and 44% increase in understanding the dangers of sitting in the front seat of a car.

The program is also attracting industry recognition having been listed as a Finalist for the Mindful Movement Award (Transport), as part of the prestigious Banksia Awards, October 2016.

Young driver programs

The my first car program involves live demonstrations on students' cars concerning basic safety and

maintenance delivered by the NRMA Patrols in High Schools. Students who participate in the program also get advice on what to look for when buying their first car, and then what to do to keep it running safely on the road. Last year the my first car program visited 12 schools, delivered 30 presentations and engaged 1,205 students.

In February 2017 we introduced the revised version of the Live. Learn. Drive program within High Schools. The program is now delivered across three consecutive years engaging with students in Year 10 through to 12 addressing a range of road safety issues they will likely encounter on the road to their independence. Over the three years, students will receive content that is relevant to them along with tangible safety strategies that they can employ when traveling independently whilst building upon their knowledge base each year. In this financial year the program has been delivered within 69 Schools engaging 8,982 students through 189 presentations.

The NRMA has committed to supporting the Australian Government's Keys2Drive program over four years through in-kind support of over \$300,000 per year. The total contribution of all motoring clubs is \$1 million per annum. Under the program, the Australian Government with support from the NRMA provides one free driving lesson to learner drivers, where accompanied by a parent/supervisor. The program allows supervisor and learner to improve their skills together under the supervision of a driving instructor, avoiding bad behaviours from being passed from supervisor to learner.

Older driver programs

Our Years Ahead and Pedestrian programs ensure older Members remain independent and mobile for as long as possible. The program is available to community groups and no expense to their members providing trusted information on road rules, legislation and health implications that could affect their driving ability. Last year we delivered 41 presentations to 1,842 members across the state.

Program highlights

92,841

students and teachers engaged in road safety and future transport

1,842

Members engaged in older driver programs

339

schools reached



The NRMA Future of Transport Challenge

In May 2017, the NRMA education team brought real world learning into STEM classrooms through the pilot phase of the inaugural NRMA Future of Transport Challenge for high schools.

The challenge invited Year 9 and 10 students from four pilot schools to work in teams and learn to think like entrepreneurs. Students researched real world transport issues, reviewed approaches by global cities and explored new technologies before they applied design thinking models to create possible solutions. The schools will pitch their ideas at the Youth Eco Summit at Sydney Olympic Park on 14 September 2017 with the view of officially launching the Challenge state and Territory-wide early 2018.

Community investment

The NRMA invests in our local communities, with our team, our services and our time. Our approach to Community Investment focuses our activities towards addressing material and social issues of importance to our members and their communities. To create value in this area, we identify key areas of social need and partner with community leaders to deliver high-quality targeted programs to vulnerable Australians.

Driver training for Indigenous youth

Indigenous students at Denison College, Kelso campus in Bathurst, have received free driver training to become safe and capable drivers. NRMA employees raised \$16,500, matched dollar-for-dollar by the NRMA, to support Birrang; a driver training organisation that helps Indigenous and disadvantaged Australians in regional and rural NSW get their driver's licence.

The funding helped Birrang to run a five-week program at the school, where students study for their Driver Knowledge Test and, once successful, have lessons on the road with instructors. The program gives students confidence in the car, more logbook hours towards obtaining their provisional license and is helping these students become safer drivers on the road.

DriveTime Program

Moving to a new country can be tough for anybody, let alone for refugees who may have come from vulnerable situations. We're proud to be partnering with IAG and Gynea Community Aid and Information Service to help refugees during their first stages of settlement in Australia.

Two of our patrols, who speak Arabic, have run My First Car workshops for over 100 Syrian and Iraqi refugees now settled in Western Sydney and the Illawarra. The workshops help participants with the basics of safe car ownership; checking oil levels, tyre pressure, the meaning of a car's warning signs and what to do in a mechanical emergency.

The My First Car workshop is part of the DriveTime program; a new Learner Driver Mentor Program helping refugees obtain the skills and knowledge required to obtain a driver's licence and avoid potential employment and social isolation. The NRMA Driver Training instructors delivered 450 hours of professional lessons and volunteer mentors supervised additional log book hours in Thrifty cars.

The NRMA has also partnered with TAFE NSW to deliver English for driving classes for newly-arrived refugees, with 84 refugees receiving classes to date.

A driver's licence is a life-changing tool that helps unlock social and economic opportunities for drivers, their family and their communities

22

Indigenous participants received 100 professional lessons equating to 300 log book hours

10

successful graduates, with 3 provisional licenses and 7 learner licenses received

Our Learner Driver Mentor Program opens up employment opportunities, addresses social isolation through mobility and helps reduce the high rates of road casualties and unlicensed driving among Aboriginal and Torres Strait Islander Peoples.

450

hours of professional lessons

84

refugee participants

38

learner licence holders

20

provisional licence holders, five of whom have since gained employment

Representatives from the NRMA attended the Premier's refugee employment roundtable discussion



Reconciliation Action Plan

At the NRMA we believe that communities thrive when we all keep moving. During 2017, the NRMA launched our first Reconciliation Action Plan. The Plan outlines a series of deliverables requiring action in four areas of Relationships, Respect, Opportunities and Tracking Progress and Reporting.

The NRMA is on schedule to complete all actions within the Plan with some of the most significant successes to date including new agreements with Indigenous suppliers, Indigenous internships and apprenticeships, cultural awareness training for key staff as well as the use of acknowledgement and welcome to country at key events.

The NRMA and Indigenous creative agency, Gilimbaa, worked together to uncover the story behind the NRMA's reconciliation objectives and how they align with the NRMA's values and strategic direction. The result was a bespoke artwork that represents movement, clear

pathways and connected communities. *Keep Country Moving*, by Riki Salam, is a lasting symbol of the NRMA's RAP.

Progress:

- Launched the first Reconciliation Action Plan for the NRMA on 7 December 2016.
- Working Group established to actively monitor development and actions.
- 3 Indigenous apprentices recruited.
- More than 100 hours of Indigenous cultural awareness training delivered to 25 employees
- CareerTrackers intern recruited
- Celebrated and participated in National Reconciliation Week activities including the 50 year anniversary of the 1967 referendum



Keep Country Moving, by Riki Salam

Outback links

At the NRMA, we were born to keep people moving – even in some of the most remote, drought-stricken parts of Australia. Partnering with Frontier Services, we've been able to connect our motoring expertise with communities in need.

In 2017 we've completed six Outback Links trips to Walgett and Cobar. Our trained NRMA Patrols and car servicing apprentices have generously volunteered 517 hours, fixing equipment, tractors, utes, motorbikes and more. The spirit of community is what makes the NRMA and we're proud to help keep regional communities moving.

A video made of the volunteers previous experience in Lightning Ridge received more than 800,000 views online and won gold and silver in two categories at mUmBRELLA's BEfest awards recognising the best in branded entertainment in Australia and New Zealand.

Heritage

For 97 years, the activities and achievements of the NRMA have been inextricably linked to key events in history. As we prepare to celebrate our centenary in 2020, we are considering the long-term role of our collection of heritage items. This has included the establishment of a permanent display celebrating our history in the foyer of our new building at Sydney Olympic Park.

The NRMA has commissioned leading transport curator, David Crotty, in order to catalogue the NRMA

heritage collection and to establish conservation protocols. This process as well as the move from the North Strathfield site has allowed improvements to the storage of memorabilia. The NRMA has partnered with key motoring museums, including Motorlife Museum in the Illawarra and Australian Road Transport Heritage Centre in Gundagai.

The NRMA heritage collection fulfils an active role in connecting our business with Members and the community. The NRMA heritage vehicle fleet continues to be displayed at events throughout the state, ranging from the All British Motor Show to the NRMA Annual General Meeting.

Sponsorship and Director donations

In 2017 the NRMA sponsored the Australian Motorlife Museum, Parkes Elvis Festival and Sydney Royal Easter Show; inspiring people to explore what our country has to offer.

Additionally, our Directors supported regional communities by donating to the Australian Red Cross, Gymea Community Aid and Information Service, Nepean Football Association, Newcastle Regional Show, Rally of the Bay and Women's and Girls' Emergency Centre.

In 2018, the NRMA is examining opportunities to expand our program of community activities delivered directly by the community investment team in order to maximise the impact of our Creating Shared Value projects. These projects will be prioritised over other sponsorship and partnership opportunities.



Section 5

Governance and remuneration

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Introduction

Corporate governance is the system or method by which a company is directed and controlled. The Board, as the Members' representative, has responsibility for the governance of the NRMA.

Corporate governance ensures that the organisation's systems and processes are appropriately managed and that management is complying with NRMA policies, procedures and directives.

Good corporate governance structures encourage the NRMA to create value for Members through sensible risk taking, but provide accountability and control systems commensurate with the risks involved.

Purpose of the report

This report focuses on providing an overview of the corporate governance structure in place at the NRMA and on the key activities of the Board and committees during the year and how those activities have supported the creation of shared value, in line with the approved strategy.

Link to where further information can be found

Additional governance information about the NRMA, the Board, Board Committees and election of Directors, as well as Directors' fees and copies of Annual Reports can be found on the company's website at mynrma.com.au/community/corporate-information

Board

NRMA of Directors

ARMC

Audit and risk management committee

DDTC

Data, digital and technology committee

GCNC

Governance, compensation and nomination committee

PAC

Policy and advocacy committee

FIC

Finance and investments committee

Role of the Board

The business of the National Roads and Motorists' Association Limited (the NRMA, Company or Group) is managed under the direction of the Board of Directors.

The Board is responsible for the appointment of the Group Chief Executive Officer, the management and control of the business and affairs of the NRMA and the establishment of committees with either delegated authority or advisory functions. Details about the Board's committees, as well as their charters, are available on our website.

Board skills and experience

The NRMA Directors have a range of skills and experience as well as individual specialist skills to assist with collegiate decision making. This helps the Board to lead the business for the benefit of its Members. A skills audit of Directors was conducted as part of the Board Effectiveness Review and will be used to guide the recruitment of candidates for appointment as one of two additional Appointed Directors.

The recruitment process will commence in October 2017 and be completed by the time the revised electoral boundaries come into place on 1 January 2018.

Continuing education and training

All Directors are encouraged and assisted to attend educational courses which serve to enhance their performance as Directors.

Under the Constitution, all Directors must attend the Australian Institute of Company Directors (AICD) Company Directors' course (or another equivalent Director development course approved by the Board).

They must attend within two years of the date of their election or appointment in order to continue as a Director.

All the current Directors comply with this requirement in the Constitution. Ms Botsman completed the course following her appointment in September 2016.

During the period, the Directors attended:

- Board effectiveness training provided in-house by Boardroom Partners.
- Financial management training provided by the Australian Graduate School of Management
- Investment Management training provided by external experts including AMP, SunSuper and Deloitte.

Gender diversity

The diversity of the NRMA Board is well ahead of the target for gender diversity set by the Australian Institute of Company Directors, which has a target of 30% female Directors by the end of 2018.

63% (5 out of 8)

Female Directors

37% (3 out of 8)

Male Directors

Directors' average tenure

4

1-3 Years

1

4-6 Years

2

7-9 Years

1

10-12 Years

Focus areas for the Board

In 2016, the Board reviewed its corporate governance practices, proposals for changes to the electoral boundaries arising from the changes to the constitution approved by Members at the 2016 AGM, and its performance with a view to setting up the Board to manage future challenges while also preparing for the retirements of two long-serving Directors: Wendy Machin in March 2017 and Kyle Loades in December 2017 and the appointment of two Appointed Directors.

Additional areas of focus during the year were as follows:

1. Strategy

Board Strategy workshop

A Strategy workshop was held in March 2017 to review the strategy and direction of the business for the next three years.

Creating Shared Value

The Board adopted a focused advocacy agenda centred on Safer Mobility, Access for All and Sustainable Communities. The agenda includes an increased focus on providing fair and equitable access to transport for the entire community. Smart mobility technology will form part of this solution.

2. Governance

A Board Effectiveness Review was completed. The review included 11 recommendations in relation to the functions, composition, operations and the value add of the Board and focused on:

- the role of the Directors in advocacy;
- relationships with management;
- Directors' skills, Directors' terms and ongoing development;
- the structure and roles of the committees;
- risk governance;
- succession planning;
- the operation of the Board; and
- fostering and supporting the values and culture of the NRMA.

Outcomes

Reviewed the electoral region boundaries to reduce the number of regions from 8 to 6, in preparation for the constitutional changes to the regional electoral boundaries which come into force on 1 January 2018.

Approved a revised Code of Conduct for Directors to include five separate Board policies into one document, providing a simplified internal governance reference document for Directors.

Endorsed the change to an active governance statement in a new form of annual report as a first step in the NRMA move to greater integrated reporting.

3. Risk management

Business continuity

Undertook a business continuity planning and crisis management exercise (which included all Directors and key management) to test the readiness of the business in case of a substantial interruption to business.

Cyber security

Commissioned a review of the NRMA cyber security readiness and plans to ensure the business is prepared in case of cyber-attack or data breach. The need for sufficient data governance had been identified as a priority for the organisation, the aim of the proposed data governance framework being to mitigate the risk of Member and customer data breaches and ensure effective data protection.

Critical risks

Completed two six-monthly critical risk reviews to ensure that no risks remain outside the tolerances set by the Group Risk Appetite Framework approved by the Board.

4. Future proofing

Beyond roadside

Approved the acquisition of an interest in DIVVY Parking and the 100% acquisition of Australian Tourist Park Management which added 34 new parks to the NRMA Holiday Park portfolio.

Technology and data

Approved the trial of telematics technology in conjunction with the Royal Automobile Club (UK) in fleet and member vehicles.

Product innovation and diversity

Reviewed and approved the development of new customer value bundles and the introduction of a monthly payment option. One such bundle includes NRMA Insurance and Roadside Assist. The NRMA also started selling NRMA Insurance as agent for IAG.

Beyond the horizon

Visited major companies in Silicon Valley to understand the changing business environment impacting the NRMA business model and to hear from the experts on advances in driverless vehicles, telematics and innovation.

5. Sustainability and culture

Culture

Undertook a gap analysis of the culture and action plans to achieve the desired culture and provided delegation to the CEO to manage the culture and implement cultural change.

Safety, wellbeing and environment

Aligned the NRMA safety, wellbeing and environmental strategic management framework to its organisational leadership values. The framework aims to enhance our capability to keep staff and visitors safe and to protect the environment. The NRMA maintains a zero tolerance for preventable workplace health and safety incidents and continues to drive initiatives designed to reduce compensable work-related injuries. The number of workers compensation injury claims reduced by 27% in the year to 30 June 2017.

Creating Shared Value

Reviewed and approved the NRMA shared value model which creates alignment between programs and projects that address social issues, deliver benefits for Members and create alignment with the business strategy.

Smart mobility technology

Approved a broader focus on improving transport affordability, reducing travel times and providing physical access to transport through the development and implementation of smart mobility technology.

The way we work

The new flexible working environment at Sydney Olympic Park allows corporate staff to work in an agile and collaborative way. This promotes cross team working groups and greater interaction with colleagues from different departments.

Board of Directors



1. Mr Kyle Loades
FAICD MBA

Chairman
(Keele Region)

2. Ms Fiona Simson
BA (Bus), GAICD

Deputy Chair
(Townsend Region)

3. Mr David Bentham
OAM, C. Eng, M. Eng. Sc

Non-Executive Director
(Cox Region)

4. Ms Rachel Botsman
BFA (Hons), GAICD

Non-Executive Director
(Appointed)

5. Ms Kate Lundy
GAICD

Non-Executive Director
(Mann Region)

6. Ms Marisa Mastroianni
B.Com, M.Com, GAICD,
FCPA, AFAIM

Non-Executive Director
(Hoddle Region)

7. Ms Coral Taylor
GAICD

Non-Executive Director
(Howe Region)

8. Mr Tim Trumper
MBA (Entrepreneurism)

Non-Executive Director
(Harbour Region)

Mr Kyle Loades
FAICD MBA

Chairman (Keele Region)

Mr Loades successfully established, grew and ran Auto Advantage, an independent car broking business that disrupted the motor vehicle retail industry. In August 2015, the business was purchased by a listed company and integrated into its larger operations.

Mr Loades is Chairman of the Hunter Medical Research Institute and past Chairman of the Hunter Medical Research Foundation. He is also a Director of the Australian Automobile Association and a Board member of the Committee for Sydney.

He is a former Director and President of Hunter Business Chamber, a former Board Member of Hunter Tourism and a Life Member, past President of Nobbys Surf Life Saving Club and former Director of the Hunter Region SLSA Helicopter Rescue Service Limited.

Mr Loades is a fellow of the Australian Institute of Company Directors and holds an MBA from the University of Newcastle.

Term of office

Date first elected: 3 December 2005

Last re-elected: 5 December 2015

Elected as Chair: 1 July 2014

Retirement date: 3 December 2017

Board committee membership

Chair of the Governance, Compensation & Nomination Committee

Ex-officio member of:

Audit and Risk Management Committee

Finance and Investments Committee

Policy and Advocacy Committee

Data, Digital and Technology Committee

Ms Fiona Simson
BA (Bus), GAICD

Deputy Chair
(Townsend Region)

Fiona is a passionate advocate for rural and regional communities and issues. Growing up on a property near Armidale, in NSW, she and her husband Ed run a family farm on the Liverpool Plains near Premer in northwest NSW. She has represented her local community on a variety of community groups, served a full term as an elected councillor on Liverpool Plains Shire Council, and a member of the Board of NSW Farmers' Association for five years.

She was the first woman to represent the NSW Farmers' Association as its President and Chair. She is President of the National Farmers' Federation and sits on the Board of the Australian Made Campaign Ltd.

Ms Simson completed a Bachelor of Arts Degree in Canberra. She has also qualified with a Cert. IV in Training and Workplace Assessment and is a Graduate of the Australian Institute of Company Directors.

Term of office

Date first appointed (casual vacancy): 19 January 2015

Last re-elected: 5 December 2015

Elected Deputy Chair: 9 December 2015

Retirement date: 19 January 2027

Board committee membership

Chair of the Policy and Advocacy Committee

Member of the Audit and Risk Management Committee

Ex-officio member of:

Data, Digital and Technology Committee

Governance, Compensation and Nomination Committee

Finance and Investments Committee

Mr David Bentham
OAM, C. Eng, M. Eng. Sc

Non-Executive Director
(Cox Region)

David is a retired chartered mining and civil engineer, the former Deputy Mayor of The Hills Shire Council and a former Board member of the Western Sydney Area Health Board (Westmead Hospital).

David is very interested in community health and safety. He fully supports the FIA's International Decade of Road Safety, hoping that this will result in a refocusing on how NSW and Australia develop and manage the road network and systems.

The subject of toll roads and how they impact on members is of particular concern to David.

The geographical area represented by Mr Bentham is the NRMA region of Cox, which takes in suburbs in Western Sydney. David has lived in the region for more than 40 years and strongly represents the interests of NRMA Members locally. He believes population growth and the imbalance of jobs in Western Sydney is having a major impact on all modes of transport, particularly on the main corridors.

He holds Bachelors and Masters degrees in Engineering. In the 2015 New Year's honours list, David was awarded an OAM for Services to the community and to business.

Term of office

Date first elected: 6 December 2008

Last re-elected: 5 December 2015

Retirement date: 6 December 2020

Board committee membership

Member of:

Audit and Risk Management Committee

Policy and Advocacy Committee.

Ms Rachel Botsman
BFA (Hons), GAICD

Non-Executive Director
(Appointed)

Ms. Botsman is a world-renowned expert on how technology is changing the way we can live, work, bank and travel. An award-winning author, speaker and University of Oxford lecturer, she has contributed to The New York Times, Australian Financial Review, Wall Street Journal, The Economist, and more.

Her upcoming book, *Who Can You Trust?* (Penguin Portfolio, October 2017) reveals that we are at the tipping point of one of the biggest social transformations in human history. She is also the co-author of, *What's Mine is Yours* which defined the theory of 'collaborative consumption' and was named one of TIME's "Ten Ideas That'll Change the World".

She currently teaches the world's first MBA course on the collaborative economy at University of Oxford, Saïd Business School.

Rachel was a founding partner in the Collaborative Fund and previously served as a Director on the William J Clinton Foundation. Her TED talks have been viewed more than 3.5 million times. She was named one of the "Most Creative People in Business" (Fast Company); a "Young Global Leader" (World Economic Forum) and received the Breakthrough Idea Award (Thinkers50).

She holds an honours degree in Fine Arts from the University of Oxford and attended Harvard University for her post-graduate studies. She is a graduate of the Australian Institute of Company Directors.

Term of office

Date first appointed by Board:
21 September 2016 for fixed two year term

Fixed retirement date: 21 September 2018
(unless re-appointed by the Board)

Board committee membership

Member of:

- Finance and investments Committee
- Data, Digital and Technology Committee

Ms Kate Lundy
GAICD

Non-Executive Director
(Mann Region)

Ms Lundy 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.

She is heavily involved in a large number of community and sporting clubs which reflect her broad range of interests.

Ms Lundy is the Managing Director of Technology Innovation Partners Pty Ltd, a private consulting company. She is also a Director of the Australian Cyber Security Research Institute, Australian Sports Technology Network and the Australian Grand Prix Corporation.

Ms Lundy also works part time as the ACT and region Local and Defence Industry Advocate.

Term of office

Date first appointed (casual vacancy):
1 April 2015

Last re-elected: 5 December 2015

Retirement date: 1 April 2027

Board committee membership

- Chair of the Data, Digital and Technology Committee
- Member of the Policy and Advocacy Committee

Ms Marisa Mastroianni
B.Com, M.Com, GAICD, FCPA, AFAIM

Non-Executive Director
(Hoddle Region)

Ms Mastroianni is an experienced Director and CEO with expertise in strategic planning, mergers and acquisitions, financial and risk management, corporate governance and change management. Ms Mastroianni is currently the Managing Director and Group CEO of UOW Enterprises, a global education company which is a subsidiary of the University of Wollongong.

Ms Mastroianni leads an international team of highly skilled professionals with operations in Australia (UOW College), Dubai (University of Wollongong in Dubai) and Hong Kong (CCCU). She has extensive service industry experience including the Port Corporation and Uniting Care.

She holds a Bachelor and Master of Commerce, is a Harvard Alumnus, Fellow of CPA Australia, Assoc. Fellow of AIM and a Graduate of the Australian Institute of Company Directors. Ms Mastroianni is a Director of the Illawarra Shoalhaven Health District Board and is a member of its Audit and Risk Committee. She is a member of the Community Alliance Credit Union Audit Committee.

Term of office

Date first appointed (casual vacancy):
19 January 2015

Last re-elected: 5 December 2015

Retirement date: 19 January 2027

Board committee membership

Member of:

- Chair of the Audit and Risk Committee
- Member of the Finance and Investments Committee

Ms Coral Taylor GAICD

Non-Executive Director (Howe Region)

With more than 25 years' experience in the motor sport industry, Ms Taylor is currently responsible for the management of the Neal Bates Motorsport Rally Team and has been the Australian Rally Champion four times as co-driver with Neal Bates.

Ms Taylor is a passionate motoring enthusiast and has a strong interest in road safety issues, driver training and young drivers.

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

She is a Director of Tamroc Enterprises Pty Ltd, a company engaged in the building industry and also sits on the of Board of the National Heavy Vehicle Regulator (NHVR).

Ms Taylor was inducted into the Motor Sport Hall of Fame in March 2017.

Term of office

Date first appointed (casual vacancy):
12 February 2008

Last re-elected: 5 December 2015

Retirement date: 12 February 2020

Board committee membership

Member of:

Governance, Compensation and Nomination Committee

Policy and Advocacy Committee

Mr Tim Trumper MBA (Entrepreneurism)

Non-Executive Director (Harbour Region)

Mr Trumper is an Advisor to the Board of Quantum, a leading data analytics business and is an experienced company CEO and Non-Executive Director with 25 years in a range of categories including Big Data, internet, e-commerce, financial services and media. He also has extensive experience in consumer publishing, internet and television.

He has worked in and with leading global and Australian organisations, including PBL, Time Warner and Microsoft. He has also held Board roles in ASX companies and in private fast-growth companies. He is a former Board member of the Foundation Board of Southern Cross University.

In addition, Mr Trumper is the co-founder of Bestest Charity with fellow Director and Chairman, Hon. Bob Hawke. The Bestest Foundation has raised over \$4 Million for disadvantaged Australian Children. The Board comprises some of Australia's highest profile business executives.

He holds an MBA with distinction in Strategic Management and a major in Entrepreneurism. Mr Trumper said one of his main priorities as local Director was to work with key stakeholders to help find solutions to transport issues.

Term of office

Date first appointed (casual vacancy):
12 May 2014

Last re-elected: 5 December 2015

Retirement date: 12 May 2026

Board committee membership

Chair of the Finance and Investments Committee

Member of:

Data, Digital and Technology Committee

Governance, Compensation and Nomination Committee

Finance and Investment Committee.

Former Directors

Ms Wendy Machin

Ms Wendy Machin retired as a Director on 30 March 2017, having served the maximum permissible term of 12 years on the Board.

Company Secretary

Mr Nick Mowat, FGIA, FCIS, SA Fin, AAICD, AAIST

Mr Nick Mowat is the Company Secretary. He was appointed on 6 October 2005.

Ms Helen Burgess

(ceased 5 November 2016)

Overview of the appointment of Board Directors

The Board is comprised of up to nine non-executive Directors. The Group CEO is not a Director.

The Chair and Deputy Chair are elected by the Directors at the first Board meeting after the conclusion of each Board Election.

From 1 January 2018 up to three Appointed Directors may be appointed by the Board and six Directors are elected by Members. This mix allows the Board to ensure it has the necessary blend of skills to deliver on the strategy while at the same time safeguarding the constitutional right of Members to elect the majority of Directors to represent them.

A Board election is held every four years. This gives Members the opportunity to vote for a Director to represent each of the six electoral regions across NSW and the ACT. The next Board election will be held in 2019. Details about the electoral regions and an interactive map are available on the Electoral Regions page of the website.

Current Situation

As at the date of this report, eight Directors may be elected by Members and one may be appointed by the Board. As the Constitution is in a transition phase until 1 January 2018, at present, the region previously represented by Ms Wendy Machin is vacant. This region and one other (Keele) will cease to exist from the 1 January 2018. From 1 January 2018, there will be six regions covering NSW and the ACT and up to three Directors may be appointed by the Board to complement them.

Board meetings

The Board holds face to face meetings at least seven times a year. In addition, it meets by telephone to deal with specific matters needing attention between the scheduled meetings. During the 2017 financial year, the Board met nine times.

Papers for Board and Board Committee meetings are circulated electronically to Directors in advance.

The Chair and the Group CEO, with advice from the Company Secretary, establish meeting agendas to ensure adequate coverage of financial, strategic and other major areas of business focus during the year.

Presentations to the Board are frequently made by members of the senior management.

Telecommunication and video facilities are used from time to time to facilitate participation by all Directors.

Board meetings have been held in various locations during the financial year, including offices in York Street, Sydney and at Sydney Olympic Park, as well as at the Australian New Car Assessment Program (ANCAP) offices at Huntingwood in Western Sydney.

The Board has a program to meet at other sites and regions where the Group does business in the year ahead. Meetings attended by Directors for the past financial year are detailed below:

Directors	Board of Directors			Finance and investments committee			Audit and risk management committee			Policy and advocacy committee			Governance, compensation and nomination committee			Data, digital and technology committee		
	Held		Attend	Held		Attend	Held		Attend	Held		Attend	Held		Attend	Held		Attend
Mr D Bentham	9		9		2V	2	4		4	3		3		IV	1			
Ms R Botsman ^o	5	IL	5	3	IL	3										1		1
Ms K Lundy	9		9							3		3				1		1
Mr K Loades	9		9	5	^	5	4	^	2	3	^	3	2	^	2	1	^	1
Ms W S Machin [*]	7	IA	6	2		2	3		3					IV	1			
Ms M Mastroianni	7	IA, 2L	6	5		5	4		4		2V	2						
Ms F Simson	6	IA, 3L	5	4	^	4	4	^	3	3		2	2	^	1	1	^	1
Ms C Taylor	8	IL	8							3	IA	2	2		2			
Mr T Trumper	9	IA	8	5	IA	4							2		2	1		1

^{*}Wendy Machin retired as a Director on 30 March 2017.

^oRachel Botsman appointed to the Board, DDTC and FIC on 21 September 2016.

[^]Kyle Loades is an ex-officio member of each Committee except GCNC.

[^]Fiona Simson is an ex-officio member of FIC, GCNC and DDTC. She is a permanent member of PAC and was appointed as a permanent member of ARMC in May 2017.

(V) Visitor

(L) Leave of absence granted by Board

(A) Absent

Board Committees

The Board has five Committees that have delegated authority to assist the Board to perform its functions. All Committees have a Charter and Protocol by which they operate (copies of which are available at mynrma.com.au/community/corporate-information/board-committees-charter-directors-fees-and-2015-election and which the Board approves and reviews regularly. The five Committees, what they oversee and their areas of focus during the period are set out below.

The NRMA Board

Audit and Risk Management Committee	Finance and Investments Committee	Governance, Compensation and Nomination Committee	Digital, Data and Technology Committee	Policy and Advocacy Committee
<p>Oversees</p> <ul style="list-style-type: none"> External Audit and statutory reporting. Internal audit. Risk management. Occupational health and safety practices and environment. Legislative compliance. Business continuity and crisis management. Tax and tax governance. <p>Areas of focus</p> <ul style="list-style-type: none"> Approved the internal and external audit plans. Reviewed and monitored the internal audit findings. Approved the Group Risk Appetite framework. Monitored the Group Compliance framework implementation and performance Approved Tax risk management framework Reviewed the FY17 Group Assurance Plan Six-monthly group-wide risk review. Reviewed and recommended the financial statements and accounts to the Board for approval. Health, safety and environment – reviewed safety incidents reports and mitigating actions undertaken to protect employees, members and customers. 	<p>Oversees</p> <ul style="list-style-type: none"> Investment policy, strategy and objectives. The review of the investment policy statement. The performance of the Investment portfolio including risk and return objectives, allocations, benchmarks and ranges, the appointment and removal of asset consultants, investment managers, advisors and custodians and performance against objectives. Capital management and debt assurance practices. <p>Areas of focus:</p> <ul style="list-style-type: none"> Reviewed and approved changes to the Investment Policy Statement. Reviewed options for changes to the direct property portfolio, resulting in the acquisition of the ATPM holiday parks business by the NRMA. Approved a new Capital Management Plan and Framework. Approved a Corporate Debt Facility structure to lower group borrowing costs. Approved changes to the Group's Liquidity Policy. Reviewed and monitored the performance of the investment portfolio and made changes to investments. 	<p>Oversees</p> <ul style="list-style-type: none"> Remuneration strategy. Including performance-linked incentive schemes, market trends, rates and benchmarking of executive remuneration. Recommendations for increases in the Directors' fee pool, for consideration by Members at the AGM. Succession planning for the Group CEO and Executive leadership team. Culture and diversity responsibilities. Nomination for appointment to the Board for casual vacancies and as Appointed Directors. Corporate Governance practices and policies. <p>Areas of focus</p> <ul style="list-style-type: none"> Reviewed and approved recommendations in relation to executives' performance and remuneration. Reviewed the outcomes of the 2016 People and Culture metrics and insights review. Reviewed and recommended to the Board the action plan to implement the recommendations from the Board Effectiveness Review. 	<p>Oversees</p> <ul style="list-style-type: none"> The data governance framework for Member and customer data. Digital technology. Technology in service delivery and operations. <p>Areas of focus</p> <ul style="list-style-type: none"> Implementation of the group's data governance framework. Connected Car (telematics) technology. Journey enablement. Trends, new products, business models autonomous vehicles. 	<p>Oversees</p> <ul style="list-style-type: none"> The integrity and implementation of the annual and Strategic Advocacy Plans. Development of public policy advocacy positions. <p>Areas of focus</p> <ul style="list-style-type: none"> Advocacy priorities for FY16-17. Policy positions relating to user pays, heavy vehicle safety and speed cameras. Briefings from external experts on public transport, infrastructure prioritisation, road safety and user pays. Road safety education programs. Creating Shared Value and Community Investment. Federal and state budget submissions and government and stakeholder updates.

Remuneration

The NRMA has continued to deliver strong financial performance in 2016-17 as we approach our centenary and continue to focus on the future beyond 2020.

Our reward strategy is underpinned by the principle of aligning goals and financial opportunities for employees to the delivery of best class results for our Members. The strategy is designed to deliver long term, sustainable business results.

Executive remuneration

The key objective of the NRMA remuneration philosophy is to enable the NRMA to attract, motivate and retain talented people to deliver long term Member value.

For executive and senior management remuneration, this has involved aligning the reward components within the financial year ending 30 June 2017 to the individual's ability on executing the Group Strategy, achieving business objectives to increase Member value and reward for individual performance and behaviour.

Directors' remuneration

Under the Constitution, the Directors' fee pool is subject to an annual CPI review in the year following any year in which no fee increase has been approved by Members at a general meeting. As no fee increase was proposed to Members at the AGM in 2016, on 1 January 2017 Directors' fees increased by 1.3% (calculated in accordance with the Australian Bureau

of Statistics' all groups weighted average consumer price index for eight capital cities for the year from September 2015 to September 2016).

The fees for Committees were increased by a one off increase of 15% with effect from 1 January 2017 to bring Committee fees into line with the overall CPI increase in Directors' fees since the introduction of such increases in 2010.

Committee fees will also now be indexed to the same CPI increases as Directors' fees from 1 January 2018 onwards. By convention, the Deputy Chair and the Chair do not receive additional fees for participation in Board Committees.

Details of the fees paid by to Directors are set out on the NRMA website.

Key management personnel (KMP) remuneration

The table below relates to the Consolidated Entity as an aggregate of Directors and Executives remuneration (for the year ending 30 June 2017 and 2016) being the key management personnel (KMP). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Entity.

	Consolidated	
	2017	2016
	\$	\$
Short-term employment benefits	6,810,568	6,295,787
Post-employment benefits	362,946	543,806
Other long-term employment benefits	-	612,941
Termination benefits	1,696,336	1,431,401
	8,869,850	8,883,935

Changes since 1 July 2016 include a number of key management personnel as detailed in the following table;

Executive	Title	Commenced	Ceased
Burgess, Helen	EGM Corporate Relations and Reputation		5/11/2016
Colacino, Peter	EGM Corporate Affairs	12/09/2016	
Davies, Paul	EGM Travel and Touring		
Debenham, Edward	EGM Strategy and Transformation		1/07/2017
Gabriel, Michael	Chief Financial Officer	01/08/2016	
Harrington, Emma	EGM Sales and Marketing	15/08/2016	
Hodgkinson, Cormac	Chief Technology Officer		
Lokuge, Romesh	Acting EGM Motoring Services		01/07/2016
Lumb, David	Chief Customer Officer		31/08/2016
Lund, Rohan	Chief Executive Officer		
Rees, Elisabeth	EGM People and Culture		
Taranto, Samantha	EGM Motoring		
Tilley, Alan	Group Chief Financial Officer		05/07/2016
Wiseman, Rachel	EGM Commercial and Legal	21/11/2016	

Members

Class of Members

The Constitution of the Company allows for two classes of Members:

1. Ordinary Members; and
2. Affiliate Members.

Ordinary Members have full voting rights, may attend and speak at General Meetings of Members, are eligible to stand for election as a Director and have access to roadside assistance, as well as to other services and benefits applicable to their membership category or package.

Affiliate Members have access to a range of services and benefits applicable to their particular membership category or package. They may attend and speak at General Meetings of Members but may not vote or stand for election as a Director.

Role of Members

The Board has primary responsibility to the Members under the Corporations Act. Members also play a key role in the governance of the Group by electing eight of the nine Directors to office every four years. The eight Member-elected Directors, which currently includes the President and Deputy President, are subject to re-election no later than every four years.

From 1 January 2018 Members will elect six Directors to office every four years under the changes to the Constitution approved at the 2016 Annual General Meeting of Members.

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 2017 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 28 to 29.

Short and long term objectives of the entity and the strategy for achieving those objectives on page 23.

Review of operations and activities for the reporting period on pages 28 to 29.

Biographical information for the Directors and Company Secretary on pages 62 to 64.

Officers who were key management personnel during the period on page 68.

Board and Committee meetings and attendance on pages 65 to 66.

Key management personnel remuneration on page 67.

Auditor's independence declaration on page 70.

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 2016 to 31 August 2017. The policy prohibits disclosure of the nature of the liabilities and the amount of the premium in respect of that insurance.

Significant changes in the state of affairs

Other than as referred to in the review of operations and financial condition on pages 28 to 29, 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 that have arisen since 30 June 2017 up to the date of this report that would significantly affect:

- the operations of the Consolidated Entity;
- the results of those operations; and
- the state of affairs of the Consolidated Entity.

Signed in accordance with a resolution of the Directors.

Mr K Loades
Chairman

Ms M Mastroianni
Director

Sydney, 31 August 2017



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

As lead auditor for the audit of National Roads & Motorists' Association Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Trent van Veen
Partner
31 August 2017

We have delivered strong results for our Members despite the headwinds



Section 6

Financial statements

Financial statements

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Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Notes	2017 \$000	2016 \$000
Revenue	B2	527,458	511,040
Cost of goods sold	B3	(32,192)	(29,358)
Cost of providing services	B3	(324,360)	(318,496)
Gross profit		170,906	163,186
Administrative expenses	B3	(171,144)	(181,761)
Investment income	B2	38,491	46,544
Operating profit		38,253	27,969
Finance costs	B3	(5,322)	(6,534)
Share of net profits of equity accounted investments	F1	56,935	27,418
Operating profit before change in fair value of investments		89,866	48,853
Change in net fair value of investments		21,127	(13,691)
Profit before income tax		110,993	35,162
Income tax expense	B4	(18,003)	(1,051)
Net profit for the year		92,990	34,111
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Net fair value gain / (loss) on available-for-sale financial assets		7,036	(3,357)
Exchange differences on translation of foreign operation		82	469
Cash flow hedges		117	(27)
Share of other comprehensive income of equity accounted investments		(517)	383
Income tax relating to those items		(1,956)	872
Items that will not be reclassified to profit or loss			
Actuarial gain / (loss) on defined benefit plan		2,937	(2,709)
Income tax relating to this item		(881)	814
Other comprehensive income for the year, net of tax		6,818	(3,555)
Total consolidated comprehensive income for the year		99,808	30,556

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 2017

	Notes	2017 \$000	2016 \$000
Current assets			
Cash and cash equivalents	C1	80,524	38,006
Trade and other receivables	C2	24,430	27,634
Inventories		1,069	1,025
Income tax receivable		532	-
Other financial assets	D3	10,466	11,830
		117,021	78,495
Non-current assets classified as held for sale		2,387	3,596
Total current assets		119,408	82,091
Non-current assets			
Other financial assets	D3	445,424	487,217
Available for sale financial assets	D4	92,851	98,094
Property, plant and equipment	C4	315,683	259,347
Investment property	D5	69,000	69,000
Equity accounted investments	F1	242,081	194,858
Pension assets		5,466	2,375
Intangible assets and goodwill	C5	187,063	139,912
Total non-current assets		1,357,568	1,250,803
Total assets		1,476,976	1,332,894
Current liabilities			
Trade and other payables	C3	72,649	64,200
Employee benefits provisions	E1	32,854	32,081
Unearned income	C6	124,135	128,380
Customer deposits		8,438	4,733
Borrowings	D6	62,725	40,227
Total current liabilities		300,801	269,621
Non-current liabilities			
Employee benefits provisions	E1	3,274	2,259
Provision for make good obligation		2,480	2,545
Deferred tax liabilities	B4	92,275	66,264
Derivative financial instruments		17	134
Unearned income	C6	13,795	11,724
Customer deposits		6,417	6,456
Borrowings	D6	74,075	89,857
Total non-current liabilities		192,333	179,239
Total liabilities		493,134	448,860
Net assets		983,842	884,034
Equity			
Reserves		22,623	17,861
Retained earnings		961,219	866,173
Total equity		983,842	884,034

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 2017

2017	Available for sale reserve \$000	Equity accounted reserve \$000	Foreign currency reserve \$000	Cash flow hedge reserve \$000	Retained earnings \$000	Total \$000
At 1 July 2016	20,300	(1,964)	(341)	(134)	866,173	884,034
Net profit for the year	-	-	-	-	92,990	92,990
Other comprehensive income (net of tax)	4,925	(362)	82	117	2,056	6,818
Total comprehensive income for the year	4,925	(362)	82	117	95,046	99,808
Revaluation of available for sale investments	16,533	-	-	-	-	16,533
Recycled to Profit or Loss Statement on disposal	(9,497)	-	-	-	-	(9,497)
Equity accounting	-	(517)	-	-	-	(517)
Translation of foreign subsidiary	-	-	82	-	-	82
Net gains on cash flow hedges	-	-	-	117	-	117
Actuarial (loss) / gain on defined benefit plan	-	-	-	-	2,937	2,937
Deferred tax arising	(2,111)	155	-	-	(881)	(2,837)
At 30 June 2017	25,225	(2,326)	(259)	(17)	961,219	983,842

2016	Available for sale reserve \$000	Equity accounted reserve \$000	Foreign currency reserve \$000	Cash flow hedge reserve \$000	Retained earnings \$000	Total \$000
At 1 July 2015	22,670	(2,232)	(810)	(107)	833,957	853,478
Net profit for the year	-	-	-	-	34,111	34,111
Other comprehensive income (net of tax)	(2,370)	268	469	(27)	(1,895)	(3,555)
Total comprehensive income for the year	(2,370)	268	469	(27)	32,216	30,556
Revaluation of available for sale investments	(3,357)	-	-	-	-	(3,357)
Equity accounting	-	383	-	-	-	383
Translation of foreign subsidiary	-	-	469	-	-	469
Net gains on cash flow hedges	-	-	-	(27)	-	(27)
Actuarial (loss) / gain on defined benefit plan	-	-	-	-	(2,709)	(2,709)
Deferred tax arising	987	(115)	-	-	814	1,686
At 30 June 2016	20,300	(1,964)	(341)	(134)	866,173	884,034

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

Nature and purpose of reserves

The available for sale reserve is used to record increments and decrements in the value of available for sale 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.

The cash flow hedge reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income.

Consolidated statement of cash flows for the year ended 30 June 2017

	Notes	2017 \$000	2016 \$000
Cash flows from operating activities			
Receipts from members and customers		614,750	590,487
Payments to suppliers and employees		(527,341)	(524,786)
Dividends received		31,889	36,971
Interest paid		(2,523)	(2,938)
GST paid		(17,445)	(15,035)
Net cash flows from operating activities	C1	99,330	84,699
Cash flows used in investing activities			
Proceeds from disposal of investments		217,944	139,790
Proceeds from disposal of fixed assets and software		97,550	67,963
Equity accounted distributions		16,399	16,632
Outlays to acquire businesses	F2	(63,723)	-
Outlays for equity accounted investments		(3,750)	-
Loans repaid by/(provided to) external parties		790	(36)
Net proceeds from disposal of subsidiaries		-	2,000
Outlays for investments acquired		(143,159)	(162,050)
Outlays for fixed assets and software acquired		(185,668)	(162,177)
Net cash flows from investing activities		(63,617)	(97,878)
Cash flows used in financing activities			
Proceeds/(repayments) from finance leases		11,462	(5,542)
(Repayments)/proceeds from bank loans		(1,939)	20,942
Net cash flows used in financing activities		9,523	15,400
Net increase in cash and cash equivalents		45,236	2,221
Cash and cash equivalents at the beginning of the financial year		35,288	33,067
Cash and cash equivalents at the end of the financial year	C1	80,524	35,288

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

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Corporate information

National Roads and Motorists' Association Limited is the ultimate Australian Parent entity. The financial report of National Roads and Motorists' Association Limited (the Parent or Company) and its controlled entities (the Consolidated Entity or the Group) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 30 August 2017.

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.

Statement of compliance

The financial report complies with Australian Accounting Standards, as issued by the Australian Accounting Standards Board, and International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board.

Basis of preparation

The financial report is a general purpose financial report, which has 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. The financial report has also been prepared on a historical cost basis, except certain non-current assets and financial instruments, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated in accordance with ASIC Corporations Instrument 2016/191 dated 24 March 2016, issued by the Australian Securities and Investment Commission. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

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 of assets	C5	93
Revaluation of investment properties	D5	101
Accounting for acquisition of businesses	F2	107

A. 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.

(a) 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 inter-company 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.

(b) Foreign currency

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

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

Foreign exchange gains and losses resulting from translation are recognised in the statement of profit or loss, except for qualifying cash flow hedges which are deferred to equity.

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 are initially recognised in the foreign currency translation reserve and subsequently transferred to the profit or loss on disposal of the foreign operation.



Business performance

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

- B1. Segment information
- B2. Revenue and investment income
- B3. Expenses
- B4. Taxation

B1. Segment information

Identification of reportable segments

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 (CODM) in order to effectively allocate Group resources and assess performance.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group CEO (CODM) in assessing performance and in determining the allocation of resources.

The consolidated entity operates predominantly in one geographical area, Australia.

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

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

The reportable segments identified within the Group are outlined below:

Service line	Segment description
Motoring	Represents the provision of road assistance, car servicing, car rental and other services to our members and customers;
Travel and Touring	Generates income from our retail Travel business and Holiday Parks;
Investments	The Investments business segment generates income from the Group's portfolio of investments.

BI. Segment information continued

	Motoring		Travel and Touring		Investments		Total	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000
Revenue								
External revenue	490,458	476,133	37,000	34,907	-	-	527,458	511,040
External investment income	479	2,261	4	33	38,008	44,250	38,491	46,544
Total revenue and investment income	490,937	478,394	37,004	34,940	38,008	44,250	565,949	557,584
Results								
Depreciation and amortisation	50,824	43,902	4,357	4,478	9	940	55,190	49,320
Total segment result (excl. - share of profit of equity accounted investments)	(5,945)	(24,099)	6,106	3,089	53,897	28,754	54,058	7,744
Share of profit of equity accounted investments	-	-	-	-	56,935	27,418	56,935	27,418
Total reported segment results	(5,945)	(24,099)	6,106	3,089	110,832	56,172		
Net profit before tax							110,993	35,162
Income tax expense							(18,003)	(1,051)
Net profit for the year							92,990	34,111
Assets								
Segment assets	347,899	307,352	187,671	120,314	699,325	710,370	1,234,895	1,138,036
Equity accounted investments	-	-	-	-	242,081	194,858	242,081	194,858
Consolidated total assets							1,476,976	1,332,894
Liabilities								
Segment liabilities	328,151	320,298	34,097	27,161	130,886	101,401	493,134	448,860
Consolidated total liabilities							493,134	448,860

B2. Revenue and investment income

	2017 \$000	2016 \$000
Revenue from ordinary activities:		
Subscription and joining fees	249,508	247,631
Motoring services revenue	218,410	206,362
Accommodation revenue	31,226	28,350
Commissions revenue	8,902	7,863
Sales of goods	3,445	3,593
Advertising and publishing revenue	2,416	4,013
Other revenue	13,551	13,228
Total revenue	527,458	511,040
Investment income		
Interest	1,795	2,164
Dividend	31,364	39,264
Rental income	5,100	4,938
Other rental income	232	178
Total investment income	38,491	46,544

(a) Recognition and measurement

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

(i) Subscription and joining fees

Revenue from ongoing subscriptions are recognised on a straight-line basis over the term of the subscription. Revenue relating to the future periods is classified as unearned income on the balance sheet. Revenue from Members' entrance fees are recognised when received upon taking up membership.

(ii) Rendering of services

Revenue from services rendered is recognised in the statement of profit or loss as the services are rendered which is derived from the below businesses.

- Car rental revenue
- Vehicle servicing revenue
- Accommodation revenue
- Advertising and publishing revenue.

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

(iii) Commissions revenue

Revenue from the Travel business is disclosed on a net agency commission's basis.

(iv) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be reliably measured. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

(v) Other revenue

Other revenue primarily relates to the provision of other services to members, which is recognised as the service is rendered.

(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 income is established.

(viii) Rental income

Rental income from investment properties is accounted for on a straight-line basis over the lease term. Contingent rental income 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.

B3. Expenses

Profit before income tax includes the following expenses:

	Notes	2017 \$000	2016 \$000
Profit before income tax includes the following expenses			
Cost of goods sold		32,192	29,358
Cost of providing services		324,360	318,496
Administrative expenses		171,144	181,761
Total cost of sales, cost of providing services and administrative expenses		527,696	529,615
These expenses relate to the following categories			
Employee benefits expense		218,987	225,854
Fleet, road service and towing contractors expense		92,588	90,659
General and administrative expense		68,280	65,774
Marketing expense		19,780	21,570
Commissions and cost of sales expense		43,650	40,780
Printing & postage expense		17,857	24,556
Other expenses		11,364	11,102
		472,506	480,295
Depreciation	C4	42,222	39,839
Amortisation	C5	12,968	9,481
Total depreciation and amortisation		55,190	49,320
Total cost of sales, cost of providing services and administrative expenses		527,696	529,615
Finance costs			
Bank loans and overdraft		4,237	4,183
Defined benefit fund		1,004	1,432
Finance charges payable under finance leases		22	854
Provision discount adjustment		59	65
Total finance expense		5,322	6,534

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, 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

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2017 \$000	2016 \$000
Profit before income tax	110,993	35,162
Income tax expense calculated at 30% (2016: 30%)	33,298	10,549
Tax effect of permanent differences		
Tax losses not previously recognised	(11,810)	(4,660)
Tax offsets	(2,619)	(3,687)
Non-deductible capital loss	-	1,274
Non-deductible net mutual (benefit)/expense	(1,192)	(971)
Adjustment recognised in the current year in relation to:		
- the current tax of prior years	22	-
- the deferred tax of prior years	97	(1,457)
Other	207	3
Total tax expense	18,003	1,051
Current tax expense	1,142	-
Deferred tax	16,861	1,051

Taxable income and deductible temporary difference arise from the following:

2017	Opening balance \$000	Charged to income \$000	Charged to equity \$000	Acquisition of subsidiary \$000	Net balance at 30 June \$000	Deferred tax assets \$000	Deferred tax liability \$000
Trade and other receivables	(1,241)	(88)	-	54	(1,275)	-	(1,275)
Fair value through profit and loss financial assets	(9,116)	(2,330)	-	-	(11,446)	-	(11,446)
Available for sale financial assets	(8,937)	50	(2,111)	-	(10,998)	-	(10,998)
Equity accounted investments	(34,736)	(14,968)	155	-	(49,549)	-	(49,549)
Property, plant and equipment	(9,055)	(3,745)	-	(308)	(13,108)	-	(13,108)
Intangibles	(9,616)	300	-	(6,059)	(15,375)	-	(15,375)
Investment property	(3,406)	-	-	-	(3,406)	-	(3,406)
Defined benefit asset	(712)	(46)	(881)	-	(1,639)	-	(1,639)
Lease liability	6,500	3,412	-	-	9,912	9,912	-
Trade and other payables	1,196	760	-	-	1,956	1,956	-
Provisions	1,085	227	-	-	1,312	1,312	-
Other assets and liabilities	1,774	(433)	-	-	1,341	1,341	-
Tax assets / (liabilities) before set-off	(66,264)	(16,861)	(2,837)	(6,313)	(92,275)	14,521	(106,796)
Set-off of DTA against DTL					-	(14,521)	14,521
Net tax assets / (liabilities)					(92,275)	-	(92,275)

B4. Taxation continued

2016	Opening balance \$000	Charged to income \$000	Charged to equity \$000	Acquisition of subsidiary \$000	Net balance at 30 June \$000	Deferred tax assets \$000	Deferred tax liability \$000
Trade and other receivables	(1,121)	(120)	-	-	(1,241)	-	(1,241)
Fair value through profit and loss financial assets	(10,029)	913	-	-	(9,116)	-	(9,116)
Available for sale financial assets	(9,924)	-	987	-	(8,937)	-	(8,937)
Equity accounted investments	(31,482)	(3,139)	(115)	-	(34,736)	-	(34,736)
Property, plant and equipment	(9,404)	349	-	-	(9,055)	-	(9,055)
Intangibles	(9,917)	301	-	-	(9,616)	-	(9,616)
Investment property	(3,406)	-	-	-	(3,406)	-	(3,406)
Defined benefit asset	(1,454)	(72)	814	-	(712)	-	(712)
Lease liability	7,842	(1,342)	-	-	6,500	6,500	-
Trade and other payables	939	257	-	-	1,196	1,196	-
Provisions	1,037	48	-	-	1,085	1,085	-
Other assets and liabilities	20	1,754	-	-	1,774	1,774	-
Tax assets / (liabilities) before set-off	(66,899)	(1,051)	1,686	-	(66,264)	10,555	(76,819)
Set-off of DTA against DTL					-	(10,555)	10,555
Net tax assets / (liabilities)					(66,264)	-	(66,264)

(a) Recognition and measurement

Tax payable

The NRMA company income tax payable this year has been offset by available prior year tax losses and 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.

Tax losses

The Group has income tax losses of nil (2016: \$43,587,238) as it has utilised all its prior year losses in the current year to offset its assessable income.

In addition, the Group has net capital losses of nil (2016: \$12,156,368) as it has utilised all its prior year capital losses in the current year to offset the net capital gains in its investment portfolio.

(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 tax 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 of set off.

(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 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 to 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.

Operating assets and liabilities

This section provides information relating to the operating assets and liabilities of the Group. The NRMA has a strong focus on maintaining a strong balance sheet through 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 | C4. Property, plant and equipment |
| C2. Trade and other receivables | C5. Intangible assets and goodwill |
| C3. Trade and other payables | C6. Unearned income |

C1. Reconciliation of cash flow from operating activities

	Notes	2017 \$000	2016 \$000
Reconciliation to cash flow statement			
Cash at bank and in hand		80,524	38,006
Bank overdrafts	D6	-	(2,718)
		80,524	35,288

CI. Reconciliation of cash flow from operating activities continued

	Notes	2017 \$000	2016 \$000
Net profit		92,990	34,111
Non-cash items			
Loss on disposal of non-current assets		197	196
Depreciation and amortisation	B3	55,190	49,320
Change in net fair value of investments		(21,127)	13,691
Acquisition related costs	F2	3,040	-
Defined benefit plan		(838)	(871)
Equity accounted investments (profit)	F1	(56,935)	(27,418)
Finance cost		80	34
<i>(Increase)/decrease in operating assets</i>			
Trade and other receivables		6,289	1,118
Inventories		(42)	(75)
Non-current assets held for sale		1,209	(2,291)
<i>(Decrease)/increase in operating liabilities</i>			
Payables		2,018	10,344
Income tax payable		717	-
Provisions		677	3,532
Unearned income		(2,174)	1,821
Client deposits		1,428	328
Security deposit		(40)	(335)
Net deferred tax liability		16,651	1,194
Net cash flow from operating activities		99,330	84,699

(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

	2017 \$000	2016 \$000
Trade receivables	12,275	13,074
Allowance for impairment loss (a)	(985)	(1,215)
	11,290	11,859
Prepayments	8,518	12,724
Other receivables (b)	4,622	3,051
	24,430	27,634
Movements in the allowance for impairment loss were as follows		
At 1 July	(1,215)	(1,163)
Charges for year	(231)	(1,000)
Amounts written back	-	65
Amounts written off	461	883
At 30 June	(985)	(1,215)

(a) Recognition and measurement

Trade receivables and other receivables are initially recognised at fair value less an allowance for any uncorrectible amounts. Trade receivables are non-interest bearing.

Recoverability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. The amount of impairment loss is the receivable carrying amount.

(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
2017 Consolidated	12,275	7,823	2,912	762	420	358
2016 Consolidated	13,074	8,197	3,141	781	375	580

At the reporting date, trade receivables of \$985,000 (2016: \$1,215,000) were past due and considered impaired, impaired receivables being those balances in the '61+ days' category considered unrecoverable. Trade receivables of nil (2016: \$521,000) were past due, but not impaired. Each business unit is satisfied that payment will be received in full.

(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 are 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.

C3. Trade and other payables

	Notes	2017 \$000	2016 \$000
Trade and other payables		72,649	64,200

(a) Recognition and measurement

Trade and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Fair value

Due to the short-term nature of these financial obligations, their carrying amounts are estimated to represent their fair values.

C4. Property, plant and equipment

	Land and buildings \$000	Leasehold improvements \$000	Leased motor vehicles \$000	Motor vehicles \$000	Plant and equipment \$000	Total \$000
Year ended 30 June 2017						
At 1 July 2016	99,729	17,989	21,398	106,056	14,175	259,347
Additions	12,593	1,847	34,961	106,539	11,154	167,094
Acquisition of businesses	23,919	2,121	-	-	3,249	29,289
Transfers	-	-	(17,311)	17,311	-	-
Disposals	(225)	-	-	(96,843)	(793)	(97,861)
Depreciation charge for the year	(2,832)	(1,772)	(6,262)	(26,990)	(4,366)	(42,222)
Foreign exchange differences	-	-	-	36	-	36
At 30 June 2017	133,184	20,185	32,786	106,109	23,419	315,683
Cost	162,463	29,419	37,740	138,267	57,604	425,493
Accumulated depreciation	(29,279)	(9,234)	(4,954)	(32,158)	(34,185)	(109,810)
Year ended 30 June 2016						
At 1 July 2015	79,959	22,829	25,870	86,529	16,697	231,884
Additions	18,438	2,049	6,932	101,470	4,880	133,769
Transfers	3,945	(3,945)	(5,667)	5,667	-	-
Disposals	-	(39)	-	(66,951)	(143)	(67,133)
Depreciation charge for the year	(2,613)	(2,905)	(5,737)	(21,275)	(7,309)	(39,839)
Foreign exchange differences	-	-	-	616	50	666
At 30 June 2016	99,729	17,989	21,398	106,056	14,175	259,347
Cost	119,038	29,897	28,303	134,695	59,521	371,454
Accumulated depreciation	(19,309)	(11,908)	(6,905)	(28,639)	(45,346)	(112,107)

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 straightline 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	2.5-13 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 C5.

C5. Intangible assets and goodwill

	Land use rights \$000	Software \$000	Goodwill \$000	Licence agreement \$000	Contracts \$000	Total \$000
Year ended 30 June 2017						
At 1 July 2016, net of accumulated amortisation	34,694	80,781	15,905	8,532	-	139,912
Additions	-	19,793	-	-	-	19,793
Acquisition of businesses	-	-	20,103	-	20,198	40,301
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Amortisation expense	(1,020)	(11,459)	-	(489)	-	(12,968)
Foreign exchange differences	-	25	-	-	-	25
At 30 June 2017	33,674	89,140	36,008	8,043	20,198	187,063
Gross carrying amount	47,886	131,409	36,008	14,057	20,198	249,558
Accumulated amortisation	(14,212)	(42,269)	-	(6,014)	-	(62,495)
Year ended 30 June 2016						
At 1 July 2015, net of accumulated amortisation	35,696	61,498	15,905	8,699	-	121,798
Additions	-	28,184	-	-	-	28,184
Disposals	-	(589)	-	-	-	(589)
Impairment	-	-	-	-	-	-
Amortisation expense	(1,002)	(8,312)	-	(167)	-	(9,481)
At 30 June 2016	34,694	80,781	15,905	8,532	-	139,912
Gross carrying amount	47,886	111,591	15,905	14,057	-	189,439
Accumulated amortisation	(13,192)	(30,810)	-	(5,525)	-	(49,527)

(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 on-going 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 any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefit from the related project.

Given the significant investment, there is an element of judgement in respect of the recoverability of the asset values and in the classification of expenditure as capital rather than on going operational in nature.

C5. Intangible assets and goodwill continued

(iii) Amortisation

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

- Licence agreement – over the life of the licence
- Land use rights – over the expected life of the lease
- Software – over 2.5 to 10 years
- Contracts – over 3 to 18 years

(iv) Impairment of assets

Intangible assets that have an indefinite useful life, such as goodwill, are not subject to amortisation and are tested annually for impairment, 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.

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 2017, the Group used the "fair value less costs of disposal" method (2016: "value in use") to determine the recoverable amount. A valuation methodology based on a capitalisation of net income approach was used, using inputs such as estimated maintainable operating profit and an appropriate discount rate, as there is a lack of comparable market data because of the nature of the Holiday Parks.

(v) Recoverable amount testing – key assumptions

For the year ended 30 June 2017 the Group engaged independent and qualified valuers to determine the fair value of its Holiday Parks at Treasure Island and Darlington Beach ('Holiday Parks').

The value of each Holiday Park was determined within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar Holiday Parks. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar Holiday Parks in less active markets, adjusted to reflect those differences
- capitalised income projections based upon a Holiday Park's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- discounted cash flow projections based on reliable estimates of future cash flows.

For 30 June 2017, the fair value of each Holiday Park is based on a capitalisation of net income approach using various non market observable inputs such as estimated maintainable operating profit and an appropriate discount rate.

C5. Intangible assets and goodwill continued

The following table summarises the quantitative information about the significant unobservable inputs used in the fair value measurements of the Holiday Parks:

Description	Carrying value at 30 June 2017 \$000	Unobservable inputs*	Range of inputs (probability-weighted average) 2017	Relationship of unobservable inputs to fair value
Goodwill - Holiday Parks	15,905 [^]	Capitalisation rate	8.50 – 9.00%	The higher the capitalisation rate, the lower the fair value
		Expected occupancy rate	45 – 60%	The higher the occupancy rate, the higher the fair value

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

[^]Goodwill arising from the acquisition of ATPM has not been impairment tested given the proximity of the acquisition to year end and its value approximating fair value.

Capitalisation rates and expected vacancy rates are estimated by the independent valuers based on comparable transactions and industry data.

These fair value assessments support the carrying value of goodwill associated with these Holiday Parks.

Impact of possible changes in key assumptions

The Group believes that for all CGUs, any reasonably possible change in the key assumptions would not cause the carrying value of the CGUs to exceed their recoverable amount.

C6. Unearned income

	2017 \$000	2016 \$000
Current liabilities	124,135	128,380
Non-current liabilities	13,795	11,724

(a) Recognition and measurement

Roadside subscriptions comprise amounts received from Members for roadside assistance. The earned portion of subscriptions 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. Entrance fees are recognised as revenue upon receipt.

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. Other financial assets

D4. Available for sale financial assets

D5. Investment property

D6. Borrowings

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 note D3 to the financial statements.

(a) 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 borrowings 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 available-for-sale investments that are revalued through reserves and investments that are designated at fair value through the profit or loss account.

The Group's available-for-sale investments are in IAG Limited shares that are publicly traded on the Australian Stock Exchange and in a Macquarie Australian equity fund.

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:

	2017 \$000	2016 \$000
Investment Category		
Australian shares	220,482	178,117
International shares	45,645	43,289
Fixed interest securities	104,213	156,199
Diversified unit trust	75,084	109,360
Available for sale – Australian shares	92,851	98,094
Total	538,275	585,059

DI. Financial risk management objectives and policies continued

Group sensitivity

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

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

	Carrying amount \$000	Price risk			
		-10%		+10%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
2017					
Financial assets	538,275	(32,872)	(9,285)	32,872	9,285
Total increase/ (decrease)		(32,872)	(9,285)	32,872	9,285
2016					
Financial assets	585,059	(28,690)	(9,809)	28,690	9,809
Total increase/ (decrease)		(28,690)	(9,809)	28,690	9,809

(b) 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).

(c) 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 overleaf 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.

DI. Financial risk management objectives and policies continued

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
2017					
Trade payables	15,736	3,450	2,068	132	21,386
Interest bearing borrowings	9,190	7,487	36,180	84,732	137,589
Customer deposits*	1,532	3,865	3,041	6,416	14,854
2016					
Trade payables	8,770	4,012	662	42	13,486
Interest bearing borrowings	7,026	8,760	26,207	88,772	130,765
Customer deposits*	846	2,114	1,760	6,469	11,189

*Customer deposits are only repayable 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 1 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
2017				
Financial assets				
Listed investments	387,452	-	-	387,452
Available for sale investments	92,851	-	-	92,851
Unlisted investments	-	57,972	-	57,972
Investment property	-	-	69,000	69,000
	480,303	57,972	69,000	607,275
Financial liabilities				
Interest rate swap contracts		(17)		(17)
2016				
Financial assets				
Listed investments	394,866	-	-	394,866
Available for sale investments	98,094	-	-	98,094
Unlisted investments	-	92,099	-	92,099
Investment property	-	-	69,000	69,000
	492,960	92,099	69,000	654,059
Financial liabilities				
Interest rate swap contracts	-	(134)	-	(134)

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 (such as trading and available-for-sale) 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.

The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2.

(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 investment property at least every three years. The last independent valuation was performed as at 30 June 2015. The property's fair value has not changed from the last independent valuation.

At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuation. The property's value is determined within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence
- discounted cash flow projections based on reliable estimates of future cash flows.

All resulting fair value estimates for properties are included in level 3.

For 30 June 2017 and 2016, the fair value of the investment property is based on a capitalisation of net income approach using various non market observable inputs such as estimated rent per square metre and an appropriate discount rate.

(iii) Fair value measurements using significant unobservable inputs (level 3)

There have been no changes in level 3 items for the periods ended 30 June 2017 and 30 June 2016 for recurring fair value measurements and the fair value of the investment property remains at \$69,000,000 (2016: \$69,000,000).

(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

Description	Fair value at		Unobservable inputs*	Range of inputs (probability-weighted average)		Relationship of unobservable inputs to fair value
	30 June 2017 \$000	30 June 2016 \$000		2017	2016	
Investment property	69,000	69,000	Discount rate	8.25%	8.25%	The higher the discount rate and terminal yield, the lower the fair value
			Terminal yield	6.75%	6.75%	
			Capitalisation rate	6.30%	6.30%	The higher the capitalisation rate and expected vacancy rate, the lower the fair value
			Expected vacancy rate	-	-	

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Discount rates, terminal yields, capitalisation rates and expected vacancy rates are estimated by the independent valuers or management based on comparable transactions and industry data.

D3. Other financial assets

Current	2017 \$000	2016 \$000
Other investment receivables	10,266	11,081
Interest bearing loan to third party	200	749
	10,466	11,830

Non-current		
Investments designated at fair value through the profit or loss:		
Cash – short term deposits	12,718	43,866
Australian shares	217,350	174,844
International shares	44,015	41,889
Fixed interest securities fund	103,212	155,199
Diversified unit trust	62,366	65,494
At amortised cost:		
Unlisted investments	5,763	5,673
Interest bearing loan to third party	-	252
	445,424	487,217

(a) Recognition and measurement

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

Management determines the classification of its investments at initial recognition depending on the purpose for which the investments were acquired or originated and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(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.

(ii) Loans and receivables and held-to-maturity investments

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

(b) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(i) Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

D4. Available for sale financial assets

	2017 \$000	2016 \$000
Available for sale investments	92,851	98,094

(a) Recognition and measurement

Available-for-sale financial assets are stated at fair value less impairment. Gains and losses arising from changes in fair value are recognised directly in the available-for-sale revaluation reserve, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in the available-for-sale revaluation reserve is included in the profit or loss for the year.

(b) Impairment

For equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

D5. Investment property

	2017 \$000	2016 \$000
At 1 July	69,000	69,000
Disposal through sale	-	-
Revaluation	-	-
At 30 June	69,000	69,000

(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.

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

	2017 \$000	2016 \$000
Rental income derived from investment properties	5,100	4,938
Direct operating expenses generating rental income	-	-
Net profit arising from investment properties carried at fair value	5,100	4,938

(c) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	2017 \$000	2016 \$000
Within one year	5,238	5,105
Later than one year but not later than five years	29,323	28,332
Later than five years	13,216	19,491
	47,777	52,928

Refer to note G2 for details on the accounting policy for leases.

Key estimate and judgement: Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in the statement of profit or loss. A valuation methodology based on a capitalisation of net income approach was used, using inputs such as estimated rent per square metre and an appropriate discount rate, as there is a lack of comparable market data because of the nature of the property.

D6. Borrowings

	2017 \$000	2016 \$000
Current liabilities		
Bank overdraft	-	2,718
Bank loan	35,433	21,224
Obligations under finance leases	27,292	16,285
	62,725	40,227
Non-current liabilities		
Bank loan	68,328	84,476
Obligations under finance leases	5,747	5,381
	74,075	89,857

(a) Recognition and measurement

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

After initial recognition, interest-bearing loans and borrowings 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 borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) Assets held as security

The Group has granted security over the whole of the assets and undertakings including uncalled capital for Kingmill Pty Limited, TR Australia Holdings Pty Ltd and Motoka Rentals Limited (New Zealand) against the obligations under specific finance leases, bank loan and bank overdraft facilities.

The remaining finance leases are secured by the leased motor vehicles.

(c) Financial commitments

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

	Total facilities		Used facilities		Unused facilities	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000
Corporate debt facility	123,898	123,753	103,762	105,712	20,136	18,041
Leasing facility*	59,559	59,501	33,111	23,996	26,448	35,505
Corporate card facility	1,451	1,348	227	115	1,224	1,233
Bank guarantees	20,270	20,490	17,915	18,391	2,355	2,099
	205,178	205,092	155,015	148,214	50,163	56,878

*The Leasing facility is a multi-option facility that can be drawn in the form of either finance leases or operating leases. At 30 June 2017, \$72,000 (2016: \$2,330,000) of the facility was drawn in the form of operating leases. Refer to note G2 for the accounting treatment of finance leases and operating leases.



Employee benefits

This section provides a breakdown of the various employee entitlements 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

E1. Employee benefits

	2017 \$000	2016 \$000
Employee benefits provision		
Current	32,854	32,081
Non-current	3,274	2,259
Total	36,128	34,340

(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 they are settled and include related on-costs, such as workers compensation insurance, superannuation and payroll tax.

	Notes	2017 \$000	2016 \$000
Employee benefits expense			
Defined contribution superannuation		12,169	12,500
Employee benefits		206,818	213,354
Total	B3	218,987	225,854

(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. The majority of employees are defined contribution members with less than 100 employees participating on a defined benefits basis. Entry to the defined benefit superannuation plan is closed so all new employees are provided defined contribution arrangements. The plans provide benefits for Members or their dependents in the form of lump sum or pension payments generally upon ceasing relevant employment.

E2. Key management personnel compensation and related party transactions

E2. Key management personnel compensation and related party transactions

	2017 \$	2016 \$
Short term employee benefits	6,810,568	6,295,787
Post-employment benefits	362,946	543,806
Other long term benefits	-	612,941
Termination benefits	1,696,336	1,431,401
Total	8,869,850	8,883,935

The compensation of the Directors and Executives, being the key management personnel of the Consolidated Entity, is set out in aggregate above.

(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.

Terms and conditions of transactions with related parties:

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

(b) Associate related entities

All transactions with Australian Motoring Services Pty Ltd (AMS), DIVVY Parking Pty Ltd and Club Assets Pty Ltd are conducted on an arm's length basis in the normal course of business and on commercial terms and conditions.

(c) Joint venture entities

The Group continues to hold an interest in a property as a 'tenant in common' with its joint venture entity, the Tuckerbox Trust. The carrying value of the property is included in land and buildings.

Group structure

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

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

F1. Equity accounted investments

	2017 \$000	2016 \$000
Carrying amount of investments		
Investments in associates	31,272	21,276
Investments in joint ventures	210,809	173,582
	242,081	194,858
Net profit accounted for using the equity method		
Investments in associates	3,102	3,759
Investments in joint ventures	53,833	23,659
	56,935	27,418
Interest in associates at the end of the financial year		
Carrying amount of investment in associates at the start of the year	21,276	19,325
Purchases	7,500	-
Associates' reserve movement	(606)	592
Distributions received from associates	-	(2,400)
Share of associates' net profits	3,102	3,759
Carrying amount of investments in associates at end of the year	31,272	21,276

FI. Equity accounted investments continued

	2017 \$000	2016 \$000
Interest in joint ventures at the end of the financial year		
Share of revenue from ordinary activities	24,157	21,441
Share of unrealised gain for interest rate swaps	1,015	(792)
Share of unrealised gain on revaluation of non-current assets	34,045	8,293
Share of expenses from ordinary activities	(5,339)	(5,205)
Share of profit from ordinary activities before income tax expense	53,878	23,737
Share of income tax (expense) related to ordinary activities	(45)	(78)
Share of joint ventures' net profit accounted for using the equity method	53,833	23,659
Summary financial position of joint ventures		
The Group's share of aggregate assets and liabilities of the joint venture is as follows:		
Current assets	5,819	4,922
Non-current assets	306,171	268,629
Total assets	311,990	273,551
Current liabilities	4,666	4,149
Non-current liabilities	96,515	95,820
Total liabilities	101,181	99,969
Net assets	210,809	173,582
Accumulated profits of the Group attributable to the joint ventures		
Balance at the beginning of the year	93,427	84,363
Share of joint ventures' net profits	53,833	23,659
Distributions received from joint ventures	(16,695)	(14,595)
Balance at the end of the year	130,565	93,427
Movement in carrying amount of investments		
Carrying amount of investments in joint ventures at the beginning of the year	173,582	164,727
Purchase of additional equity interest	-	-
Joint ventures' reserve movements	89	(209)
Distributions received from joint ventures	(16,695)	(14,595)
Shares of joint ventures' net profit	53,833	23,659
Carrying amount of investments in joint ventures at end of the year	210,809	173,582

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	
			2017 %	2016 %
Associates				
Australian Motoring Services Pty Ltd	Motoring and travel assistance services	Australia	35	35
Club Assets Pty Ltd ⁽ⁱ⁾	Motoring assistance services	Australia	50	50
DIVVY Parking Pty Ltd ⁽ⁱⁱ⁾	Parking enablement	Australia	39.9	-
(i) Club Assets Pty Ltd owns a 75% (2016: 60%) interest in Club Assist Corporation Pty Ltd. Club Asset's interest in Club Assist Corporation increased as a result of Club Assist acquiring the shares held by a non-controlling interest shareholder.				
(ii) On 25 October 2016, NRMA acquired a 39.98% investment in DIVVY Parking Pty Ltd.				
Joint ventures				
Tucker Box Hotel Trust	Accommodation	Australia	50	50
KJ 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 equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter 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 C5 (a) (iv).

F2. Acquisition of businesses

Australian Tourist Park Management Pty Ltd – (ATPM)

On 31 May 2017, the Group acquired 100% of ATPM and its subsidiaries for \$62.9 million. The principal activity of ATPM is to provide park management services to the Caravan Park and resort industry and operate holiday parks under a multiple facilities model. At 31 May 2017, ATPM held a portfolio of 30 parks across Australia, comprising 15 leased parks, 10 management contracts and 5 parks under the Auto clubs segment.

(i) Identifiable assets acquired and liabilities assumed

Given the completion of the acquisition occurred close to the financial year end the accounting and tax values for the acquisition have been determined on a provisional basis.

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

	Notes	\$000
Cash		2,246
Trade and other receivables		3,742
Property, plant and equipment	C4	29,289
Intangible assets (Customer contracts)	C5	20,198
Trade and other payables		(4,701)
Employee provisions		(1,635)
Deferred tax	B4	(6,313)
Total identifiable assets acquired		42,826

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

Asset acquired	Valuation technique
Trade and other receivables	Cost technique – considers the expected economic benefits receivable when due.
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: considered 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 payables	Cost technique – considers the expected economic outflow of resources when due.

(ii) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	Notes	\$000
Gross purchase consideration		62,929
Fair value of identifiable net assets acquired	F2(i)	(42,826)
Goodwill arising from acquisition	C5	20,103

The goodwill represents revenue growth opportunities, the skills and talent of ATPM's workforce and expected synergies to be achieved from integrating the company into the Group's existing business. 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.

(iii) Purchase consideration – cash outflow

	Notes	\$000
Gross purchase consideration		62,929
Less: cash balances acquired	F2(i)	(2,246)
		60,683
Acquisition related costs	C1	3,040
Outflow of cash – investing activities		63,723

(iv) Impact of ATPM's acquisition on the result of the Group

In the one month to 30 June 2017, ATPM contributed revenue of \$2.4 million and EBIT loss of \$0.9 million to the Group's results. Acquisition related costs of \$3.0 million are included in administrative expenses in the Group consolidated statement of profit or loss.

(a) Recognition and measurement

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is measured at fair value. 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 estimate 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	
		2017 %	2016 %
National Roads and Motorists' Assoc. (N.S.W.) Limited	Australia	100	100
NRMA Consolidated Limited	Australia	100	100
NRMA Holdings Limited	Australia	100	100
NRMA Limited	Australia	100	100
NRMA Enterprise Pty Ltd	Australia	100	100
NRMA Motoring Limited	Australia	100	100
NRMA Mutual Group Limited	Australia	100	100
NRMA Open Road Pty Limited	Australia	100	100
NRMA Safer Driving Schools Pty Limited	Australia	100	100
MotorServe Pty Limited	Australia	100	100
NRMA Travel Pty Limited	Australia	100	100
NRMA Travel Technology Pty Limited	Australia	100	100
AFG Investments Pty Limited	Australia	100	100
NRMA Treasury 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 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 Franchising Pty Ltd	Australia	100	100
T R 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	Australia	100	-
Australian Tourist Park Management Property Trust	Australia	100	-
Australian Tourist Park Management Pty Ltd	Australia	100	-

All Australian subsidiaries are members of the tax consolidated Group at 30 June 2017.

F4. Parent entity information

Information relating to National Roads and Motorists' Association Limited:	Parent	
	2017 \$000	2016 \$000
Current assets	98,701	122,211
Non-current assets	577,705	551,413
Total assets	676,406	673,624
Current liabilities	149,748	148,008
Non-current liabilities	40,563	35,329
Total liabilities	190,311	183,337
Net assets	486,095	490,287
Retained earnings	486,095	490,287
Total shareholders' equity	486,095	490,287
Loss of the Parent entity	(4,192)	(10,152)
Total comprehensive loss of the Parent entity	(4,192)	(10,152)

The parent entity had a deficiency of net working capital of \$51,047,000 at 30 June 2017 (2016: net working capital \$25,797,000). This represents the increase in intercompany loans drawn by the parent entity to fund capital expenditure during the year. 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 G5.

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. New accounting standards | G5. Deed of cross guarantee |
| G2. Commitments | G6. Auditor's remuneration |
| G3. Contingent liabilities | G7. Franking account balance |
| G4. Subsequent events | |

G1. New accounting standards

As at the date of this financial report, there are a number of new and revised Accounting Standards and interpretations published by the Australian Accounting Standards Board for which mandatory application dates fall after the end of this current reporting period.

The standards that have not been early adopted and are relevant to current operations are shown on the following page.

Standard and application date	Summary	Future impact on the Group
<p>AASB 9 Financial Instruments</p> <p>Application date of standard: 1 Jan 2018.</p> <p>Application date for Group: 1 Jul 2018.</p>	<p>The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which are:</p> <ul style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. 	<p>The Group currently holds certain investments as "available for sale" which are expected to be reclassified to "fair value" on adoption of the new Standard.</p> <p>These investments will continue to be held at fair value; however the gains or losses arising from the change in fair value which are currently recognised as a separate component of equity will be booked to the Income Statement.</p> <p>If the new Standard had been applied in the current year, profit before tax for the year ended 30 June 2017 would have increased by \$4.9m.</p>

GI. New accounting standards continued

Standard and application date	Summary	Future impact on the Group
<p>AASB 15 Revenue from Contracts with Customers</p> <p>Application date of standard: 1 Jan 2018</p> <p>Application date for Group: 1 Jul 2018.</p>	<p>AASB 15 contains more specific guidance on revenue recognition than the current AASB 118 Revenue standard, and in some cases changes the current accounting treatment.</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those 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 2018.</p>
<p>AASB 16 Leases</p> <p>Application date of standard: 1 Jan 2019.</p> <p>Application date for Group: 1 Jul 2019.</p>	<p>AASB 16 Leases, becomes mandatory for the Group's 2020 Financial Report and removes the classification of leases between finance and operating leases effectively treating all leases as finance leases for the lessee. The purpose is to provide greater transparency of a lessee's financial leverage and capital employed. Lessor accounting remains largely unchanged.</p>	<p>The Group continues to estimate the impact of the new rules on its financial report. The Group will make a more detailed assessment of the impact over the next 12 months. The Group does not expect to adopt the new standard before 1 July 2019.</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

G2. Commitments

	2017 \$000	2016 \$000
(i) Estimated expenditure contracted for at reporting date, but not provided for, or payable:		
Total capital commitments	86,268	78,993
(ii) Operating leases		
Non-cancellable operating leases relating to property with lease terms between 1 to 10 years:		
Within one year	27,668	30,489
Between one and five years	64,232	74,464
Greater than five years	15,804	11,761
	107,704	116,714

The Group leases property under non-cancellable operating leases expiring from one to ten years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Most contingent rental clauses are based on movements in the Consumer Price Index.

The Group has entered into commercial leases on items of office machinery. These leases have an average life of three years with no renewal option included in the contract. There are no restrictions placed on the lessee by entering into the leases.

(iii) Finance lease commitments

The Group has finance lease contracts for a fleet of motor vehicles. These lease contracts expire within one to five years. The leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

	2017 \$000	2016 \$000
Within one year	28,001	16,914
After one year but not more than 5 years	5,827	5,431
Minimum finance lease payments	33,828	22,345
Future finance charges	(789)	(679)
Finance lease liabilities	33,039	21,666

G2. Commitments continued

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income.

G3. Contingent liabilities

On 31 March 2014, NRMA Treasury Limited provided a mortgage to Westpac Banking Corporation and National Australia Bank over its interest as tenant in common in the building situated at 9A York Street, Sydney NSW 2000. The liability of NRMA Treasury Limited under the mortgage is limited to the amount available on realisation of that building and will be in place until the earlier of the sub-division of the property and the expiry of the facility on 31 March 2019.

G4. Subsequent events

There have been no matters or circumstances that have arisen since 30 June 2017 up to the date of this report that would significantly affect:

- the operations of the Consolidated Entity;
- the results of those operations; and
- the state of affairs of the Consolidated Entity.

G5. Deed of cross guarantee

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

Consolidated statement of profit or loss	Closed Group	
	2017 \$000	2016 \$000
Profit from operations before income tax	106,835	31,767
Income tax (expense)	(17,307)	(1,139)
Profit after income tax	89,528	30,628
Actuarial gain/(loss)	2,055	(1,895)
Retained earnings at the beginning of the year	868,455	839,722
Retained earnings at the end of the year	960,038	868,455
Consolidated statement of financial position		
Cash and cash equivalents	71,800	28,534
Trade and other receivables	29,866	32,898
Inventories	1,069	1,026
Income tax receivable	1,139	-
Other financial assets	10,466	11,829
Non-current assets classified as held for sale	2,361	3,596
Total current assets	116,701	77,883
Other financial investments	445,424	487,217
Available for sale financial assets	92,851	98,094
Property, plant and equipment	292,220	235,716
Investment property	69,000	69,000
Equity accounted investments	242,081	194,858
Pension assets	5,466	2,375
Intangible assets and goodwill	185,303	139,880
Non-current assets	1,332,345	1,227,140
Total assets	1,449,046	1,305,023
Trade and other payables	75,733	68,829
Employee benefit provisions	32,437	31,681
Unearned income	124,135	128,380
Customer deposits	7,987	4,362
Borrowings	47,375	36,767
Current liabilities	287,667	270,019
Employee benefits provisions	3,274	2,259
Provision for make good obligation	2,480	2,544
Liabilities	92,591	66,353
Derivative financial instruments	17	134
Unearned income	13,795	11,724
Customer deposits	6,416	6,455
Borrowings	72,035	71,028
Non-current liabilities	190,608	160,497
Total liabilities	478,275	430,516
Net assets	970,771	874,507
Reserves	10,733	6,052
Retained earnings	870,510	837,827
Current year profit	89,528	30,628
Total equity	970,771	874,507

G5. 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 Corporations Instrument 2016/785 dated 28 September 2016, 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 Order, 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 and 29 June 2011 and 30 June 2017 and a Notice of Disposal dated 31 October 2013.

G6. 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:

An audit of the financial report of the entity and any other entity in the Group:

	2017 \$	2016 \$
– Consolidated Entity	266,317	296,640
– Thrifty Group	99,333	101,685
	365,650	398,325
Other services provided by E&Y:		
Taxation advice	-	5,753
Non statutory audit services	16,155	44,451
Project assurance services	86,000	11,124
	102,155	61,328
	467,805	459,653

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.

G7. Franking account balance

	2017 \$000	2016 \$000
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year at 30% (2016: 30%)	258,942	252,955
Franking credits that will arise from the payment of tax payable as at the end of the financial year		
	258,942	252,955

The balance of the franking account arises from franked income received and income tax paid, after adjusting for any franking credits which will arise from the payment of income tax provided for in the financial statements and franking credits that will arise from the receipt of dividends recognised as receivables at year end. The Company's Constitution prevents the payment of dividends and accordingly, the franking credits are not utilised.

Directors' declaration

In accordance with a resolution of the Directors of National Roads and Motorists' Association Limited of 30 August 2017, we state that:

I. 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 2017 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 issues by the International Accounting Standards Board.

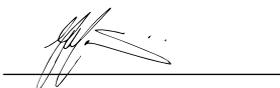
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

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 G5 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board



Mr K Loades
Chairman



Ms M Mastroianni
Director

Sydney, 31 August 2017

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

Opinion

We have audited the financial report of National Roads & Motorists' Association Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

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

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

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

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

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

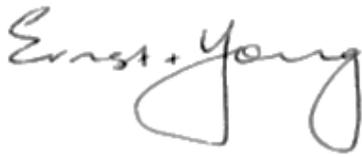
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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
31 August 2017



Appendix

GRI reporting

122 GRI reporting overview

123 Disclosure of Management Approach

126 GRI content index



GRI reporting overview

Material issues, stakeholders and boundary

Further to the discussion in Materiality and Stakeholders in Section 2 (Page 19), we've displayed how our material issues impact our stakeholder groups and indicated the internal or external boundary of each in the table below.

NRMA material issues in 2017

Material issue in 2016	Issue boundary	Stakeholders								Page / Reference
		Members and Customers	Industry Peers	Employees and contractor	Board	Government	Community Partners	Community	Suppliers	
Road safety and assistance	Outside the organisation, for our Members, and internally for our road safety assistance									123
Access to safe, affordable transport systems	Outside the organisation for our Members and the broader community									123
Financial sustainability	Internally for our entire organisation									124
Leveraging connectedness	Internally for our organisation and employees, and externally for our Members and potential Members									124
Adapting to disruption	Internally for our organisation and employees									124
Attract and retain good people	Internally for our organisation and workforce									124
Managing environmental performance	Internally for our operations and externally for the NSW community									125
Accountability and transparency	Internally as we improve our systems and processes and externally for all our stakeholders									125
Sustainable communities	Externally the communities and organisations we partner to support									125

Disclosures on Management Approach (DMAs)

The NRMA is working a new measurement approach to capture the value we create for Members, our business and the community through shared value. As this work develops, we will be incorporating more specific goals and targets across our sustainability activities.

Road safety and assistance

GRI: Occupational health and safety, customer health and safety

Why it's important:

The safety of our employees and Members continues to be a core business priority for the NRMA and our focus is on continuous improvement through training our people, providing a safe workplace and industry collaboration. We're committed to fostering a proactive safety management culture through encouraging our employees to engage and participate in safety and wellbeing programs.

Management approach:

Everyone at the NRMA has accountability for safety; the Board, Executive General Managers and all of the NRMA Group staff. Our safety performance is managed through the Group's Health, Safety and Environment Management System. If a safety risk is presented, the Board Audit and Risk Management Committee oversees decision making. Operationally, the Group Safety and Wellbeing team manages employee and customer safety risks, opportunities and outcomes across the NRMA Group Businesses.

Stakeholder engagement:

Industry peers and government were engaged on safety through the National Roadside Safety Forum. The NRMA also engages employees and contractors on safety through training, face-to-face consultation, our staff magazine and intranet.

Access to safe, affordable transport systems

GRI: public policy, product and service labelling

Why it's important:

Our Members experience many frustrations and challenges on the road. Increased travel times caused by congestion, the decline in the safety of our roads and the availability of more sustainable transport options, are all such concerns for our Members. We're actively listening to our Members and customers to improve their experience with us, as well as to advocate and speak out on important issues on their behalf. To engage with political representatives and advance our advocacy of relevant issues on behalf of our Members, the NRMA representatives attend paid events organised by political parties within Australia.

Management approach:

The Board Policy and Advocacy Committee assists the Board with decision making on engaging Members and understanding their needs. Operationally, the NRMA's Chief Customer Officer manages day-to-day Member and customer engagement with the Public Affairs and Advocacy team managing advocacy campaigns. The Member Experience Steering Committee meets on a regular basis and provides strategic direction for improvements to the level of engagement and experience of Members when interacting with the NRMA. Monetary contributions made to political parties are strictly limited to attendance at such events, for which there is a predetermined annual budget. Full details of the total monetary value of these contributions, and the recipients of them, are disclosed to the Australian Electoral Commission (AEC) each financial year. Our Annual Disclosure Returns to the AEC are publicly available online at the www.aec.gov.au, as per the requirements of the Commonwealth Electoral Act 1918.

Stakeholder engagement:

Members are engaged in the advocacy activities of the NRMA through the advocacy platform, social media, surveys and at campaign forums. Employees are engaged through face-to-face presentations, internal communications, videos, reporting and celebratory events. Member Experience Representatives act as program champions, continuing communications with teams across the business. We also work collaboratively with our peer motoring clubs to share learnings.

Financial sustainability and Adapting to disruption

GRI: Economic performance

Why it's important:

We're driven to be financially sustainable so that we can do more for our Members and the community. Our investment portfolio aims to create stable income flows to support and enhance services to Members. Being efficient also means we can save costs, reduce our environmental footprint and add value through our supply chain. Disruption is a constant for our business and in these economic times. We approach disruption not just as challenges, but as opportunities to transition and embrace the future of mobility, as well as the value this creates for our Members.

Management approach:

The Finance and Investments Committee assists the Board with decision making on the NRMA business model, economic performance and investments. Operationally, the Finance and Commercial and Legal teams, and the strategy and business planning process manage risks, opportunities and outcomes of all products and services

Stakeholder engagement:

The Finance and Commercial and Legal team engage with the Finance and Investments Committee by providing regular reports on investment opportunities and performance.

Leveraging connectedness

Why it's important:

We are in a time where the way people engage with the world is rapidly changing, and technology and data plays a big role in ensuring connectivity. Members increasingly are using technology to connect to organisations and each other. We are leveraging our organisational capabilities and data to provide more tailored solutions for Members and expand our digital reach. Due to the pace of change, our Member and customer data privacy governance processes need to continually develop and evolve.

Management approach:

There was a particular focus this year on the privacy and spam component of data governance. A Privacy and Spam internal audit was conducted and throughout the year actions were completed to improve the NRMA privacy and spam compliance maturity. The Privacy, Spam and Do Not Call Register Working Committee was refreshed and re-established with members representing the NRMA businesses with particular focus on the areas that regularly handle Member and customer data. The Working Committee led and chaired by the Group Privacy Officer, is responsible for monitoring and reporting on the actions of the NRMA in meeting its privacy and spam obligations. In 2017, all privacy concerns raised were fully investigated and rectified.

In addition, we also focused on the data governance of our Member and customer data. The Data, Digital and Technology Committee approved in November 2016 the NRMA Data Governance Framework. With external data governance expertise a Data Governance Roadmap of initiatives to lift the data governance of the NRMA to the next level was developed. The implementation of the Roadmap is estimated to take 12-15 months. A new training approach has been rolled out to provide more tailored training to the various roles across the group from frontline to executive.

In 2017, all privacy concerns raised were fully investigated and rectified.

Stakeholder engagement:

In order to remain relevant to our Members and customers, and to attract new ones, we're developing our digital and technological capabilities to make engagement easier and more intuitive. The NRMA actively shares information with International Motoring Clubs on emerging connected car technologies, telematics services and exploring how data will change the driver experience and Member loyalty.

Attract and retain good people

GRI: Employment, training and education, diversity and equal opportunity, equal remuneration for men and women

Why it's important

Building the right team to deliver our strategic direction is key to being more competitive, innovative and fit for the future. Attracting and retaining talent, particularly on our frontline, remains a significant challenge. High turnover rates are common within the industries in which we operate. Diversity is an integral part of our vision, culture, values and the way we do business, offering tangible benefits to our employees, customers and Members. To truly understand and communicate well with our diverse customer and Member base, our business needs to attract and retain employees from different backgrounds, ages, genders and cultures.

Management approach

Everyone at the NRMA - the Board, Executive General Managers and all Group staff - has accountability for employee engagement, training and education and embracing the unique skills and qualities of all our employees to maintain a culture that builds respect and fosters inclusiveness. An Executive General Manager has management oversight on decisions relating to attracting and retaining employees. Operationally, the People, Culture and Safety teams manage risks, opportunities and outcomes associated with attracting and retaining good people across the NRMA Group Businesses.

Stakeholder engagement

The NRMA invites honest and anonymous employee feedback through our bi-annual Your Voice survey and our annual internal customer service survey. We also engage employees through our senior leader forums, training, face-to-face consultation, our staff magazine and intranet.

Managing environmental performance

GRI: Energy, Emissions, Environmental Compliance

Why it's important:

The environmental footprint of our operations differs across our family of products and services. Our activities range from ensuring we have effective management practices in place for key environmental risks, finding new ways to reduce our carbon footprint, through to helping improve the biodiversity and natural environment surrounding our holiday parks

Management approach

Everyone at the NRMA has accountability for our environmental impact; the Board, Executive General Managers and all of Group staff. Our environmental performance and risk is managed through the Group's Health, Safety and Environment Management System. If an environmental risk is presented, the Board Audit and Risk Management Committee oversees decision making. Operationally, the Group Safety and Wellbeing team manages risks, opportunities and outcomes across the NRMA Group Businesses. The Group holds a number of environmental licenses issued by statutory bodies and water authorities in the regions where the NRMA operates. These licenses primarily control trade waste discharges from workshops and wash bays operating at Car Servicing and Thrifty locations. There have been no significant known breaches of environmental regulations or license conditions. We measure energy (electricity, fuel and gas) usage and carbon intensity across our group. We measure environmental incidents as part of our Group HSE System.

Stakeholder engagement

The NRMA engages employees and contractors on environmental performance through training, face-to-face consultation, our staff magazine and intranet.

Accountability and transparency

GRI: supplier assessment (labour practices, human rights, impacts on society, environmental), supply chain, materials

Why it's important:

Materials purchased for automotive requirements, products that we purchase and on-sell to Members and customers, contractors and sub-contractors who deliver services to our Members and customers and professional services consultants who provide a service directly to the NRMA have a considerable impact on human rights, society and the environment. We are continually working to understand our supply chain better so we can manage the impact for our Members, our business and our community. Our core supply chain is categorised as: automotive requirements (tyres, fuel, spare parts); products that we purchase and on-sell to Members and customers (batteries, tyres, and other products);

contractors and sub-contractors who deliver services to our Members and customers; office consumables and promotional merchandise; and professional services consultants who provide a service directly to the NRMA. There has been no change to the NRMA supply chain during this reporting period.

Management approach:

An Executive General Manager has management oversight on decisions relating to managing our supply chain. Operationally, a Group Procurement team is appointed to oversee the NRMA expenditure to achieve the best strategic value across the supply chain and ensure adherence to governance controls around managing an ethical supply chain. Individual buys and tactical execution is managed by individual business units. A key focus of the procurement team is reviewing existing contracts to ensure we get the best value and identifying areas for improvement.

Stakeholder engagement

We engage with core suppliers to seek acknowledgement of Supplier Engagement Principles and understand the governance of their supply chain.

Sustainable communities

GRI: Indirect economic performance

Why it's important:

Nearly half of our Members live in rural or regional locations, so it's important that we always look for ways to help create sustainable communities beyond metro areas, through operational activities (including our holiday parks and country service centre network) and in other complementary ways through our community investments programs. Our operations also help bring indirect economic benefits to local communities. .

Management approach:

Executive General Manager, Travel and Touring and Executive General Manager, Motoring have management oversight on decisions relating to operational activities in regional areas. In addition, the Executive General Manager, Corporate Affairs oversees the community investment programs and partnerships. The Policy and Advocacy Committee assists the Board with decision making on community investments.

Stakeholder engagement:

We encourage our employees to use their work time for volunteering opportunities with our charity partners, engaging them through internal communication channels and working closely with staff and partners to ensure we can provide expertise where we can. The Corporate Affairs team engages with the Policy and Advocacy Committee by providing regular reports on community investment opportunities and performance.

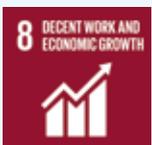
GRI content index

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Strategy and analysis			
G4-1	Statement from the most senior decision-maker.	Group CEO message; pg. 12	
G4-2	Description of key impacts, risks, and opportunities.	Group CEO message; pg. 12 Value creation; pg. 15-20 Strategy, risk and opportunities; pg. 22-25	
Organisational profile			
G4-3	Name of the organisation	About the NRMA; pg. 4	
G4-4	Primary brands, products, and services.	About the NRMA; pg. 6	
G4-5	Location of the organisation's headquarters.	9A York Street, Sydney, NSW 2000.	
G4-6	Number and name of countries where the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About the NRMA; pg. 6-7	
G4-7	Nature of ownership and legal form.	Directors' Report; pg. 69	
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	About the NRMA; pg. 6-7	
G4-9	Scale of the organisation.	About the NRMA; pg. 6-7	
G4-10	Number of employees by employment type, gender, and region.	Supporting our people; pg. 45	
G4-11	Percentage of total employees covered by collective bargaining agreements.	44% of NRMA staff are covered by a collective agreement. Information is not currently available for subsidiary organisations.	
G4-12	Description of the organisation's supply chain.	DMA Accountability and transparency; pg. 125	
G4-13	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	During the period the NRMA acquired Australian Tourism Park Management Pty Ltd. This increased the portfolio of parks owned or managed from four to 39 parks. Data for the additional parks will be included in the FY18 report.	
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	We take a precautionary approach by taking action to reduce our social and environmental impacts. NRMA strategic planning processes are used to manage risks in operational planning and new product development.	

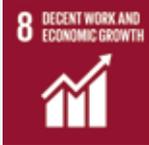
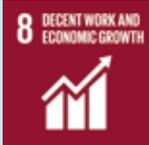
GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Group CEO message; pg. 12 Sustainability and culture; pg. 44-54	
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations.	Memberships of associations (such as industry associations) and national or international advocacy organisations. <ul style="list-style-type: none"> • ACT Electric Vehicle Council • Australasian Fleet Management Association (AfMA) • Australasian New Car Assessment Program (ANCAP) • Australian Automobile Association (AAA) • Business Council of Cooperatives & Mutuals • Caravan and Camping Industry Association • Child Restraint Evaluation Program • Committee for Sydney • Consumer Rating & Assessment of Safety Helmets • Federation Internationale de l'Automobile (FIA) – the AAA is the member of FIA on behalf of all clubs • Global Mobility Alliance (GMA) • National Road Safety Week Council • NSW Business Chamber • NSW Road Safety Advisory Council • Pacific Highway Taskforce • Supply Nation • Trans-Tasman Business Circle • Tourism and Transport Forum • Vehicle Safety Research Group • Western Sydney Business Chamber • Sustainable Business Australia 	
Identified material aspects and boundaries			
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents.	Financial statements; pg. 108	
G4-18	Process for defining the report content and the Aspect Boundaries and implementing the Reporting Principles for Defining Report Content.	Materiality and stakeholders; pg. 19	
G4-19	Material Aspects identified in the process for defining report content.	Materiality and stakeholders; pg. 19	
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	Material issues, stakeholders and boundary; pg 122	
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	Material issues, stakeholders and boundary; pg 122	
G4-22	Report the effect of any restatements of information provided in previous reports.	There were no restatements from previous reports.	
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	There are no significant changes in Scope and Aspect Boundaries.	

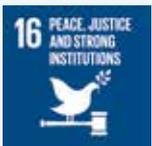
GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Stakeholder engagement			
G4-24	Stakeholder groups engaged by the organisation.	Materiality and stakeholders; pg. 19 DMAs; pg. 123-125 Material issues, stakeholders and boundary; pg 122	
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholders are identified and selected on the basis of our material impacts.	
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Materiality and stakeholders; pg. 19 DMAs; pg. 123-125 Material issues, stakeholders and boundary; pg 122	
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Materiality and stakeholders; pg. 19 DMAs; pg. 123-125 Material issues, stakeholders and boundary; pg 122 You've spoken – we've listened: placing the customer at the centre of what we do; pg. 40	
Report profile			
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About this report; pg. 4	
G4-29	Date of most recent previous report (if any).	May 2017	
G4-30	Reporting cycle (such as annual, biennial).	Annual	
G4-31	Contact point for questions regarding the report or its contents.	Senior Manager, Sustainability Email: sustainability@mynrma.com.au	
G4-32	Report the 'in accordance' option the organisation has chosen; the GRI Content Index for the chosen option; and the reference to the External Assurance Report.	About this report; pg. 4	
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report.	We have not sought external assurance for this report.	
Governance			
G4-34	Governance structure of the organisation, including committees of the highest governance body.	Governance and remuneration pg. 56-66 Website: mynrma.com.au/corporate-information/board-of-directors	
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Governance and remuneration pg. 56-66 Website: mynrma.com.au/corporate-information/board-of-directors	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Governance and remuneration pg. 56-66 Website: myrma.com.au/corporate-information/board-of-directors	
G4-38	Composition of the highest governance body and its committees.	Governance and remuneration pg. 61-67	
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer.	All Directors are non-executives.	
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Governance and remuneration pg. 64, 66	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed, and whether conflicts of interest are disclosed to stakeholders.	Governance and remuneration pg. 64	
G4-42	Highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Governance and remuneration pg. 57	
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	Reviewed annually by the CEO through Business Units reports, plans and the Sustainability Report (as incorporated in this Annual Report).	
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	Reviewed annually by the CEO through Business Units reports, plans and the Sustainability Report (as incorporated in this Annual Report).	
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material Aspects are covered.	NRMA Group CEO, Mr Rohan Lund.	
G4-51	Remuneration policies for the highest governance body and senior executives.	Governance and remuneration pg. 67-68	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Ethics and integrity			
G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Who we are; pg. 17 Governance and remuneration pg. 56 Website: mynrma.com.au/corporate-information/board-of-directors	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	Website: mynrma.com.au/corporate-information/board-of-directors	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Website: mynrma.com.au/corporate-information/board-of-directors	
Specific standard disclosures			
Category: Economic			
Material aspect: Economic performance			
G4-DMA	Generic disclosures on management approach.	Group financial highlights; pg. 28-29 Financial statements; pg. 72-115 DMAs; pg. 124	
G4-EC1	Direct economic value generated and distributed.	Group financial highlights; pg. 28-29 Financial statements; pg. 72-115 DMAs; pg. 124	
Material aspect: Indirect economic impacts			
G4-DMA	Generic disclosures on management approach.	My destination; pg. 37 DMAs; pg. 125	
G4-EC8	Report examples of the significant identified positive and negative indirect economic impacts the organisation has.	My destination; pg. 37 Community investment; pg. 52-54	
Category: Environmental			
Material aspect: Materials			
G4-DMA	Generic disclosures on management approach.	Environment; pg. 49-50 DMAs; pg. 125	
G4-EN2	Percentage of recycled input materials used to manufacture the organisations' primary products and services.	Environment; pg. 49-50; we do not record recycled materials as a percentage.	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Material aspect: Energy			
G4-DMA	Generic disclosures on management approach.	Environment; pg. 49-50 DMAs; pg. 125	
G4-EN6	Reduction of energy consumption.	Environment; pg. 49-50 DMAs; pg. 125	
Material aspect: Emissions			
G4-DMA	Generic disclosures on management approach.	Environment; pg. 49-50 DMAs; pg. 125	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	Environment; pg. 49	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Environment; pg. 49 DMAs; pg. 125	
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	Environment; pg. 49 DMAs; pg. 125; total emissions were reduced by 167 CO ₂ -e in FY17.	
Material aspect: Compliance			
G4-DMA	Generic disclosures on management approach.	Safety and Wellbeing; pg. 47 Environment; pg. 49-50 DMAs; pg. 123, 125	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	There were no known breaches of environmental regulations or licence conditions.	
Material aspect: Supplier environmental assessment			
G4-DMA	Generic disclosures on management approach.	DMAs accountability and transparency; pg. 125	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	DMAs accountability and transparency; pg. 125	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Category: Social			
Sub-category: Labor practices and decent work			
Material aspect: Employment			
G4-DMA	Generic disclosures on management approach.	Supporting our people; pg. 45-46 DMAs – Attract and retain good people; pg. 124	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Talent attraction and retention; pg. 45 DMAs – Attract and retain good people; pg. 124; age, gender, region not reported.	
G4-LA3	Return to work and retention rates after parental leave, by gender.	100% of women on parental leave returned to work during the period. NRMA Limited 2017 Workplace Gender Equity Public Report (www.wgea.com.au)	
Material aspect: Occupational health and safety			
G4-DMA	Generic disclosures on management approach.	Safety and wellbeing; pg. 47-48 DMAs – Road safety and wellbeing; pg. 123	
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Safety and wellbeing; pg. 47-48; region and gender not reported	
Material aspect: Training and education			
G4-DMA	Generic disclosures on management approach.	Learning and development; pg. 45	
G4-LA9	Average hours of training per employee by gender, and by employee category.	Learning and development; pg. 45 Hours of training per average employee: 18 (Men: 15 hours; Women: 21 hours)	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing their career endings.	Learning and development; pg. 45	
Material aspect: Diversity and equal opportunity			
G4-DMA	Generic disclosures on management approach.	Diversity; pg. 46	
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indication of diversity.	Diversity; pg. 46; reported only as gender breakdown in leadership categories.	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Material aspect: Equal remuneration for men and women			
G4-DMA	Generic disclosures on management approach.	Diversity; pg. 46	
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Diversity; pg. 46; reported as a percentage not ratio.	
Material aspect: Supplier assessment for labor practices			
G4-DMA	Generic disclosures on management approach.	DMAs accountability and transparency; pg. 125	
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria.	DMAs accountability and transparency; pg. 125	
Sub-category: Human rights			
Material aspect: Supplier human rights assessment			
G4-DMA	Generic disclosures on management approach.	DMAs accountability and transparency; pg. 125	
G4-HR10	Report the percentage of new suppliers that were screened using human rights criteria.	DMAs accountability and transparency; pg. 125	
Sub-category: Society			
Material aspect: Public policy			
G4-DMA	Generic disclosures on management approach..	DMAs – Safe, affordable transport systems Approach to public policy and political donations; pg. 123	
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Our Annual Disclosure Returns to the AEC are publicly available online at www.aec.gov.au	
Material aspect: Supplier assessment for impacts on society			
G4-DMA	Generic disclosures on management approach.	DMAs accountability and transparency; pg. 125	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	DMAs accountability and transparency; pg. 125	

GRI G4 Indicator	Disclosure title	Section; page number	Sustainable Development Goal
Sub-category: Product responsibility			
Material aspect: Customer health and safety			
G4-DMA	Generic disclosures on management approach.	You've spoken – we've listened: placing the customer at the centre of what we do; pg. 40 Safety and wellbeing; pg. 47 DMAs – Road safety and assistance; pg. 123	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	100% of NRMA Group businesses.	
Material aspect: Product and service labeling			
G4-DMA	Generic disclosures on management approach.	You've spoken – we've listened: placing the customer at the centre of what we do; pg. 40	
G4-PR5	Results of surveys measuring customer satisfaction.	You've spoken – we've listened: placing the customer at the centre of what we do; pg. 40	

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