



ROAD
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The NRMA Tax Transparency Report 2024

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1. A message from the Chief Financial Officer

On behalf of the Board of Directors, I am pleased to present the 2024 Tax Transparency Report for the National Roads and Motorists' Association Limited (the NRMA).

The NRMA is Australia's largest purpose-made member-owned organisation and our business has expanded beyond our iconic roadside services. Today, our business includes a network of unique holiday parks and resorts across Australia, vehicle rental, our electric vehicle fast charging network, and several cruise and ferry operators, whilst remaining strong in our advocacy and community work. We're a community working for a greater purpose, and our uniqueness as a mutual means we can deliver greater outcomes for our members and the community.

The NRMA remains focused on complying with legislative and regulatory requirements in accordance with our Risk Appetite Statement, and is committed to meeting all tax compliance obligations and being open, transparent and cooperative about our tax affairs.

This report is based on the principles outlined in the Board of Taxation's Voluntary Tax Transparency Code and for the year ended 30 June 2024 we present:

- Our approach to tax policy, strategy and governance
- Reconciliations of income tax expense, effective tax rate and income tax payable
- Our tax contribution to the community



Michael Gabriel
Chief Financial Officer

March 2025

2. Tax policy, strategy and governance

The NRMA is a purpose-led organisation with a focus on creating shared value for members, customers and the wider community. As a community focused mutual, we approach our tax obligations with integrity and transparency.

Our Tax Policy sets out clear principles for managing tax risk. The Board of Directors (the Board) has approved this document and it is reviewed every three years.

The key principles of our Tax Policy are:

- The NRMA has no appetite for tax outcomes which are contrary to the spirit of the law
- The tax legislation will be applied within the spirit and policy intent of the law
- Community and member responsibilities must be balanced
- Dealings with revenue authorities will be approached in an open and transparent manner

The NRMA Group Tax Management Framework (TMF) provides further detail on how tax risk will be identified, quantified and managed. The TMF includes guiding principles to ensure that the NRMA Group's tax position aligns with the stated tax risk appetite.

The key principles of the NRMA TMF are:

- The identification, measurement and management of tax risks will be in accordance with the Group Risk Management Framework
- Tax processes and controls are in place to ensure the NRMA pays the right amount of tax
- Tax is included in the internal audit program to ensure relevant processes and controls are appropriately reviewed
- Tax advice from an external advisor will be sought where there is uncertainty on the interpretation or application of the tax legislation

The NRMA Audit and Risk Management Committee (ARMC) is a sub-committee of the Board. Under the Board approved ARMC Charter, the ARMC must approve all tax related policies and procedures. There is also regular tax reporting to the ARMC and the full Board.

2.1 Our engagement with revenue authorities

The NRMA engages with the Australian Taxation Office (ATO) and other revenue authorities in an open and transparent manner. There are currently no audit reviews in progress.

2.2 International related party dealings

As stated in the NRMA Annual Report 2024, we hold 100% of the shares in two New Zealand entities called NRMA New Zealand Ltd and Op Marine Limited and one UK entity called Coral Expeditions UK Ltd. The licence to operate the Thrifty brand in New Zealand ceased on 30 November 2021 and NRMA New Zealand Ltd is now a dormant company. Op Marine Limited provides operational support to the Coral Cruise group and is considered a tax resident of Australia. Coral Expeditions UK Ltd is a dormant company.

The dealings between the Australian business and the New Zealand entities do not have a material impact on the Australian taxable income of the NRMA. We do not engage in activities in no or low tax jurisdictions.

3. The NRMA 2024 annual tax position

The NRMA predominantly has operations in Australia. The NRMA and its wholly owned Australian subsidiaries are part of a tax consolidated group under Australian tax law. We are the head company of the tax consolidated group. We also hold investments in associates and joint ventures which are detailed in the NRMA Annual Report 2024.

We are a mutual organisation and as such derive income and incur costs in our transactions with members as owners of the company. These transactions with members are not subject to company tax.

During the 2024 financial year, NRMA acquired the remaining shares in Coral Expeditions taking our interest to 100%. The majority of the income for Coral Expeditions is exempt from income tax under the shipping exempt income tax incentive. The tax incentive is designed to encourage investment in the Australian shipping industry and to encourage the development of sustainable employment and skills opportunities for Australian seafarers.

3.1 A reconciliation of accounting profit to income tax expense

The table below provides a reconciliation of accounting profit to income tax expense and the effective tax rate (for Australian and global operations) for the NRMA and its controlled entities for the year ended 30 June 2024, as published in the NRMA Annual Report 2024.

Income tax expense is calculated in accordance with Australian Accounting Standards and is calculated by multiplying accounting profit before income tax by the relevant corporate tax rate (30% in Australia), and then adjusting for non-temporary differences.

The effective tax rate is calculated as income tax expense divided by accounting profit before tax.

	2024 \$000	2023 \$000
Accounting profit / (loss) before tax from continuing operations	21,527	44,025
Accounting profit / (loss) before tax from discontinued operations ¹	-	711
Accounting profit / (loss) before income tax	21,527	44,736
Income tax expense / (benefit) calculated at 30% (2023: 30%)	6,458	13,421
Tax effect of permanent differences:		
Tax offsets ²	(2,038)	(4,020)
Non-assessable net mutual benefit ³	(3,400)	(1,400)
Non-deductible net shipping exempt income tax incentive ⁴	1,274	-
Non-deductible asset impairments and carrying value adjustments	(1,353)	(1,690)
Assessable income not included in accounting profit	65	349
Non-deductible acquisition related costs	2,448	465
Net capital gain / (losses) after applying against capital gains	10	9
Tax effect of tax losses and temporary differences not recognised	1	1
Other	740	(141)
Adjustment recognised in the current year in relation to:		
- the current tax of prior years	(2,640)	315
- the deferred tax of prior years	1,457	(1,653)
Total tax expense	3,022	5,656
Effective tax rate (for Australian operations)	14%	12.6%
Effective tax rate (for Global operations)	14%	12.6%

¹ In FY23, the investment in the Tucker Box Hotel Trust and NRMA New Zealand Ltd have been classified as discontinued operations.

² Tax offsets represent franking credits from dividends the NRMA has received. The franking credits represent income tax already paid by Australian resident companies.

³ This amount represents transactions with members which are not subject to company tax.

⁴ This amount arises from the shipping exempt income tax incentive calculation in respect of eligible income and expenses relating to eligible vessels from Coral Expeditions.

3.2 A reconciliation of income tax expense to current year income tax payable

The table below provides a reconciliation of income tax expense to current year income tax payable for the NRMA for the year ended 30 June 2024.

	2024 \$000	2023 \$000
Total tax expense on profit before income tax	3,022	5,656
Adjustments relating to prior years ¹	25,573	1,211
Timing differences recognised in deferred tax		
Trade and other receivables	(198)	(273)
Financial assets at fair value through profit or loss	(4,623)	(4,370)
Financial assets at fair value through other comprehensive income	47	1,028
Equity accounted investments	(978)	2,986
Property, plant and equipment	30,173	(40,265)
Intangibles	2,044	1,163
Investment property	-	842
Defined benefit asset	(200)	(130)
Lease liabilities	(6,458)	25,668
Trade and other payables	(1,315)	(582)
Provisions	198	1,380
Tax losses	(29,830)	29,830
Right-of-use assets	8,259	(23,096)
Other assets and liabilities	231	(1,048)
	(2,650)	(6,867)
Current year income tax payable	25,945	0

¹ This amount largely represents a tax refund received due to the application of the Temporary Full Expensing (TFE) and Loss Carry Back (LCB) rules from the 2023 financial year, which was disclosed as a deferred tax asset in the NRMA Annual Report 2023. The TFE rules allowed an upfront deduction for eligible depreciating assets which ceased on 30 June 2023. Both the TFE and LCB rules were introduced in October 2020 as part of the Federal Government's COVID-19 related economic recovery and tax incentives package.

3.3 A reconciliation of income tax payable

The table below provides a reconciliation of income tax payable as at 30 June 2024 per the consolidated balance sheet in the NRMA Annual Report 2024.

	2024 \$000	2023 \$000
Income tax payable / (receivable) at beginning of financial year	(4,153)	12,799
Less: income tax (paid) / refunded during the year	31,234	(15,741)
Less: adjustment relating to prior income years ¹	(25,573)	(1,211)
Add: income tax payable for current financial year	25,945	-
Income tax payable / (receivable) at end of financial year	27,453	(4,153)

¹ This amount largely represents a tax refund received due to the application of the Temporary Full Expensing (TFE) and Loss Carry Back (LCB) rules from the 2023 financial year, which was disclosed as a deferred tax asset in the NRMA Annual Report 2023. The TFE rules allowed an upfront deduction for eligible depreciating assets which ceased on 30 June 2023. Both the TFE and LCB rules were introduced in October 2020 as part of the Federal Government's COVID-19 related economic recovery and tax incentives package.

4. Total tax contribution of the NRMA

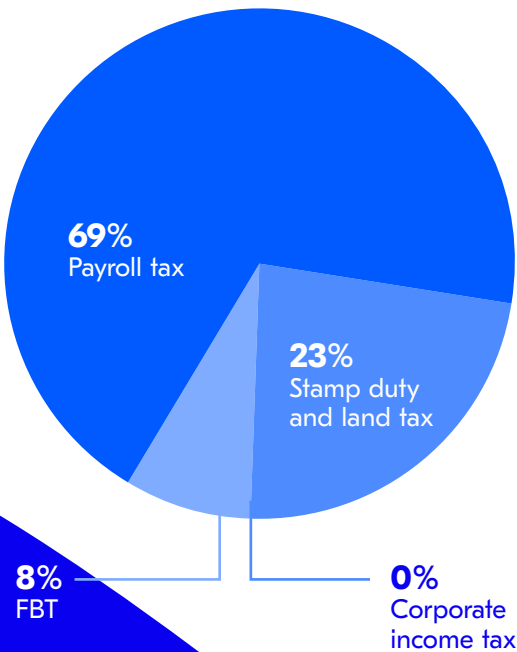
The tables and diagrams below detail the types of taxes paid and collected by the NRMA to Australian and New Zealand revenue authorities during the 2024 financial year. The majority of these taxes are paid in Australia.

Taxes paid by the NRMA

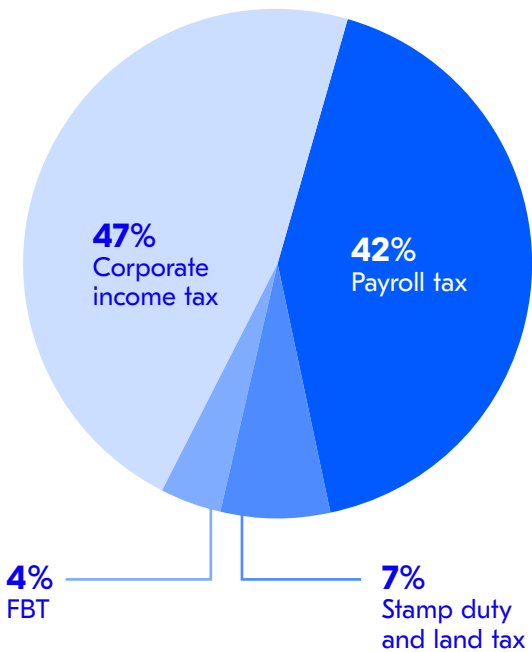
	2024 \$m	2023 \$m
Corporate income tax ¹	-	14.9
Payroll tax	16.0	13.1
Stamp duty and land tax	5.2	2.4
FBT	1.9	1.1
Total	23.1	31.5

¹ The NRMA was in a tax receivable position for the year ended 30 June 2023, largely due to the Temporary Full Expensing and Loss Carry Back rules.

Taxes paid by the NRMA - 2024



Taxes paid by the NRMA - 2023

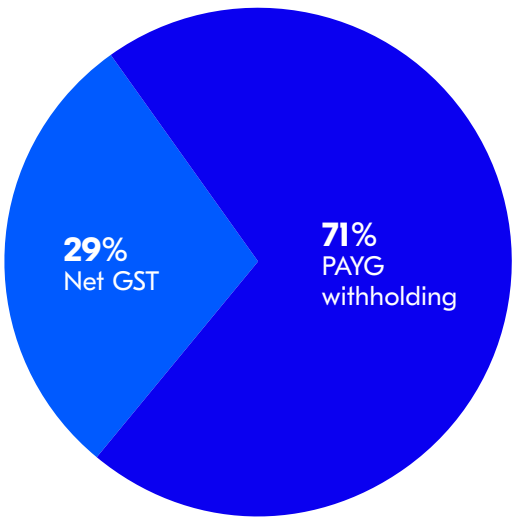


Taxes collected by the NRMA

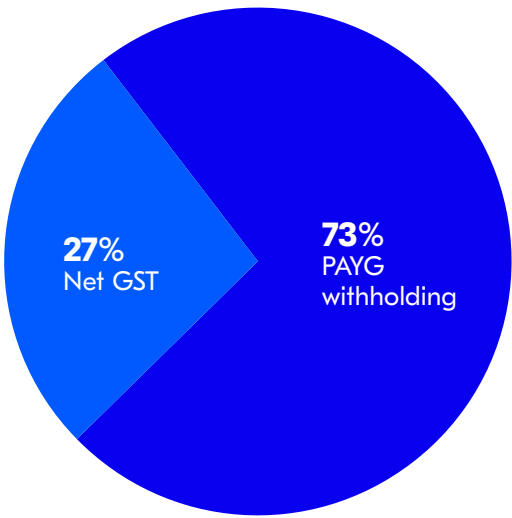
	2024 \$m	2023 \$m
PAYG withholding ¹	73.5	60.7
Net GST ²	29.5	22.7
Total	103.0	83.4

¹ The increase in PAYG withholding taxes collected since the 2023 financial year is largely due to an increase in salary and wages expenses from the acquisition of businesses.
² Net GST represents GST collected on sales less the input tax credits claimed on acquisitions. The increase since the 2023 financial year is largely due to the acquisitions of Coral Expeditions and properties in Parks and Resorts.

Taxes collected by the NRMA - 2024



Taxes collected by the NRMA - 2023



5. ATO's tax transparency disclosures

The ATO publishes an annual 'Report of entity tax information' for entities with total income of \$100m or more. The ATO has published the following information for the NRMA relating to the years ended 30 June 2023 and 30 June 2022.

	2023 \$	2022 \$
Total income	842,232,206	650,407,671
Taxable income	-	61,280,228
Tax payable	-	14,866,357

Taxable income is calculated based on accounting profit adjusted for allowable temporary and non-temporary differences in accordance with the Australian tax law. The tax payable amount is then determined by multiplying the taxable income by the 30% corporate tax rate, reduced by available tax offsets.



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