

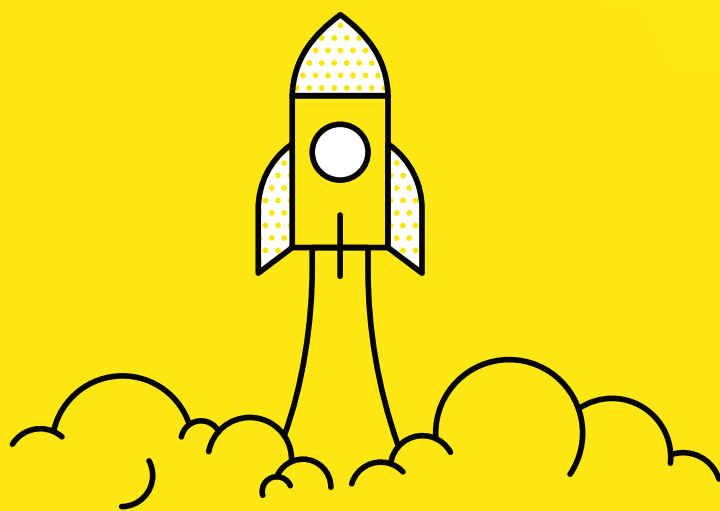
A photograph of a woman and a young girl walking through a field of tall grass. The woman is on the right, wearing a blue puffer vest over an orange sweater and blue jeans, smiling. The girl is on the left, wearing a yellow puffer jacket, a red bucket hat, and a striped sweater, holding the woman's hand. The background shows a clear blue sky and some trees on the left.

Keeping our members moving

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2019-20 at a glance





756k+
members



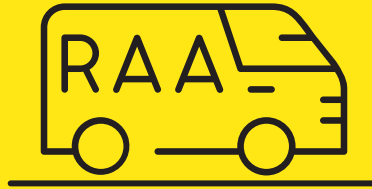
\$50m
member discounts
and savings



70k+
insurance claims
settled



\$230m+
insurance claims
paid



341k+
road service
callouts



38k+
travel
bookings



29k+
people educated on road,
bike and child safety



1000+
South Australians
employed



7k+
vehicle
inspections



13k+
driver education
lessons



12k+
COVID-19
care calls



1.3k+
COVID-19
care deliveries

What drives us

As a proudly South Australian organisation, we keep our members—and our State—at the heart of what we do every day.

Our purpose

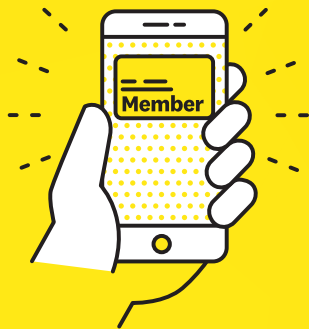
Keep members moving

We want to make it easier for our members to focus on what matters to them.

Our values

Champion the member

We keep our members at the centre of every decision we make, and we are passionate about creating positive and memorable experiences that show we genuinely care.



On the same side

We thrive as a strong and dynamic team by making the most of our skills and talents and supporting our teammates to do the same. Our camaraderie and open communications help us achieve our collective goal of keeping our members moving.



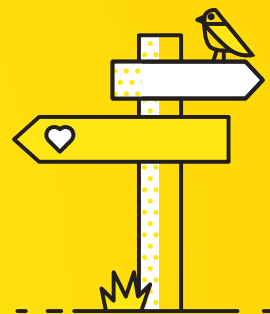
Our vision

There for members, each and every day

We're driven to support South Australians through our trusted range of motor, home and travel products and services.

Do the right thing

We act with integrity and use good judgement so everything we do – as individuals and as a team – builds trust, earns respect and adds to our sense of pride at the end of each day.



Think beyond

We are creative and courageous in our approach to work – no matter the role we're in. We share diverse opinions and seek out those of our teammates in our ongoing quest for trialling new ideas, adapting to changes and driving improvements in the years ahead.





Keeping you moving on the road, at home or on holiday

For more than 117 years, we've been on the road helping South Australians keep on moving on. From replacing a flat battery to fixing a flat tyre, our patrols have always been there to offer a helping hand. But we've come a long way since being founded by a small group of motoring pioneers in 1903.

Today, more than 750,000 members across the State choose us to deliver peace of mind, through our trusted range of motor, home and travel services. From road service to car insurance, members can count on us to have their back when they're on the road. We're there off the road as well, protecting the people and possessions that matter most through home insurance, trusted tradie services and more.

When it comes to travel, 2020 threw some curveballs but our travel experts remain on hand to help South Australians plan a memorable getaway. When overseas

travel was put on the back burner, we instead helped thousands more people plan trips to take in some of the world's best scenery right here on our doorstep. From the rugged terrain of Flinders Ranges to the stunning seascapes of Kangaroo Island, we've been proudly helping to bolster visitor tourism in our home State and supporting hundreds of local businesses along the way.

While COVID-19 means the world might look a little different after this financial year, one thing's for certain: our members remain at the heart of everything we do. Through our services and benefits, education programs, community giving initiatives and advocacy efforts, we're continually looking for new ways to make life easier on the road, at home or on holiday.

We look forward to another 100 years of being there to keep our members—and our State—moving in the right direction.

President's report



Peter Siebels

RAA President and
Chairman of the Board

This year was one like no other. We faced never-before-seen challenges that impacted our lives, changed the way we worked and forced greater agility in how we keep our members moving.

As I began my term as President in December 2019, South Australia was about to experience some of the most devastating bushfires in history. While our insurance claims team was quick to provide on-the-ground support to bushfire affected members, our travel team was thinking of ways to bring back tourism to affected communities through the rebuilding phase. As a proudly South Australian organisation, we also lent our support at a corporate level, bolstering staff fundraising efforts to contribute more than \$70K to two other organisations supporting the recovery process—the CFS Foundation and Kangaroo Island Wildlife Park Fund.

The arrival of coronavirus (COVID-19) soon after brought even greater challenges to us as individuals, as a business and as a population.

Leading our organisation at such a unique time in our history has been an honour and a privilege. I firmly believe, however,

it's in the most challenging of times that we can make the biggest impact.

At RAA we've always been there for our members and the State we call home, and throughout this year of high stress and significant change, I remain inspired by our organisational response.

We've been forced to change the way we do things, but many of the changes we've made will pave the way for a more innovative and effective way of doing business in the future, making our organisation stronger than ever before.

We've equipped more of our staff to work from home, dispersed others across multiple sites to meet the motor, home and travel needs of our members, and provided meaningful work for staff in unusually quieter areas of the business to support the higher demand in others. Importantly, amid all this change, we've upheld our commitment to deliver for our members.

This year, the number of South Australians celebrating more than 50 years of RAA membership continued to grow, and we appreciate the ongoing loyalty of these 36,000-plus members.

Overall this year, we represented more than 750,000 South Australians, asking them about the issues they believe are important and lobbying on their behalf. We successfully advocated for a real-time fuel pricing scheme and, as a result, motorists will soon have information about the cheapest petrol prices in the market.

Informed by our members and our roaming road assessments, we continued to highlight South Australia's riskiest roads, helping to secure more than \$160m in Federal and State government funding. The challenges of COVID-19 saw our advocacy efforts pivot to a packaged suite of shovel-ready projects, offering dual benefits to the State in safer roads and economic stimulus.

Indeed, 2019-20 marked a time when supporting South Australian businesses became more important than ever before. Through our contractor and approved

repairer network, we continued to support hundreds of local businesses. And while many events were put on hold, we found new ways to support local community groups and charities at a time when demand for many of their services was growing.

As an organisation, we are thinking ahead and planning for a number of probable future scenarios so that we can continue to deliver for our members in the years ahead. On behalf of our members we will continue to show leadership and help to create a better South Australia, including driving mobility infrastructure that serves our members—and our State—more safely and efficiently.

I'd like to acknowledge the hard work and determination of the entire RAA team, led by Managing Director Ian Stone, for all that we've achieved for members this year amidst a turbulent backdrop. I also thank my fellow directors for their commitment and expertise to help lead our organisation in such testing times.

I'd also like to recognise the long-term contribution of outgoing Director Ray Grigg. Ray retired after the close of this financial year, signalling the end of more than 15 years of service to the RAA Board, including a three-year term as President. Ray's contribution over that time saw RAA's membership increase by 35 per cent and a product expansion into insurance and travel to deliver more for members. On behalf of the Board, I thank Ray for his long-term commitment and wish him well in his retirement.

Finally, I'd like to thank our members for their ongoing trust and support. I am proud to be serving you as President and Chairman of the Board and I look forward to building on our century of success and helping to lead our organisation—and our State—to an even brighter future.



RAA fuel pricing win, motorists set to save millions

RAA's persistent lobbying for real-time fuel pricing paid off this year, with the State Government announcing a two-year trial of the system in a move that is set to save South Australian motorists millions of dollars a year.

The trial scheme will work by requiring petrol retailers to report their fuel

prices to the State Government. The prices are then made publicly available to be used by websites or apps, helping motorists find the cheapest place to fuel up.

RAA began lobbying the government on this issue prior to the 2018 State election, supported by research

showing Adelaide has the greatest variation in petrol prices of any State capital.

The money-saving scheme is predicted to save SA motorists up to \$30m a year and is expected to be operational in 2020-21 as the laws supporting the system have subsequently passed.

Managing Director's report



Ian Stone

Group Managing Director

Despite devastating bushfires, floods and a worldwide pandemic, 2019-20 remained a positive reporting year for RAA. Our financial performance was strong, our membership grew, and we delivered greater value to members across our motor, home and travel businesses.

Like many other businesses across the world, we were not immune to the impacts of COVID-19. Our travel business, while overperforming against its targets in the first half of the financial year, was brought to a standstill by the arrival of Coronavirus in Australia in early 2020. However, the diversity of our business saw RAA end the year in a positive financial position, with our motoring and insurance businesses both performing well, despite many headwinds.

For the year ended 30 June 2020, the organisation achieved an overall profit after tax of \$6.6m. As always, this profit will support future member growth, member and community programs, advocacy efforts, and initiatives that enable future growth and preservation of our 117-year business.

The net asset position of the group at the end of 2019-20 was a healthy \$259.4m, up \$6.4 on the previous year, and our member discount programs saw \$49.8m returned to members.

Our insurance business continued to lead the way in the South Australian personal market this year, again reaping multiple awards for service and member satisfaction. As the year progressed, the number of policies grew by 4.4 per cent and RAA Insurance played an important role in helping many South Australians get back on their feet after devastating losses due to bushfires and floods.

Overall this year, \$236m in insurance claims was paid to members, with more than 97 per cent of members choosing to remain insured with RAA after their claim was finalised. In what was an eventful year in the insurance landscape, I wish to congratulate the insurance team on its unwavering and award-winning commitment to championing our members in challenging circumstances and in periods of exceptionally high demand.

Our motoring business was a strong performer again this year, with our roadside service team helping more than 340,000 members promptly back on the road. This flagship service remains a significant way for us to continue to support our members. We know it is equally important for us to keep pace with new ways we'll be able to keep members moving on our roads and retain our relevance in the years to come.

Our innovative efforts in motoring throughout the year saw us continuing to work with governments on their electric vehicle (EV) strategies and saw our financial partnership with ChargeFox lead to the launch of South Australia's first EV ultra-fast charger in Keith—an important milestone towards a network of 22 sites enabling long-distance EV driving from Brisbane to Adelaide. We also launched Australia's first workforce carpooling initiative LiftAnGo and continued to work towards the creation of a total mobility solution that is set to transform the way members book their journeys in the future.

Our sustainable focus extended across our Home business as we began 2020 by launching a range of solar and battery system products to members. Our market offer of helping South Australians by simplifying a complex product led to a swift take-up among members seeking an end to the financial burden of rising electricity expenses.

Now in its second year, our Trade Assist service grew in popularity, helping to facilitate more than 2000 household jobs for members across our network of trusted tradespeople.

Our travel team helped more than a thousand members whose trips were interrupted by the COVID-19 pandemic. This included helping with cancelling and rebooking trips as well as helping eligible policy holders lodge pandemic-related claims through Tokio Marine, whether they booked their travel through us or not.

While still a developing area of our business, RAA Travel took significant steps towards greater future growth during 2019-20 despite the challenges presented by COVID-19. The travel business was set to achieve a 20 per cent growth across its domestic, international and cruise products until the pandemic hit, yet still managed to end the year having made 38,764 bookings to keep members moving here and abroad.

In a year that brought sweeping change to our economy, society and environment, our people-focused philosophy became more important than ever before. We continued to place our members at the centre of our every decision and focus our efforts on supporting the community at the heart of us all: South Australia.

Our advocacy efforts led to funding for safer roads and a government commitment to a fuel pricing scheme set to save motorists tens of millions of dollars every year.

Driving these achievements for members would be impossible were it not for our incredible workforce of more than 1000 employees driven by a vision, purpose and value set with members at the core. I thank them for their dedication and contribution to all that we achieved for members this past year.

I also recognise and welcome Peter Siebels as RAA President and Chairman, and I thank Peter and the Board for their leadership this year.

Most importantly, I thank our members for the ongoing support and trust in RAA to represent their interests and deliver their motor, home and travel needs.

Our long history of building a sustainable organisation has provided a solid foundation to rebound from the impacts of COVID-19 and sustain a business that will continue to be there for members for another 100 years.



Caring for our members during COVID-19

We know many South Australians were (and still are) doing it tough this year, so we wanted to help.

We introduced a program of care calls to some of our most COVID-vulnerable members, aged 70 and over. Through phone calls and the delivery of care packages to those most in need, we reached out to more than 12,500 members from April to June 2020. Our care packages equipped some of our most vulnerable and Gold 50 members

with much-needed grocery essentials and hard-to-access items. The initiatives not only enabled RAA to extend a hand, but enabled staff in quieter areas of the business meaningful new roles as Care Pack delivery drivers, safely handing over 1,340 Care Packs to members across the city and regional areas.

Better yet, each Care Pack we purchased from our partner Foodbank funded 10 meals for SA families in need.

Plus, in response to growing financial concern among members impacted by COVID-19, RAA formed a financial hardship team to help members doing it tough. Through a range of relief options, we were able to help members stay covered and stay safe on the road and at home during an incredibly challenging time.

Keeping our members moving

As South Australia's largest membership organisation, we were proud to champion even more members during 2019-20. Now more than **756,000** South Australians put their trust in RAA to keep them moving on. Through our diverse range of motor, home and travel products and services, RAA now connects with more than **66 per cent** of all South Australian households and maintains a member satisfaction of **89 per cent**.

Improving the digital experience

We launched a new website in 2019-20 to improve the digital experience for hundreds of thousands of members seeking advice, bookings or news across our range of motor, home and travel services. Our new-look website launched in September 2019, with more than 1.9m unique visits in the 12 months since then. What's more, engagement increased by almost 15 per cent, suggesting our new design, structure and content is helping members find what they need more successfully.

We also introduced far more stringent protections around member data through new cyber capability.

We launched a 'voice of member' solution to better understand member needs so we can continue to deliver the services our members want and need from us.

Delivering value

In 2019-20, we continued investing in our members and the South Australian community. We delivered \$26m in member discounts, up 22 per cent on the previous financial year. These savings were delivered through our retail partnerships, offering discounts on groceries, health, utilities and entertainment, with seven new partners welcomed during the year, including The Fruchoc's Shop.

\$25.8m

**in member discounts
(up 22% on 2018-19)**

Our member loyalty savings program continued to experience strong growth.

Last year, 36.9 per cent of our member base received discounts for holding multiple RAA products, saving them **\$24 million**.

\$24m

**in member loyalty
savings**

A new-look shop network

We're giving RAA shops a facelift to make it easier for the thousands of South Australians seeking face-to-face interactions with us each year.

In 2019-20, our ongoing refurbishment program saw our shops at Adelaide, West Lakes and Tea Tree Plaza transformed into contemporary spaces to enable staff to more easily engage with members on a range of motor, home and travel products and services.





Motor



Keeping our members on the road

Our roadside assistance service continued to be in high demand during 2019-20, with RAA patrols coming to the aid of members at the roadside more than 340,000 times during 2019-20. We were proud to be able to get so many members promptly back on the road, including 164 on bicycles and 518 on mobility scooters.

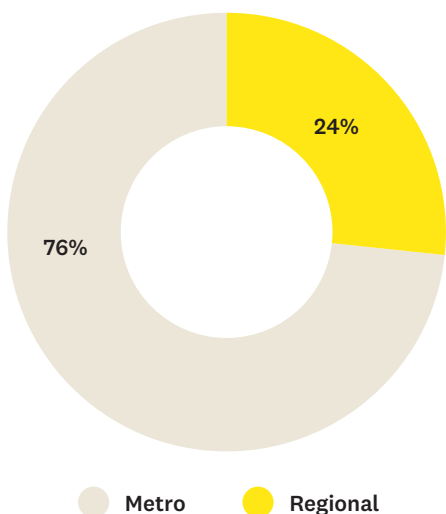
340k+
roadside breakdowns attended

More than 72,000 vehicle batteries were replaced and the old batteries environmentally recycled.

72k+
vehicle batteries replaced

Our Roadside Assistance Centre fielded more than 880,380 calls throughout 2019-20, including 24,190 extended benefit, incident management calls.

2019-20 roadside callout locations



Despite the challenges presented by COVID-19 in the latter half of the year, we achieved a 2 per cent growth in Road Service products and proudly maintained our best-practice Road Service Net Promoter Score (NPS) rating of 85.3 per cent.

Thinking beyond for roadside members

Our ongoing quest to drive improvements for members led to the rollout of the Road Service functionality in the RAA App during the year. This enabled members to lodge requests for metropolitan road service and track the attending service provider. We also transitioned to a paperless roadside experience with the implementation of a digital Road Service Attendance Report in 2019-20.

The best technical and safety advice

RAA's team of highly skilled mechanics continued to help members make more informed purchasing decisions through the delivery of more than 7000 vehicle inspections throughout the year.

7k+
vehicle inspections

A dealership vehicle inspection program also launched, with 22 selected participating car dealers coming on board. Our technical advisory team also helped to address more than 36,000 technical motoring enquiries from members phoning through to this service.

36k+
technical motoring enquiries addressed

Trusted repairs and maintenance

We maintained strong relationships with our trusted network of more than 407 independent RAA Approved Repairers throughout the year and introduced two new repairer categories to direct members to approved repairers specialising in tyres and caravans.

Throughout the year, we repaired or serviced 149 mobility scooters at locations most convenient for some of our most physically vulnerable RAA members.

Motoring discounts and benefits

Members with higher levels of Road Service cover saved \$665k through battery discounts, and other members saved almost \$107k on car-related costs through advice from RAA's Technical Advisory team.

Insurance

RAA has been providing insurance products to South Australians for more than 75 years, including car, home and contents, caravan, boat, motorcycle, and trailer insurance.

We're proud to remain South Australia's leading insurer with almost 400,000 members enjoying the peace of mind that comes with RAA motor and home insurance.

Almost
400,000
South Australians insured
with RAA

We continue to be responsive to regulatory changes from the Financial Services Royal Commission.

This financial year saw a 4.4% growth in policies on last year, proof that more South Australians are recognising the benefits of insurance protection with RAA.

During the year, we processed more than \$230m in claims and facilitated more than 25,000 crash repairs for members.

More than
\$230m+
in claims paid

Claims were processed with efficiency, leading to more than 97% of members choosing to remain insured with us after their claim was finalised.

RAA Insurance customers, the most satisfied in South Australia

RAA car and home insurance customers were again judged the most satisfied in South Australia following an independent consumer survey by Canstar.

This year marked the second consecutive year RAA Insurance has been recognised as having the most satisfied insurance customers for both home and car insurance categories in SA.

The Canstar survey involved more than 5000 home insurance policyholders and more than 7000 car insurance customers from around the country, including customers of 32 home insurers and 30 car insurers in South Australia.

It found RAA customers were more content with their policy than customers of any of the other eligible home or car insurers in the State.

Our South Australian home base means we can deliver an immediate and on-the-ground response when our members need us most.

Our presence at bushfire recovery centres at Cudlee Creek and Kangaroo Island enabled us to swiftly help members in their time of need.

Our agile response to COVID-19 saw our teams trained to provide appropriate support to members experiencing vulnerability and hardship, with underpinning policy and product changes expedited to support relief measures.

A significant amount of work was also undertaken throughout the year to improve the online claim lodgement experience for our members, with a new and improved experience to be launched on the RAA website in 2020-21. This is part of our ongoing commitment to improving our digital capability to better support our members online.



Survey respondents were asked to rate their satisfaction based on customer service, value for money, cost, comprehensiveness of cover, communication and overall satisfaction with their home and motor insurance policies.

#1
for Member Satisfaction
in 2019 and 2020 Canstar Awards



Home



This year, we exited our security monitoring service as this would require significant investment to keep pace with advancing technologies in the years ahead. This is to ensure a better, longer-term solution for our members.

Solar and battery

January 2020 saw our expansion into the home energy sector with the launch of solar and battery systems. The innovative step was taken to give members access to affordable energy solutions, with electricity bills among the biggest burdens on household budgets for South Australians.

Since launch, RAA has helped more than 100 local residents satisfy their solar and battery needs, with members trusting us to simplify what is often a complex decision.

100+
solar and battery
bookings

RAA's systems include energy monitoring, showing the amount of electricity being generated and consumed in real time to help members maximise their savings. Our expansion into solar energy included becoming a qualified system provider of the State Government's home battery scheme, an approved solar retailer of the Clean Energy Council and a bronze corporate member of the Smart Energy Council.

Trade Assist

Our Trade Assist program has been helping members fix problems around the home since 2017. The service connects RAA members with a reliable tradesperson from an approved network of plumbers, electricians, carpenters, painters and plasterers, solar panel cleaners, locksmiths and general maintenance tradies. Our Trade Assist program facilitated more than 2,000 jobs for members during 2019-20.

2k+
Trade Assist jobs
facilitated



Travel



While it's fair to say COVID-19 presented its fair share of challenges for the aviation and travel sectors, RAA Travel made significant steps towards greater future growth during 2019-20.

Prior to the pandemic, RAA Travel was achieving a 20 per cent growth across domestic, international, cruise, and SA Experiences and—despite the impact of COVID-19—still ended the year having helped South Australians with 38,764 bookings to keep them moving throughout the world.

38k+
travel bookings

SA travel

We saw 114 new local travel operators join our Experience SA platform in 2019-20, offering more than 3,500 experiences and accommodation products to our members. We continued to enjoy a strong relationship with South Australian Tourism Commission and did all we could to stimulate the visitor economy after a challenging year for State tourism.

When summer saw the onset of ravaging bushfires that all but destroyed tourism for the Adelaide Hills and Kangaroo Island from late December to mid-February, we joined forces with Tourism Accelerator to fund training for 100 impacted tourism businesses.

When COVID-19 forced a standstill for any travel, we hibernated the Experience SA online portal, but by May 2020 early signs of recovery arrived as local travel restrictions lifted, and bookings began to filter through. By June 2020, we saw people in record numbers wanting to book to explore our State, with a 200 per cent growth on accommodation bookings and 28 per cent increase on our previous record sales. Experience SA ended the year 46 per cent up on last year, despite COVID-19 and devastating bushfires.

Cruises

RAA achieved significant growth in cruise sales from July 2019 to February 2020, until COVID-19 brought this form of travel to a standstill from March 2020.

From July 2019 to February 2020, RAA exceeded the 20 per cent industry cruise growth average, achieving a growth of 43 per cent. This significant growth in market share was achieved through the strategic development of a unique suite of cruise products that presented exclusive benefits and value for RAA members. In addition to increased marketing activity, our ongoing partner cooperative relationships also further supported the overarching cruise strategy for RAA.

Planning for the future

Following technological upgrades and the introduction of reservation and reporting system solutions to drive new efficiencies and benefits for members, RAA Travel is on track for a successful future.

In November 2019, we launched 'RAA Reserve' as a bespoke travel program featuring local, private and tailor-made experiences to help our members explore hidden gems and wonders around the world.

We also launched a new supplier program in 2019 to engage our preferred travel operators with partnership opportunities to keep our members moving. The RAA Preferred Supplier Program attracted investment from 25 travel operators who saw a return on investment through a 25 per cent average sales growth (prior to COVID-19).

Travel insurance

In May 2020, we connected members with a new Travel Insurance platform, making it easier for agents to quote, issue and amend policies and creating a better member experience with an interface more consistent with RAA's website.

Our underwriter Tokio Marine also reintroduced automatic coverage for four common medical conditions—high blood pressure, high cholesterol, asthma and diabetes—offering members a more competitive and value-for-money travel insurance product.

Our travel team helped more than a thousand members whose trips were interrupted by the COVID-19 pandemic. This included helping with cancelling and rebooking trips as well as helping eligible policy holders lodge pandemic-related claims through Tokio Marine, whether they booked their travel through us or not.

Travel insurance was on track to achieve up to 20 per cent growth in 2019-20, but the high volume of cancelled policies and refunds due to COVID-19 saw the product finish down on budget.

The year to date Net Promoter Score was 40.1 (in line with budget) with a satisfaction of 75 per cent. These figures were helped by the level of service, policies and pandemic cover offered by Tokio Marine and RAA during the COVID-19 pandemic.

Events

RAA Travel facilitated nine events this year—including Canada/Alaska, Europe, New Zealand, and several Ocean Cruise events. We also hosted our inaugural RAA Travel Showcase, giving more than 400 members the opportunity to directly connect with 18 of our preferred suppliers. Our Ocean Cruise events were also a huge success, with more than 100 members attending each event.

A strong voice through our advocacy

As South Australia's largest membership organisation, RAA is proud to be a strong voice for our members and drive improvements for our State.

Our policy positions are evidence-based and informed by member surveys to ensure our advocacy efforts continue to represent the interests of the 750,000+ South Australians who trust us to advocate on their behalf.

We are dedicated to building and maintaining strong relationships with all sides of politics, and other decision makers, to effect real and meaningful change on behalf of our members and the South Australian community.

In 2019-20, success came with significant funding and policy wins aligned to our key advocacy priorities:

- Secure real-time fuel pricing for South Australia
- Save lives on our roads
- Support South Australia's economic recovery in the wake of COVID-19
- Support economic growth for SA as a tourism and visitor advocate
- Championing modern mobility in South Australia

Real-time fuel pricing win for motorists

RAA's long-fought campaign for motorists to have ready access to fuel prices at any given time paid off in 2019-20. In May 2020, we welcomed the State Government's commitment to trialling a real-time fuel pricing scheme, set to save South Australian motorists millions of dollars each year.

After many months of lobbying and working with decision-makers and reaffirming our call in a submission to the Productivity Commission early in 2020, RAA welcomed the State's Government's decision to implement this policy.



Saving lives on our roads

We take seriously our role as the leading road safety advocate in South Australia and are committed to doing all we can to ensure our members—and indeed all South Australians—can safely keep moving on our streets, roads and highways.

Securing road funding

After extensive lobbying for more funding to stimulate the economy and fix SA's riskiest roads, RAA welcomed a \$120m announcement from the State Government in March 2020. The funding allocation for critical regional routes will save lives, create jobs and help transport efficiency, with the multimillion-dollar spend including:

- \$52m for targeted regional road network repair and improvement, including on the Stuart Highway, Yorke Highway, Dukes Highway and Riddoch Highway;
- \$35m to rehabilitate and resurface the South Eastern Freeway between the Tollgate and Crafers;
- \$15m for a Heysen Tunnel refit and safety upgrade;
- \$12m to increase the traffic volume capacity of the North-South Freight Route by-passing Adelaide; and
- \$6m to seal Adventure Way and Innamincka Airport Road.

During the year, RAA also welcomed a federal funding announcement of \$40m for new road maintenance as well as a commitment to upgrading tourism signage in regional areas.

Conducting road assessments

As part of RAA's service to the South Australian community, we conduct regular road reviews, assess regional highways, and investigate transport issues identified by motorists.

In 2019-20, we assessed more than 3500km of road in the Limestone Coast region as part of our Regional Roads Assessment Program. This extensive work encapsulated 30 roads and intersections, including the Southern Ports Highway/Southend Access Road for which we sought funding under the Black Spot program.

The South Eastern Freeway was also in our sights during 2019-20, when we released a comprehensive report on ways to improve the safety and efficiency of the State's significant freight and tourism transport corridor. We were pleased to see the government commit to addressing our recommendations for this important road.



2019-20 Advocacy highlights

Real-time fuel pricing

Motorists set to save up to
\$30m
each year

Saving lives on our roads

\$120m
in State funding
for road
maintenance

\$40m
in Federal funding
for road
maintenance

Inviting members to Report a Road

As part of our Report a Road program, members continue to have ongoing access to a portal enabling them to log any concerns with the local, State or Federal road network. During 2019-20, we investigated more than 170 locations nominated by our members for issues such as road surface condition and poor intersection layout.

Investigated
170+
reported roads

Our 2019 Risky Roads Survey also attracted a strong response, particularly from regional members, resulting in RAA highlighting the top ten riskiest roads across regional and metropolitan areas. We will continue to lobby for these roads to be fixed.

Supporting SA's economic recovery

RAA is committed to championing changes or initiatives that will support the economy of our home State.

In April 2020, we pivoted our advocacy efforts to lobby the government for an infrastructure stimulus spending package to support South Australia's economic recovery in the wake of COVID-19. Our submission to the State Government

highlighted a number of priority road infrastructure projects that could be rapidly implemented to support the industry with a particular focus on road maintenance.

Tourism advocacy

As the State's longest running travel agent, RAA has a unique insight into South Australia's visitor economy and what is needed to attract the world to our door.

After some of our State's most popular destinations were plagued by bushfires during 2019-20, our calls for recovery support were answered with a \$52m State Government pledge to rebuild tourism infrastructure on Kangaroo Island.

Our lobbying for investment in tourism infrastructure, including better signage and rest stops, led to increased State funding for new tourism signage in our regions.

Championing modern mobility in South Australia

We continue to look to and plan for the future of motoring and mobility and what that should look like in South Australia in the years ahead. Through this strong future focus and pioneering mindset, RAA continues to explore innovative solutions to influence the future of mobility in South Australia.

Mobility as a Service (MaaS)

In 2019-20, we worked with the State Government and national bodies to advance the development of a trial associated with Mobility as a Service (MaaS). MaaS is a total mobility solution that allows individuals to book a journey via multiple modes of transport—such as car and ride share, and public and active transport options—through a unified gateway.

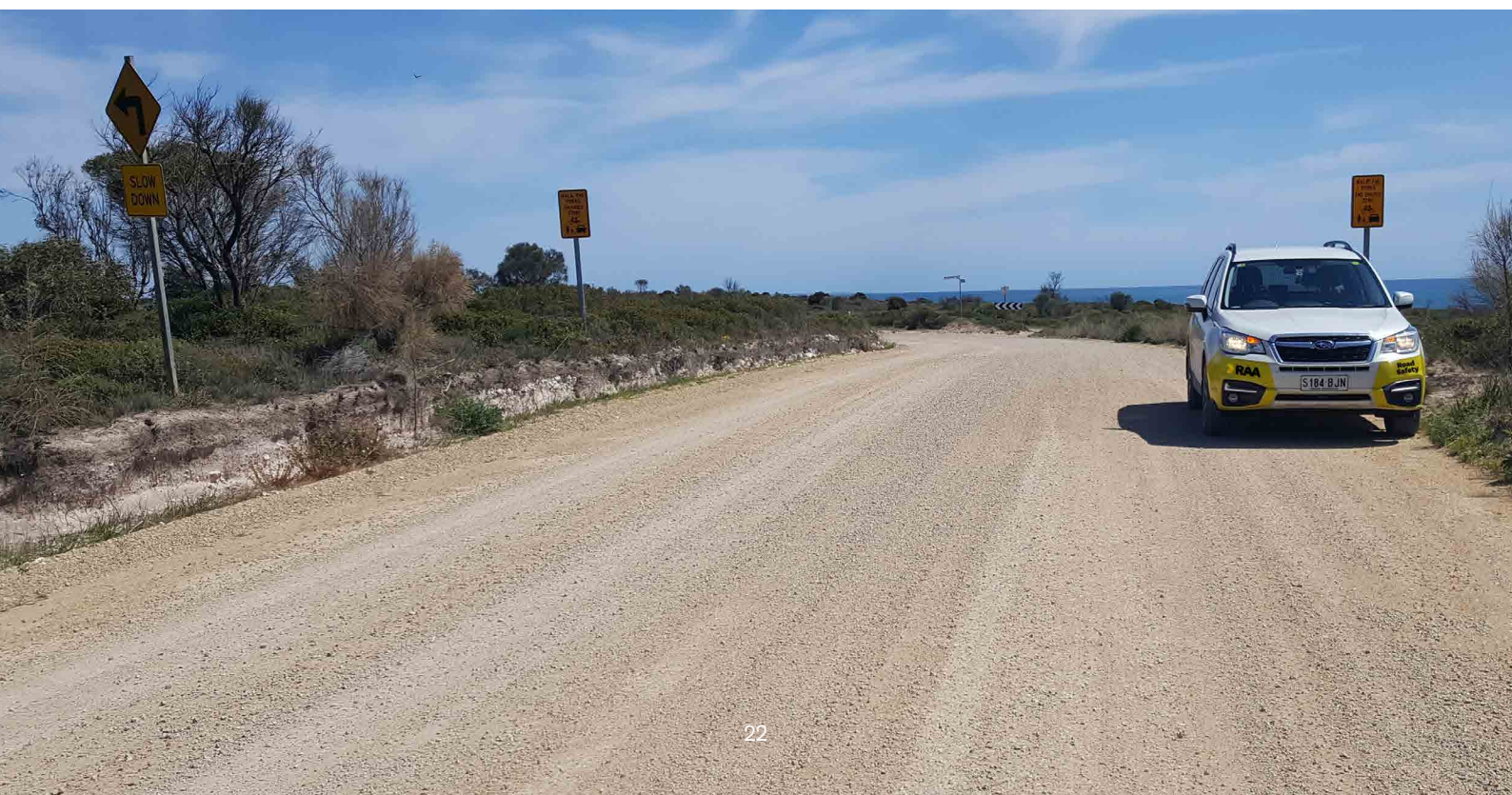
Autonomous vehicles

As a member of the Flinders University Autonomous Vehicle program leadership team, during 2019-20 RAA championed the expansion of the FLEX autonomous vehicle trial to include the trial of an on-demand service. We also connected with industry stakeholders to investigate other potential autonomous vehicle projects.

Electric vehicles

Electric vehicles (EVs) will play a critical role as a safe, sustainable and accessible form of transport well into the future, with around 40 per cent of members reporting they'd consider purchasing an EV for their next vehicle.

Informed by this survey of member attitudes to EVs, in 2019-20 RAA worked with State and national governments on the development of their EV strategies and provided a submission to the State Government confirming our support of



these vehicles as a sustainable form of transport well into the future. RAA also continued to lobby the State Government to adopt a broader rollout of EV chargers to encourage tourism and provide flexibility for users.

As a financial partner in EV charging network provider ChargeFox, RAA contributed to the working party leading to the launch of South Australia’s regional ultra-fast Electric Vehicle charger site in Keith in March 2020. It is the first SA site in a network of 22 ultra-rapid chargers that will eventually provide ultra-rapid recharge for electric vehicles to travel between Adelaide and Brisbane.

SA’s first ultra-fast EV charger in Keith

Member Panel—giving our members a voice

Since its introduction in 2013, the Member Panel has been an important instrument for RAA to reach out to our members on advocacy issues. Survey results are shared with panellists and used both to inform RAA advocacy and to influence public debate.

During 2019-20, six online surveys were sent to our 3,500 panellists to canvass their views on issues, including public transport, real-time fuel reporting and electric vehicles.

21,000 member surveys

Keeping our members and the community informed

We work hard to support our advocacy efforts and represent the views of our members in the media. Our media communications efforts this year generated more than 6,000 news stories and reached more than 7.3m people via our social media channels.

6k+ media stories

With a quarterly circulation of 370,000 South Australians, *samotor* magazine remained one of South Australia’s most read publications and a critical way for us to stay connected with our members.

Now in its 107th year of continuous publication, *samotor* achieved an 85% satisfaction rating from readers, who received the latest in RAA motoring, home and travel news on their doorstep. The quarterly magazine was complemented by 25 editions of *samotor* e-news, which landed in the inboxes of more than 225,000 members each fortnight. The dedicated *samotor* news website averaged 92,000 views a month during 2019-20.

samotor website attracted 92,000 views a month



The impact of our education

As a leading road safety educator in the State, RAA continued to deliver our suite of education programs to South Australians of all ages, from primary school to high school students and from new parents to retirees.

Primary school students

Evidence suggests children who start learning about the road system from an early age adopt safer behaviours later in life. Our Street Smart Primary program delivers age-appropriate road safety information, with an emphasis on pedestrian, passenger and cycling safety. In 2019-20, our Street Smart Primary team of qualified teachers delivered road safety education lessons to more than 12,000 primary school students attending 144 regional and metropolitan schools in South Australia. We continue to annually review our course content to ensure lessons remain engaging, relevant and curriculum-focused. The program is jointly funded by RAA, the Lifetime Support Authority and the State Government.

12k+
children educated
in road safety

High schoolers

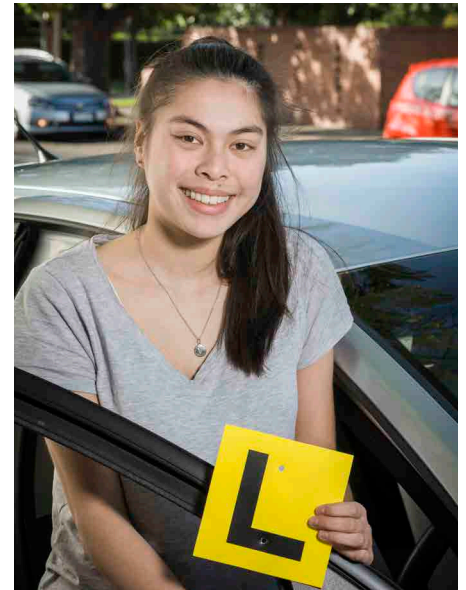
With road crashes continuing to be one of the leading causes of death for people under the age of 25, RAA's annual Street Smart High event is a must for many teenagers learning to drive. The annual road safety event demonstrates the realities of road trauma and gives young, soon-to-be drivers the knowledge they need to stay safe on the road.

In the wake of COVID-19, the Street Smart High team adapted its approach to this year's event and formalised logistics for its delivery when government and health regulations allow.

Breaking down barriers to getting a licence for teenagers

RAA's Licence to Work program is aimed at breaking down barriers for teenagers facing common challenges to getting a licence, such as no access to a vehicle or a supervising driver. The program provides students at Adelaide high schools with 75 hours of fully funded driving lessons with qualified RAA instructors.

The program has doubled for the 2020 school year, with 60 students from five high schools now accessing the program, helping them to overcome a barrier to finding work or even just getting to job interviews.



Bike safety

Bike Ed is a collaboration with the State Government that sees RAA's team of bike mechanics and support staff attend schools to complete safety checks of student bikes. In 2019-20, RAA's Bike Ed visited 50 schools and conducted checks on more than 2000 bikes.

2k+
bikes checked

Child restraint advice

At the RAA Safety Centre, we provide free advice to new parents and carers on how to safely install child restraints in their vehicles. In 2019-20, we provided advice and fitted and checked around 12,000 car seats for members. We also provided member phone advice, commercial child restraint training, and free talks to community groups to keep our members—and their children and grandchildren—moving safely on the road.

12k+
child restraint consults

Road safety for seniors

Through our Years Ahead program, we presented at community clubs and group gatherings, equipping more than 3000 senior South Australians with information on road safety, motorised wheelchairs, travel, fuel cost-saving tips and road rules. This service was delivered in compliance with COVID-19 restrictions.

Driver education

We help prepare South Australians for driving safely on the road through a range of learner, corporate and refresher education programs. In 2019-20, we delivered more than 13,000 driver education lessons to around 2050 customers in both Competency Based Training and Assessment (CBTA) and Vehicle on Road Testing (VORT), as well as refresher lessons.

13k+
driver education lessons

Road rules

In 2019-20, RAA's motoring road rules information service received around 2,500 phone and email requests for information—around 600 more than last year.



Road safety education in the classroom and online

When COVID-19 forced the closure of some schools, and home schooling became a reality for many South Australian families, RAA's Street Smart team put their thinking caps on.

The team of qualified teachers created a set of resources and education packs to help schools deliver RAA's important road safety lessons in the classroom or online.

Our Street Smart Primary teachers also rose to stardom in a series of video lessons aimed at teaching junior primary

children the importance of being seen while walking or riding near roads.

Adapting the Street Smart Primary program in such a manner not only enabled the program to continue amid the unpredictability of the COVID-19 climate; it ensured South Australian children didn't miss out on valuable road safety lessons that could prove life-saving in the years ahead.

Supporting our community

This year was one unlike any other, with devastating bushfires ravishing some parts of the State followed by the worldwide pandemic forces of COVID-19. In response, we endeavoured to support and strengthen the South Australian community like never before.

During 2019-20, we contributed \$300,000 to community organisations across various sponsorship programs, including our Grassroots Giving initiative and Regional Safety Grants. We also provided support and in-kind donations to other causes and events as they arose.

Supporting fire-ravaged communities

When bushfires devastated parts of our State during 2019-20, RAA helped to support the recovery and relief efforts by matching an extraordinary fundraising effort of staff to contribute more than \$70,000 to the cause.

The funds were donated to the CFS Foundation and Kangaroo Island Wildlife Park, helping to provide relief to the volunteer firefighters—and their families—who fought so bravely at the frontline

and to the animals who lost their native habitat in the inferno.

Of course, for the members who lost their homes, their cars and other possessions many of us take for granted in the fire, our insurance claims team set up bases in affected communities so RAA could also provide much-needed on-the-ground support.

Grants for grassroots initiatives

Each year we get back to basics with our Grassroots Giving program, designed to support members, their communities and the causes they're passionate about. Community groups and organisations are encouraged to apply for a grant of up to \$5000 with the aim of helping disadvantaged and vulnerable South Australians, supporting youth in need, shining a light on cultural diversity and the environment, encouraging innovation and wellbeing and supporting local community groups and events.

This year, we provided more than \$60,000 to 30 community groups from coast to country, including the State Emergency Service (SES), Returned and Services League (RSL), Surf Life Saving and a range of Rotary and Lions clubs.

Providing shelter at community events

Some of the State's most popular community events such as the Bay Sheffield and the Cancer Council SA's Relay For Life were also recipients of RAA's support via the use of our brand new 15m Community Marquee.

Safer regional communities

Our Regional Safety Grants is one of the many ways we invest in and improve the safety and security of regional communities and the lives of South Australians. This year, we provided \$51,086 to community groups, not-for-profits and schools via various grants to help them rollout a project, program or activity targeting local safety issues across regional areas of the State.

This helped groups like the Country Fire Service purchase new thermal imaging cameras, the Whyalla Surf Life Saving Club expand its CPR and first aid training, and Clare Primary School erect a playground fence to keep its students safe from an adjacent country road.

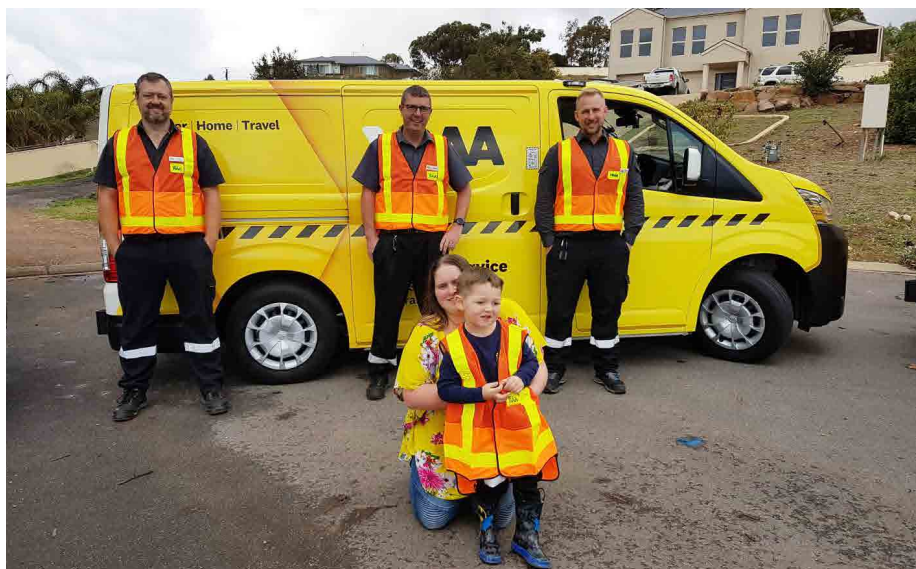


Helping to end hunger in regional South Australia

A major sponsorship initiative with Foodbank SA was progressed throughout the year, aimed at helping the 33 per cent of South Australians experiencing food poverty in our regions. A key component of this initiative is a custom-built truck fitted out with shelving, fridges and storage facilities which will drive and deliver free and discounted food offerings to vulnerable South Australians in regional communities. This invaluable service will hit the road from July 2020.

Music to the ears of regional South Australians

This year, we continued our support of the Adelaide Youth Orchestra's 'Youth on the Move' regional touring program. This sponsorship enables the Adelaide Youth Orchestra to visit regional schools with the aim of sharing the gift of music and joy to country students and their community. Many senior people also attend the performances, providing them with instrumental inclusion and delight, given they may no longer be able to afford to travel to Adelaide or have the mobility to do so.



Keeping kindness moving in difficult times

To help people struggling during COVID-19 isolation, we asked South Australians to come together and share acts of kindness via a social media. The campaign attracted 543 stories of sincere and widespread kindness, reaching more than 1.6m people. The generosity and care shown by South Australians brought much-needed positivity across our communities during an incredibly difficult time.

Our patrols were among the hundreds of South Australians to embrace the sharing of kindness at a time when we needed

it most. When we heard little Casey's RAA-themed birthday party had to be cancelled due to COVID-19 restrictions, our patrols jumped into action. After finishing their shift, they promptly stopped by Casey's house with a wave and gift, giving perhaps our youngest fan a birthday to remember.

To keep kindness moving even further, we delivered more than 300 surprise hampers to many of those who chose to #sharekind and to schools and childcare centres nominated by staff as deserving of a special 'thank you' for their wonderful work in trying times.

Supporting local business

As a proudly South Australian organisation, RAA is committed to growing our State's economy and supporting other local businesses to grow.

Each year, RAA reinvests millions of dollars into our State via our network of South Australian service providers.

Our extended RAA family is an expansive network of South Australian contractors, business partners, preferred providers and approved repairs who help us to keep our members—and our State—moving in the right direction.



Committed to our people

At RAA, we know our workforce is our strongest asset. How we treat our people at all times—including during a pandemic—will have a lasting impact on workforce engagement, productivity and loyalty.

Like any people-focused organisation—particularly one with a large footprint across South Australia—RAA took (and continues to take)—a coordinated response to the coronavirus outbreak (COVID-19).

An agile response to COVID-19

The devastation and workforce disruption associated with COVID-19 demanded a swift response to prioritise the health and wellbeing of our 1000+ employees, 750,000 members and the wider community.

A dedicated taskforce

We immediately established a COVID-19 taskforce to unite representatives from all operational areas across the business. The mandate of the taskforce was to recommend the changes needed to align our operations with frequently evolving government and medical advice, while ensuring business continuity across member-facing areas of the organisation.

Led by taskforce recommendations, we quickly adapted the way we worked to so we could continue to safely keep our members moving in line with expert advice and directives. Despite the unexpected and swift deviations from ‘the norm’ at RAA, our people demonstrated great agility and resolve, stepping up to embrace ‘a new normal’ and finding unique ways to champion our members during this highly volatile time.

New ways of working

Recognising that RAA, like many other large organisations, would likely be affected by the virus, we focused our efforts on practices to limit the spread of COVID-19 across our workforce and beyond, and ensure we could safely continue working to serve our members. This meant:

- Diversifying our workforce across multiple sites including working from home;

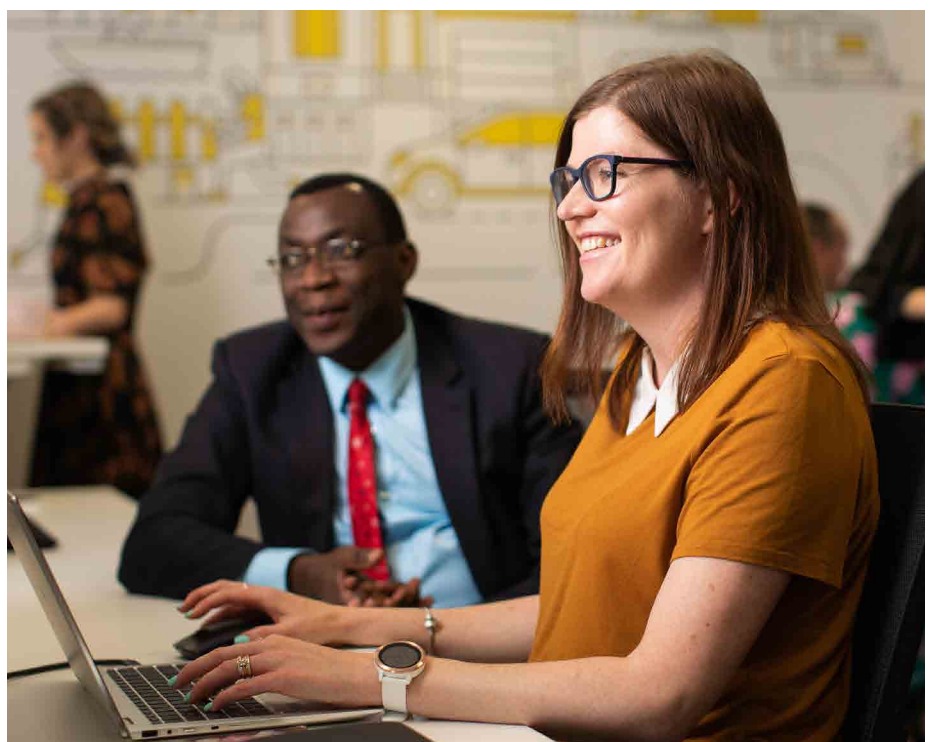
- Ensuring social distancing;
- Mandating stay-at-home requirements for anyone with even the mildest of symptoms; and
- Scaling up our technological capacity to support working from home for all staff in roles conducive to remote work.

Our people promise

Our response to COVID-19 was underpinned by principles that placed our people at the core as restrictions tightened, travel stilled and unemployment rates grew.

- **We committed to providing meaningful work** for all RAA employees into the first quarter of 2020-21 and we set up a Workforce Planning Committee to facilitate work for staff in quieter areas of the business to help in areas of higher demand. Keeping staff engaged in higher demand areas allowed us to deliver additional value to members.

- **We increased leadership and team support** through the introduction of team health surveys and a leadership essentials program, helping leaders support teams working remotely and maintain engagement and meaningful connection. We also introduced a platform to facilitate daily communications to help keep our dispersed workforce united, informed and engaged.
- **We bolstered our mental health and wellbeing support** focus, introducing the ADAPT program to promote wellbeing and resilience in uncertain times. The program provided a range of tools and resources to support our workforce to manage and maintain their own psychological wellbeing.





How do our people feel about life at RAA?*

92%
are proud
to work for RAA

89%
would recommend RAA
as a great place to work

79%
are engaged
(up on the Australian
Benchmark of 70%)

*Findings of a June 2020 Staff Engagement Survey, attracting a workforce participation rate of 92 per cent.

Building a more engaged workforce

Each year, RAA conducts a ‘deep dive’ staff engagement survey (in February 2020) and condensed versions (in October 2019 and June 2020). The surveys are an invaluable means for employees to anonymously share their views on what the business is doing well and identify opportunities for improvement.

Engagement surveys in 2019-20 attracted an average participation rate of 90.5 per cent, with staff engagement growing by almost 10 per cent to 79 per cent between the February and June surveys. The findings showed 92 per cent of employees ended the financial year proud to work for RAA.

Staff engagement grew by nearly **10%** between February and June 2020

Fostering diversity and inclusion

RAA is proud to maintain a diverse and inclusive workforce. Embracing diversity drives innovation and productivity, allows us to meet—and exceed—the needs of our members, and fosters an environment that reflects our core values.

Our focus on gender neutral practices continued in 2019-20 and included a gender pay gap and recruitment practices review.

April 2020 saw the launch of our new Parental Leave policy with a gender-neutral focus that provides access to 12 weeks’ paid parental leave for both parents and superannuation on unpaid leave that is taken in the first 12 months.

Flexibility in our workplace

Flexible working arrangements are an important way for many employees to balance the complexities of their work with the demands of their personal lives, and are critical to becoming an employer of choice.

The year brought an unprecedented need for greater flexibility across our workforce as our working environments changed rapidly to meet the varying needs of our business in line with government requirements. Our Working Flex program, incorporating Flex Leave, Flex Place and Flex Time, continued throughout 2019-20 and was modified where necessary to cater to the challenges and requirements of COVID-19.

Mental health training for employees

Around one in five Australian adults experience some form of mental illness each year. RAA has trained more than 10 per cent of its workforce in Mental Health First Aid to equip staff with the skills to support a co-worker in need. RAA’s mental health first aiders are trained to help someone either developing a mental health problem or experiencing a mental health crisis—and can make a real difference at a time when it is needed most.

RAA was awarded Gold in the Mental Health First Aid Australia workplace recognition program in 2019-20. The award acknowledged our strong commitment to embedding the program into our culture and for accrediting more than 10 per cent of our workforce in this valuable mental health training.

RAA awarded Gold recognition for equipping **>10%** of staff with accredited mental health first aid skills

Wellbeing and resilience

The year saw us begin our full rollout of a Wellbeing and Resilience Program in partnership with South Australian Health and Medical Research Institute. The intent of the program is to develop a resilient workforce where employees are better able to adapt to a changing environment and demands through the proven method of measure, build and embed. To date we have trained one third of the workforce and implemented initiatives to integrate and embed into work practices.

The arrival of COVID-19 saw the evolution of our wellbeing focus into an ADAPT program aimed at provided tailored support to employees during times of uncertainty.



Governance

Our Executive team



Ian Stone
Group Managing
Director



Tom Griffiths
Group Chief Finance,
Membership
and Brand Officer



Dominic Jacob
General Manager
Automotive Services



Gina Norman
General Manager
Travel



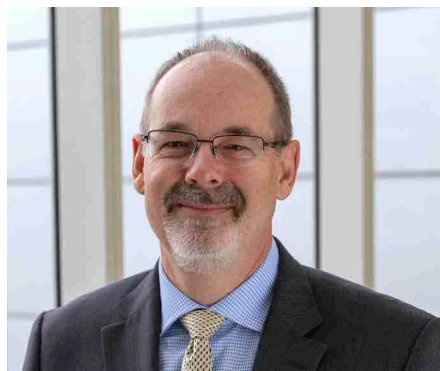
Dougie Parr
General Manager
Product Marketing
and Distribution



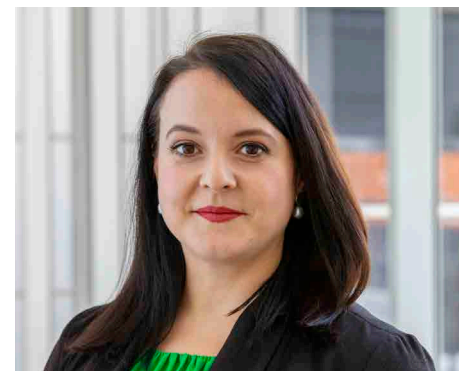
David Russell
Chief Executive
Insurance



Belinda Vivian
General Manager
People and Environment



Mike Walters
General Manager
Information Services



Sally Warner
General Manager
Government and
Public Policy (acting)

Board of Directors



Peter Siebels

President and Chairman of the Board

BEC, FCA, FAICD

Peter Siebels joined the RAA Board in 2008 and was appointed President of the association in 2019. Peter is a professional director and advisor. He is currently Principal of 4D Advisory Pty Ltd, Chairman of RAA Insurance Ltd, Fox Creek Wines Pty Ltd, Robern Menz (MFG) Pty Ltd, Hood Sweeney and the Electricity Industry Superannuation Scheme. Peter is also Director of ECH Inc and Emerald Valley Investments, and a member of the Finance Committee of the University of Adelaide.



Kathy Gramp

Vice-President

BAcc, FCA, FAICD

Kathy Gramp joined the RAA Board in 2013 and was elected Vice-President of the association in 2019. Kathy's experience spans a diverse range of Australian organisations. She is Director of RAA Insurance Ltd, the Silver Chain Group Ltd, Codan Ltd, Uniti Group Ltd, the Australian Institute of Company Directors (SA & NT), the Adelaide Community Hospital Alliance Incorporated, and the Bushfire & Natural Hazards CRC and a member of the Flinders University Council.



Ian Stone

Group Managing Director

BEC, FCA

Ian Stone was appointed Managing Director in August 2009, formerly CEO from August 2007. Ian has extensive senior management experience and expertise in the motor, home and health insurance industries. He is a director of RAA Insurance Ltd and various Australian automotive associated entities.



Victoria Angove

BCom., GAICD

Victoria Angove joined the RAA Board in 2015. Victoria is joint Managing Director of Angove's Pty Ltd and has a strong sales and marketing background, specialising in export, public relations and national account management with experience gained in the local, Asian, North American and European markets. She is also Director of the Australian Grape and Wine Incorporated.



David Cross

BEC, FCA, GAICD

David Cross joined the RAA Board in 2007 and is past President of RAA and past Chairman of RAA Insurance Ltd. David has significant experience as a CEO and senior finance executive, working primarily in large global businesses. He is a director of Global Strategy (Supply Chain) for Specsavers and is a non-executive director of a number of businesses in the Asia Pacific region.



Ray Grigg

FAIM, F SAE-I/A, FAICD

Ray Grigg joined the RAA Board in 2005. Ray spent 47 years with General Motors in Europe, Japan, and as Director and General Manager of Operations for General Motors-Holden. He is past President of RAA and the Automobile Association of Australia, and past Chair of RAA Insurance Ltd. He is Honorary Member of Federation Internationale de l'Automotive (FiA), and Patron and Business Ambassador of the Central Districts Football Club.



Jacqui McGill AO

BSc, MBA, GAICD

Jacqui is a highly accomplished executive and non-executive director with broad strategic and deep operational leadership across a range of sectors. On Australia Day 2020 she was awarded an Order of Australia for her contribution to the Resources sector and her leadership on Gender Inclusion in the sector. Jacqui is Chair of TAFE SA, and Director of JE McGill Consulting, the Art Gallery Board and New Hope Corporation. She is also special counsel to Purple Communications Australia and Member of SA's Economic Advisory Committee and the Playford Memorial Trust. She has previously held NED roles with Dalrymple Bay Coal Terminal, Integrated Logistics Company and was Vice President of South Australian Chamber of Mines and Energy. During her executive career she held Chief Executive level roles within BHP for both BHP Mitsui Coal and Olympic Dam Corporation.



Elizabeth Perry AM

LLB, FAICD

Elizabeth Perry joined the RAA Board in March 2009. She is a past President of RAA and past Chair of RAA Insurance. In June 2020 Elizabeth was awarded an AM for her significant service to tertiary education, to business, and to the community as part of the Queen's Birthday Honours. She is President of the Australian Automobile Association, Council member of the Federation Internationale de l'Automotive (FiA), Deputy Chancellor of the Flinders University Council, Chair of Radiology SA, Member of Return to Work SA, Elizabeth formerly practised as a lawyer specialising in employment and industrial relations, as well as operating as a partner in law firms.



Martin Small

BA (Hons), MA

Martin Small joined the RAA Board in November 2019. Martin owns and runs a road safety and regulatory management consultancy operating across Australasia, Asia and Africa. He previously held a variety of senior government transport positions in his native New Zealand, and in South Australia as Director Road Safety and Registrar of Motor Vehicles. Martin is President of the Australasian College of Road Safety.



Sharon Starick

BAGSc (Hons), MAICD

Sharon Starick joined the RAA Board in 2009. Sharon is a primary producer from the Murray Plains and is involved in rural and regional communities. She is Chair of Rural Business Support and Animal Health Australia and a Director of the Grains Research and Development Corporation, the Nature Foundation of SA, the Regional Investment Corporation and the Sedan Cambrai Football Netball Club.



Karen Thomas

LLB (Hons), BEc, MAICD

Karen Thomas joined the RAA Board in 2011. Karen is the Head of Office and Partner of law firm Dentons. Karen brings to the Board her skills and experience as a commercial lawyer, professional board member and private business owner. Karen is a Director and Secretary of Fiscal Pty Ltd and Director of RAA Insurance Ltd, the Queen Adelaide Club Ltd and Opacus Pty Ltd. She is also the Chair of the Helpmann Academy for the Visual and Performing Arts Inc and a member of the Board of Examiners (SA).

Activities of the board

Principal activities

The principal activity of the Royal Automobile Association of South Australia Inc ('RAA') in the course of the financial year was the provision of motoring, insurance, travel, finance and secure services to members. The audited financial report of RAA for the financial year ended 30 June 2020 is available on RAA's website raa.com.au, or by request.

Directors

Information on the directors for the RAA during the financial year is set out on page 34-35.

Directors' meetings

The table below sets out the number of directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director, while he/she was a director or committee member.

Board committees

Each committee operates under a charter approved by the board. The primary functions are as follows:

Group Governance, Nominations and Remuneration Committee

Responsible for ensuring RAA's corporate governance framework practices and procedures are relevant and appropriate. The committee ensures the board and its committees operate effectively and efficiently, reviews the remuneration of non-executive directors, the Managing Director and senior executives, and is responsible for the administration of the board election process.

Audit Committee

Responsible for reviewing and reporting to the board on internal and external audit performance, financial policies, statements and transactions, taxation and internal control.

Risk and Compliance Committee

Responsible for overseeing the coordination of RAA's risk and compliance management.

Group Investment Committee

Reviews the investments of RAA in line with the investment policy set and agreed by the board.

Appeals Committee

Reviews appeals by members whose membership has been refused, suspended or cancelled.

COVID-19

When the emergency declarations regarding COVID-19 were made in March 2020, the board elected to hold additional meetings to review any pandemic-related effects on RAA's business.

Reduction in number of directors

Mr Ray Grigg resigned effective 24 August 2020. In accordance with the transitional provisions set out in clause 27.6 of RAA's Constitution, Mr Grigg's position will not be replaced and his resignation will reduce the number of directors from 10 to 9. The reduction in Board size concludes the operation of the transitional provisions and they will cease to have effect from the close of the 2020 AGM.

Summary of meeting attendance 2019-20

Directors	Board of Directors		COVID-19 Board of Directors		Group Governance Nominations and Remuneration**		Audit		Risk and Compliance		Group Investment		Appeals	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Perry AM	11	11	3	3	7	6	7	7	5	5	4	4	0	
Siebels	11	11	3	3	7	7	7	7	5	5	4	4	0	
Angove	11	11	3	3							4	4		
Cross	11	10	3	3	7	5								
Freney+++	3	3									2	2		
Gramp	11	11	3	3	3	3	6	6	4	4				
Grigg	10	9	3	3							4	4	0	
McGill AO++	5	4	3	3							1	1		
Sarah+	5	5												
Small++++	8	7	3	3										
Starick	10	10	3	3	7	7								
Thomas	11	11	3	1			7	7	5	5				
Stone	10	10	3	3	7	5	7	7	5	5	3	3		

*A meeting was held which the Director was available to attend (and not subject to a leave of absence).

**Members do not attend meetings of this Committee at which Board election matters are discussed if they are eligible for re-election at the AGM.

+ Resigned 16 December 2019

++ Commenced 3 February 2020

+++ Term ended on 25 November 2019

++++ Commenced on 25 November 2019

Remuneration report

Non-Executive Directors' remuneration 2019-20

The Group Governance, Nominations and Remuneration Committee reviews the remuneration packages of all non-executive directors, the Managing Director and senior executives on an annual basis and makes recommendations to the Board.

For non-executive directors, the constitution of RAA specifies that the aggregate remuneration shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. At the date of this report, the latest determination was at the Annual General Meeting held on 18 November 2013, at which members approved an aggregate remuneration up to \$600,000 per year.

Specified Directors	Short-term benefits Salary/Fees \$	Post employment benefits Superannuation \$	Total \$
Siebels (President)	79,863	6,815	86,678
Gramp (Vice President)	50,255	4,774	55,029
Angove	41,351	3,928	45,279
Perry	58,834	5,589	64,423
Cross	41,351	3,928	45,279
Freney	17,483	1,661	19,144
Grigg	44,081	4,188	48,269
McGill	15,752	1,496	17,249
Sarah	20,188	1,918	22,106
Small	23,867	2,267	26,135
Starick	41,351	3,928	45,279
Thomas	41,351	3,928	45,279
Total	475,726	44,423	520,149

Executive team

Remuneration packages for senior executives are reviewed in light of performance and other relevant factors; the aim being to retain and attract executives of sufficient calibre to facilitate the effective management of RAA. The Group Governance, Nominations and Remuneration Committee seeks the advice of external advisers on remuneration packages that reflect the market.

Remuneration packages for the Managing Director and senior executives contain salary, superannuation, non-cash benefits and at-risk components, based on achievement of agreed targets.

	Consolidated 2020 \$	Consolidated 2019 \$
Short-term employee benefits	3,111,944	3,863,031
Long-term employee benefits	(3,237)	72,512
Post-employment benefits	217,046	194,381
Total	3,325,753	4,129,924

Financial performance

Now, more than ever, we need to achieve financial results that balance the value provided to members and the broader South Australian community while supporting growth and ensuring ongoing relevance for generations to come.

Despite a challenging year, RAA's financial performance was strong. This performance is underpinned by the strong growth and efficient and effective operations of our core motoring and insurance businesses. This growth is supported by our continued commitment to driving member value, maintaining the quality of our products and services and our investment in people to support member's needs.

This performance has allowed RAA to continue to reinvest into our differentiated member service and drive our membership to over 750,000.

Financial results

RAA reported a net profit after tax of \$6.6m for 2020, a decrease in profit of \$11.7m from the \$18.3m reported in 2019.

Total income exceeded \$500m in the year, 13 per cent higher than the prior year. This increase was driven largely by an increase in new and existing members accessing our Insurance and Roadside Assistance products.

In addition, our business improvement program continued to deliver above-budget cost savings.

Total expenses fell just short of \$500m and increased 18 per cent on the prior year largely due to the impact of bushfires and other adverse weather events on our Insurance claims as well as the acceleration of amortisation on a portion of our computer software assets. This accelerated amortisation was undertaken to enable further investment in our digital platform in response to a shift in member preferences arising from the COVID-19 pandemic.

The net asset position of the group at the close of the 2020 financial year was a healthy \$259.4m, up \$6.6m from the previous year and is purely reflective of the net profit after tax.

Effective working capital management continues to enable RAA to meet operational, capital and project expenditures, whilst meeting the Australian Prudential Regulation Authority (APRA) capital adequacy requirements of the insurance business.

The year 2020 saw the significant investment in the uplift of our cyber security capabilities required in order to keep pace with changing business needs and further protect our member information. Work also continued on the development of our Travel business, although this investment was put on hold in the final quarter of the year as we see out the significant impact of the COVID-19 pandemic had on this business. Overall, \$6.9m was invested in projects across RAA in 2020.

A focus on achieving growth, generating member value and building sustainable operations

This year our membership numbers grew to more than 750,000. This growth is driven by our commitment to advocacy and member benefits. Total Member Return, consisting of Member Architecture and More for Members program discounts reached \$49.8m in the 2020 financial year.

While 2020 has proved a challenging year, our historic approach to building a sustainable organisation has provided a solid foundation to rebound from the impacts of COVID-19 and sustain the funds for future growth.

Membership retention, services and returns drive revenue growth within our established product businesses of insurance and motoring, leading to the generation of profits. This profit is then reinvested in our member service areas such as Advocacy and Community Programs and our Member Architecture and More for Members discounts.

Membership Architecture discounts

\$24m

of profits returned to members

Our Membership Architecture rewards loyalty, reducing costs for members who hold two or more products. These discounts are funded through our established Insurance and Motoring businesses.

More for Members discounts

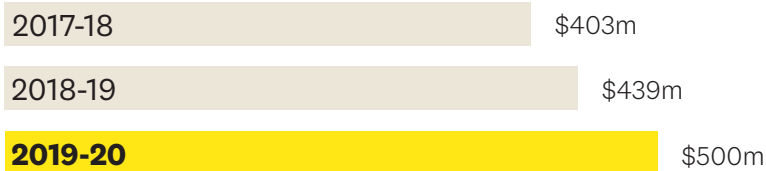
\$25.8m

returned to members

We reward the loyalty of our members by providing savings through our portfolio of partners. The average saving per member in 2020 was \$136.

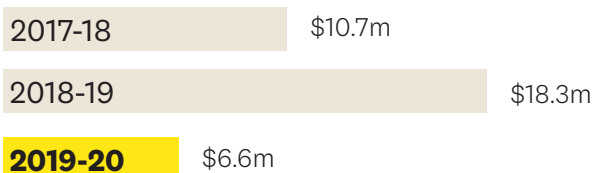
Our key performance indicators

Group total revenue



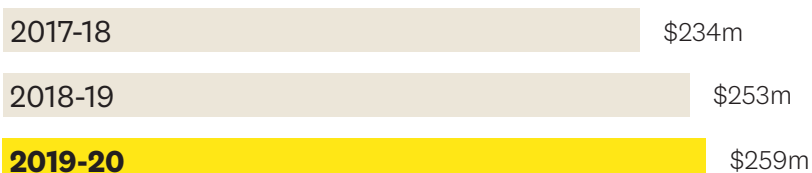
Our revenue growth has been driven by the increase in new and existing members accessing our Insurance and Roadside Assistance products each year.

Profit/(loss) after tax



Improvements in cost management and operational efficiencies has seen our revenue growth translate to profit after tax from 2017-18 to 2018-19. The impact of the severe weather events on claims expense and the overall result can be seen in 2019-20 along with the accelerated amortisation of digital assets.

Net assets



Our net asset movement year on year is a direct result of RAA's profit or loss after tax. Our strong net asset position demonstrates the financial stability of the RAA.

Business improvement

\$2.7m

profit generated through business improvement initiatives across the organisation

We continue to embed a successful business improvement culture across the Group to further enable investment in our core business, innovation and member return.

Project investment

\$6.9m

investment in projects across the business

Project investment is key to driving efficient, effective and sustainable operations.

Statement of profit or loss

For the year ended 30 June 2020	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Revenue from contracts with customers	115,955	113,284
Other revenue	383,965	325,331
Revenue	499,920	438,615
Other Income	8,396	10,290
Share of net profit of associates and joint ventures	88	717
Total income	508,404	449,622
Expenses		
Employee benefits	(90,276)	(81,177)
Payments to contractors for roadside assistance	(17,657)	(20,714)
Cost of sales	(16,482)	(11,678)
Depreciation, impairment and amortisation	(20,580)	(8,917)
Finance costs	(237)	(529)
Insurance claims expense	(253,623)	(213,755)
Outwards reinsurance premium expense	(45,344)	(37,169)
Other expenses	(55,076)	(50,226)
Total expenses	(499,275)	(424,165)
Operating profit(loss) before income tax from continuing operations	9,129	25,457
Income tax (expense)/benefit	(2,504)	(7,205)
Profit/(loss) after tax for the year	6,625	18,252

Discussion and analysis of the statement of profit or loss

RAA made a \$6.6m profit after tax (\$18.3m profit in 2018-19) in the year ending 30 June 2020. This result was driven largely by the performance of the Insurance business. Gross written premium exceeded \$300m in 2020, at \$329m, and, despite unfavourable weather, the insurance result is in line with budget after factoring in reinsurance. Further to this, motoring generated \$70.6m of subscription revenue after member discounts. Travel income was impacted significantly in the final quarter of the year due to COVID-19 restrictions.

Investment returns across the group were strong despite market disruption due to COVID-19, with total investment income reaching \$6m (\$10.3m in 2018-19). The sale of the Secure Services business resulted in a net gain of \$2.4m which is disclosed as other income.

Within this overall result, \$24m of discounts were returned to members.

Statement of financial position

As at 30 June 2020	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Current assets		
Cash and cash equivalents	23,903	28,211
Trade and other receivables	189,344	171,318
Inventories	1,386	1,801
Deposits in trust account	262	1,276
Other current assets	2,876	2,533
Financial assets	242,497	208,177
Deferred acquisition costs	7,084	6,064
Total current assets	467,352	419,380
Non-current assets		
Trade and other receivables	4,464	4,312
Pension asset	809	1,146
Financial assets	6,673	7,011
Investments in joint ventures	3,071	3,082
Investments in associates	3,842	4,062
Property, plant and equipment	50,557	57,860
Right-of-use assets	7,557	-
Intangible assets	29,540	36,706
Goodwill	61,199	61,199
Deferred tax asset	10,387	9,070
Total non-current assets	178,099	184,448
Total assets	645,451	603,828
Current liabilities		
Trade and other payables	49,871	45,237
Unearned income	206,060	191,028
Interest bearing liabilities	1,402	-
Deposits in trust account	262	1,276
Provisions	15,996	15,816
Current tax liability	2,422	7,646
Outstanding claims liability	83,332	66,769
Total current liabilities	359,345	327,772
Non-current liabilities		
Interest bearing liabilities	6,728	-
Provisions	1,644	1,723
Deferred tax liability	14,150	17,831
Outstanding claims liability	4,174	3,561
Total non-current liabilities	26,696	23,115
Total liabilities	386,041	350,887
Net assets	259,410	252,941
Equity		
Retained earnings	211,914	205,445
Reserves	47,496	47,496
Total equity	259,410	252,941

Discussion and analysis of the statement of financial position

Net assets for the year totalled \$259m, an increase of \$6m on the year prior due to the current year profit.

The increase in total assets of \$42m (6.9%) was predominately due to a \$34m increase in financial assets (investment portfolio plus loans to related parties) arising from unrealised gains, and the reinvestment of realised gains and surplus cash as well as an \$18m increase in trade and other receivables due to an increase in insurance premiums and reinsurance and other recoveries receivable. Further to this, the recognition of the \$7.6m right-of-use assets was more than offset by the \$9.7m impairment of intangibles.

Total liabilities increased by \$35m (10%) due to an increase in unearned income of \$15m in line with the increase in subscription and insurance premium revenue as well as a \$17m increase in the outstanding claims liability. The recognition of lease liabilities of \$8m also contributed to the increase in total liabilities.

Statement of cash flows

For the year ended 30 June 2020	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Cash flows from operating activities		
Receipts from members and customers (inclusive of GST)	541,044	481,931
Payments to suppliers and employees (inclusive of GST)	(506,261)	(437,941)
Interest paid	-	(529)
Interest received	344	800
Rental income received	61	53
Income tax (paid)/received	(12,660)	(4,109)
Net cash from operating activities	22,528	40,205
Cash flows from investing activities		
Proceeds from sale of fixed assets and intangibles	1,050	607
Proceeds from the sale of financial assets	-	6,339
Proceeds from disposal of operations	11,027	-
Distributions received	6,108	3,773
Dividends received	319	383
Purchase of fixed assets and intangibles	(9,647)	(10,004)
Purchase of financial assets	(34,741)	(36,915)
Net cash used in investing activities	(25,884)	(35,817)
Cash flows from financing activities		
Loans (to)/from related parties	338	3,273
Payment of principal portion of lease liabilities	(1,290)	-
Repayment of borrowings	-	(20,000)
Net cash (used in) / from financing activities	(952)	(16,727)
Net (decrease) / increase in cash	(4,308)	(12,339)
Cash and cash equivalents at beginning of the year	28,211	40,550
Cash and cash equivalents at the end of the year	23,903	28,211

Discussion and analysis of the statement of cash flows

In 2019-20, RAA saw a net cash inflow from operating activities of \$22.5m, \$17.7m below that of 2019 due to an increase in income tax paid of \$8.5m and a \$9m decrease in the net of receipts from members, and payments to suppliers and employees.

Net cash used in investing activities was \$25.9m (\$35.8m in 2019) as a result of the reinvestment of \$35m of surplus operational cash into financial assets offset by the \$11m net proceeds on the sale of Secure Services.

Net cash used in finance activities was \$952k (\$16.7m in 2019) due to the recognition of rental payments as financing activities rather than operational under the new standard. Note that prior year financing activities included the repayment of the \$20m external loan.

Tax transparency

As a proudly South Australian and member-focused organisation, RAA is committed to corporate responsibility and transparency. We recognise our contributions to government's public finances is of interest to our members and the South Australian community.

RAA contributes to our community as a major South Australian employer, investor and consumer, and subsequently pays the right amount of tax. RAA collects a significant amount of income tax on employee salaries and wages and makes payments of Fringe Benefits Tax (FBT) and Payroll Tax to the Australian Taxation Office (ATO)/State Revenue Offices.

RAA supplies services to the community which result in collection of Goods and Services Tax (GST) and Stamp Duty on insurance premiums which are remitted to the ATO/State Revenue Offices.

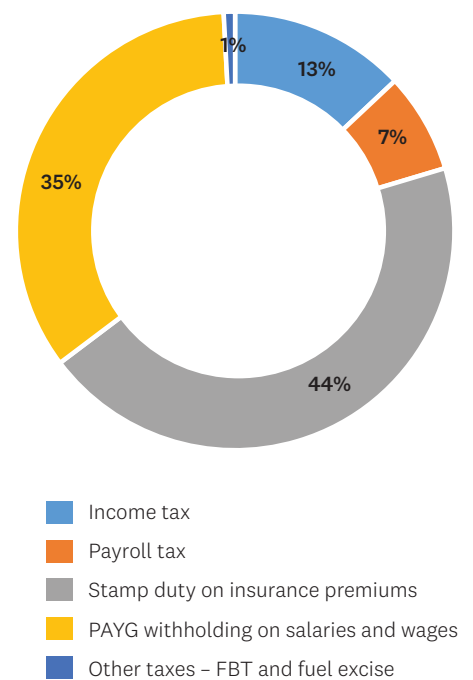
RAA pays income tax at the company tax rate of 30 per cent based on accounting profit before tax, adjusted for differences between the accounting standards and the income tax legislation.

RAA's estimated income tax payable for 2019-20 is \$7.8m of which \$5.3m has been paid and the remainder is due on lodgement of the tax return.

RAA's 2020 tax contributions	
Income tax	\$7.8 million
Payroll tax	\$4.4 million
Stamp duty on insurance premiums	\$26.5 million
PAYG withholding on salaries and wages	\$20.6 million
Other taxes – FBT and fuel excise	\$0.5 million
Total	\$59.8 million

RAA adopted the Board of Taxation's Voluntary Transparency Code in 2016-17. In 2017-18 the RAA Board approved the RAA Tax Governance Framework. This framework reflects RAA's low risk appetite and is consistent with RAA's overall strategy, approach to risk and core values. RAA makes decisions for commercial reasons and does not enter transactions for the primary purpose of obtaining a tax benefit. RAA takes advantage of available deductions, tax rebates, offsets and credits to achieve the best tax outcomes for the organisation. RAA continually monitors the RAA Tax Governance Framework, ensuring best practices are adopted and addressing regulatory developments.

RAA is committed to complying with all relevant tax laws, rulings and regulations and to maintaining a transparent and proactive relationship with tax authorities. RAA has controls in place to ensure it pays the right amount of tax.



Get in touch

Head office

101 Richmond Rd, Mile End, SA 5031

Website	raa.com.au
Email	info@raa.com.au
General enquiries	8202 4600

Motor

Emergency road service	13 11 11
Insurance	1300 884 567
Claims	1300 884 575
Motoring road rules information	8202 4570
Technical advice	8202 4689
Traffic and road safety	8202 4517
Vehicle inspections	8202 4688
Drive school	82024444
Child Safety Centre	82024592

Home

Insurance	1300 884 567
Claims	1300 884 575
Trade Assist	8202 4988
Solar and Battery	8202 8078

Travel

Travel services	8202 4589
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RAA Shops

Metropolitan	8202 4600
Adelaide	41 Hindmarsh Square
Colonnades	Shop 169, Centro Colonnades
Elizabeth	Shop 147, Elizabeth Shopping Centre
Marion	Shop 2042, Westfield Marion
Mile End	101 Richmond Road
Modbury	Shop 20/21, Westfield Tea Tree Plaza
West Lakes	Shop 297, Westfield West Lakes

Regional

Broken Hill	8088 4999 320 Argent Street
Clare	8842 2575 280 Main North Road
Kadina	8821 1111 62 Graves Street
Mount Barker	8398 2134 2 Victoria Crescent
Mount Gambier	8202 8055 55 Commercial Street West
Murray Bridge	8532 1935 19 Bridge Street
Port Augusta	8642 2576 7 Caroon Road
Port Lincoln	8682 2934 2 Liverpool Street
Renmark	8586 3160 49 Renmark Avenue
Victor Harbor	8552 1033 66 Ocean Street
Whyalla	8645 8188 85 McDouall Stuart Avenue