

Answers to Questions on Notice

- **First Question (transcript p.54)**

Ms Machin: From a regulatory point of view, funnily enough the preceding organisation COBA—I have to declare an interest in COBA; I am the chair of the board of COBA—touched on franking credits. I probably should park that, other than just to raise that that is an issue for the car clubs too because they have significant franking credits that they cannot distribute to their members. So it is not just the financial sector and traditional businesses that have that stumbling block.

ACTING CHAIR: Do you have a dollar figure, perhaps on notice?

Ms Machin: I would have to take that on notice. I would be guessing. It is in the millions of dollars. It is quite a large sum but I would have to—

ACTING CHAIR: I think it would be useful for us to be able to quantify that.

Ms Machin: I will check with the CFO and we will provide that to you.

Answer:

As at 30 June 2015 our franking account balance was \$245,985,000. This represents total income tax paid by the NRMA group of companies or franking credits received through our investment portfolio.

- **Second Question (transcript p.55)**

Senator XENOPHON: Did you want to send us anything more on the social benefit bonds?

Ms Machin: Yes. I am more than happy to. It is a new concept and, as I say, I think there are some innovative ways they can be used. NRMA has invested in them, but we have also looked at how we might be able to participate in them.

Answer:

During the 2014-15 year, NRMA partnered with the NSW Government, the Commonwealth Bank of Australia, Westpac and the Benevolent Society to help deliver an innovative new financial product called a Social Benefit Bond (SBB). The SBB is only the fourth of its type to be issued,

with the proceeds from the sale of the bond going to the Benevolent Society to fund a program that helps support NSW families where children are at risk. NRMA expects an earnings yield on the bonds of 6.5% p.a.

- **Third Question (transcript p.55)**

ACTING CHAIR: New South Wales got on board early with the Co-operatives National Law. Do you have any feedback for us about how that has worked in this state?

Ms Machin: I am probably not the best person to comment on it. Rene, do you have any views?

Ms van der Loos: No.

Ms Machin: Can I maybe come back to you on that one.

ACTING CHAIR: Yes, could you take that on notice. Thank you.

Answer:

NRMA congratulates the NSW Government for being the lead state jurisdiction in Australia for implementing the Co-operatives National Law, implementing this in March 2014.

NRMA is aware that two issues have been identified by the Business Council of Co-operatives and Mutuals (BCCM) since the laws were implemented in NSW.

1. The general problem of a still-inconsistent national environment for co-operatives, which can affect NSW co-operatives who wish to operate in other state jurisdictions.
2. Within NSW, additional educational resourcing and the provision of professional advice would be useful.

In light of this, NRMA believes that it may be useful for the NSW Government to undertake its own audit of co-operatives operating in NSW to ascertain if the implementation of the Co-operatives National Law from March 2014 has achieved the NSW Government's own desired objectives in this area.

I trust that the above information is of assistance. Should the Committee require any further information, I invite you to contact Mr Sam Giddings, Head of Government Relations

Yours sincerely

Wendy Machin
Deputy President
NRMA