

RACQ AGM – Wednesday, 7 October

Managing Director and CEO Address – David Carter

Thank you, Leona, and good morning everyone.

The past year has been another significant one for RACQ, and I want to begin by thanking you, our members, for your ongoing loyalty, trust and support.

During the year, we continued to simplify our organisation and strengthen the foundations we needed to deliver greater value for members.

These included meaningful savings on products, access to unique experiences, investment in community, and we continued to be a loud voice advocating for Queenslanders.

To build on these offerings in the future, we are making a multi-year, multi-million-dollar investment in new technology, better systems and stronger capabilities across the business.

This work is about making RACQ easier to deal with, improving the products and services we provide, and increasing the positive impact we make across Queensland.

Operational highlights

These investments are made possible by a strong and sustainable business.

Strong commercial performance enables us to invest in our members and deliver on our purpose – to drive a better future for all Queenslanders.

Over the financial year, our business performed well.

We delivered a solid net profit after tax of 43.3 million dollars.

Our business lines generated a commercial operating surplus of 96.6 million dollars after tax.

Moving forward, the IAG partnership provides RACQ with a strong, stable revenue stream through selling insurance products, without the volatility that comes from running an insurance business.

Importantly, RACQ's marketing and distribution commissions on the insurance products are below market average to help support insurance affordability for members over the longer term.

The financial result also reflected 20 million dollars after tax in benefits that we provided to members and the community. There was also a net impact of 33.3 million dollars from the costs associated with the transition of the insurance business and the sale of our banking business to Bendigo Bank.

Alongside the Club's financial performance, our membership grew by a little over 33,000 and our key member service metrics were mostly stable or improved.

I'm immensely proud of our people for delivering these solid results through a period of significant change.

Looking ahead, our approach is clear: around 40 per cent of commercial profits will be reinvested into the business, 40 per cent will be shared with our members through benefits and experiences, and approximately 20 per cent will be donated to our community programs – helping us build a stronger and safer Queensland.

IAG partnership

Central to RACQ's future is our 25-year strategic partnership with IAG, which recently marked its one-year anniversary.

I'm very pleased to say the partnership is delivering in line with expectations and strongly supports our ambition to become the State's number one insurer.

The partnership is already demonstrating its value, helping ensure RACQ remains financially strong and resilient in the face of increasing severe weather events.

The severe hailstorms which hit South East Queensland in October and November last year resulted in more than 25,000 claims – an extraordinary volume of claims over a four-week period.

Together with IAG, our focus remained firmly on supporting our insurance members through their recovery.

At the same time, we acknowledge the pressure that successive years of severe weather and inflation are placing on insurance affordability.

We remain committed to working with members to help them better understand and manage their premiums.

The challenge is not unique to RACQ. A report from the Insurance Council of Australia highlighted the growing impact of extreme weather on insurance affordability, as rebuilding costs continued to climb well above inflation.

In Queensland, the cost of building a standard home is now around 45 per cent higher than in 2021 – driven by sharp increases in materials and labour costs.

Bank sale to Bendigo Bank

Another important step in setting RACQ up for the future is the sale of our retail lending and deposit business to Bendigo Bank.

If you hold an RACQ bank account, from mid-November these accounts will move across to Bendigo Bank, and you will enjoy the benefits that come with being part of a larger bank.

This will see RACQ Bank members become part of a significantly larger banking network, with more than 70 branches across Queensland, a broader range of products and services, and strong connections to local communities.

Our priority is ensuring members continue to receive the support and service they expect throughout the transition.

This sale will further simplify RACQ and provide additional capacity to invest in technology, products, and services to better serve members and create a more focused and financially stronger mutual.

Roadside and auto growing

While these strategic changes are crucial, our day-to-day connection with members remains just as important.

Our people continued to deliver our iconic yellow truck feeling throughout the year, with our Roadside and Auto businesses going from strength to strength.

Our roadside portfolio continued to grow, supported by digital enhancements such as our *Join on Road* initiative, which makes it easier for motorists to access help on the road when they need it.

During the year, we responded to 715,700 roadside assistance jobs, including more than 182,000 in regional and remote Queensland.

Our Auto business is also growing strongly. We now have 12 Auto stores across the South East, completing more than 100,000 services in the past year, with more stores planned in the year ahead.

While our Auto stores are open to all Queenslanders, members received even more value, including 25 dollars off a wide range of products and services such as servicing, windscreen replacements, tyres and EV battery health checks.

Members also benefited from even greater savings on window tinting and new wheels.

And as more Queenslanders looked for ways to manage household costs and make more sustainable choices, our retail solar and battery business expanded, supported by government rebates and stronger installation capability.

These businesses provide products and services that deliver everyday value for members, while strengthening RACQ's role as a trusted partner in the transition to renewable energy.

Community initiatives

Beyond the products and services we provide, we are immensely proud of the important role we play in supporting safe, resilient and inclusive communities where our members live, work, and play.

Throughout FY26, we provided 5.7 million dollars to charities and communities throughout the State, supporting initiatives that make a real difference in people's lives.

We worked alongside communities in Yarrabah, Julia Creek and Thargomindah, helping build greater resilience and support where it was needed most.

We also provided more than one million dollars in grants to community clubs and charities.

It's a privilege to support the people who give so much of their time and energy to help others.

During the year, we published our Innovate 2.0 Reconciliation Action Plan, further strengthening our relationships with First Nations communities and turning our commitment into meaningful action.

And, of course, road safety remained a key focus for us. More than 69,000 people took part in our road safety education programs, from school-aged children through to parents supporting their teenagers as they learn to drive.

Advocating for Queenslanders

Road safety was also at the forefront of our advocacy efforts with the aim of bringing down the increasing number of road deaths and injuries.

Our team was a strong voice for our members, influencing the State Government's e-mobility parliamentary inquiry which resulted in nearly all of RACQ's recommendations being adopted.

We led calls for stronger protection measures, including mandatory full-face helmets for stand-up e-scooter riders, tougher impoundment laws for dangerous and illegal e-bikes and safer design standards for hire bikes and scooters.

We stood side by side with the Royal Australasian College of Surgeons, Safer Australian Roads and Highways Group and the Queensland Trucking Association to call on the Government and all Queenslanders to Get Serious on Road Safety.

We specifically called for a suite of reforms to crack down on dangerous and repeat offenders on our roads, with the Government introducing a bill outlining several increased consequences for dangerous drivers.

Our state's road trauma is not getting any better, and we stand firm in our aim to drive down road deaths and serious injuries.

As part of broader efforts to address the high level of vehicle theft and joy riding, we developed a first-of-its-kind Vehicle Security Standard to assess how well vehicles are protected from theft.

The standard earned global recognition from the International Automobile Federation.

We also acknowledge the progress on the \$9 billion Bruce Highway Targeted Safety Program that we advocated for alongside our partners in the Fix the Bruce campaign.

To date, 18 projects have been completed and 24 are underway with all upgrades being delivered between Gympie and Cairns.

A further 52 tenders are expected to be released to market this financial year as we move closer to having the national highway that Queensland deserves.

We fought for our members through a fuel price shock as war broke out in the Middle East, referring fuel companies to the ACCC for unfair price hikes.

Your Club provided trusted, evidence-based advice, savings tips and tools for motorists as record bowser prices continued to impact our members' hip pockets.

We also advocated strongly for the Queensland Government to consider regulating fuel prices to end unfair hikes at the bowser.

We strengthened our case with evidence, working alongside the Queensland University of Technology to model proposed solutions.

Closing

RACQ's work over the past year has remained true to our purpose with members at the core of every decision we make.

We remain committed to helping our members and communities thrive today and well into the future.

Finally, I want to say a sincere thank you to our people for their unwavering dedication to help build a stronger RACQ for future generations of Queenslanders.

RACQ is more than a brand. It's a community and a legacy built on more than 120 years of trusted service.

That trust is something we are deeply proud of, and something we will never take for granted.

Thank you.