



Australian Government



Regional Investment Corporation

Annual Report

2023/24





Acknowledgement of Country and Traditional Owners

Regional Investment Corporation acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, sea and community. We pay our respects to them, their cultures, and to their Elders past, present and emerging.

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Transmittal letter



9 September 2024

The Hon. Julie Collins
Minister for Agriculture, Fisheries and Forestry
Parliament House CANBERRA ACT 2600

Senator the Hon. Katy Gallagher
Minister for Finance
Parliament House CANBERRA ACT 2600

Dear Ministers

Regional Investment Corporation Annual Report 2023-24

I am pleased to submit to you the 2023-24 Annual Report for the Regional Investment Corporation (the RIC). This report has been prepared in accordance with the Regional Investment Corporation Act 2018 (RIC Act), the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

The report includes annual performance statements prepared in accordance with subsections 39(1) and (2) of the PGPA Act, and audited financial statements prepared in accordance with sections 41 and 42 of the PGPA Act.

The report is made in accordance with a resolution of the RIC Board on 9 September 2024, which is responsible under section 46 of the PGPA Act for presenting an annual report to you, for presentation to the Parliament, on the RIC's activities during the period.

I certify that I am satisfied that the RIC has in place appropriate fraud control mechanisms that meet our needs and comply with the PGPA Act and rule.

Yours sincerely

A handwritten signature in black ink, appearing to read "Karen Smith-Pomeroy".

Karen Smith-Pomeroy
Chair

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Introduction from the Chair and CEO



In financial year 2023-24 we supported a stronger Australia through thriving regions by settling loans to the value of \$215 million. This support is part of \$3.37 billion in settled loans since inception on 1 July 2018, across more than 3,100 customers.

Demand for RIC loans remained strong throughout the year, particularly in relation to new applications for our Farm Investment and AgriStarter Loans. We also saw record numbers associated with the management of our existing customer base through processing requests for loan variations and undertaking loan reviews. Managing our existing loan portfolio continues to be an increasingly growing component of our business.

During our fifth year in operation, we completed two significant projects that lay the foundations for RIC's future.

First, we completed an operating model transformation to fully insource all loan management and customer experience systems and associated workforce that were previously outsourced to a third party. This was an enormous body of work undertaken by our team, which is already delivering enhanced service to our customers, and it is just the beginning.

With full ownership of all systems and workforce comes the increased capacity to continuously improve service to our customers. The excitement of the RIC team to create positive change and be closer to our customers was palpable in the lead up to our new operating model going live, and we extend our thanks to the team for achieving this important milestone.

Second, the Statutory Review of the RIC Act occurred during the year. With RIC's current loan funding appropriation due to conclude in June 2026, the review and the government's direction on its recommendations becomes a critical juncture for where we head next as a service delivery agency. We delivered our submission to the review during the year and worked closely with the review team to support their inquiries and deepen their understanding of our operations. For the year ahead, we are well positioned to implement the review outcomes.

We are proud to have delivered all our performance measures this year according to plan, the benefits of which extend to farm businesses across Australia and the regional communities that rely on a productive agriculture sector.



Karen Smith-Pomeroy
Chair

John Howard
Chief Executive Officer

Year in review

Key statistics

Loan deployment



	FY2024		Since inception	
Loans approved	196	\$199.9 million	3,166	\$3.405 billion
Loans settled	207	\$214.9 million	3,129	\$3.373 billion
Drought Loans approved	31	\$31.1 million	2,622	\$2.858 billion
Farm Investment Loans approved	110	\$115.8 million	223	\$215.2 million
AgriStarter Loans approved	54	\$52.9 million	136	\$118 million
AgBiz Drought Loans approved	1	\$0.06 million	120	\$33.6 million
New loan decisions within the risk appetite	100%			

Loan management



	FY2024
Loan reviews	1,356
Loan variations	730
Eligible loans decisioned in 30 RIC-handling days	95%
Reduction in RIC-handling days to decision	40%
Contact centre calls	5,126
Contact centre calls resolved first time	70%

Loan impact



RIC loan contribution to Gross Regional Product over 20 years	\$3.4 billion ¹
Full-time equivalent jobs supported	1,263 ¹
Customer satisfaction in FY2024	87% ²
Greater customer confidence in the future of farm or small businesses	89% ²
Customers able to improve drought resilience	58% ²
Increased ability to implement sustainable agriculture practices	62% ²

¹ BDO 2023 Regional Investment Corporation Loans Economic Impact Analysis

²JWS 2024 Customer Experience Research Report, July 2024³ BDO 2023 Regional Investment Corporation Loans Economic Impact Analysis

Highlights

Demand for concessional loans to support farm businesses and the rural and regional communities in which they operate remained strong throughout the year. This was particularly so in relation to new applications for our Farm Investment and AgriStarter Loans, and is reflective of the challenging environmental, seasonal, financial and market conditions farmers face.

At the close of FY2024, 77 per cent of our annual loan funding appropriation was deployed in concessional loan support to customers, freeing up their cashflow to invest in and diversify their businesses, manage cost pressures, variability in conditions and revenue, and increase spending into their local economy.

We had very high numbers associated with the management of our existing customer base through processing requests for loan variations and undertaking loan reviews. Our loan review program periodically reviews loans provided to customers, providing an opportunity for ongoing conversations with our customers, and ensuring appropriate strategies are put in place to manage risk. Given we received 894 loan variation requests representing 32% of our active loans in FY2024, managing our existing loan portfolio continues to be an increasingly growing component of our business.

This year we completed a project to insource loan origination and management systems from an outsourced provider. This new insourced operating model went live in October 2023 and has delivered:

- an end-to-end integrated loan management ecosystem to manage the loan lifecycle – loan application and assessment process, and ongoing management of the loan portfolio and customers
- technology and people that ensure service standards, risk and governance controls
- a modern, dispersed and capable workforce model that remains substantially regional
- a return on investment and enduring savings when compared with the outsourced model
- greater process efficiencies which are delivering a better customer experience.

As a result of the insourcing project, the *Infosys Innovation Awards* honoured us in May 2024 through their global banking and finance awards as an award winner for transformation excellence. We were delighted to receive this recognition for the RIC team's enormous effort this year in bringing the insourcing project to life, in turn bringing us closer to our customers.

Interest rates for RIC loans were reviewed twice during the year in accordance with the *Regional Investment Corporation Operating Mandate Direction 2018*, with one adjustment made during the period as shown in Table 1.

RIC interest rates remained concessional and, with only one adjustment applied during the year, rose more slowly when compared with commercial interest rates.

Table 1: Interest rate changes across the 2023-24 period

Interest rate review outcome	Farm Business Loan Rate	Plantation Loan Rate
2023-24 start	4.52%	4.07%
1 August 2023	On hold at 4.52%	On hold at 4.07%
1 February 2024	4.99%	4.54%

Through cooperation with our stakeholders, in September 2023 we launched the Farm Relief Tool, a directory to connect farmers affected by drought, natural disaster or biosecurity events with Australian Government financial and mental health support. The tool was the product of collaboration between RIC, the Department of Agriculture, Fisheries and Forestry and the National Emergency Management Agency. We were proud to provide this resource for farmers seeking to prepare and recover when faced with challenging times.

In November 2023, the Statutory Review of the RIC Act was commenced through the appointment of independent reviewer, Dr Wendy Craik AM. We delivered our submission to the review in December 2023 and worked closely with the review team to support their inquiries from November 2023 through to the conclusion of the review in June 2024.

As part of our preparation for the RIC Act review, we undertook research during the year to understand and quantify the economic impact of RIC loans on not only farm businesses as the direct loan beneficiaries, but also on the rural and regional communities in which farm businesses and farm-related small businesses operate.

The agriculture, fisheries and forestry industry is a dominant economic force in regional Australia, comprising a high proportion of farm businesses and associated employment. Our research³ found that RIC loans result in a healthy contribution to the economy of regional Australia with the following highlights predicted over a 20-year analysis period.

³ BDO 2023 Regional Investment Corporation Loans Economic Impact Analysis

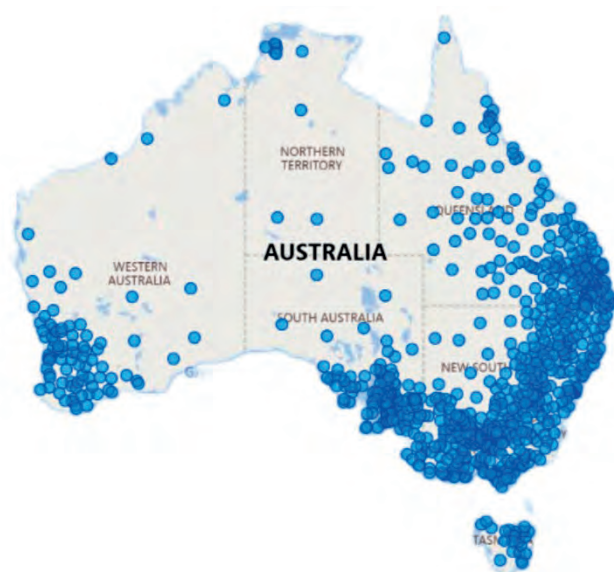
\$3.4 billion	Contribution to Gross Regional Product
1,263	Full-time equivalent (FTE) jobs supported
\$1.6 billion	On-farm investments and productivity improvements
\$1.3 billion	Production-induced flow-on effects stimulated by farm business expenditure
\$0.6 billion	Consumption-induced flow-on effects (spending of employee wages on-farm and in broader supply chain)
67%	Higher average impact from a \$1 million loan when compared with a \$1 million construction project
47%	Of the impact directed to farm businesses
37%	Of the impact feeds regional Australia supply chains
16%	Of the impact directed to employees of the full supply chain located in regions

For each \$1 million lent, there is approximately \$1.1 million of Gross Regional Product generated over the 10-year life of a loan, and each loan contributes 0.43 FTE in regional employment annually for the loan term when on-farm and associated supply chains are considered. Not only is there a measurable economic impact that exceeds the loan value, but upon the loan being repaid, the funds are available to the government for re-use.

An example of the impact of RIC loans can be seen in our case study of the Pilmore family, who used an AgriStarter Loan to accelerate their pastured, free-range poultry farm business plans in regional South Australia. The settlement of the Pilmore family loan at the end of 2023 was a milestone 3,000th farm business customer to receive a RIC loan.

On 30 June 2024, we reached 3,129 loans settled since our inception on 1 July 2018. The geographic spread of our loan portfolio is depicted in Figure 1.

Figure 1: Geographic spread of RIC loan portfolio



Organisational overview

Authority, function and purpose

The RIC was established on 1 July 2018 and operates under the *Regional Investment Corporation Act 2018* (Cth) (RIC Act) and the *Regional Investment Corporation Operating Mandate Direction 2018*.

The RIC is a Corporate Commonwealth Entity and Special Investment Vehicle governed by an independent board appointed by, and accountable to, 2 responsible ministers. In FY2023-24, the responsible ministers were Senator the Hon. Murray Watt - Minister for Agriculture, Fisheries and Forestry and Senator the Hon. Katy Gallagher - Minister for Finance.



Function

Our primary function under the RIC Act is the administration of farm business loans to support farm businesses with long-term strength, resilience, and profitability on behalf of the Australian Government.

Administration of farm business loans includes:

- providing loans to farm businesses subject to relevant lending criteria being satisfied
- consulting with commercial lenders and other industry bodies representing persons likely to seek a loan
- determining, in accordance with the strategies and policies decided by the Board, the terms and conditions on which approved loans are provided
- managing approved loans.



Purpose statement

To support the growth, resilience, and sustainability of Australia's agricultural economy.

About our organisation

RIC is a Corporate Commonwealth Entity and Special Investment Vehicle within the Commonwealth's Investment Framework that delivers government policy through concessional loans. We have supported the agriculture sector during times of drought, disaster and business disruption, and for investment in a stronger future.

We specialise in concessional loans to pre-farmgate agribusinesses with a focus on regional outcomes. In recognition of agriculture-dependent supply chains, we also offer a loan that supports farm-related small businesses manage through and recover from drought. We offer loans working alongside commercial lenders. We manage the return of loan funds back to the Australian Government on a cost-neutral basis, an investment that benefits the government, industry, regional communities, and borrowers.

Our customers are farm businesses and farm-related small businesses who are in financial need, but viable in the long term. Concessional loans support customers by freeing up cashflow to invest in their farm business, manage cost pressures, variability in conditions and revenue, and increase spending into their local economy.

Our workforce

RIC's headquarters is located on Wiradjuri Country in the regional community of Orange, NSW with 52 per cent of our workforce based in Orange and Central West NSW.

Overall, the workforce distribution is predominantly regional with 76 per cent of our 94 staff living in regional areas and 24 per cent in metropolitan areas as shown in Figure 2.

A detailed breakdown of our ongoing and non-ongoing workforce profile (which excludes labour hire), including our gender and geographic diversity, is provided at Appendix 3.

Figure 2: RIC regional workforce location distribution as at 30 June 2024



Our organisational structure

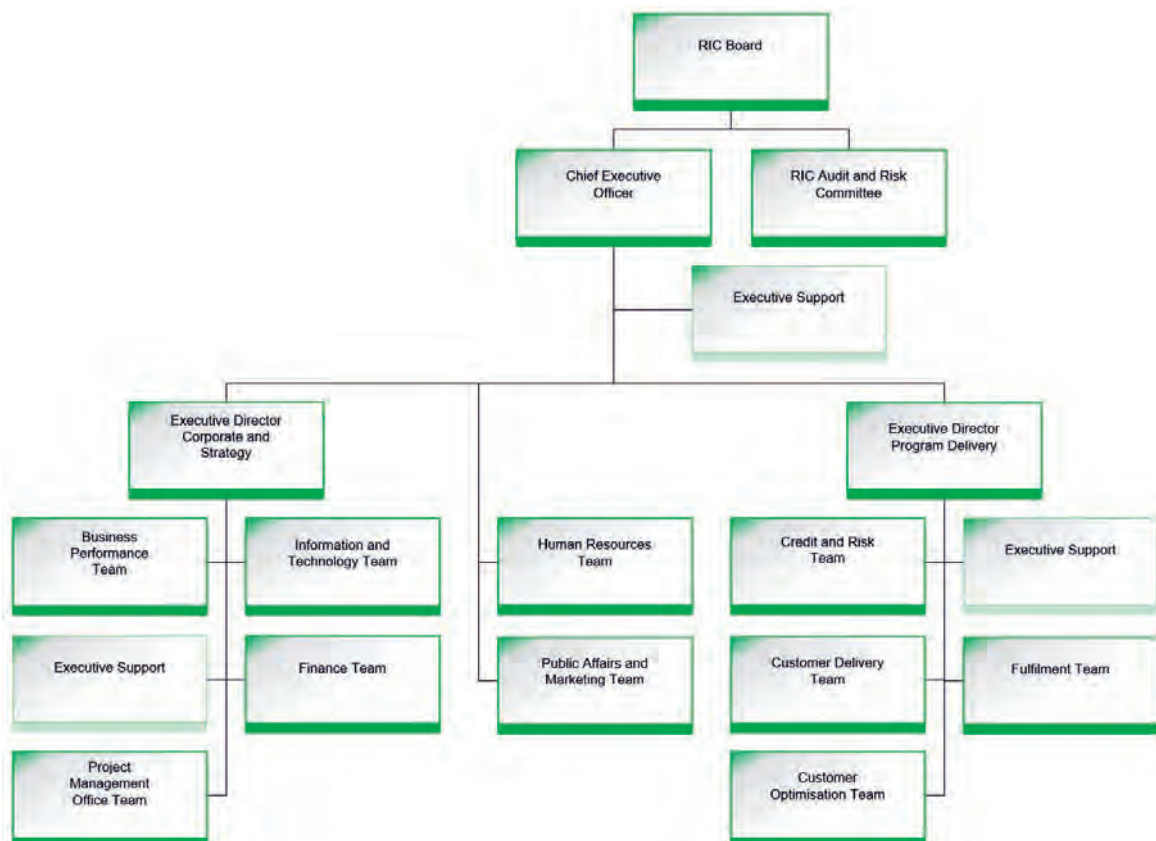
Our organisational structure has changed over 2023-24 with the conclusion of the transformation project and the recruitment of a new Executive Director in April 2024, who joined our team to oversee Corporate and Strategy following the retirement of our Executive Director of Corporate Services. Our organisational structure as at 30 June is shown in Figure 3.

To deliver on our purpose, we continue to focus on our employees as a key enabler to our success and implement programs that have a meaningful impact.

In recognition that parenting is a shared responsibility, employees of any gender can now take 18 weeks' paid leave as the primary caregiver and 4 weeks' paid leave as the secondary caregiver for the birth or adoption of a child. We have also increased our cultural leave provisions to support our employees to celebrate their culture with up to 3 days' cultural leave each year and enhancements to a number of other leave provisions.

We also focused on our employee engagement programs that have a meaningful impact on our people and believe this contributed to our increased staff engagement score. Our 2024 staff engagement score was 77 per cent, with a participation rate of 99 per cent which is an increase of 3 per cent in staff engagement and 2 per cent increase in participation compared with the 2023 results.

Figure 3: RIC organisational structure as at 30 June 2024



Our Health, Safety and Wellbeing approach

Our strategic plan identified that people are a key to our success and this year our Health, Safety and Wellbeing (HSW) Committee delivered a range of HSW initiatives including:

- implementation of a customised and streamlined HSW framework making all associated requirements, processes and procedures easier to understand, accessible to all employees and directly relevant to the needs of the business and RIC's operating environment
- continued provision of wellbeing programs including the Employee Assistance Program and targeted mental health training and initiatives

Based on the introduction of new legislation, a risk assessment was undertaken on psychosocial hazards in the workplace which resulted in a subsequent update of policies, procedures and training.

There were zero notifiable incidents and zero lost-time injuries recorded during the 2023-24 period.

Governance

Our governance framework provides the context within which the RIC operates to achieve its objectives and effectively manage risk and key stakeholder relationships and includes:

- the legislative foundation provided by the RIC Act and Operating Mandate, various subordinate instruments, and relevant sections of the *Public Governance, Performance and Accountability Act 2013 (Cth)* (PGPA Act)
- 2 responsible Ministers
- an independent Board that has an established induction program, annual training program, and conducts annual reviews of its performance
- an Audit and Risk Committee that ensures the Board receives appropriate advice and assurance on financial and performance reporting, systems of risk oversight and management, and systems of internal control
- a Three Lines Model for effective internal governance across risk management, internal audit, compliance, and assurance activities
- a Board-endorsed and owned Policy Framework that demonstrates coverage, application and integration of RIC policies within an overarching framework, and outlines ownership and accountability for the artefacts within the framework.

RIC Board

The RIC Board is the Accountable Authority under the PGPA Act. The Board decides RIC's objectives, strategic direction and ensures that it fulfils its statutory functions. In accordance with the RIC Act and the Board's Charter, the Board must meet at least 4 times per year. In the reporting period it met on 4 occasions and attended to 12 matters out of session.

The Board provided leadership across several areas including:

- RIC's performance against its plans and objectives
- oversight of the direction, budget, and delivery of the insourced operating model
- the strategic direction and approval of RIC's submission to the Statutory Review of the RIC Act
- oversight of credit risk in the loan portfolio
- approval of Board policy frameworks
- interest rate reviews
- Board governance matters including the annual review of the Board's Charter, skills matrix and Board performance
- working closely with the Audit and Risk Committee on its advice and assurance in relation to financial and performance reporting, risk, and internal controls
- responses to 5 Future Drought Fund requests for advice on the allocation of funding valued at over \$63 million.



Board composition during financial year 2023-24



Karen Smith-Pomeroy
Chair



Prue Bondfield
Member



Sharon Starick
Member



Sally Freeman
Member



Mark Tucker
Member

Approach to risk, fraud and corruption

As the Accountable Authority, the Board has put in place a system of risk management and oversight which includes the determination of risk appetite and tolerance. The Board also takes all reasonable measures to prevent, detect and respond to fraud and corruption.

We have an active Audit and Risk Committee that proactively manages risk, fraud and corruption and ensures our controls are aligned with industry standards and government policies, including the 2021 industry standard AS8001: Fraud and Corruption Control, the Commonwealth Risk Management Policy 2023, Australian Government Investigation Standards 2022, and the Commonwealth Fraud and Corruption Control Framework (2024).

RIC Audit and Risk Committee

RIC's long-serving Audit and Risk Committee Chair, Tim Youngberry, retired from the position in August 2023. Tim served in the role since our inception, advising on governance and compliance in our formative years.

The Board appointed Sally Freeman as Committee Chair after Tim's retirement and took the opportunity to refresh the Committee's Charter at the same time. Other Committee members, Sharon Starick and Emily Canning, continued as Committee members during the period.

The Committee met 3 times during the year, attended to one matter out of session, and oversaw RIC's financial and performance reporting, its systems of risk oversight and management, and systems of internal control.

Appendix 2 provides further details of the Audit and Risk Committee membership.

Risk management

The evolution of risk management practices has seen RIC shift from reactive risk management practices to an integrated and customised process of continual review, evaluation and environmental scanning.

This approach means we take reasonable steps to ensure we are managing potential enterprise risks through regular reviews of our risk management practices.

During the year we undertook a full review of the enterprise risk management framework to ensure that it continues to be fit for purpose.

Fraud and corruption control

With the Commonwealth Fraud and Corruption Control Framework coming into effect on 1 July 2024, we updated our Risk, Fraud and Corruption Control Framework. We comply with the Commonwealth Fraud and Corruption Rule and utilise the Commonwealth Fraud and Corruption Policy as guidance to implement those parts that provide appropriate and cost-effective controls.

We routinely conduct independent security reviews as part of our commitment to continuous improvement in cyber security. Our cyber security controls are reviewed and approved by external auditors, the Australian National Audit Office. No instances of fraud or cyber security breaches have been identified.

External scrutiny

External scrutiny is supported and enhanced through our independent internal audit program. The 2023-24 internal audit program was completed in line with our strategic and annual internal audit plans.

We also maintain membership with an external dispute resolution scheme through the Australian Financial Complaints Authority (AFCA). During 2023-24, no new AFCA matters were referred to RIC, and one matter remained outstanding.

The Office of the Australian Information Commissioner referred one Freedom of Information Commissioner Review Request to RIC just prior to the end of 2021-22, to which we responded. The matter remained open at the close of 2023-24.

During 2023-24, Comcare undertook a review of RIC's HSW incident management procedures and arrangements which resulted in no adverse findings or recommendations for improvement.

Public Interest Disclosure (PID) procedures were reviewed and updated in line with the commencement of the changes in the PID Act effective 1 July 2023 which coincided with the commencement of the National Anti-Corruption Commission. There were zero PID disclosures and zero PID investigations during the 2023-24 period.

Each year the National Archives of Australia conducts a survey of government agency information and data management maturity. The 2023 survey results ranked the RIC in the top third of agencies for our information management culture and maturity.

Directors and Officers indemnities and insurance

In 2023-24, the RIC held Directors and Officers Liability Insurance and premiums were paid and up to date. There were no claims against the liability insurance for the reporting period.



Legislative and government policy events

2024-25 Federal Budget

As part of the 2024-25 Budget announcements in May 2024, the Australian Government announced its intention to terminate the Plantation Development Concessional Loan delivered by RIC. The program's \$37.5 million loan appropriation will be retained by RIC for deployment to eligible farm businesses and farm-related small businesses through our remaining loan products.

To support our transition to insourced loan management functions, a new Average Staffing Level of 93 was also provided for in the budget.

Review of Part 3 of the Future Drought Fund Act 2019

In 2023, the Australian Government asked the Productivity Commission to undertake an inquiry to assess the effectiveness of Part 3 of the *Future Drought Fund Act 2019* (the FDF Act) including the processes and systems to administer, govern and evaluate programs, arrangements and grants made under Part 3 of the FDF Act.

Under the FDF Act, the Drought Minister is required to have regard to the independent advice from the RIC Board and comply with the Drought Resilience Funding Plan in place at the time, when making decisions to distribute funds. The FDF Act determines that the RIC Board is required to provide advice on whether the Drought Minister should make an arrangement or grant or enter into an agreement with a person or body under section 21 or 22 of the Act.

The Commission's Review resulted in an amendment to the funding principles that may be considered by the RIC Board when providing that advice to the Drought Minister. The set of funding principles that apply are established in the *Future Drought Fund (Drought Resilience Funding Plan 2024-2028) Determination 2024*, which came into effect on 7 February 2024 and is made under subsection 31(1) of the FDF Act. The Review also recommended that the role of the RIC Board should be removed; however, to date the Board's advisory role remains in place.

The final report was released by the Productivity Commission on 26 September 2023.

Statutory Review of the RIC Act

Section 53 of the RIC Act requires that the Minister for Agriculture must arrange a Statutory Review of the Act that considers the scope of RIC's activities and governance arrangements after 30 June 2026.

On 1 November 2023, the Minister for Agriculture, Fisheries and Forestry appointed Dr Wendy Craik AM to commence the review and provide a report. The RIC provided a submission to the review and worked collaboratively with the review team throughout the duration of the review, providing information and access to RIC subject matter experts to assist the review in understanding our operations.

At the close of the 2023-24 year, processes were underway for the report to be tabled in Parliament in accordance with the legislated delivery timeframe of 1 July 2024.

Public Sector Workplace Relations Policy 2023

The Commonwealth Industrial reforms included the introduction of the *Australian Government Public Sector Workplace Relations Policy 2023* which set parameters on pay and conditions to inform non-Australian Public Service agencies. We enhanced our employment conditions to include increased parental leave entitlements, cultural leave entitlements and increased various other leave conditions in line with those reforms.

Work Health and Safety Amendment Act 2023

The *Work Health and Safety Amendment Act 2023* which was implemented in September 2023 resulted in the commencement of new regulations in relation to psychosocial risks which provide increased penalties for contravention of duty by officers and a New Part 13, Division 5 which allows criminality to be attributed to the Commonwealth. As a result of this, we undertook a risk assessment on psychosocial hazards in the workplace with a subsequent update of policies, procedures and training to ensure compliance and support our staff.

Fair Work Legislation Amendment (Closing Loopholes) Act 2023

On 15 December 2023, the *Fair Work Legislation Amendment (Closing Loopholes) Act 2023* was passed to amend the *Fair Work Act 2009* which criminalised wage theft, regulated labour hire arrangement orders and provided stronger protections against discrimination, adverse action and harassment.

Other reporting requirements

APS Net Zero 2030 emissions reporting

APS Net Zero 2030 is the Government's policy for the Australian Public Service (APS) to reduce its greenhouse gas emissions to net zero by 2030, and transparently report on its emissions. As part of the Net Zero in Government Operations Strategy and the reporting requirements under section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*, corporate Commonwealth entities such as RIC are required to report on their operational greenhouse gas emissions.

The Greenhouse Gas Emissions Inventory presents greenhouse gas emissions over the 2023–24 period based on Carbon Dioxide Equivalent (CO₂-e) emissions. Greenhouse gas emissions have been calculated in line with the APS Net Zero Emissions Reporting Framework, consistent with the Whole-of-Australian Government approach as part of the APS Net Zero 2030 policy. Not all data sources were available at the time of the report and amendments to data may be required in future reports.

In FY2024, RIC's total CO₂ gas emissions were 43 t. The categories contributing to this total are shown in Table 2. The categories contributing to the total 6.7 t CO₂ electricity greenhouse gas emissions are shown in Table 3.

Table 2: 2023-24 Greenhouse gas emissions inventory related to electricity usage using the location-based accounting method

Emission source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location-based approach)	N/A	6.233	0.497	6.730
Natural Gas	0	N/A	0	0
Solid Waste*	N/A	N/A	0	0
Refrigerants*†	0	N/A	N/A	0
Fleet and Other Vehicles	0	N/A	0	0
Domestic Commercial flights	N/A	N/A	20.510	20.510
Domestic Hire Car*	N/A	N/A	1.026	1.026
Domestic Travel Accommodation*	N/A	N/A	14.741	14.741
Other Energy	0	N/A	0.000	0.000
Total t CO₂-e	0	6.233	36.775	43.008

Notes:

CO₂-e = Carbon Dioxide Equivalent

Solid waste data was unable to be separated from landlord data and has not been included.

* Indicates emission sources collected for the first time in 2023-24. The quality of data is expected to improve over time as emissions reporting matures.

† Indicates optional emission source for 2023-24 emissions reporting.

Table 3: 2023-24 Electricity Greenhouse Gas Emissions

Emission source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Electricity (Location-based approach)	6.233	0.497	6.730	100.00%
Market-based electricity emissions	6.063	0.749	6.812	81.28%
Total renewable electricity	-	-	-	18.72%
Mandatory renewables #	-	-	-	18.72%
Voluntary renewables ^	-	-	-	0.00%

Notes:

The table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods.

CO₂-e = Carbon Dioxide Equivalent

indicates Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

^ Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

We remained committed to Environmental, Social and Governance in 2023-24 with several key achievements in this area shown in Figure 4. Aligned with the Australian Government's transition to a circular economy by 2030, we developed a Waste Management Strategy to reduce waste and improve recycling practices to deliver sustainable and effective outcomes for RIC.

We also reduced our gender pay gap when compared with the national average and maintained strong female representation across our organisation and board positions.

Figure 4: 2023-24 ESG achievements

Environmental



Energy consumption baseline metrics adopted



Vehicle emission tracking adopted



Implemented Waste Management Strategy

Social



Reflect – Reconciliation Action Plan awaiting endorsement by Reconciliation Australia



0 worker's compensation claims since inception



Gender pay gap decreased to 9.17% for FY24 vs national average of 12%

Governance



Modern Slavery Statement currently on track



Annual Board self-evaluation and skills matrix review



Strong female representation across board positions





Advertising and market research

In 2023-24, we undertook market research among Australian farmers to measure awareness, familiarity, and satisfaction with RIC and our loan products. The results told us that 88 per cent of those farmers surveyed who had used RIC felt 'very' or 'somewhat' satisfied with the services provided by us.⁴ Almost half of the farmers felt 'very' or 'somewhat' likely to use RIC in the future.

These results have informed strategic communication, including through advertising services, to further drive awareness and education of our loan products and to reach Australian farmers to maximise the value, relevance and impact of our marketing activities.

We also utilised an online recruitment platform to promote job opportunities in RIC to fill critical roles.

The amounts RIC paid to media, market research and advertising organisations in 2023-24 are in Table 4.

Table 4: Payments to media, market research and advertising organisations in 2023-24

Organisation	Purpose	Total amount paid \$
Southern Cross Austereo	Advertising	\$19,944
Hootsuite	Social media content management	\$17,852
Stream Pty Ltd	Media monitoring	\$22,770
Seek	Recruitment advertising	\$16,872
JWS Consulting Pty Ltd	Market Research	\$45,000
Taverner Research	Market Research	\$46,750

Note:

Section 311A of the Commonwealth Electoral Act 1918 requires Australian Government departments and agencies to set out in their annual report details of amounts greater than \$16,300 (inclusive of GST) paid by or on behalf of them during the year to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

⁴ Taverner Research Group Regional Investment Corporation Brand Tracker Report, December 2023

Annual performance statements

Statement of preparation

I, Karen Smith-Pomeroy, on behalf of the RIC Board, present the agency's annual performance statements for 2023-24, prepared in accordance with subsection 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

In the Board's opinion, these performance statements accurately present the RIC's performance for the year ending 30 June 2024 and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule).



Karen Smith-Pomeroy
Chair



Overview of performance

Table 5 sets out the results of performance measures and targets from our 2023-24 Corporate Plan.

As at 30 June 2024, we fully acquitted all applicable targets that were due for completion during the year.

Transformation program targets completed

Two targets relate to delivery of the insourcing project, through which we insourced all loan origination and management services, systems and workforce capability that were previously delivered by an outsourced third party.

The RIC team delivered the project through a structured and well-governed project management approach involving a range of deliverables. These included procuring, designing, testing and deploying new technologies, data migration, system integrations, the establishment of our new customer contact centre and delivery of all required wraparound compliance and assurance systems and processes. The new insourced operating model achieved a successful and seamless 'go live' in October 2023.

The project also required the expansion of our workforce by approximately one third to deliver the new end-to-end customer experience. We undertook a successful recruitment campaign, onboarded and trained new team members so that the new workforce was fully operational in time for the October 2023 go live.

Loan delivery and management

We deployed 77 per cent of our annual loan funding appropriation through sustained demand for RIC loans during the year. In line with changes in seasonal, environmental and market conditions, demand was highest for AgriStarter and Farm Investment Loans, in contrast to strong demand for Drought Loans in previous years.

We exceeded our loan processing time to decision target again this year with a result of 95 per cent of eligible loans were decisioned within 30 RIC-handling days.

We delivered against our credit risk appetite target as planned by approving 100 per cent of new loan applications within risk appetite. Our assessment and credit processes ensure we lend to customers who are in financial need, but viable in the long term with capacity to repay the loan, in accordance with our legislative requirement to not be a 'lender of last resort'. Our Board continued to oversee credit risk appetite, upon which all credit assessment policies and tools are built.

Customer experience

Our annual customer research indicated a strong majority of customers (87 per cent) are satisfied with their overall experience with the RIC, similar to last year's result (85 per cent) and maintaining an upward trend from previous years.

Following the commencement of our insourced operating model in October 2023, we have been dedicated to our customer experience principles and improving the experience for loan applicants and customers.

In acting on customer feedback we received on our application form (50 per cent of customers required help to complete the form), we worked on a project to find ways to reduce customer effort. Through this project, we reduced our online and manual application forms by 50 per cent. We consulted with customers and our colleagues at the Rural Financial Counselling Service to deliver this improved application form experience and will be launching the new form in July 2024.

We also enhanced our data systems to streamline information required from customers, capture key metrics that help us better understand our customers, and we adjusted our customer interaction points to prioritise up-front assistance that saves them time and effort.

Having full ownership of all customer experience-related systems and processes has allowed us to set a course of continuous service delivery improvement.

Environment, Social and Governance

Throughout the year, our Reconciliation Action Plan (RAP) Committee made solid progress in the development of RIC's first Reflect RAP. At the close of the year, our RAP was in the final approval stages awaiting endorsement by Reconciliation Australia and we had commissioned a RAP artist to develop an artwork to support our reconciliation story. Launching our plan and progressing the actions within it will continue in FY2024-25.

We also continue to monitor and report emissions data through our Environment, Social and Governance (ESG) Committee.

Performance measures & targets

Table 5: 2023-24 performance measures & targets

Key activities	Performance measures	Targets	Achieved	Result
We will deliver our loans in accordance with funding appropriations available and application decision timelines	Number and value of loans approved	Support provided within appropriation limits	Achieved	\$199.9M of loans were approved between 1 July 2023 and 30 June 2024 which was within the \$258.9M total funding allocation.
	Deliver services efficiently within approved funding	Operate within approved operating budget	Achieved	Year-end \$0.7M surplus result within the year-end budget deficit of \$1.2M.
	Loan processing timeframe	85% of eligible loans decided in 30 RIC-handling days for the loan facility of \$218M	Achieved	198 of 209 eligible loans were decided within 30 RIC-handling days, equating to 95%.
We will manage credit risk in the loan portfolio, with a focus on ensuring all new loans are assessed in line with the credit risk appetite statement	Risk is managed within acceptable tolerances	95% of new loan decisions are consistent with the risk appetite	Achieved	196 of 196 loans approved between 1 July 2023 and 30 June 2024 were consistent with the Credit Risk Appetite (i.e > FD credit security grade) equating to 100%.
We will implement the final stages of the transformation program, involving the deployment of new technology that insources loan management and origination, and realigns our workforce and capability to a new operating model	Implement a loan management system (LMS)	LMS implemented and functional	Achieved	LMS successfully went live from 13 October 2023.
	Workforce capability aligned to the new operating model	Workforce plan implemented and embedded	Achieved	The Workforce plan has been fully implemented with the probation of onboarded staff completed.
We will increase customer satisfaction to enhance our customer service and experience	Improved customer satisfaction	Customer satisfaction rating above 80%	Achieved	87% of RIC-assisted farmers surveyed in 2023-24 were satisfied with their overall experience with the RIC, a slight improvement on the 85% satisfied with their experience when surveyed in 2022-23.
We will deliver new products or product amendments as directed by the Australian Government	Responsive and efficient delivery of new products and enhancements	New products delivered on time and within appropriation limits	Not applicable	No new products were required for delivery in 2023-24.
We will develop a framework for ESG and associated reporting	Adoption of government policy and expectations on ESG	Progress towards carbon net zero	Achieved	Monitoring of greenhouse gas emissions underway with regular reporting being provided.
		Develop a Reconciliation Action Plan	Achieved	The Reconciliation Action Plan was in the final approval stages awaiting endorsement by Reconciliation Australia.

Making a difference to farm businesses

We are proud to be supporting the growth, resilience, and sustainability of Australia's agricultural economy.

It is always exciting to hear from our customers who are feeling more optimistic about their future with the support of a RIC loan.

Egg-citing times for new farm business thanks to RIC low-interest loan

Although husband-and-wife team Trudy and Andrew Pilmore were experienced farm operators working in primary production for decades, purchasing their first farm business in September 2022 was a leap of faith.

"We had been working for other people for 22 years and we wanted a change," Trudy said.

"It was really a grand leap of faith, but I think everybody needs a good egg."

"The industry suited the size of our farm and it allows us to intensify," Andrew said.

Earth Eggs is based in West Range, South Australia, and is home to 8,000 hens producing up to 4,500 eggs daily.



Its product is classed as pastured free range, a type of production which focuses on lower stocking densities and rotational grazing so there is always ground cover and plant species for the hens to eat, in addition to grain.

But to start the operation, the Pilmores needed to buy their equipment upfront – that included 15 chicken caravans, a tractor, a grain cart and an egg grading machine.

Discovering RIC low-interest loans for new farmers at a local field days event, the Pilmores said an AgriStarter Loan sounded like a good way to accelerate their business plans.

“We were looking at how we were going to finish off some of the projects to build the business and it was pretty tough with the interest rates – our cash flow was very tight,” Andrew said.

With its 5-year interest-only period, the Pilmores used their AgriStarter Loan to refinance some of their existing business debt.

Settling their loan at the end of 2023, they became the 3,000th farm business customers to receive Australian Government funding through a RIC loan since the organisation started in 2018 – a welcome event for the Pilmores and another significant RIC milestone.

“We found everyone from RIC very friendly, we received answers quickly and they were easy to talk to,” Trudy said.

“Having a cheaper interest rate means we can keep going and finish those projects, such as extra shedding, and we buy in additional pullets about four times a year.

“Our RIC loan also means we can eliminate our equipment finance loan and the extra money we will save will be used to keep the interest on our remaining debt down.”

The Pilmores hope to increase their flock over time to 9,000 chickens to bring their output to 7,500 eggs a day and grow their financial nest egg over time.



“

Having a cheaper interest rate means we can keep going and finish those projects, such as extra shedding, and we buy in additional pullets about four times a year.

”

Dairy farmers harness RIC finance to bounce back from disaster

Drought, flood and fires have all taken their toll in the Bega Valley but thanks to financial assistance from a RIC low-cost loan, Brodie and Kevin Game are focusing their efforts on what they can control to build for a stronger future.

The husband-and-wife partnership started dairy farming in 2010 with two Holstein cows.

“We were just milking two cows and rearing calves from those while we saved our pennies and worked fulltime,” Brodie said.

As a first-generation farm business, neither of them were raised in farming families, yet work experience ignited a passion for cattle and a desire to start their own agribusiness.

They became involved in a share farm and took on a lease before buying their own farming property in Bemboka in July 2022.

They have since built a year-round milking herd of 330 cows and run a total of 700 cattle across the two properties – predominantly Holsteins. They now milk 2.8 million litres a year and supply to Bega Cheese.

When drought conditions took hold during 2017-2019, the couple sold half their milking herd and young stock to maintain their operations and were forced to buy-in feed at high prices.

Then during the summer of 2019-2020, bushfires struck and burned out their lease farm, with 50 head of stock lost due to the lasting effects of smoke inhalation and in-utero complications.

2020-2022 then brought multiple flooding events, leading to a loss of pasture and eroded cow lanes and waterways.

That’s when they turned to RIC to apply for a Farm Investment Loan.

“Because we managed to get the farm purchase through our commercial lender, we wanted to reduce our risk profile and improve our infrastructure after the recent challenges we faced,” Brodie said.

The Games applied for a loan to fund a pivot to irrigate an additional 35 hectares of pasture – it represents a significant upgrade on the existing inefficient bike shift irrigation.

Brodie said the new pivot would allow for greater pasture growth, more effective pasture management and would ultimately lower their exposure to the feed market.

As an added feature, the couple had the pivot designed so they could utilise the effluent system on-farm to deliver increased nutrients to the paddock, reducing their reliance on fertiliser and taking the total coverage area from 8 hectares to 43 hectares.

Brodie said with fertiliser costs currently at \$900 a tonne, the investment had the dual benefit of building their feed stocks and reusing a waste product already available on the farm.

“It’s a three-stage system – when we hose out the dairy, the effluent from the cows goes into a solids trap, then the liquid goes into a holding dam and from there, it will go to the pivot,” she said.

“With carbon emissions becoming such a relevant topic, if we can utilise that by-product, it ticks a lot of boxes.”

Brodie said the couple was attracted to RIC’s concessional loan interest rate.

“The interest-only period for the first 5 years of the 10-year loan term was very enticing because it gave us more time to install the pivot and pay the money back once it made money for us,” she said.

As the cycle of dry conditions approaches once more, she said the RIC loan was one way the couple could better influence their business conditions.

“Every disaster has changed our management of our business because it’s not an ‘if’ these things will happen again, it’s a ‘when’ and there are different levers we can pull to get through it.”

She said they were grateful for the lending team at RIC who understood their needs and were willing to help them through the application process to approval and then settlement.



“
Every disaster has changed our management of our business because it’s not an ‘if’ these things will happen again, it’s ‘when’ and there’s different levers we can pull to get through it.
”

Livestock graziers improve farm infrastructure and sustainability with RIC AgriStarter succession loan

Since his teens, Lachlan Patterson has held a passion for working in agriculture when his parents established Kinellar Rams White Suffolk and Poll Dorset stud near Canowindra in central western New South Wales.

Now the 32-year-old has taken on the stud to carry on his family's long running history in agriculture.



With three sisters, some of whom were also interested in agriculture, he wanted to mitigate risks going into succession planning and build a separate farm beyond the family assets.

While Lachlan and his wife Jacqueline already agisted some land on his family's farm, they decided to buy a 100-hectare property at nearby Cudal.

"It was three paddocks, had a dilapidated water system and a set of cattle yards," he said describing the basic facilities of the property.

With no shearing shed on the farm, the couple started transitioning to a shedding sheep flock using UltraWhite genetics and began breeding Poll Hereford cattle for grazing management of rank grasses.

The couple wanted to make improvements and promote sustainability throughout the land; however, their commercial debt left them with little cash flow until they could build up their animal production capacity.

Watching rising interest rates, the Pattersons decided it was time to apply for an Australian Government-funded low-interest RIC AgriStarter Loan.

They were able to meet key eligibility criteria including having 3 years of relevant on-farm or equivalent experience with the intention to have the farm business as their principal business pursuit.

They also showed they were undertaking succession planning arrangements and planned to earn at least 50 per cent of their income from the farm business within the loan term.

After being approved, they refinanced their existing commercial debt and used the improved cash flow from the lower interest payments to upgrade the farm. They installed 15 livestock water troughs and a solar pump which draws from a creek but can also tap into municipal water supplies during dry periods.

“Having water infrastructure in place makes life so much easier, it’s going to be great for the future, it nearly drought-proofs us really”. Lachlan said.

They found the loan terms, which included interest-only payments for the first five years with the ability to tailor a repayment schedule worked for their business.

The RIC’s variable interest rate, that is set for six-month periods, along with the 10-year loan term gave them greater certainty of their financing.

“With the RIC, we know that we’ve got a longer-term period that we can actually plan for in our budgets,” he said.

Lachlan and Jacqueline have since welcomed a son into their family and look forward to raising him in an agricultural setting.

They plan to install fencing to divide the farm into smaller paddocks which will allow rotational grazing to improve pasture regrowth, soil health and animal productivity.

“Without healthy soils and healthy pastures basically there’ll be nothing left for future generations,” Lachlan said.



I think the RIC loan has been great for younger farmers especially ones that need to invest in infrastructure works.



Financial statements

Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

To the Minister for Finance

Opinion

In my opinion, the financial statements of the Regional Investment Corporation (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Chair of the Board, Chief Executive Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

GPO Box 707 CANBERRA ACT 2601
38 Sydney Avenue FORREST ACT 2603
Phone (02) 6203 7300 Fax (02) 6203 7777

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Bradley Medina
Senior Executive Director
Delegate of the Auditor-General

Canberra
5 August 2024

Statement of Accountable Authority from the Chair, CEO and CFO

In our opinion, the attached financial statements for the period ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Regional Investment Corporation will be able to pay its debts as and when they fall due.

 Signed	 Signed	 Signed
Karen Smith-Pomeroy	John Howard	Michael Jones
Chair of the Board	Chief Executive Office	Chief Financial Officer
5 August 2024	5 August 2024	5 August 2024

Regional Investment Corporation
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2024

Audited Financial Statements

	Notes	2024 \$	2023 \$	Original Budget 2024 \$
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	13,002,099	10,237,783	7,214,000
Suppliers	1.1B	9,546,065	14,734,757	15,858,000
Depreciation	2.2A	201,557	199,662	131,000
Finance costs		986	3,064	-
Write down of assets		6,407	539	-
Total expenses		22,757,114	25,175,805	23,203,000
Own-source revenue				
Interest revenue	1.2A	1,215,640	570,973	-
Revenue from contracts with customers	1.2B	135,862	54,084	-
Other revenue		7,192	39,905	-
Total own-source revenue		1,358,694	664,962	-
Net (cost of) services		(21,398,420)	(24,510,843)	(23,203,000)
Revenue from government	1.3A	22,063,000	22,965,000	22,063,000
Surplus/(Deficit) before income tax on continuing operations		664,580	(1,545,843)	(1,140,000)
Total comprehensive income/(loss)		664,580	(1,545,843)	(1,140,000)

The above statement should be read in conjunction with the accompanying notes.

Budget variance analysis is outlined in Note 5.3

Regional Investment Corporation
STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

	Notes	2024 \$	2023 \$	Original Budget 2024 \$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	5,878,431	8,888,612	3,510,000
Trade and other receivables	2.1B	469,671	235,677	25,000
Other investments	2.1C	10,000,000	7,499,996	10,000,000
Total financial assets		16,348,102	16,624,285	13,535,000
Non-financial assets¹				
Land and buildings	2.2A	75,598	226,787	305,000
Property, plant and equipment	2.2A	62,328	119,103	147,000
Other non-financial assets	2.2B	666,041	474,140	304,000
Total non-financial assets		803,967	820,030	756,000
Total assets		17,152,069	17,444,315	14,291,000
LIABILITIES				
Payables				
Supplier payables	2.3A	438,625	1,696,943	1,561,000
Other payables	2.3B	436,703	326,627	363,000
Total payables		875,328	2,023,570	1,924,000
Provisions				
Employee provisions	3.1A	1,415,485	1,097,884	893,000
Total provisions		1,415,485	1,097,884	893,000
Interest bearing liabilities				
Leases	2.4A	23,205	149,390	84,000
Total provisions		23,205	149,390	84,000
Total liabilities		2,314,018	3,270,844	2,901,000
Net assets		14,838,051	14,173,471	11,390,000
EQUITY				
Contributed equity		337,000	337,000	337,000
Asset revaluation reserve		35,262	35,262	35,000
Retained earnings		14,465,789	13,801,209	11,018,000
Total equity		14,838,051	14,173,471	11,390,000

The above statement should be read in conjunction with the accompanying notes.

¹ Right-of-use assets are included in the Land and buildings line item.

Budget variance analysis is outlined in Note 5.3

Regional Investment Corporation
STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2024

	2024	2023	Original Budget 2024
	\$	\$	\$
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	337,000	337,000	337,000
Closing Balance	337,000	337,000	337,000
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	13,801,209	15,347,052	12,158,000
Adjusted opening balance	13,801,209	15,347,052	12,158,000
Comprehensive income			
Surplus/(loss) for the period	664,580	(1,545,843)	(1,140,000)
Total comprehensive income/(loss)	664,580	(1,545,843)	(1,140,000)
Closing balance as at 30 June	14,465,789	13,801,209	11,018,000
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	35,262	35,262	35,000
Closing balance as at 30 June	35,262	35,262	35,000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	14,173,471	15,719,314	12,530,000
Adjusted opening balance	14,173,471	15,719,314	12,530,000
Comprehensive income			
Surplus/(loss) for the period	664,580	(1,545,843)	(1,140,000)
Total comprehensive income	664,580	(1,545,843)	(1,140,000)
Closing balance as at 30 June	14,838,051	14,173,471	11,390,000

The above statement should be read in conjunction with the accompanying notes.

Accounting Policy

Equity injections

Amounts appropriated which are designated as "equity injections" for a year are recognised directly in contributed equity in that year.

Budget variance analysis is outlined in Note 5.3

Regional Investment Corporation

CASH FLOW STATEMENT

as at 30 June 2024

	Notes	2024 \$	2023 \$	Original Budget 2024 \$
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		22,063,000	22,965,000	22,063,000
Interest on deposits		913,000	403,959	-
GST received from the ATO		201,491	538,896	-
Other		216,336	88,607	-
Total cash received		23,393,827	23,996,462	22,063,000
Cash used				
Employees		12,569,786	10,108,131	7,214,000
Suppliers		11,206,252	15,292,651	15,858,000
Interest payments on lease liabilities		986	3,064	-
Other		795	-	-
Total cash used		23,777,819	25,403,846	23,072,000
Net cash flows from operating activities		(383,992)	(1,407,384)	(1,009,000)
INVESTING ACTIVITIES				
Cash received				
Investment		-	2,500,004	-
Total cash used		-	2,500,004	-
Cash used				
Investment		2,500,004	-	-
Purchase of non-financial assets		-	20,196	-
Total cash used		2,500,004	20,196	-
Net cash flows (used by) investing activities		(2,500,004)	2,479,808	-
FINANCING ACTIVITIES				
Cash used				
Principal payments of lease liabilities		126,185	126,156	191,000
Total cash used		126,185	126,156	191,000
Net cash flows from / (used by) financing activities		(126,185)	(126,156)	(191,000)
Net increase/(decrease) in cash and cash equivalents held		(3,010,181)	946,268	(1,200,000)
Cash and cash equivalents at the beginning of the reporting period		8,888,612	7,942,344	4,710,000
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2.1A	5,878,431	8,888,612	3,510,000

Budget variance analysis is outlined in Note 5.3

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the Regional Investment Corporation

The Regional Investment Corporation (RIC) is a corporate Commonwealth entity established by the *Regional Investment Corporation Act 2018*. The objective of the RIC is to administer financial assistance on behalf of the Australian Government to farm businesses and farm-related small businesses. The RIC issues loans to encourage growth, investment and resilience in rural and regional communities and Australian farm businesses utilising efficient, equitable and transparent lending practices.

Functions of the Regional Investment Corporation

The key functions of the RIC, as prescribed under its enabling legislation are to administer farm business loans and programs prescribed by the rules. The loans provided by the RIC, are accounted for in the administered Financial Statements of the Department of Agriculture, Fisheries and Forestry (DAFF). RIC discloses the amount of loan funding that is received, lent, and remaining at the end of the reporting period in Note 5.2.

The Basis of Preparation

The financial statements are general purpose financial statements as required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Simplified Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities which are recorded at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar, unless otherwise specified.

New Accounting Standards

All new, revised or amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the RIC's financial statements.

Taxation

The RIC is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). The RIC is an enterprise for GST purposes, the primary activity carried on by the RIC is the provision of farm business loans, the provision of farm business loans constitutes the making of financial supplies. Financial supplies are input taxed and acquisitions made in connection with the making of financial supplies are not creditable where the Financial Acquisitions Threshold is exceeded.

Despite the RIC exceeding the Financial Acquisitions Threshold as defined in *A New Tax System (Goods and Services Tax) Act 1999* the RIC is entitled to claim an input tax credit of 75% of the input tax credits on acquisitions of a type listed in the GST regulations, this includes the Loan Service Provider fees and fees paid for other loan processing services incurred by the RIC.

Events after the reporting period

There are no known events occurring after the reporting period that could have a material impact on the financial statements.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 Financial Performance

This section analyses the financial performance of the RIC for the period ended 30 June 2024.

1.1 Expenses

	2024	2023
	\$	\$
Note 1.1A: Employee benefits		
Wages and salaries	10,298,348	8,134,633
Superannuation	1,231,873	893,564
Leave and other entitlements	1,365,828	1,019,034
Separation and redundancies	106,050	190,552
Total employee benefits	13,002,099	10,237,783

Accounting Policy

Accounting policies for employee related expenses are contained in Section 3, People and Relationships.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Loan service provider	1,970,620	6,674,749
Consultants	2,426,501	2,480,011
Contractors	532,006	1,328,966
Information technology services	2,931,061	2,732,273
Legal services	263,376	223,944
Marketing and communications	184,456	200,102
Recruitment services	86,127	112,031
Staff training and development	134,395	257,732
Travel	237,912	242,596
Credit assessment charges	327,759	99,824
Property operating costs	60,355	54,853
Other goods and services	391,497	327,676
Total goods and services supplied or rendered	9,546,065	14,734,757

Included within the balance of other goods and services is the 2023-24 ANAO Audit fee paid by the RIC as a paying entity of \$99,000 (2022-23: \$99,000).

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2 Own-Source Revenue and Gains

	2024	2023
	\$	\$
Note 1.2A: Interest		
Deposits	1,215,640	570,973
Total interest	1,215,640	570,973
Note 1.2B: Revenue from contracts with customers		
Settlement recovery costs	135,862	54,084
Total revenue from contracts with customers	135,862	54,084
Note 1.3A: Revenue from Government		
Corporate Commonwealth entity payment item	22,063,000	22,965,000
Total revenue from Government	22,063,000	22,965,000

Accounting Policy

Interest

RIC has available cash in interest bearing term deposits. Interest revenue is recognised using the effective interest method.

Revenue from Government

Funding received or receivable from DAFF (appropriated to DAFF as a corporate Commonwealth entity payment item for payment to the RIC) is recognised as Revenue from Government by RIC unless the funding is in the nature of an equity injection or a loan.

Amounts transferred to the RIC from appropriations to DAFF (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the RIC gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Revenue from contracts with customers

Revenue from contracts with customers is from the cost recovery of issuing loans.

RIC customers are charged 'actual costs for establishing the loan' as included in the published guidelines for each loan program and available on the RIC website. The RIC recognises revenue upon completion of services.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Financial Position

This section analyses RIC's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in Section 3 People and Relationships.

2.1 Financial Assets

	2024	2023
	\$	\$
Note 2.1A: Cash and cash equivalents		
Cash on hand or on deposit	5,878,431	8,888,612
Total cash and cash equivalents	5,878,431	8,888,612
Note 2.1B: Trade and other receivables		
Goods and services receivable		
Trade receivables	-	68,663
Interest receivable	469,671	167,014
Total goods and services receivable (gross)	469,671	235,677
Note 2.1C: Other Investments		
Term deposit	10,000,000	7,499,996
Total other investments	10,000,000	7,499,996

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

1. cash on hand; and
2. demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Investments are demand deposits in bank accounts with an original maturity of more than 3 months. The RIC has opted for an 11 month (2023: 9 month) maturity deposit and is therefore classifying this deposit as an investment and not cash or cash equivalent.

Credit terms for goods and services were 30 days.

Regional Investment Corporation
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2.2 Non-Financial Assets

Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Buildings

	Buildings	Property, plant and equipment	Total
	\$	\$	\$
As at 1 July 2023			
Gross book value	831,539	167,370	998,909
Accumulated depreciation and impairment	(604,752)	(48,267)	(653,019)
Total as at 1 July 2023	226,787	119,103	345,890
Depreciation on Property Plant and equipment	-	(50,368)	(50,368)
Depreciation on right-of-use assets	(151,189)	-	(151,189)
Asset write down	-	(6,407)	(6,407)
Total as at 30 June 2024	75,598	62,328	137,926
Total as at 30 June 2024 represented by:			
Gross book value	831,539	153,480	985,019
Accumulated depreciation and impairment	(755,941)	(91,152)	(847,093)
Total as at 30 June 2024	75,598	62,328	137,926
Carrying amount of right-of-use assets	75,598	-	75,598

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

Revaluations of Non-Financial Assets

Following initial recognition at cost, property, plant and equipment (excluding right of use (ROU) assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses.

The RIC undertook a revaluation of all property, plant and equipment at the end of the 2021-22 financial year. The next valuation of all property plant and equipment will be within the next year. Between valuations RIC undertakes annual assessment of assets to determine whether there has been any material movement in fair value which requires recognition in the financial statements.

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$10,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Lease Right of Use (ROU) Assets

The leased ROU asset is capitalised at the commencement date of the lease and comprises of the initial lease liability amount and initial direct costs incurred when entering into the lease. This asset is accounted for by RIC as a separate asset class.

An impairment review is undertaken for the right of use lease asset to determine if there are any indications of impairment and if so the impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition.

The RIC has recognised one right of use asset for its commercial office premises at 122-124 Kite Street Suite 2, Orange NSW.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the RIC using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Asset Class	Useful Life
Property, plant and equipment	Between 3-5 years

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2024. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. No indications of impairment exist for any fixed asset or for the ROU asset.

Derecognition

Items of property, plant and equipment are derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. This financial year the RIC has recognised the write down of signage, network hardware and some office furniture.

Fair Value

All property, plant and equipment are measured at their estimated fair value in the Statement of Financial Position. All property, plant and equipment held by the RIC are categorised under Level 2 in accordance with the hierarchy listed in AASB 13.

Level 2 measurements use inputs other than quoted prices that are observable for the asset. The future economic benefits of the RIC's property, plant and equipment are not primarily dependent on their ability to generate cash flows.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2024	2023
	\$	\$
Note 2.2B: Other non-financial assets		
Prepayments	666,041	474,140
Total other non-financial assets	666,041	474,140

No indicators of impairment were found for other non-financial assets.

2.3 Payables

	2024	2023
	\$	\$
Note 2.3A: Supplier payables		
Trade creditors and accruals	438,625	1,696,943
Total supplier payables	438,625	1,696,943

Settlement is usually made for suppliers within 30 days.

Note 2.3B: Other payables

Salaries and wages	401,697	296,294
Superannuation	34,345	30,333
Statutory payables	661	-
Total other payables	436,703	326,627

2.4 Interest Bearing Liabilities

	2024	2023
	\$	\$
Note 2.4A: Leases		
Lease liabilities	23,205	149,390
Total leases	23,205	149,390

Note 2.4B: Leases - Maturity

Maturity analysis - contractual undiscounted cash flows

Within 1 year	53,490	112,719
Between 1 to 5 years	-	53,490
Total leases	53,490	166,209

The current lease for the Orange head office commenced in December 2018 and is due to expire in December 2024. There is one remaining 3 year lease extension option available, this option has not been taken into account in calculating the lease liability as RIC is not reasonably certain of exercising the option.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

For all new contracts entered into, the RIC considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department's incremental borrowing rate.

Subsequent to initial measurement, the lease liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

3. People and Relationships

This section describes a range of employment and post-employment benefits provided to our employees and our relationships with other key people.

3.1 Employee Provisions

	2024	2023
	\$	\$
Note 3.1A: Employee provisions		
Annual leave	829,608	697,573
Long service leave	585,877	400,311
Total employee provisions	1,415,485	1,097,884

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

The RIC uses the Department of Finance Shorthand model for determining the long service leave provision.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the RIC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by reference to the Department of Finance 2023-24 standard parameters and using the Shorthand model. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The RIC's staff are members of various Superannuation Schemes. The RIC makes employer contributions to the employee superannuation schemes and these are expensed in the financial statements.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the RIC, directly or indirectly, including any director (whether executive or otherwise) of the RIC. The RIC has determined the key management personnel to be the Chief Executive Officer, the Executive Leadership Team and the Board. Key management personnel remuneration is reported in the table below:

	2024	2023
	\$	\$
Note 3.2A: Key management personnel remuneration		
Short-term employee benefits	1,350,856	1,324,095
Other long-term employee benefits	30,627	19,419
Post-employment benefits	130,764	126,482
Total key management personnel remuneration expenses	1,512,247	1,469,996

There are ten (10) key management personnel included in the above table this includes the Chief Executive Officer, the Board and the Executive Leadership Team (2023:11 people including staff acting in KMP roles).

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the RIC.

3.3 Related Party Disclosures

Related party relationships:

The RIC is an Australian Government controlled entity. Related parties to the RIC are Directors, Key Management Personnel including the Portfolio Minister and Executive, and other Australian Government entities.

Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The RIC transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions. The RIC transacts with the Digital Transformation Agency for IT licenses. These are not considered individually significant to warrant separate disclosure as related party transactions.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the RIC, it has been determined that there are no related party transactions to be separately disclosed.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4. Managing Uncertainties

This section analyses how the Agency manages financial risks within its operating environment.

4.1 Contingent Assets and Liabilities

The RIC does not have any quantifiable or unquantifiable contingencies for 2024 (2023: nil).

5. Other Information

5.1 Current/non-current distinction for assets and liabilities

	2024	2023
	\$	\$
Note 5.1A: Current/non-current distinction for assets and liabilities		
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	5,878,431	8,888,612
Trade and other receivables	469,671	235,677
Other investments	10,000,000	7,499,996
Other non-financial assets	666,041	474,140
Total no more than 12 months	17,014,143	17,098,425
More than 12 months		
Land and buildings	75,598	226,787
Property, plant and equipment	62,328	119,103
Total more than 12 months	137,926	345,890
Total assets	17,152,069	17,444,315
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	438,625	1,696,943
Other payables	436,703	326,627
Leases	23,205	95,900
Employee provisions	758,776	599,716
Total no more than 12 months	1,657,309	2,719,186
More than 12 months		
Leases	-	53,490
Employee provisions	656,709	498,168
Total more than 12 months	656,709	551,658
Total liabilities	2,314,018	3,270,844

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.2 Other Consolidated Revenue Fund (CRF) money

The RIC receives funds from the Commonwealth Consolidated Revenue Fund (CRF) via DAFF for the purpose of funding approved concessional loans. Any balance of funds received from DAFF, the bank or loan recipients that are yet to be disbursed are held by the RIC on behalf of the loan recipient.

There are a number of circumstances that could result in individual loan settlements being rejected or delayed, this may be due to incorrect account details or circumstances changing at the point of settlement. In this situation funds are paid out of the bank account to the settlement trust account, returned and paid out again.

This note reflects the difference between the funds received and the funds disbursed at the end of the financial year. All other loan cashflows are shown in the administered accounts of DAFF. Payments are all outgoings from the loan accounts this includes: funds lent to loan recipients, interest returned to DAFF; principal repayments returned to DAFF. Similarly receipts are all incoming transactions into the loan accounts this includes: interest from loan recipients; interest from the bank; principal repaid and funds from DAFF for loans. Receipts and payments are recorded as final amounts net of rejections.

At June 30 2024 the difference between what the RIC has received and what has been lent or returned is detailed below. The beneficiary of these funds is the loan recipient or the Commonwealth, not the RIC. The closing balance is an asset reported by DAFF in their administered financial statements.

	2024	2023
	\$	\$
Note 5.2A: Loan funding received but not disbursed		
As at 1 July		
Assets held in trust added to receipts	10,111,407	10,008,093
Receipts	412,674,346	274,448,653
Payments	406,883,083	274,345,339
Total as at 30 June	15,902,670	10,111,407
Total amount held at the end of the reporting period	15,902,670	10,111,407

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5.3 Budget Variances

Budget variance explanation	Affected statements and line items
<p>The RIC budgeted for a \$1.2 million deficit based on expected loan activity and an assumption of some non-recurring items arising out of disengagement from the contracted external loan service provider, which occurred in October 2023.</p> <p>The RIC finished the year with a surplus of \$665k, and accordingly did not need to utilise its approved budget deficit. The 2023/24 operating budget included a contingency of \$525k in anticipation of potential unknowns under the new operating model, and the assumption of some significant external IT support, which was not ultimately required to the degree anticipated. Employee expenses continue to be the largest category, amounting to \$13 million, or approximately 59% of the RIC's funding allocation. The increase in employee costs supplants what was previously recognised as supplier expenditure under the outsourced model.</p> <p>The RIC also generated more interest income than budgeted which is a result of the more buoyant general rate environment and informs \$1.2 million in additional revenue.</p>	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> - Employee benefits - Suppliers - Own source revenue <p>Statement of Financial Position:</p> <ul style="list-style-type: none"> - Cash and cash equivalents - Total payables - Employee provisions <p>Statement of Cash Flows</p> <ul style="list-style-type: none"> - Cash used suppliers - Cash used Employees <p>Statement of Changes in Equity</p> <ul style="list-style-type: none"> - Surplus for the period
<p>The lower than budgeted expenses and greater than budgeted revenue contributed to levels of available cash and the RIC continued to maximise interest revenue to above budget levels through an effective investment strategy. The RIC invested significant portions of retained earnings (available cash) in term deposits, leveraging the available rates.</p> <p>The RIC commenced a new banking arrangement with the Commonwealth Bank of Australia in order to disburse customer loan funds and provide facility to collect customer interest and principal repayments. The fee structure is modest, and any interest earned on interim balances are passed through to DAFF, and accordingly are not reflected in the RIC's financial statements.</p>	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> - Revenue from contracts with customers - Other revenue - Trade and other receivables <p>Statement of Financial Position:</p> <ul style="list-style-type: none"> - Other investments <p>Statement of Cashflows</p> <ul style="list-style-type: none"> - Investing activities
<p>Total liabilities for the RIC are less than budgeted due to a decrease in supplier payables, which was previously informed by the outsourced loan management model. The RIC's workforce has significantly increased, resulting in commensurately larger employee provisions.</p> <p>Financial assets are also a greater level than expected due to not using the approved deficit in 2023/24 and interest income received.</p> <p>The RIC holds less non-financial assets than budgeted. This also impacts the budgeted depreciation expense which is greater than budgeted.</p>	<p>Statement of Financial Position:</p> <ul style="list-style-type: none"> - Non- Financial assets - Payables, Provisions, Leases - Equity <p>Statement of Comprehensive Income</p> <ul style="list-style-type: none"> - Depreciation

The RIC considers a major variance between budget and actuals is greater than 10% of the original estimate or it is considered important for the reader's understanding.

Appendices

Appendix 1: Accountable Authority

Details of Accountable Authority during the reporting period 2023-24

Prefix	First Name	Last Name	Post Nominals	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held	Exec / non-Exec	Start Date (1 July 2023 or after)	End Date (30 June 2024 or before)	No. of meetings of accountable authority attended
Ms	Karen	Smith-Pomeroy	ADip (Acc), FIPA, FFA, SF FIN, GAICD, AGIA	Associate Diploma (Accounting), Fellow of the Institute of Public Accountants, Senior Fellow of the Financial Services Institute of Australasia, Member Institute of Financial Accountants (UK), Graduate of the Australian Institute of Company Directors, Affiliate of the Governance Institute of Australia	Karen is an experienced non-executive director, with involvement across a number of sectors including agribusiness, energy, property and financial services. She has significant experience as a senior executive in the financial services sector. Karen has specific expertise in compliance, risk and governance, and deep expertise in credit risk and specialist knowledge of a number of industry sectors, including property, energy and infrastructure. Karen is currently a non-executive director of Kina Securities Limited, National Reconstruction Fund Corporation and Queensland Treasury Corporation. Karen is also Chair/member of several audit, risk and compliance committees for commercial and government entities.	Board Chair	Non-Exec	1-Jul-23	30-Jun-24	4

Prefix	First Name	Last Name	Post Nominals	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held	Exec / non-Exec	Start Date (1 July 2023 or after)	End Date (30 June 2024 or before)	No. of meetings of authority attended
Ms	Prue	Bondfield	LLB, Gdip Bus, Mktng, Mngt, MAICD	Bachelor of Laws, Diploma in Project Management, Graduate Diploma of Business, Marketing & Management, Graduate of the Australian Institute of Company Directors.	Prue has significant agribusiness and farming expertise from her former role as General Manager and Director of the Palgrove Group, a corporate livestock business with properties in Queensland and NSW. Prue has strong agriculture industry networks from various roles on Commonwealth and State entities and advisory committees. Prue is currently a Non-Executive Director of Australian Livestock Export Corporation Ltd, Bush Heritage Australia, and Midlands Conservation Partnership, and is a member of the Harvest Road Advisory Board.	Board Member	Non-Exec	1-Jul-23	30-Jun-24	4
Ms	Sharon	Starick	BAGSci(Hons), MAICD	Bachelor of Agricultural Science Honours in Plant Science	Sharon runs a combined grain and pork business in the Murraylands in South Australia. She brings not only practical on-farm knowledge, but 20 years' experience with industry bodies, natural resource management groups, government boards and other private and public organisations. Sharon is the current Chair of Animal Health Australia and APIQ which is the quality assurance program for the pork industry. Sharon is also on the Board of the Grains Research and Development Corporation, Murray Plains Farmers, Royal Automobile Association of SA, and is Independent Chair of the Future Drought Fund Advisory Group in SA.	Board Member	Non-Exec	1-Jul-23	30-Jun-24	4
Ms	Sally	Freeman	BComm, FICA, GAICD	Bachelor of Commerce, Fellow of the Institute of Chartered Accountants, Graduate of the Australian Institute of Company Directors, Member of Chief Executive Women	Sally is an experienced Non-Executive Director with expertise in risk management, financial and internal audit, board governance, and compliance. A Chartered Accountant, Sally was a partner of KPMG for more than 15 years, with experience in leading the internal audit and risk consulting divisions. Sally's current directorships include Netwealth, Netwealth Superannuation Services, Eastern Health, Melbourne Football Club, ADICA and Regis Aged Care. Sally is currently an audit committee member of Health Share Victoria, Commonwealth Games Australia, and Caulfield Grammar.	Board Member	Non-Exec	1-Jul-23	30-Jun-24	4

Prefix	First Name	Last Name	Post Nominals	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held	Exec / non-Exec	Start Date (1 July 2023 or after)	End Date (30 June 2024 or before)	No. of meetings of authority attended
Mr	Mark	Tucker	BSci(Hons), EFP ANZSOG	Bachelor of Science (Hons), Executive Fellow Graduate, Australian & New Zealand School of Government	Mark brings extensive experience as a former Deputy Secretary across Australian Government departments including Agriculture, Fisheries, Forestry, Water and Environment, Communications, and the Arts. In 2021, Mark was the Senior Agriculture Industry Engagement Officer for the Federal Government during the COVID pandemic. He also conducted independent reviews of the financial sustainability of the Australian Antarctic Division and the Overseas Agriculture Counsellor Network. Most recently, Mark held the position of Member of the Bureau of Meteorology Audit Committee and Deputy Chair of the Australian Government Bundanon Trust. He is a Board member at the Institute of Marine and Antarctic Studies at the University of Tasmania and a member of the Australian Antarctic Division Respect and Equality Reform Committee.	Board Member	Non-Exec	1-Jul-23	30-Jun-24	4

Appendix 2: Audit and Risk Committee

The Regional Investment Corporation Audit and Risk Committee Charter can be viewed at:

https://www.ric.gov.au/sites/default/files/documents/20240607_RIC-Audit-and-Risk-Committee-Charter-3.0-01092023.pdf

Details of Audit Committee during the reporting period 2023-24

Prefix	First Name	Last Name	Post nominals	Qualifications, knowledge, skills or experience	Number of meetings attended	Total number of meetings held	Total annual remuneration (GST inc.) \$	Additional Information
Ms	Sally	Freeman	Bcomm, FICA, GAICD	See Accountable Authority Table	3	3	21,550	Chair from 1 September 2023
Ms	Sharon	Starick	BAGSci(Hons), MAICD	See Accountable Authority Table	3	3	8,863	
Ms	Emily	Canning	Bcomm, FCPA, FCA, GAICD	Emily has held senior executive roles in the Australian Government including Chief Financial Officer designation, and more recently in the private sector, and brings extensive public sector financial management experience to her role on the Committee. She holds a Bachelor of Commerce and is a Fellow of CPA Australia and the Chartered Accountants Australia and New Zealand. Emily is a Graduate of the Australian Institute of Company Directors	2	3	8,160	
Mr	Tim	Youngberry	EFPP, ANZSOG, FCPA, FCA	Tim has held senior executive roles in the Australian Government with responsibilities covering whole-of-government financial reporting, accounting policies, budget framework and appropriations management. He also works as an expert on public finances with the International Monetary Fund and the OECD in a number of countries.	1	3	6,667	Chair from 1 July 2023 to 31 August 2023

Appendix 3: Management of human resources

All Ongoing Employees Current Report Period (2023-24)

	Man / Male			Woman / Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	25	0	25	26	7	33	0	0	0	0	0	0	0	0	0	58
Qld	4	0	4	6	0	6	0	0	0	0	0	0	0	0	0	10
SA	3	0	3	1	0	1	0	0	0	0	0	0	0	0	0	4
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	6	0	6	3	3	6	0	0	0	0	0	0	0	0	0	12
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	39	0	39	36	10	46	0	0	0	0	0	0	0	0	0	85

All Non-Ongoing Employees Current Report Period (2023-24)

	Man / Male			Woman / Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	4	1	5	2	0	2	0	0	0	0	0	0	0	0	0	7
Qld	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
SA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	1	0	1	0	0	0	0	0	0	0	0	0	1
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	5	1	6	3	0	3	0	0	0	0	0	0	0	0	0	9

All Ongoing Employees Previous Report Period (2022-23)

	Man / Male			Woman / Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	28	1	29	27	4	31	0	0	0	0	0	0	0	0	0	60
Qld	2	0	2	6	0	6	0	0	0	0	0	0	0	0	0	8
SA	3	0	3	1	0	1	0	0	0	0	0	0	0	0	0	4
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	4	0	4	4	1	5	0	0	0	0	0	0	0	0	0	9
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	38	1	39	38	5	43	0	0	0	0	0	0	0	0	0	82

All Non-Ongoing Employees Previous Report Period (2022-23)

	Man / Male			Woman / Female			Non-binary			Prefers not to answer			Uses a different term			Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	
NSW	5	0	5	2	2	4	0	0	0	0	0	0	0	0	0	9
Qld	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SA	1	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Tas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	6	0	6	2	2	4	0	0	0	0	0	0	0	0	0	10

Appendix 4: Executive remuneration

CEO & Board remuneration

The RIC Board and CEO are remunerated according to the determination of the Commonwealth Remuneration Tribunal. Statutory superannuation is paid in addition to the fees set by the Tribunal for Board members; however, it is included as part of the remuneration determination for the CEO.

Remuneration and Work Conditions Policy and Procedure and Industrial Instruments

RIC employees are employed in accordance with the Australian Government Industry Award 2016 (for employees within the salary barrier), National Employment Standards (for employees over the salary barrier) and the Public Sector Workplace Relations Policy 2023. Employees are paid in accordance with the relevant band within the RIC's remuneration and salary structure which is contained in the RIC's Remuneration and Work Conditions Policy. The RIC Remuneration and Classification Structure is a 7-level structure and provides delineation between Senior Executive, Executive and non-Executive Level remuneration.

Information about remuneration for senior executives

The RIC Executive Directors are employed in accordance with Letters of Offer, an Employment Agreement, the National Employment Standards and the Public Sector Workplace Relations Policy 2023. Executive Directors are paid in accordance with the RSE band of the RIC's remuneration and salary structure which is contained in the RIC's Remuneration and Work Conditions Policy. The RSE salary band has a lower and upper level and salary is negotiated between these bands based on capability, experience, and performance.

The RIC has no senior executives excepting those identified as Key Management Personnel (KMP). Senior executive remuneration is reported under KMP.

Information about remuneration for other highly paid staff

There were no staff members classified as other highly paid staff for this period; the RIC has no other highly paid staff remuneration to report.

Information about remuneration for key management personnel

During the reporting period 2023-24 which ended on 30 June 2024 the RIC had 10 personnel who met the definition of key management personnel.

Name	Position Title	Base Salary	Bonuses	Other Benefits and Allowances	Superannuation Contributions	Long Service Leave	Other Long-Term Benefits	Termination Benefits	Total Remuneration
		\$							
Karen Smith-Pomeroy	Board member	93,229	0	0	10,271	0	0	0	103,500
Prue Bondfield	Board member	46,620	0	0	7,131	0	0	0	53,751
Sharon Starick	Board member	55,483	0	0	6,112	0	0	0	61,595
Sally Freeman	Board member	68,170	0	0	7,510	0	0	0	75,680
Mark Tucker	Board member	46,958	0	0	5,172	0	0	0	52,130
John Howard	CEO	404,041	0	0	27,942	15,949	0	0	447,932
Paul Dowler	ED Corporate Services	164,846	0	0	17,179	0	0	0	182,025
Alli Gregory	ED Program Delivery	262,489	0	0	27,179	13,570	0	0	303,239
Christopher Rawlins	ED Transformation & Engagement	163,527	0	0	17,585	0	0	0	181,111
Michael Jones	ED Corporate and Strategy	45,494	0	0	4,682	1,107	0	0	51,283

Appendix 5: Compliance index

Below is the table set out in Schedule 2A of the PGPA Rule. Section 17BE(u) requires this table be included in entities' annual reports.

PGPA Rule Reference	Page of Report	Description	Requirement
17BE		Contents of annual report	
17BE(a)	7	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	7	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	7	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	7	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
17BE(d)	15-16	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	15-16	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(f)	n/a	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory
17BE(g)	22-24	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	n/a	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory

PGPA Rule Reference	Page of Report	Description	Requirement
17BE(j)	11-12, 49 (Appendix 1)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	9	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	53-56 (Appendix 3)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory
17BE(l)	8	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	10-13	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	n/a	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
17BE(p)	4-5, 15-16	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	n/a	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory
17BE(r)	15	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or	If applicable, mandatory

PGPA Rule Reference	Page of Report	Description	Requirement
		(c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	
17BE(s)	n/a	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory
17BE(t)	14	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory
17BE(taa)	52 (Appendix 2)	The following information about the audit committee for the entity: (a) a direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory
17BE(ta)	57-58 (Appendix 4)	Information about executive remuneration	Mandatory



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