



Australian Government



REGIONAL
INVESTMENT
CORPORATION



Regional Investment Corporation

Annual Report

2021/22



Acknowledgement of Country and Traditional Owners

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

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Transmittal letter



Australian Government



Senator the Hon. Murray Watt
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 2021-22

I am pleased to submit to you the 2021-22 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 25 August 2022 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 of the Board

1. Introduction from the Chair and CEO

In the 2021-22 financial year, the agriculture industry experienced more favourable weather conditions and record yields, but flooding rains took their toll on agricultural production in some areas, as did economic factors that saw sustained pressure on costs. Concessional lending provided by the RIC remained relevant in supporting industries that continued to experience ongoing variability in conditions and markets.

During the financial year we had approved \$186 million in loans and achieved \$3.01 billion in settlements since inception, adding to our growing customer base of over 2,800 customers. The benefit to our borrowers over the year was represented by estimated interest savings through concessional interest rates to the value of \$105 million. The savings mean our customers have increased capacity to invest in innovating their businesses, managing variability in revenue and conditions during difficult times, and increasing investment in the regions and wider economy.

Everyone at the RIC is driven by our purpose and we were pleased to play our part in supporting the growth and resilience of Australian farm businesses, rural and regional communities. The year saw us extend that support to new and emerging industries through a change to our farm business definition, to share farmers and farm leasing business owners through an expansion to AgriStarter Loan eligibility, and through the introduction of a new Plantation Loan product.

In supporting the delivery of our key objectives for the year, we achieved almost all of our performance targets. The most important target to us was meeting our commitment to our customers to process loan applications as quickly as possible. Our financial year result was 98 per cent of loan applications were processed within 65 RIC-handling days.

We embarked on the final stages of our transformation program, which will see us over the coming financial year insource the systems, technology, and people capability to enable the RIC to manage the end-to-end loan process in our own right. Our key goal in working through this program of change is to own and enhance the customer experience and continuously improve our service delivery.

We thank the inaugural CEO, Bruce King, for his service to the RIC. Bruce's resignation was announced on 7 January 2022, following 3 years of leading the RIC through its establishment phase and overseeing the growth of our loan portfolio.



Karen Smith-Pomeroy
Chair

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



Paul Dowler
Acting CEO

A handwritten signature in black ink, appearing to read 'Paul Dowler'.



2. Year in review

2.1 Loan results

for the 2021-22 financial year as at 30 June 2022



We approved a total of 180 loans
valued at **\$186 million**



We have settled 1,499 loans
valued at over **\$1.67 billion**



We approved 135 Drought Loans
valued at **\$153.4 million**



We approved AgBiz Drought Loans
valued at **\$0.8 million***



We approved 22 Farm Investment Loans
valued at **\$12.4 million**



We approved 21 AgriStarter Loans
valued at **\$19.1 million**



Our approval rate for the financial year was
approximately **78%** of total loan decisions



Our total loan facility of available funding
is valued at **\$454 million**

* Where numbers are less than 10, the RIC does not disclose the actual number for reasons of privacy

RIC Customer
Kamal Grewel
from Mildura VIC

Interest rates for RIC loans are set in accordance with the *Regional Investment Corporation Operating Mandate Direction 2018* and are reviewed every 6 months.

The RIC's interest rate adjustments are determined by the Commonwealth 10-year bond rate averaged over 6 months and include an operating cost margin.

Interest rate changes across the 2021-22 period

Farm Business Loans	
2021-22 start	1.77%
1 Aug 2021	2.17%
1 Feb 2022	2.31%
1 Aug 2022	3.04%
Plantation Loans	
commenced 6 Dec 2021	1.89%

In 2021-22 the RIC exceeded its target to process 80% of farm business loan applications within 65 RIC-handling days.

The median time to settle applications received this financial year was 18 RIC-handling days and the median time to decision applications was 10 RIC-handling days.

As at 30 June 2022 the RIC had 60 approved loans awaiting settlement and had no loans in arrears.

Figure 1: Applications closed out within 65 RIC-handling days



2.2 New programs and announcements

Mid-Year Economic and Fiscal Outlook

In the 2021-22 Mid-Year Economic and Fiscal Outlook (MYEFO), announced on 16 December 2021, the Australian Government extended the RIC's existing loan funding from the 2022-23 financial year to 2025-26. This announcement provided more certainty about the RIC's future, and the reallocation of existing RIC loan funding will continue to support the long-term planning and fluctuating economic conditions confronting agriculture.

AgriStarter Loan

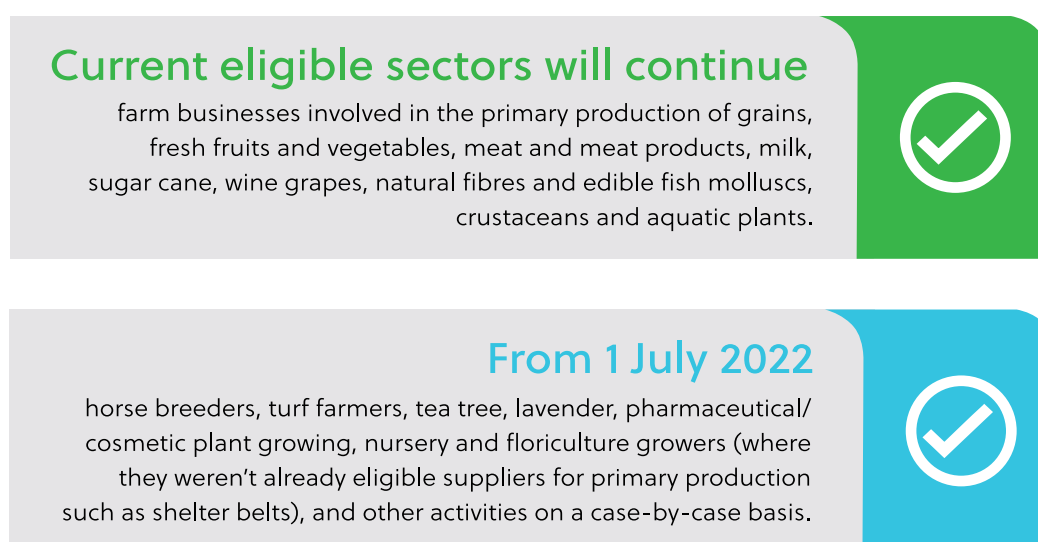
In the 2021-22 MYEFO, the Australian Government also announced an expansion to AgriStarter Loan eligibility to include share farming and farm leasing, which the RIC implemented on 1 April 2022.

This amendment recognised that share farming and leasing are important pathways into farming and farmland ownership, which can be difficult to achieve in the face of high land prices, climate, and market volatility.

Farm Business Definition

During the 2021-22 financial year, the RIC undertook industry consultation on whether its farm business definition remained fit for purpose. We invited 60 industry groups and organisations to provide a submission and provided an online survey for the public to participate. We were grateful to receive 85 responses which provided balanced stakeholder representation and extremely valuable feedback. In acting on this feedback, we expanded our farm business definition with reference to Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 (cat. No. 1292.0) (Revision 2.0) Codes 01 (Agriculture) and 02 (Aquaculture) with some exclusions for implementation from 1 July 2022.

Figure 2: Eligible industries – current and from 1 July 2022



Plantation Loan

In its 2021-22 Budget, the Australian Government allocated \$0.8 million to administer \$37.5 million of existing RIC loan funding for a new Plantation Development Concessional Loan. The Plantation Loan product is designed to encourage farmers to develop new farm forestry plantations or for the replanting of bushfire-damaged plantations as a result of the 2019-20 Black Summer Bushfires. This supports the objectives of the National Forest Industries Plan, the forest sector's long-term goals and regional economies dependent on the sector that have been affected by the 2019-2020 bushfires.

The Plantation Loan provides up to \$2.5 million over a 20-year loan term with interest-only repayments for the first 13 years then principal and interest repayments for the remainder of the loan. The loan repayments can also be structured so any remaining principal may be refinanced by a commercial lender at the end of the loan term.

To support the launch of the new loan, the RIC liaised with a number of Australian Regional Forestry Hubs.

In December 2021, the RIC began accepting Expressions of Interest in the loan with a low number of applications then received during the 2021-22 year. For privacy reasons, low application numbers are not reported.

2.3 Improvement initiatives

Our transformation program continued to build a dynamic and scalable delivery agency for government.

Improved customer experience was also a focus during the year with online technologies allowing customers to lodge their application, the administration of variation, decision review requests and discharge/release authority as well as workflow management and reporting to better manage customer files and interactions.

The efficiencies gained through these technology solutions have seen the RIC improve loan processing times over the past year to an average of 18 RIC-handling days from date of application to date of settlement.

We also implemented a new Information Governance and Records Management system and a new Enterprise Resource Planning (ERP) system to improve information governance and cross-functional planning and management.

2.4 Stakeholder engagement

To raise awareness of RIC loan programs and ensure the RIC remains connected to stakeholders and customers, we participated in a range of engagement activities across all states including agricultural field days, webinars and workshops.

The National Recovery and Resilience Agency Drought Community Outreach Programs were a channel that we also used to engage directly with communities and stakeholders to promote the range of loans available. It is important to note that RIC loans are not part of the first response mechanisms available to producers affected by natural disasters; however, some loan products may be used to assist in long-term recovery efforts.

2.5 Advertising and market research

During 2021-22, the RIC undertook media monitoring activity and engaged advertising services to communicate key messages and generate awareness of our loan programs.

The amounts the RIC paid to media and advertising organisations in 2021-22 are as follows.

Organisation	Purpose	Total amount paid in 2021-2022
Streem Pty Ltd	Media Monitoring	\$22,440
Rural Press Pty Ltd	Advertising	\$196,123
News Pty Ltd	Advertising	\$93,940
Sprout Social	Media Monitoring	\$15,684

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 \$13,800 (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.



3. Organisational overview

3.1 Authority, purpose and direction

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

The RIC is a Corporate Commonwealth Entity governed by an independent board appointed by, and accountable to, the Minister for Agriculture and the Minister for Finance.

Our purpose is to provide loans that support the long-term strength, resilience and profitability of Australian farm businesses and new plantation developments to support the growth of regional economies and communities.

Our primary functions under the RIC Act are:

Administration of farm business loans	<p>On behalf of the Australian Government, we administer farm loans to help farmers support their long-term strength, resilience, and profitability.</p> <p>Administration of farm business loans includes:</p> <ul style="list-style-type: none">• providing such 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.
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Prior to the Australian federal election in May 2022, the Hon. David Littleproud MP, Minister for Agriculture and Northern Australia; and Senator the Hon. Simon Birmingham, Minister for Finance were the RIC's responsible Ministers. Following the election, the current responsible Ministers are Senator the Hon. Murray Watt, Minister for Agriculture, Fisheries and Forestry and Senator the Hon. Katy Gallagher, Minister for Finance.

No government policy orders were issued to the RIC under section 22 of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act) during the reporting period.

Throughout the 2021-22 financial year there were a number of key government announcements made to strengthen the financial support mechanisms in place for rural businesses. These required amendments to legislation administered by the RIC under section 54 of the RIC Act and resulted in changes to our functions and principal activities.

The legislative details are as follows:

- **AgriStarter**
Regional Investment Corporation (Agristarter Loans) Amendment (Share Farming and Farm Leasing) Rules 2022 (Cth) registered on 31 March 2022.
- **Plantation Development Concessional Loan**
Regional Investment Corporation (Plantation Development Concessional Loans) Rules 2021 (Cth) registered on 3 December 2021.

3.2 About our organisation

Our culture

The culture statement of the RIC was re-defined during 2021-22.



**Be bold &
act with
purpose**



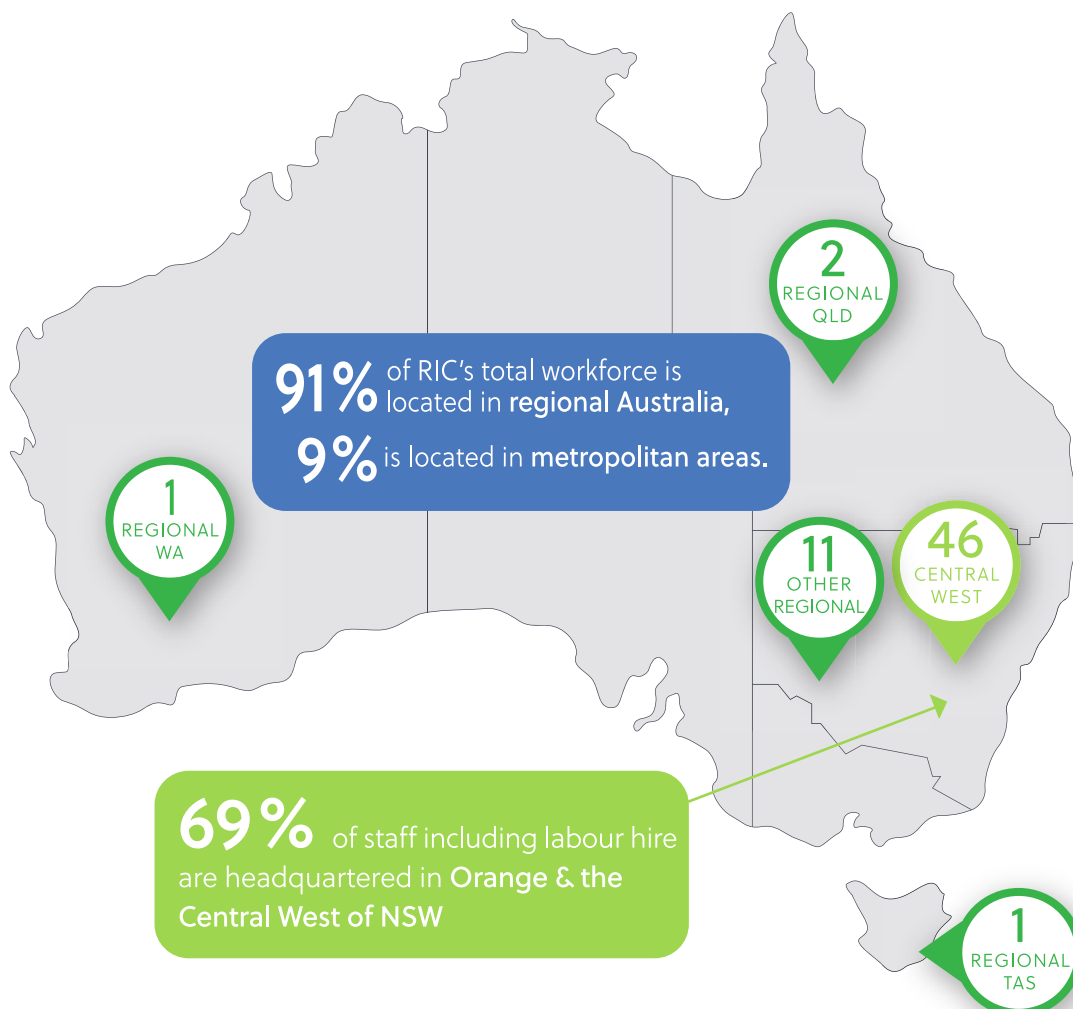
**We are
down to
earth**



**We embrace
difference &
act as one**

Our location

The RIC operates from its headquarters in the regional community of Orange NSW and is an Australian Government decentralisation success story. It has a hybrid and flexible workplace policy which supports a geographically dispersed workforce representing the diverse character of regional Australia that understands our regional and agricultural customer base.



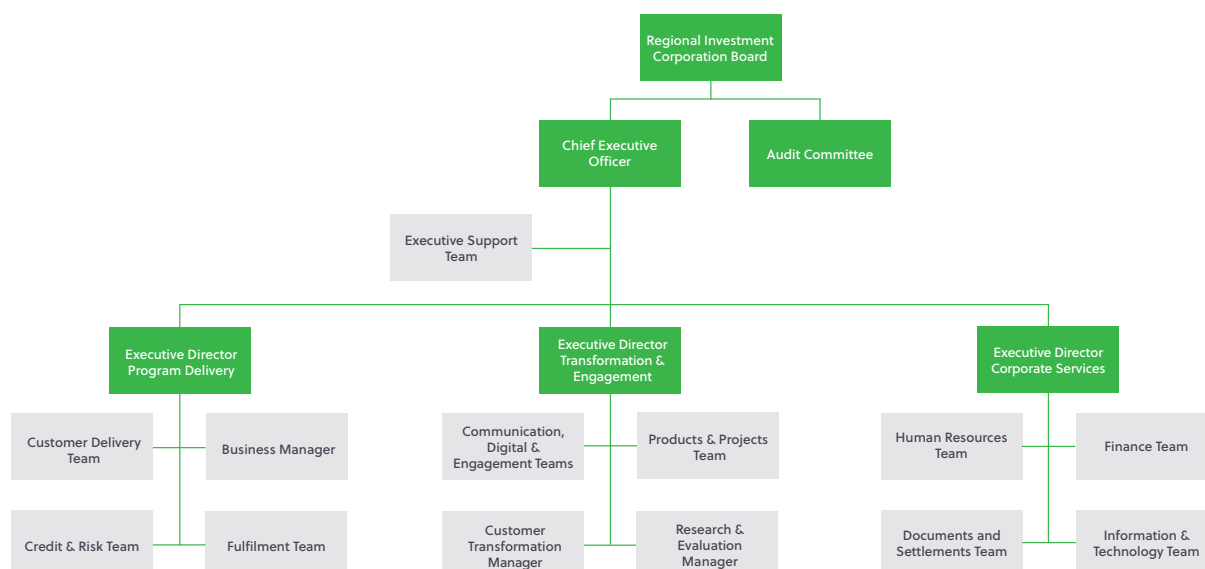
Our workforce profile

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.

Our organisational structure

To deliver on the RIC's purpose, our organisation has a streamlined management structure led by the CEO who is supported by the 3 core divisions of Program Delivery, Transformation & Engagement and Corporate Services.

Figure 3 – RIC organisational structure as at 30 June 2022.



Health, Safety and Wellbeing initiatives

The RIC delivered a range of Health, Safety and Wellbeing (HSW) initiatives over the 2021-22 period including:

- continued provision of full access to the RIC's Employee Assistance Program
- facilitated health and well-being sessions
- the annual influenza vaccination program
- a staff-led HSW Committee.

There were no notifiable incidents and no lost time injuries recorded during the 2021-22 period.

Environment, Social and Governance

The RIC supports the principles of Environment, Social and Governance (ESG) in the workplace.

Environmentally, we have maintained a commitment to cloud-based information technology infrastructure since our establishment, creating a largely paper-free workplace. We also provide loan products that our customers can use to reduce their environmental impact and increase their resilience to climate change.

In terms of social commitments, our purpose is focussed on support of regional economies and communities and farm business operations in need. We exist to provide long-term strength, resilience and profitability of Australian farm businesses. Our social licence is underpinned by embracing diversity and inclusion across cultures, gender balance, and age.

We maintain strong systems and processes of governance with a Board, Audit Committee, and a robust compliance regime, including adherence to such instruments and legislation as the PGPA Act, Commonwealth Procurement Rules and Accountable Authority Instructions.

With these foundations in mind, we have promoted initiatives in 2021-22 to further develop an ESG Framework. In 2022-23 our staff-led ESG committee will continue to establish qualitative and quantitative targets.

3.3 Corporate governance

The RIC's corporate governance framework provides a sound basis for decision making and supports the RIC in achieving its objectives. Our governance framework promotes accountability, transparency, ensures risks are managed and that key stakeholder relationships are supported.

Our governance framework includes:

- the legislative foundation provided by the RIC Act, various subordinate instruments, and relevant sections of the PGPA Act
- 2 responsible Ministers, an independent Board, and a Chief Executive Officer
- an Audit Committee and internal audit function to provide independent advice and assurance on the RIC's activities
- a risk management and fraud control framework
- a planning, performance and reporting framework.

RIC Board

The RIC Board is the Accountable Authority under the PGPA Act. The Board decides the RIC's objectives and strategic direction and ensures that it fulfils its statutory functions. In accordance with the RIC Act, the Board must meet at least 4 times per year. In the reporting period it met on 8 occasions and attended to 26 matters out of session.

The Board provided leadership across several areas including:

- regularly reviewing performance against targets and setting strategic goals for future years, including approval of the final stage of the transformation program to insource loan origination and management systems and services
- undertaking CEO recruitment activities following the resignation of the RIC's inaugural CEO
- approving changes in interest rates in accordance with the interest rate methodology
- discharging its advisory role under the *Future Drought Fund Act 2019* (Cth) through responding to 12 requests for advice from the Minister for Agriculture. The projects included activities contributing to drought resilience adoption and innovation hubs, research and leadership programs, and soil and landscape grants. The sum of these projects was valued at approximately \$215 million
- approving guidelines associated with the new Plantation Loan and amendments to the AgriStarter guidelines to incorporate share farming and leasing
- responding to industry consultation findings by approving an amendment to the RIC's farm business definition
- monitoring corporate governance matters such as enterprise risk, finances, people, and culture.

Appendix 1 provides details of the Accountable Authority during the reporting period.

Board composition during financial year 2021-22

Karen Smith-Pomeroy remained as Chair for the reporting period and welcomed 2 new members to the Board in July 2021 – Sally Freeman and Michael Carroll. Prue Bondfield and Sharon Starick had their Board membership terms renewed during the year.



Karen Smith-Pomeroy
Chair



Prue Bondfield
Member



Sharon Starick
Member



Sally Freeman
Member



Michael Carroll
Member

At the Board meeting on 22 June 2022, Michael Carroll submitted his resignation which formally came into effect on 20 July 2022. Michael contributed farming, agribusiness, and executive banking experience during his year of service on the Board.

RIC Audit Committee

In 2021-22 the Audit Committee welcomed 2 new members: Sharon Starick joined in July 2021 and Sally Freeman joined in September 2021. Tim Youngberry's membership as independent Chair and Emily Canning's membership as an independent member were renewed during the year. Appendix 2 provides further details of the Audit Committee membership.

3.4 Approach to risk and fraud

Risk management

The RIC strives to adopt a best practice approach to risk management. This is to ensure it is conscious of the risks it faces, makes coordinated and informed decisions in managing those risks and identifies potential opportunities.

We take a proactive approach to risk management consistent with the Commonwealth Risk Management Policy, managed through our risk management framework and policy. The framework sets out our organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management. Risk management is implemented and monitored by the Executive Leadership Team and overseen by the Audit Committee and Board.

During 2021-22, we concentrated on recalibrating our approach to loan credit risk management as we increase our focus on loan portfolio management.

Fraud control

We take exposure to fraud seriously and have zero tolerance for it occurring. This applies to managing loan programs and administering the RIC itself.

As a high-volume lender managing a substantial loan portfolio, we are mindful of the financial and reputational consequences of fraudulent activity. We take all reasonable measures to control fraud and properly manage public resources in a way that assures our integrity while maximising the benefits to rural and regional Australia.

The RIC routinely updates its Fraud Control Plan to ensure we are fully informed by the latest fraud risk assessment and provides a comprehensive framework for preventing, detecting, identifying, investigating, and reporting fraud and corruption and meets the requirements of the Commonwealth Fraud Control Framework.

3.5 External scrutiny

The RIC was not subject to any judicial or administrative review in the 2021-22 reporting period and the Commonwealth Ombudsman did not refer any matters to the RIC for review. The Office of the Australian Information Commissioner referred one Freedom of Information Commissioner Review request to the RIC just prior to the end of the financial year which remained ongoing at its close. The RIC has not been subject to any reviews or findings arising from significant non-compliance with finance laws, or any parliamentary inquiries.

David Tune AO PSM was commissioned to undertake a review of the RIC to consider the suitability and effectiveness of the loan products, the funding model and the risk profile, notably the financial risk. The report and Government's response to the report was released in December 2021. The RIC has acted upon all recommendations assigned to it.

The RIC maintains membership with an external dispute resolution scheme through the Australian Financial Complaints Authority (AFCA). During 2021-22, 3 AFCA matters were referred to the RIC. One matter was closed by AFCA due to being outside its rules, one matter was closed by AFCA due to being outside of its jurisdiction, and one matter had not been decided by AFCA at the end of the financial year.

External scrutiny is supported and enhanced through the RIC's internal audit program. McGrathNicol and subsequently RSM Australia, following an open tender process, were engaged to provide independent internal audit services. The 2021-22 internal audit program was completed in line with the RIC's strategic and annual internal audit plans.

At the end of the reporting period the RIC had no outstanding internal or external audit-related actions.

3.6 Directors and Officers indemnities and insurance

In 2021-22, the RIC held Directors and Officers Liability Insurance and premiums were paid and up to date. There have been no claims against the liability insurance for the reporting period.

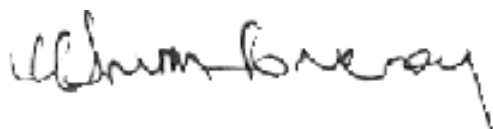


4. Annual performance statements

4.1 Statement of preparation

I, Karen Smith-Pomeroy, on behalf of the RIC Board, present the agency's annual performance statements for 2021-22, 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 Regional Investment Corporation's performance for the year ending 30 June 2022 and comply with subsection 39(2) of the PGPA Act (section 16F of the PGPA Rule).



Karen Smith-Pomeroy
Chair

4.2 Overview of performance

Of the 12 performance measures set in the 2021-22 Corporate Plan, the RIC fully achieved 10 measures and partially achieved 2.

The 10 fully achieved measures reflect strong results including over 98 per cent of farm business loan applications being processed in less than 65 RIC-handling days.

The partial achievement relates to the loan risk appetite statement which is in progress and included as part of the 2022-23 Corporate Plan. The second partial achievement relates to the stakeholder satisfaction measure which shows an improvement in satisfaction score but a decline in the Net Promoter Score based on a small sample of less than 10 stakeholders.

Objective: Unlock potential and deliver support to rural and regional Australia through concessional finance

During 2021-22 we have supported rural and regional Australia by settling over \$1.67 billion in loans to a total of 1,499 farm businesses.

In 2021-22, the RIC approved loans totaling \$186 million broken down by:

- \$153.4 million in support to drought affected farmers through our Drought Loan program
- \$0.8 million to farm related small business through our AgBiz Drought Loan program
- \$12.4 million in support to farmers to strengthen their business and take steps to access markets interstate and overseas through our Farm Investment Loan program
- \$19.1 million to support new entrants and succession through our AgriStarter Loan program.

The RIC maintained a focus on its prudential lending objectives with more than 98 per cent of approvals offered within the RIC's standard credit risk profile.

Farm businesses continued to be impacted financially by circumstances outside their control including COVID-19, floods, and localised weather events. The RIC monitored these situations and tailored communication to remain connected to stakeholders and customers.

In addition to the loans approved and direct funding available, the savings in interest from the concessional loan programs in 2021-22 was a further estimated \$105 million and allowed further investment in farm businesses, regional economies and beyond.

Objective: Unlock potential and deliver support to rural and regional Australia through concessional finance

Performance Criteria: Loan transactions completed in accordance with funding appropriation and timelines

Key Activity	Performance Measures	Targets	Measure Achieved	Commentary
We will deliver our loans in accordance with appropriations and timelines	Number and value of Farm Business Loans provided	Support provided within funding appropriation limits.	Fully achieved	1,499 Farm Business Loans were settled in 2021-22 totalling \$1.67B (within funding appropriation limits). 180 loans were approved totalling \$186 million against total loan facility funding of \$454 million.
	Support to the Forestry Industry	Implementation of the Plantation Development loan program	Fully achieved	Plantation Loan program launched on 6 December 2021. The program launch meant the RIC was able to receive expressions of interest and applications to 30 June 2022. The program launch included the completion of approved program guidelines, expression of interest and application processes, program campaign, media releases and engagement with the forestry industry.
	Loan processing timeframes	80% of farm business loans are processed within 65 RIC-handling days (*excludes Plantation Loans)	Fully achieved	98% of 2021-22 submitted applications processed within 65 RIC-handling days.
We will manage the risk and assurance in the loan portfolio	Credit risk is managed within acceptable tolerances	Implement the financial risk management program	Partially achieved	Review of the RIC's loan portfolio risk management completed. Finalisation of updated risk appetite to be completed as part of the 2022-2023 Corporate Plan.
		Ensure 90% of loan decisions are consistent with the risk appetite	Fully achieved	More than 98% of 180 approved loans held a credit grade better than FD.

Objective: *Improve capabilities to meet the emerging needs of the business*

Our workforce faced a number of challenges during 2021-22 including a tightening labour market impacting recruitment, retention and also the appointment of consultants and contractors.

We invested time and expertise in building and implementing a data warehouse to improve data capture and reporting which streamlined reporting to our responsible Ministers.

When several COVID-19 Public Health Orders were issued by state governments, our staff across Australia were able to work remotely and the impact on our workforce was managed. Despite the tight labour market, we were still able to implement Phase 1 of our transformation program including the implementation of a new Information Governance and Records Management system and deployment of a Customer Relationship Management system to better manage loan applications, workflows and reporting. We also invested in our people, launching a human resources strategy to focus on recruitment, retention and development with the investment in technology and people; workflows and reporting, we were able to process over 98 per cent of loan applications within 65 RIC-handling days.

Engagement with customers and stakeholders continued face-to-face when possible and via webinars and teleconferences where necessary. Results from the Loan Satisfaction Research Report are that stakeholders largely report improved satisfaction with their interactions with RIC staff, overall experience of the organisation and experiences with RIC processes¹. 82 per cent of RIC-assisted farmers are satisfied with their experience with the RIC. This is a significant improvement on the results from the 2021 survey².

¹ Farm business loan stakeholder's summary – Loan Satisfaction Research Report – RIC – July 2022 by JWS Research

² Awareness of and satisfaction with the RIC - Loan Satisfaction Research Report – RIC – July 2022 by JWS Research

Objective: *Improve capabilities to meet the emerging needs of the business*

Performance Criteria: *Improve capabilities to meet the emerging needs of the business;
Customer and stakeholder satisfaction*

Key Activity	Performance Measures	Targets	Measure Achieved	Commentary
We will implement a transformation program	Implementation of the transformation program (Phase 1)	Implement loan application management system	Fully achieved	CRM has been deployed to allow the receipt and management of loan applications
		Implement improved data capture and reporting	Fully achieved	Data capture infrastructure has been improved. Dashboards for Program Delivery in place. Monthly and quarterly reporting processes have been significantly improved.
		Implement Information Governance and Records Management system	Fully achieved	Records management capability implemented and operational.
		Implement Enterprise Resource Planning Tool (ERP)	Fully achieved	ERP system implemented and operational for Finance, Payroll and Human Resource functions.
	Deliver services within approved funding (efficiency)	Operate within the approved operating budget	Fully achieved	The RIC is reporting an unaudited budget deficit of \$1.5M. This is within approved operational budget (Approved Budget \$6.1M Deficit).
We will increase customer and stakeholder awareness and better manage expectations	Improved customer satisfaction	Increase in satisfaction rates and Net Promoter Score (NPS)	Fully achieved	External research identified improvement to both satisfaction rates (from 65% to 82%) and NPS (from +27 to +51).
Through our customer and stakeholder interactions, we will provide data to support the Australian Government in understanding the financial needs of rural and regional Australia and the impact of concessional loan funding.	Improved stakeholder satisfaction	Increase in satisfaction rates and Net Promoter Score (NPS)	Partially achieved	External research identified modest improvements to satisfaction rates in comparison with 2020-21. Stakeholders' satisfaction with RIC processes increased from 20% to 43%, satisfaction with the RIC people increased from 53% to 57% however there was a deterioration to NPS (albeit based on a very small sample size).

5. Case studies - Impact of a RIC loan

10-year loan term ticks all the boxes for ag start-up

Melissa and Angus Swann started their Murray Cod farming business, Goodoo Farms, in 2018.

Based in Yanco, in the Riverina region of NSW, Goodoo Farms Murray Cod is sold to the Sydney Fish Market and Melbourne Seafood Centre. Their products are then sold on to other wholesalers, processors, restaurants and retail.

Angas and Melissa found it difficult to get funding in the early stages of building their business.

"Bank options were limited, not only in the amount of money we were asking for, but also in the terms we were offered," Angus said.

They came across the Regional Investment Corporation (RIC) AgriStarter Loan and found it ticked a lot of boxes.

“The RIC was fantastic in walking us through what was required and providing documentation that we needed to fill out. It was a seamless process.

Melissa Swann, Goodoo Farms

”

Riverina, NSW,
Wiradjuri Country





"We've taken a long-term approach for this business and to get funding that matches up with our strategy is really important," he said.

"Murray Cod is an at-risk species, so it's a highly regulated industry.

"You can't actually catch Murray Cod from the river and sell it.

"This environment mimics the river as closely as possible to grow the fish out to a table-sized food of about 1.5 kilograms in weight."

Angas was keen to get into farming and saw a gap in the market for good quality Australian white-flesh seafood.

"I've been lucky enough in my career to look at lots of farm businesses, financials as well, and I think it ticks a lot of boxes for water-use efficiency and sustainability," he said.

Angas said the seafood industry is very misunderstood, with about 70% of seafood in Australia imported and much of its origin unclear.

"Freshness isn't audited, so you don't know how long a piece of snapper has been sitting on the shelf, or how many times it's been frozen and unfrozen," he said.

"Ours is a fresh product; it doesn't get frozen.

"It is sent to market overnight, sold the next day and could be in a restaurant that evening."

Melissa and Angas were approved for an AgriStarter Loan within a month and worked closely with their RIC Loans Analyst throughout the process.

They started saving money on interest straight away, which has made a big difference in the start-up phase of Goodoo Farms.

"We know we have that money available," Melissa said.

"It's there and it's just given us that breathing space."

"I think agriculture's really exciting at the moment," Angas said.

"If you're willing to have a go in agriculture, back yourself, do your research and try to get some funding. The RIC is a really good place to start."

RIC Drought Loan brings relief to bee business

Danny Le Feuvre, founder and Managing Director of Australian Bee Services and CEO of the Australian Honey Bee Industry Council is a first-generation beekeeper.

Australian Bee Services is a business that generates approximately half of its income from honey production and the remainder from supplying bees for pollination services. They have up to 2,000 hives across South Australia which produce honey for supply to major brands and also produce their own honey brands including Beelicious Honey and SA Gold Honey.

"Contracted bees might not be the first thing that comes to mind when you think of the Yorke Peninsula. But across South Australia, pollination services are in high demand.

"Bees are crucial for fruit, seed and broadacre crops all over SA, like almonds, blueberries and avocados."

“It's a really valuable long-term tool that can really help manage the ups and downs.

Danny Le Feuvre, Australian Bee Services

”

Ardrossan, SA,
Narungga Country





"During the drought, the dry conditions resulted in lower honey production," he said.

The Drought Loan helped Australian Bee Services to refinance and pay off a higher interest loan.

"They are loans, not grants," explained Danny.

"I see the loan as a tool that is available for you to use in your financial tool kit.

"It's worth it. We were able to use the savings to keep the business afloat.

"You need to provide the RIC with all the information you'd usually need to supply to your bank."

Farm businesses can connect with The Rural Financial Counselling Service to help with loan applications.

Danny is positive about the future of Australian agriculture.

“ Having the RIC Drought Loan in our business over the longer term has meant that we've been able to provide a bit more stability.

It freed up some of our cash flow early on to focus on reducing some of our high-interest debts to a sustainable level.

Danny Le Feuvre, Australian Bee Services

”

Future-proofing a farm business for generations to come

Aman Grewal's family has been involved in growing and manufacturing food for decades and it's a legacy he wants to continue.

"I've been born and brought up in farming, it's what we live and breathe," Aman said. In the late 1980s, Aman's father Kamal and his brothers migrated from Punjab, India, to New Zealand and then to Australia where they settled at Cullulleraine near Mildura in north-western Victoria and established Grewal Farms.

It was there that they began growing almond crops before moving into broadacre cereal and horticultural crops including berries, oranges, and grapes.

During the Millennium drought they established a manufacturing facility, Golden Grain Flour Mills, to diversify their income. Then came the challenges of the 2017 – 2019 drought.

"During the drought period, times were tough here in the region, as it was for everyone," Aman said.

“The Drought Loan enabled us to further invest in our properties to make them future-proof so that we can produce more efficiently.

Aman Grewal, Grewal Farms

”

Cullulleraine, VIC
Latji Latji and
Ngintait Country





Grewal Farms used their RIC Drought Loan to swap chardonnay grape vines for pinot noir to better suit market trends.

The business also built netting covers and extended irrigation to new raspberry and blackberry crops.

"This will enable us to prepare for the future of irrigation, water and droughts," Aman said. They took advantage of the RIC Drought Loan's beneficial concessional terms.

The Grewal family submitted their RIC loan application with help from Chris Young from the Rural Financial Counselling Service Victoria West. Chris helped Grewal Farms to gather the information from their bank and accountant.

"We prepared a business plan that suits Grewal Farms' business model," Chris said.

"Over the 10-year period we can build the value of property or equity, to the point where we can go back to our financial institutions, and pass on the remaining amount, or ask for further lending," Aman said.

"At that point Grewal Farms will be in a position to start making principal reductions," Chris said.

With the RIC loan in place, the Grewal family can now focus on improving their crops.

Aman is studying agribusiness and said, "I'd really like to see myself in this business in this industry in the years to come, and I'd really like to see more young people entering the industry."

Kamal said he feels proud that his son wants to take on the family business.

"He's taking over the generations of work and taking it to the next level. He will be more efficient, more effective," Kamal said. "That will keep me going for another 10 to 15 years."

6. Financial statements

6.1 Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of the Regional Investment Corporation (the Entity) for the year ended 30 June 2022:

- (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 2022 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 2022 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 a summary of significant 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



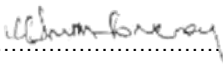


Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
10 August 2022

6.2 Statement of Accountable Authority from the Chair, CEO and CFO

In our opinion, the attached financial statements for the period ended 30 June 2022 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	Paul Dowler	Hayley Barbetti
Chair of the Board	A/Chief Executive Officer	A/Chief Financial Officer
10 August 2022	10 August 2022	10 August 2022

6.3 Audited financial statements

Regional Investment Corporation STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2022

	Notes	2022 \$	2021 \$	Original Budget 2022 \$
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	10,283,832	8,908,454	7,446,000
Suppliers	1.1B	17,720,835	27,256,648	24,770,000
Depreciation	2.2A	235,852	262,343	134,000
Finance costs	1.1C	5,080	8,016	10,000
Write down of assets	1.1D	48,142	5,563	-
Total expenses		28,293,741	36,441,024	32,360,000
Own-source income				
Own-source revenue				
Interest revenue	1.2A	31,353	5,388	-
Revenue from contracts with customers	1.2C	362,582	73,247	-
Other revenue	1.2D	18,627	129,277	-
Total own-source revenue		412,562	207,912	-
Net (cost of) services		(27,881,179)	(36,233,112)	(32,360,000)
Revenue from government	1.2B	26,317,000	45,762,000	26,317,000
(Deficit)/Surplus before income tax on continuing operations		(1,564,179)	9,528,888	(6,043,000)
OTHER COMPREHENSIVE INCOME				
Total comprehensive (loss)/income				
Changes in asset revaluation reserve	2.2A	35,262	-	-
Total comprehensive (loss)/income		(1,528,917)	9,528,888	(6,043,000)

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 2022

		2022	2021	Original Budget 2022
	Notes	\$	\$	\$
ASSETS				
Financial assets				
Cash and cash equivalents	2.1A	7,942,344	20,143,493	7,432,000
Trade and other receivables	2.1B	24,534	-	-
Other investments	2.1C	10,000,000	-	-
Total financial assets		17,966,878	20,143,493	7,432,000
Non-financial assets¹				
Land and buildings	2.2A	377,975	529,163	795,000
Property, plant and equipment	2.2A	147,920	245,464	347,000
Intangible assets		-	-	337,000
Other non-financial assets	2.2B	304,351	140,857	71,000
Total non-financial assets		830,246	915,484	1,550,000
Total assets		18,797,124	21,058,977	8,982,000
LIABILITIES				
Payables				
Supplier payables	2.3A	1,558,376	2,534,557	2,598,000
Other payables	2.3B	351,284	262,377	409,000
Total payables		1,909,660	2,796,934	3,007,000
Provisions				
Employee provisions	3.1A	892,604	916,127	474,000
Total provisions		892,604	916,127	474,000
Interest bearing liabilities				
Leases	2.4A	275,546	434,685	646,000
Total provisions		275,546	434,685	646,000
Total liabilities		3,077,810	4,147,746	4,127,000
Net assets		15,719,314	16,911,231	4,855,000
EQUITY				
Contributed equity		337,000	-	337,000
Asset revaluation reserve		35,262	-	-
Retained earnings		15,347,052	16,911,231	4,518,000
Total equity		15,719,314	16,911,231	4,855,000

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 2022

	2022	2021	Original Budget 2022
	\$	\$	\$
CONTRIBUTED EQUITY			
Opening balance	-	-	-
Transactions with owners			
Contributions by owners			
Equity injection	337,000	-	337,000
Total transactions with owners	337,000	-	337,000
Closing balance as at 30 June	337,000	-	337,000
RETAINED EARNINGS			
Opening balance	16,911,231	7,382,343	10,561,000
Comprehensive income			
(Loss)/surplus for the period	(1,564,179)	9,528,888	(6,043,000)
Total comprehensive (loss)/income	(1,564,179)	9,528,888	(6,043,000)
Closing balance as at 30 June	15,347,052	16,911,231	4,518,000
ASSET REVALUATION RESERVE			
Opening balance	-	-	-
Comprehensive income			
Other comprehensive income	35,262	-	-
Total comprehensive income	35,262	-	-
Closing balance as at 30 June	35,262	-	-
TOTAL EQUITY			
Opening balance	16,911,231	7,382,343	10,561,000
Comprehensive income			
(Loss)/surplus for the period	(1,564,179)	9,528,888	(6,043,000)
Other comprehensive income	35,262	-	-
Total comprehensive income	(1,528,917)	9,528,888	(6,043,000)
Transactions with owners			
Contributions by owners			
Equity injection	337,000	-	337,000
Total transactions with owners	337,000	-	337,000
Closing balance as at 30 June	15,719,314	16,911,231	4,855,000

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 2022

		2022	2021	Original Budget 2022
	Notes	\$	\$	\$
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		26,317,000	45,762,000	26,317,000
Interest on deposits		6,819	5,388	-
GST received from the ATO		958,855	1,493,898	-
Other		388,850	202,524	-
Total cash received		27,671,524	47,463,810	26,317,000
Cash used				
Employees		10,268,477	8,299,094	7,436,000
Suppliers		19,776,977	29,071,686	24,763,000
Interest payments on lease liabilities		5,080	8,016	10,000
GST paid		-	203,472	-
Other		-	(349)	-
Total cash used		30,050,534	37,581,920	32,209,000
Net cash flows (used by) / from operating activities		(2,379,010)	9,881,890	(5,892,000)
INVESTING ACTIVITIES				
Cash used				
Purchase of investments		10,000,000	-	-
Purchase of non-financial assets		-	15,309	337,000
Total cash used		10,000,000	15,309	337,000
Net cash flows (used by) investing activities		(10,000,000)	(15,309)	(337,000)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		337,000	-	337,000
Total cash received		337,000	-	337,000
Cash used				
Principal payments of lease liabilities		159,139	211,734	191,000
Total cash used		159,139	211,734	191,000
Net cash flows from / (used by) financing activities		177,861	(211,734)	146,000
Net (decrease) / increase in cash and cash equivalents held		(12,201,149)	9,654,847	(6,083,000)
Cash and cash equivalents at the beginning of the reporting period		20,143,493	10,488,646	13,515,000
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	2.1A	7,942,344	20,143,493	7,432,000

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, farm-related small businesses, and forestry 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 accounts of Department of Agriculture, Water and the Environment (DAWE). The 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 2022.

1.1 Expenses

	2022	2021
	\$	\$
Note 1.1A: Employee benefits		
Wages and salaries	8,175,886	7,375,711
Superannuation	891,142	725,000
Leave and other entitlements	923,834	752,485
Separation and redundancies	292,970	55,258
Total employee benefits	10,283,832	8,908,454

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	9,510,232	17,170,408
Consultants	3,883,296	2,008,053
Contractors	1,043,707	4,280,411
Information technology services	684,853	827,184
Legal services	832,153	568,778
Marketing and communications	480,529	319,950
Recruitment services	66,126	689,370
Staff training and development	211,646	127,516
Travel	167,219	281,990
Credit assessment charges	440,982	642,013
Property operating costs	54,642	55,420
Other goods and services	337,964	277,665
Total goods and services supplied or rendered	17,713,349	27,248,758

Other suppliers

Short-term leases	7,486	7,890
Total other suppliers	7,486	7,890
Total suppliers	17,720,835	27,256,648

Included within the balance of other goods and services is the 2021-22 ANAO Audit fee paid by the RIC as a paying entity of \$99,000 (2020-21: \$99,000).

The above short-term lease disclosures should be read in conjunction with the accompanying notes and 2.4A.

Accounting Policy

Short-term leases and leases of low-value assets

The RIC has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The RIC recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

	2022	2021
	\$	\$
Note 1.1C: Finance costs		
Interest on lease liabilities	5,080	8,016
Total finance costs	<u>5,080</u>	<u>8,016</u>
 Note 1.1D: Write down of assets		
Write off of property, plant and equipment	48,142	5,563
Total write down of assets	<u>48,142</u>	<u>5,563</u>

1.2 Own-Source Revenue and Gains

	2022	2021
	\$	\$
Note 1.2A: Interest		
Deposits	31,353	5,388
Total interest	<u>31,353</u>	<u>5,388</u>
 Note 1.2B: Revenue from Government		
Corporate Commonwealth entity payment item	26,317,000	45,762,000
Total revenue from Government	<u>26,317,000</u>	<u>45,762,000</u>
 Note 1.2C: Revenue from contracts with customers		
Revenue from customers	362,582	73,247
Total revenue from contracts with customers	<u>362,582</u>	<u>73,247</u>
 Note 1.2D: Other revenue		
Other	18,627	129,277
Total other revenue	<u>18,627</u>	<u>129,277</u>

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

Revenue from deposits

This financial year the RIC has invested available cash in interest bearing term deposits. The interest income is the return received on those deposits and the operational account.

Revenue from Government

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

Amounts transferred to the RIC from appropriations to DAWE (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. Appropriations receivable are recognised at their nominal amounts.

Revenue from contracts with customers

The RIC's main source of revenue from contracts with customers is from the cost recovery of issuing loans.

RIC customers are currently 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.

The RIC also charges the loan service provider for using the RIC's digital loan settlement account.

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

	2022	2021
	\$	\$
Note 2.1A: Cash and cash equivalents		
Cash on hand or on deposit	<u>7,942,344</u>	<u>20,143,493</u>
Total cash and cash equivalents	<u>7,942,344</u>	<u>20,143,493</u>
Note 2.1B: Trade and other receivables		
Goods and services receivable		
Interest receivable	<u>24,534</u>	<u>-</u>
Total goods and services receivable (gross)	<u>24,534</u>	<u>-</u>
Note 2.1C: Other Investments		
Cash on deposit	<u>10,000,000</u>	<u>-</u>
Total cash and cash equivalents	<u>10,000,000</u>	<u>-</u>

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 a 9 month maturity 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 Intangibles

	Buildings	Property, plant and equipment	Total
	\$'000	\$	\$
As at 1 July 2021			
Gross book value	831,539	488,860	1,320,399
Accumulated depreciation	(302,376)	(243,396)	(545,772)
Total as at 1 July 2021	529,163	245,464	774,627
Revaluation increment recognised in other comprehensive income	-	35,262	35,262
Revaluations and impairments recognised in other comprehensive income for right-of-use assets	-	-	-
Depreciation on Property Plant and equipment	-	(84,664)	(84,664)
Amortisation on right-of-use assets	(151,188)	-	(151,188)
Asset write down	-	(48,142)	(48,142)
Total as at 30 June 2022	377,975	147,920	525,895
Total as at 30 June 2022 represented by:			
Gross book value	831,539	147,920	979,459
Accumulated depreciation, amortisation and impairment	(453,564)	-	(453,564)
Total as at 30 June 2022	377,975	147,920	525,895

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Accounting Policy

Non-Financial assets

All assets have been purchased within the last four financial years and have been assessed for any indications of impairment at stocktake in December 2021, as yet none is evident.

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 this financial year. The revaluation was conducted by an independent valuer in accordance with the RIC Asset policy as at 30 June 2022. The valuer undertook a site visit in December 2021 and confirmed the existence of the assets on site. The valuer considered three approaches to value the assets of the RIC, market approach, income approach and cost approach and applied the cost approach.

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 \$5,000, 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 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 assets have all been adjusted to their fair values at 30 June 2022 and depreciation against the assets new fair value will commence on 1 July 2022.

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 2022. 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. The RIC has written off \$48,142 of assets that were purchased but not placed in use, this was for an office expansion that was due to take place in February 2020 but did not eventuate due to changed office arrangements and work requirements.

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 uses 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

	2022	2021
	\$	\$
Note 2.2B: Other non-financial assets		
Prepayments	<u>304,351</u>	<u>140,857</u>
Total other non-financial assets	<u>304,351</u>	<u>140,857</u>

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

2.3 Payables

	2022	2021
	\$	\$
Note 2.3A: Supplier payables		
Trade creditors and accruals	<u>1,558,376</u>	<u>2,534,557</u>
Total supplier payables	<u>1,558,376</u>	<u>2,534,557</u>

Settlement is usually made for suppliers within 30 days.

Note 2.3B: Other payables		
Salaries and wages	192,741	206,824
Superannuation	19,838	54,265
Statutory payables	<u>138,705</u>	<u>1,288</u>
Total other payables	<u>351,284</u>	<u>262,377</u>

2.4 Interest Bearing Liabilities

	2022	2021
	\$	\$
Note 2.4A: Leases		
Lease liabilities	<u>275,546</u>	<u>434,685</u>
Total leases	<u>275,546</u>	<u>434,685</u>

Note 2.4B: Leases - Maturity

Maturity analysis - contractual undiscounted cash flows

Within 1 year	109,337	159,139
Between 1 to 5 years	<u>166,209</u>	<u>275,546</u>
Total leases	<u>275,546</u>	<u>434,685</u>

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.

Regional Investment Corporation

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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

	2022	2021
	\$	\$
Note 3.1A: Employee provisions		
Annual leave	577,777	525,114
Long service leave	314,827	391,013
Total employee provisions	892,604	916,127

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 2021-22 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.

There are staff who are members of a Commonwealth defined benefit scheme for Australian Government employees.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes. The RIC makes employer contributions to the DAWE on behalf of staff who remain members of the defined benefit scheme. The employees' defined benefit superannuation is at rates determined by an actuary to be sufficient to meet the current cost to the Government. The RIC accounts for the contributions as if they were contributions to defined contribution plans.

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:

	2022	2021
	\$	\$
Note 3.2A: Key management personnel remuneration		
Short-term employee benefits	1,305,647	1,265,231
Other long-term employee benefits	21,483	24,627
Post-employment benefits	121,395	127,407
Termination benefits	184,515	-
Total key management personnel remuneration expenses	1,633,040	1,417,265

There are ten (10) key management personnel included in the above table this includes the Chief Executive Officer and the Executive Leadership Team (2021:12 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.

Termination benefits relates to the Chief Executive Officer who ceased duties in January and was on approved leave to the end of the year.

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 DAWE for supplies related to transition staff and 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 Regional Investment Corporation does not have any quantifiable or unquantifiable contingencies for 2022 (2021:nil).

5. Other Information

5.1 Current/non-current distinction for assets and liabilities

	2022	2021
	\$	\$
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	7,942,344	20,143,493
Trade and other receivables	24,534	-
Other investments	10,000,000	-
Other non-financial assets	304,351	140,857
Total no more than 12 months	18,271,229	20,284,350
More than 12 months		
Land and buildings	377,975	529,163
Property, plant and equipment	147,920	245,464
Total more than 12 months	525,895	774,627
Total assets	18,797,124	21,058,977
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	1,558,376	2,534,557
Other payables	351,284	262,377
Leases	109,337	159,139
Employee provisions	521,200	430,613
Total no more than 12 months	2,540,197	3,386,686
More than 12 months		
Leases	166,209	275,546
Employee provisions	371,404	485,514
Total more than 12 months	537,613	761,060
Total liabilities	3,077,810	4,147,746

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 DAWE for the purpose of funding approved concessional loans. Any balance of funds received from DAWE, 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 DAWE. Payments are all outgoings from the loan accounts this includes: funds lent to loan recipients, interest returned to DAWE; principal repayments returned to DAWE. 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 DAWE for loans.

At the 30th June 2022 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 DAWE in their administered financial statements.

	2022	2021
	\$	\$
Note 5.2A: Other Consolidated Revenue Fund money		
As at 1 July		
Opening balance	5,178,067	20,107,525
Receipts	1,792,619,679	985,046,355
Payments	1,787,789,653	999,975,813
Total as at 30 June	10,008,093	5,178,067
Total amount held at the end of the reporting period	10,008,093	5,178,067

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 \$6 million deficit with the expectation that loan charges from the loan service provider would still be high and that the RIC's transformation IT agenda would be largely expended in this financial year. The RIC finished the year with a deficit of \$1.5m which is significantly less than budgeted. This is reflected in expense line items in particular the offset between suppliers for employee benefits. There was a significant variance to budget in employee benefits as the RIC addressed the loan backlog internally using less funds on suppliers.</p> <p>The RIC also generated more income than budgeted which included recovery of costs from customers and a new investment decision generating \$412,562 of unbudgeted income.</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> <p>Cash and cash equivalents</p> <ul style="list-style-type: none"> - 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 resulted in more cash available and prompted the RIC to actively engage in an investment strategy, which was not previously budgeted.</p> <p>The RIC invested its retained earnings (available cash) in a term Deposit</p> <p>The RIC continued using its own digital settlement account in this financial year and was reimbursed by the loan service provider for the cost of those transactions.</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>The RIC budgeted to have greater liabilities at the end of the financial year than eventuated for payables and leases, this was partially offset by more provisions than budgeted. Employee provisions were underestimated, leases overestimated and good management of payables resulted in less than budgeted, this has had an impact on the total equity result as has the reduction in budgeted deficit.</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.

Appendix 1: Accountable Authority

Details of Accountable Authority during the reporting period 2021-22

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the Accountable Authority or member within the reporting period		
				Date of Commence-ment	Date of Cessation	Number of meetings of Accountable Authority attended
Karen Smith-Pomeroy	Fellow of the Institute of Public Accountants, Senior Fellow of the Financial Services Institute of Australasia, Graduate of the Australian Institute of Company Directors, Associate of the Governance Institute of Australia.	Karen is an experienced non-executive director, with involvement in several market 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 risk and governance, 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, Stanwell Corporation Limited, and Queensland Treasury Corporation (Capital Markets Board). She is also the Chair of National Affordable Housing Consortium.	Board Chair (current)	01/07/2021	30/06/2022	8 of 8
Prue Bondfield	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 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 Director of Australian Livestock Export Corporation Ltd and Black Box Co Pty Ltd.	Board Member	01/07/2021	30/06/2022	7 of 8

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the Accountable Authority or member within the reporting period		
				Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Sharon Starick	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, and Royal Automobile Association of SA.	Board Member	01/07/2021	30/06/2022	8 of 8
Sally Freeman	Bachelor of Commerce, Chartered Accountant, Graduate of the Australian Institute of Company Directors.	Sally is an experienced Non-Executive Director with a proven ability in risk management, financial and internal audit, board governance, and compliance, having over 30 years' experience in accounting and consulting industries. Sally's current directorships include Netwealth, Netwealth Superannuation Services, Eastern Health, Melbourne Football Club and Regis Aged Care. Sally is currently an audit committee member of Health Share Victoria, Commonwealth Games Australia, and Caulfield Grammar.	Board Member	20/07/2021	30/6/2022	8 of 8

Name	Qualifications of the Accountable Authority	Experience of the Accountable Authority	Position Title / Position held Executive / Non Executive	Period as the Accountable Authority or member within the reporting period		
				Date of Commencement	Date of Cessation	Number of meetings of Accountable Authority attended
Michael Carroll	Bachelor of Agricultural Science, Master of Business Administration, Advanced Management Program at Harvard Business School, Fellow of the Australian Institute of Company Directors.	Michael has more than 35 years of experience in food and agribusiness and has held senior positions at the National Australia Bank where he established the bank's agribusiness division. Other director roles include Rural Funds Management, Paraway Pastoral Company and Viridis Ag. Michael also Chairs the Australian Rural Leadership Foundation.	Board Member	20/07/2021	30/6/2022	8 of 8

Appendix 2: Audit Committee

The Regional Investment Corporation's Audit Committee Charter can be viewed via the QR Code >
or at www.ric.gov.au/sites/default/files/documents/RIC_Audit_Committee_Charter_March_2022.pdf



Details of Audit Committee during the reporting period 2021-22

RIC Audit Committee			
Member name	Qualifications, knowledge, skills or experience	Number of meetings attended / total number of meetings	Total annual remuneration (GST inc.)
Tim Youngberry (PFM Advisory Services Pty Ltd)	<p>Tim has experience in the successful implementation of public financial management reforms. He 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.</p> <p>From 2010 to 2015, Tim was a member of the International Public Sector Accounting Standards Board. He has also completed the Executive Fellows Program at the Australia and New Zealand School of Government and is a Fellow of both CPA Australia and Chartered Accountants Australia and New Zealand.</p>	5 of 5	\$16,000
Sharon Starick	See Accountable Authority Table	5 of 5	See Executive Remuneration Table
Sally Freeman	See Accountable Authority Table	4 of 4	See Executive Remuneration Table
Emily Canning	<p>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 from the Australian National University and is a Fellow of CPA Australia and the Chartered Accountants Australia and New Zealand.</p> <p>Emily is also a Graduate of the Australian Institute of Company Directors.</p>	5 of 5	\$8,160

Appendix 3: Management of human resources

All Ongoing Employees Current Report Period (2021-22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	23	0	23	25	0	25	0	0	0	48
Qld	2	0	2	1	0	1	0	0	0	3
SA	1	0	1	0	0	0	0	0	0	1
Tas	0	0	0	1	0	1	0	0	0	1
VIC	1	0	1	0	0	0	0	0	0	1
WA	1	0	1	0	0	0	0	0	0	1
ACT	1	0	1	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	29	0	29	27	0	27	0	0	0	56

All Non-Ongoing Employees Current Report Period (2021-22)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	1	0	1	3	2	5	0	0	0	6
Qld	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	3	2	5	0	0	0	6

All Ongoing Employees Previous Report Period (2020-21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	23	0	23	26	1	27	0	0	0	50
Qld	2	0	2	1	0	1	0	0	0	3
SA	1	0	0	0	0	0	0	0	0	1
Tas	0	0	0	1	0	1	0	0	0	1
VIC	0	0	0	0	0	0	0	0	0	0
WA	1	0	1	0	0	0	0	0	0	1
ACT	1	0	1	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	28	0	28	28	1	29	0	0	0	57

All Non-Ongoing Employees Previous Report Period (2020-21)

	Male			Female			Indeterminate			Total
	Full time	Part time	Total Male	Full time	Part time	Total Female	Full time	Part time	Total Indeterminate	
NSW	15	0	15	20	0	20	0	0	0	35
Qld	5	0	5	0	0	0	0	0	0	5
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
Vic	0	0	0	0	0	0	0	0	0	0
WA	0	0	0	0	0	0	0	0	0	0
ACT	2	0	2	0	0	0	0	0	0	2
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	22	0	22	20	0	20	0	0	0	42

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 RIC Board members however 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 (for employees within the salary barrier), National Employment Standard (for employees over the salary barrier) and the Public Sector Workplace Relations Policy. 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 Procedure. 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 key management personnel

During the reporting period 2021-22 which ended on 30 June 2022 the RIC had 10 personnel who met the definition of key management personnel.

Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and Allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Karen Smith-Pomeroy	Board Member	\$85,975	0	0	\$8,168	0	0	0	\$94,591
Prue Bondfield	Board Member	\$42,978	0	0	\$6,616	0	0	0	\$49,604
Sharon Starick	Board Member	\$51,074	0	0	\$5,113	0	0	0	\$56,188
Sally Freeman	Board Member	\$47,604	0	0	\$4,766	0	0	0	\$52,370
Michael Carroll	Board Member	\$40,846	0	0	\$4,090	0	0	0	\$44,936
Bruce King	CEO	\$169,428	0	0	\$12,448	\$6,006	0	\$197,649	\$385,530
Paul Dowler	Acting CEO #	\$282,546	0	0	\$26,314	\$8,188	0	0	\$317,049
Alli Gartrell	Executive Director Program Delivery	\$250,065	0	0	\$23,172	\$3,055	0	0	\$276,292
Christopher Rawlins	Executive Director Transformation & Engagement	\$245,029			\$22,945	\$2,894			\$270,869
Hayley Barbetti	Acting Executive Director Corporate Services *	\$76,957			\$7,316	\$1,339			\$85,612

Employed as ED Corporate Services prior to Acting CEO

* Commenced 3 February 2022

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 2020. 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 Procedure. The RSE salary does not have formal increments, rather is negotiated based on capability, experience, and performance.

The RIC has no remuneration for senior executives to report.

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0-\$220,000	0	0	0	0	0	0	0	0	0
\$220,001-\$245,000	0	0	0	0	0	0	0	0	0
\$245,001-\$270,000	0	0	0	0	0	0	0	0	0
\$270,001-\$295,000	0	0	0	0	0	0	0	0	0
\$295,001-\$320,000	0	0	0	0	0	0	0	0	0
\$320,001-\$345,000	0	0	0	0	0	0	0	0	0
\$345,001-\$370,000	0	0	0	0	0	0	0	0	0
\$370,001-\$395,000	0	0	0	0	0	0	0	0	0
\$395,001-\$420,000	0	0	0	0	0	0	0	0	0
\$420,001-\$445,000	0	0	0	0	0	0	0	0	0
\$445,001-\$470,000	0	0	0	0	0	0	0	0	0
\$470,001-\$495,000	0	0	0	0	0	0	0	0	0
\$495,001-	0	0	0	0	0	0	0	0	0

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.

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0-\$220,000	0	0	0	0	0	0	0	0	0
\$220,001-\$245,000	0	0	0	0	0	0	0	0	0
\$245,001-\$270,000	0	0	0	0	0	0	0	0	0
\$270,001-\$295,000	0	0	0	0	0	0	0	0	0
\$295,001-\$320,000	0	0	0	0	0	0	0	0	0
\$320,001-\$345,000	0	0	0	0	0	0	0	0	0
\$345,001-\$370,000	0	0	0	0	0	0	0	0	0
\$370,001-\$395,000	0	0	0	0	0	0	0	0	0
\$395,001-\$420,000	0	0	0	0	0	0	0	0	0
\$420,001-\$445,000	0	0	0	0	0	0	0	0	0
\$445,001-\$470,000	0	0	0	0	0	0	0	0	0
\$470,001-\$495,000	0	0	0	0	0	0	0	0	0
\$495,001-	0	0	0	0	0	0	0	0	0

Appendix 5: Compliance index

PGPA Rule Reference	Part of Report	Description	Requirements
17BE	Contents of annual report		
17BE(a)	3.1	Details of the legislation establishing the body	Mandatory
17BE(b)(i)	3.1	A summary of the objects and functions of the entity as set out in legislation	Mandatory
17BE(b)(ii)	3.1	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory
17BE(c)	3.1	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)	3.1	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory
17BE(e)	3.1	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)	Not Applicable	Particulars of non-compliance with: a direction given to the entity by the Minister under an Act or instrument during the reporting period; or 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)	4.1, 4.2	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory
17BE(h), 17BE(i)	Not Applicable	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
17BE(j)	3.3, Appendix 1	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory
17BE(k)	3.2	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory
17BE(ka)	Appendix 3	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: statistics on full-time employees; statistics on part-time employees; statistics on gender; statistics on staff location	Mandatory
17BE(l)	3.2	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory
17BE(m)	3.3	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory
17BE(n), 17BE(o)	Not Applicable	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) 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 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)	2.2, 3.1	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory
17BE(q)	Not Applicable	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)	3.5	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 (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory
17BE(s)	Not Applicable	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)	3.6	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)	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)	Appendix 4	Information about executive remuneration	Mandatory



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