Australian Government

RIC

Regional Investment Corporation

Corporate Plan

2026/27

Strengthening Australian agriculture

Cataloguing data

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Published by the Regional Investment Corporation

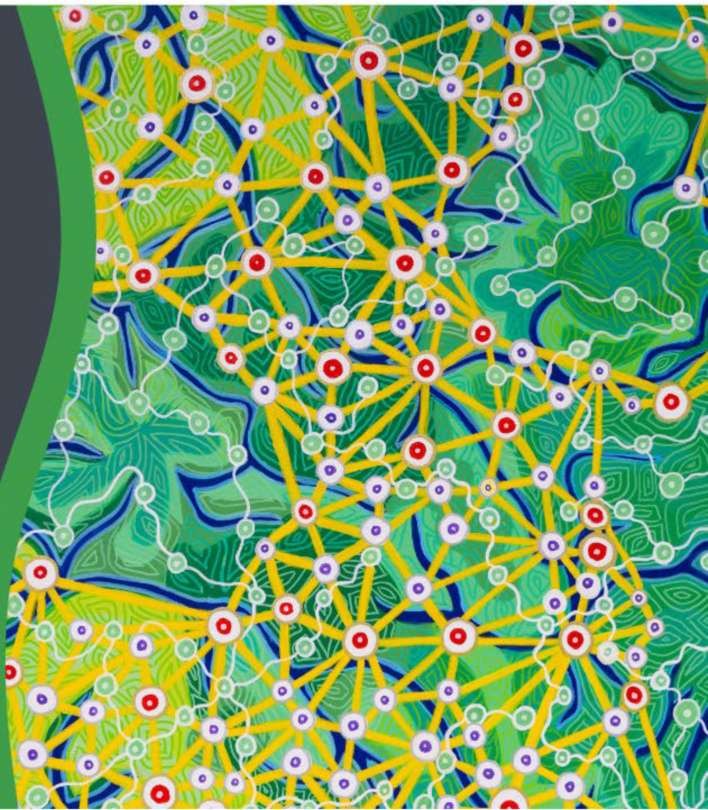
PO Box 653, Orange NSW 2800
1800 875 675
info@ric.gov.au
ric.gov.au

Contents

The Contents details the requirements met by the Regional Investment Corporation's Corporate Plan and the page reference for each requirement.

Acknowledgement of Country and Traditional Owners

RIC (Regional Investment Corporation) acknowledges the traditional owners and custodians of Country throughout Australia. We acknowledge their continuing connection to land, sea and community. We pay our respects to the people, the cultures and the Elders past, present and emerging.



Statement of preparation

As Chair of the RIC (Regional Investment Corporation) and on behalf of the RIC Board as the Accountable Authority, I am pleased to present our Corporate Plan 2026-27, which covers the period from 2026-27 to 2029-30, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

Karen Smith-Pomeroy
Chair

About us

We support the growth, resilience and sustainability of Australia's agricultural and regional economies.

We deliver on this purpose by providing low-interest loans to eligible businesses that are in financial need but viable in the long term.

RIC's low-interest loans directly benefit farm businesses Australia-wide, saving them thousands of dollars in interest payments each year. These interest savings help farmers who have experienced significant financial disruption from drought, natural disasters, and cumulative events to improve cash flow so they can manage through, recover and rebuild.

This financial breathing space enables farmers to plan, fund risk mitigation activities and adapt practices to be ready and prepared for potential future business impacts.

RIC loans help accelerate business plans for first farmers and support succession planning.

Improving farm business cash flow and operating position has direct and flow-on effects that benefit the rural and regional communities, economies and agricultural supply chains that depend on agriculture.

Our head office is located on Wiradjuri land in Orange in the Central West region of NSW, and most of our workforce is based across regional Australia.

Strategic changes since our last Corporate Plan are:

- In 2025, the Australian Government made announcements that included – a further $1 billion in funding for the RIC, ensuring farmers and producers can continue to access concessional funding; and the broadening of our scope for assistance to improve climate resilience, boosting sector productivity, and supporting agriculture to be part of Australia's net zero transition. Two new loan products were also announced – a Drought Hardship Loan and a Marine Recovery Loan.
- We amended our Purpose Statement to include reference to 'regional' economies, reflecting the regional community benefits of concessional loans, and creating greater alignment to our Outcome Statement.
- From FY2026-27, we will be guided by three new strategic objectives: Invested People, Customer Centric, and Organisational Excellence.

Corporate Plan on a page

Why we are here

Outcome statement
Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth's farm business concessional loans

Vision
A stronger Australia through thriving regions

Purpose
To support the growth, resilience and sustainability of Australia's agricultural and regional economies

Objectives that drive performance

Strategic objectives
Invested people | Customer-centric | Organisational excellence

Customer experience principles
- Respect my time
- Seamless and supportive
- Partner with me
- Understand me

Culture statements
- Be bold, act with purpose
- We are down to earth
- We embrace difference and act as one

Key activities

Key activity 1
Prudently and efficiently manage our loan portfolio across each loan's lifecycle

Key activity 2
Maintain high levels of customer satisfaction through implementation of our Customer Experience Strategy

Key activity 3
Deliver excellence in governance, risk and insights management and reporting

Performance measures

1.1 Number and value of loans approved
1.2 Risk management - new loan decisions within risk appetite
1.3 Risk management - minimising default

2.1 Customer satisfaction with overall experience
2.2 Net promoter score

3.1 Loan monitoring and evaluation reports
3.2 Continuous evolution of Environment, Social and Governance Policy

Our progress in achieving our purpose will be reported in RIC's FY2026-27 Annual Report (non-financial performance sections).

Key activities and performance

Our 2026-27 performance measures aligned to key activities are outlined in Table 1.

Table 1: Performance measures

Key activities (see pg 5)	Our performance measures	Target performance result	2026-27	2027-28	2028-29	2029-30
1	**1.1** RIC manages the program within approved funding	Value of loans approved does not exceed appropriation limits[1]	✓	✓	✓	✓
1	**1.2** Risk management – new loan decisions within risk appetite	>95% [1, 2]	✓	✓	✓	✓
1	**1.3** Risk management – minimising default	Credit loss within tolerance of active risk appetite statement [1, 2]	✓	✓	✓	✓
2	**2.1** Customer satisfaction with overall experience	> 80%[3]	✓	✓	✓	✓
2	**2.2** Net promoter score	>20%[3]	✓	✓	✓	✓
3	**3.1** Loan monitoring and evaluation reports	Delivered as per annual plan against Program Logic Key Evaluation Questions[4]	✓	✓	✓	✓
3	**3.2** Continuous evolution of Environment, Social and Governance Policy	Integrate climate risks and opportunities into enterprise risk and planning frameworks[5]	✓	N/A	N/A	N/A
		Reconciliation Act Plan implementation according to plan[6]	✓	✓	✓	✓

Data sources

[1] Monthly loan data
[2] Risk appetite statement and risk reporting data
[3] Verified non-biased customer surveys
[4] Monitoring & Evaluation Program Logic
[5] RIC ESG dashboard reporting
[6] RAP Action Plan reporting

How our measures have changed

The essence of performance measures that remain core to our business – driving customer satisfaction, providing loans, managing loan portfolio risk, and our commitment to Environment, Governance and Social (ESG) measures – are carried over from previous plans. In FY2026-27:

- We introduced an additional risk management measure to complement our ongoing measure regarding new loan decisions within risk appetite. The other important aspect of risk management that the RIC team performs is managing the return of loan funds to the government. This is a core, and growing, component of our work. The new measure assesses our performance in minimising loan default against a target of credit loss within our risk appetite statement tolerance.
- We evolved our climate-related ESG measure from previous years to broaden the lens of how we assess and manage climate risk across the RIC business and loan portfolio. The measure reflects a body of work we will undertake to integrate climate risk and opportunities into our risk framework.
- Our Reconciliation Action Plan has moved from the Reflect phase to the Innovate phase, guided by a new plan of reconciliation activity.
- We have removed our loan processing timeframe measure, being one of many customer experience characteristics that make a customer satisfied. We will retain Customer Satisfaction and Net Promoter Score as broader-scale, comprehensive measures. We will continue to measure processing timeframes as part of our day-to-day operations but will move to publishing actual timeframes on an ongoing monthly basis on our website. Having met our processing timeframe measure since 2020, this step change is considered more informative, transparent, current, and supports managing expectations of prospective RIC customers.

Operating context

Environment

Factors influencing loan demand

The fluctuating nature of the environment in which we operate manifests itself in different ways:

- Geopolitical, climatic, and economic factors continue to put pressure on agriculture, with the beginning of calendar year 2026 seeing continued drought conditions in the south, flooding in the north, and flow-on effects from conflict overseas. RIC loans are designed to support eligible businesses that are in financial need but considered viable businesses in the long term, to manage through, recover from, and prepare for significant financial impacts from events such as drought, natural disaster, biosecurity risks, market closures or significant restrictions and cumulative events. RIC loans also help accelerate business plans for first farmers and support succession planning. This means that we are a demand-driven organisation, with demand for new RIC loans rising and falling depending on the frequency, duration, and severity of certain events. Likewise, our existing RIC customers can also experience these events during the terms of their loans, which means activity for our team increases in managing our existing customers who might be experiencing further hardship.
- RIC's interest rate is based on the 10-year bond rate which is subject to economic fluctuations, and the degree of concessionality when compared to commercial bank interest rates varies and can affect demand for new loans.
- Across the duration of this Plan, we will be delivering on Australian Government announcements regarding a further $1 billion in funding, the expansion of our scope for assistance to improve climate resilience, boosting sector productivity, and supporting agriculture to be part of Australia's net zero transition; and two new loans – a Drought Hardship Loan (launched in March 2026) and a Marine Recovery Loan (launched in May 2026).

With RIC loan products designed to help viable farmers keep farming in volatile environments, coupled with the release of new loan products, we expect demand for RIC loans to continue, and likely increase, in FY2026-27 and beyond.

Being demand driven means we have a continuous improvement mindset towards our operations, always looking for ways to balance the customer experience, productivity and efficiency, a scalable workforce, and risk management.

Maturing loan portfolio

The majority of RIC's loan portfolio was settled in FY21 and 22 on the back of the East Coast drought and is based on loan products with 10-year loan terms and the first 5 years requiring interest-only repayments. This means that a large cohort of our existing customers is transitioning from interest-only repayments to principal and interest repayments. This increases loan repayment obligations over time, in a higher interest-rate environment, with other climate, economic, and geopolitical factors at play.

We could see heightened cashflow and repayment pressure among our existing customers, which could increase loan arrears and potential problem loans. This means activity increases for the RIC team in managing risk in the existing loan portfolio through early detection of problem loans and engagement with customers to put management arrangements in place to bring the loans, in time, back to the performing loan portfolio.

Australian Government response to the review of the operation of the RIC Act 2018

In December 2025, the *Australian Government response to the Review of the Operation of the Regional Investment Corporation Act 2018* was released[1]. The response outlined the work undertaken since the review, and expectations for further work, noting that '*Where necessary and appropriate, the government intends to progress reforms to the Regional Investment Corporation Act 2018 and associated legislative frameworks to implement agreed recommendations*'. The coming years could therefore see further adjustments to our operating environment based on potential for further legislative change.

[1] *DAFF 2025, Australian Government response to the Review of the operation of the Regional Investment Corporation Act 2018, Department of Agriculture, Fisheries and Forestry, Canberra, December 2025*

Capability

People

We invest in our people to build a capable, engaged and values-driven workforce that is equipped to deliver on our strategic objectives now and into the future.

Our people are strongly connected to our purpose, and we are committed to enhancing workforce capability though targeted recruitment, recognising achievements, and investing in learning and development to ensure RIC has the right skills, behaviours and leadership to adapt, perform, grow and advance in their careers.

Our strong performance and customer-centric culture are cultivated by establishing clear expectations regarding contribution, capability, and behaviour. Through regular, meaningful conversations, our performance framework supports the identification of current and emerging skill needs, development priorities and future career pathways, ensuring individual performance, behaviours and development are aligned with strategic priorities.

Succession planning is embedded within our approach to workforce sustainability, enabling us to identify and develop emerging talent and build leadership, skills and capability for the future.

This is supported by targeted development opportunities and coaching, which directly contribute to improved day-to-day outcomes such as enhanced problem-solving, increased productivity, and greater collaboration within teams. These initiatives empower our people to achieve organisational excellence and adapt effectively to new challenges in their daily work.

Technology

Building on our ongoing commitment to continuous improvement, we are taking further steps to ensure our ICT infrastructure remains responsive to RIC's changing requirements and those of our customers. We continue to focus on the seamless integration of ICT solutions, placing renewed emphasis on strengthening the robustness and resilience of our systems to support end-to-end customer and loan management.

High-quality, well-governed data remains central to our strategy. We are advancing our data governance initiatives, refining our frameworks to ensure information assets are consistently organised, secure, and accessible. This ongoing work enables us to deliver meaningful insights that drive evidence-based decision-making and comprehensive reporting.

Cybersecurity remains a top priority, and we continue to strengthen our IT strategy by advancing our commitment to zero trust and secure-by-design principles. We continue to prioritise strong cyber security by adhering to industry-leading frameworks, continually refining our processes, and ensuring our systems remain equipped to handle emerging threats. By maintaining a vigilant, risk-based approach, we protect the trust of our customers and stakeholders while supporting our long-term corporate objectives.

We are exploring artificial intelligence (AI) to enhance our operations (excluding automated decision making), always ensuring that AI is used safely and responsibly, with human oversight guiding all decision making. This measured approach allows us to harness the emerging benefits of AI while upholding transparency and accountability.

Our technology strategy remains aligned with whole-of-government policy, supporting compliance and effective collaboration with other agencies and stakeholders. This alignment, combined with our focus on robust systems and responsible innovation, positions RIC to deliver reliable and secure services well into the future.

Risk oversight and management

RIC's Board oversees enterprise risk and credit risk appetite, supported by an Audit and Risk Committee. We use a 'Three Lines Model' to govern our internal risk management, internal audit, compliance and assurance activities. The model gives us maximum coverage of risk controls, culture and reporting at a scale that is fit for purpose for the RIC.

In 2025-26, we undertook several programs of work to ensure risk oversight and management are continuously improving. These improvements will largely continue across the life of this Plan as they are finalised, embedded in our operations, and monitored and enhanced:

- Strengthened our Enterprise Risk Management system to modernise our risk management capability and improve visibility of risks to support decision making.
- An independent review of our risk management framework which determined a maturity assessment rating of *Integrated* (defined as risk management frameworks and processes are embedded across key business areas with regular Board and Audit Committee oversight and reporting).
- Developed an internal tool to assess farm climate risk in our loan portfolio, and we are embedding climate risk in our operations using the Climate Risk and Opportunity Management Program.

- Uplifted our Anti-Money Laundering / Counter-Terrorism Financing (AML/CTF) program to comply with amendments to the AML/CTF Act, rules and AUSTRAC reform guidance.
- Undertook cyber security incident planning and simulations.
- Undertook a risk assessment to support management of psychosocial risk in a people sense.

They key risks we manage are outlined in Table 2.

Table 2: Enterprise risks

Risk categories	How we manage risks
Compliance, Fraud and Corruption	We protect against any opportunities that may lead us to breach compliance with legislation, regulations, policies, or procedures
People and Culture	We protect against any risks that detract from our ability to keep safe, attract, retain and develop our people and culture. This includes our focus on psychosocial risks. We are committed to investing in our people and culture.
Reputation	We protect our reputation as a trusted provider of service, professionalism and expert advice on concessional lending. We work, in partnership, with our stakeholders to be open, transparent and responsive in our communications and in our media coverage
Cyber and Information Security	We protect our information systems and defend against cyber security threats and uphold customer data privacy and integrity
Finance, Operations and Services	We engage in opportunities to continuously enhance our operations and services for our customers, by investing in technologies to demonstrate excellence in the way we manage our business and ensuring we have progressive business practices
Credit Risk	We engage with our customers to manage entitlement, ongoing loan management and the possibility of default of loans and associated decline in value of security that would result in a financial loss to the Government. We manage our loan book prudently with risk controls built into program guidelines that give effect to the directions and Operating Mandate issued to RIC by the Government
Ideation	We seek opportunities and ideation in how we engage with stakeholders to influence government policy focused on customer experience by investing in our capabilities and engagement. We are committed to delivering high impact policies and loan products for our customers and providing research insights to inform government policy outcomes

Cooperation

Cooperation with the Department of Agriculture, Forestry and Fisheries and Department of Finance, under the guidance of our responsible Ministers, is a key contributor to achieving our purpose. This involves regular connection and collaboration on the administration of new and existing loans, loan program governance and reporting, and continued partnership to implement recommendations from the *Independent Review of the Operation of the Regional Investment Corporation Act 2018*.

Through our Portfolio Budget Statements Linked Programs, we remain a key partner in delivering concessional loans as part of the *Australian Government Drought Plan* and *National Drought Agreement*, and through the RIC Board's advisory role to the Agriculture Minister under the *Future Drought Fund Act 2019*.

At a broad sector level, we regularly connect and share educational materials and insights about RIC loans and eligibility criteria across the agriculture and banking industries through representative bodies and stakeholder networks.

At an individual level, every day we engage with and support our customers across regional Australia and their trusted advisor networks, such as banks, Rural Financial Counsellors, and accountants, to support customer loan applications, and the ongoing management of approved loans.

We connect and collaborate with other Australian Government Specialist Investment Vehicles to stay informed and share knowledge across common areas.

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